

Notice of Special Meetings

Address: 100 Marine Parkway Suite 125
Redwood City, CA 94065
Phone: (650) 599-1234
Toll-Free: (800) 339-0761
Fax: (650) 591-1488
PONY: RET 141
Web: www.samcera.org
Email: samcera@samcera.org



The Board of Retirement of the San Mateo County Employees' Retirement Association will convene two special meetings to be held on **Tuesday, April 28, 2015, starting at 9:00 a.m. and** **Wednesday, April 29, 2015, starting at 9:00 a.m.**

Please take notice that the Chair of the Board of Retirement, acting pursuant to the authority of Government Code §54956, hereby calls two special meetings to take place at the times and dates listed above. The meeting is for the purpose of discussing and transacting the following business:

Agenda for Tuesday, April 28, 2015

PUBLIC SESSION - The Board will meet in Public Session at 9:00 a.m.

1. **Call to Order, Roll Call and Miscellaneous Business**
2. **Oral Communications and Retreat Activities**
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
 - 2.3 Retreat Presentations and Discussions *(See attached agenda and list of presenters)*
3. **Approval of the Minutes**
4. **Approval of the Consent Agenda (* Set for a time certain of 2:30 p.m.)**

(Items removed from the Consent Agenda will be taken up during the Regular Agenda under Item 5.1 and in the order determined by the Board Chair.)

4.1 Disability Retirements	4.4 Deferred Retirements
• Genevieve Chollet	4.5 Member Account Refunds
• John Flahavan	4.6 Member Account Rollovers
• Pamela Glembot	4.7 Q3 Quarterly Budget Report for Period
• Lydia Guzman	Ending March 31, 2015
• Sara Medina	4.8 Report on Audit Workplan for the
• Rebecca Romero	2014-15 Fiscal Year Financial Audit
- 4.2 Service Retirements
- 4.3 Continuances
5. **Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
6. **Investment Services**
 - 6.1 Preliminary Monthly Performance Report for the Period Ending March 31, 2015
 - 6.2 Report on the Annual Review of SamCERA's International Managers (Eaton Vance, Franklin Templeton, and Pyramis)
7. **Board & Management Support Services**
 - 7.1 Introduction of SamCERA's 2015-16 Budget
 - 7.2 Approval of Resolution Authorizing the Chief Executive Officer to Execute Agreement with Accela for Agenda Management Software and Support
 - 7.3 Approval of Resolution Adopting Policy and Procedure Regarding Correcting Inaccuracies in Member Accounts

** Matters set for a time certain. Time listed is approximate. In no case will any item be heard before the time it is scheduled.*

- 7.4 Approval of Resolution Adopting "Policy For Procurement and Contracting For Certain Goods and Services"
- 7.5 Approval of SamCERA Voting Delegate and Directions for Voting
- 7.6 Report on Update of Strategic Plan Development

8. Management Reports

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer (AMO) Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

CLOSED SESSION – The Board may meet in closed session prior to adjournment

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda**
- 9. Report on Actions Taken in Closed Session**
- 10. Adjournment**

Agenda for Wednesday, April 29, 2015

PUBLIC SESSION - The Board will convene at 9:00 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications and Retreat Activities**
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
 - 2.3 Retreat Presentations and Discussion *(Continued from Tuesday, April 28, 2015, see attached agenda and list of presenters)*

3. Adjournment in Memory of the Following Deceased Members:

Morrell, Sandra	March 18, 2015	Probation
Sorenson, Keith	March 20, 2015	District Attorney
Taufeulungaki, Elenoa	March 23, 2015	Public Services
Bale, Elizabeth	March 26, 2015	Co. Comm Development
Dill, Charles	March 27, 2015	Mosquito
Campbell, Gordon	March 29, 2015	Sheriff's
So, James	April 4, 2015	Chope Hospital
Tzifas, Katina	April 4, 2015	Hospital
Trindle, Gregory	April 12, 2015	Sheriff's
Rubin, Muriel	April 12, 2015	Social Services
Bolger, Laura	April 17, 2015	Communications
Arndt, Justin	April 21, 2015	Human Services Agency


Scott Hood, Chief Executive Officer

Posted: April 22, 2015

THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160,
WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD SHORES.
Detailed directions are available on the "Contact Us" page of the website www.samcera.org
Free Parking is available in all lots in the vicinity of the building.

Notice of Public Meeting

Page 3 of 3

A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT:

SamCERA's facilities and board and committee meetings are accessible to individuals with disabilities. Contact SamCERA at (650) 599-1234 at least three business days prior to the meeting if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable SamCERA to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

Agenda & Presenters

Board / Staff Retreat

April 28 & 29, 2015



San Mateo County Employees'
Retirement Association

BOARD / STAFF RETREAT AGENDA
Day One—Tuesday, April 28, 2015

<u>TIME</u>	<u>TOPIC AND PRESENTER</u>
8:30 a.m.	Coffee and Refreshments
9:00 a.m.	Welcome Presenter: Scott Hood, SamCERA Chief Executive Officer
9:15 a.m.	Macro Overview Presenter: David Kupersmith, AQR
10:15 a.m.	Break
10:30 a.m.	Potential Impact of Plan Maturation How will this impact Investment Strategies and Liquidity? Presenters: Patrick Thomas, SIS Vice President, Michael Coultrip, SamCERA Chief Investment Officer
11:30 a.m.	Open Discussion
12 Noon	Lunch
1:15 p.m.	Ethics Training Presenter: Brenda Carlson, SamCERA Chief Legal Counsel
2:15 p.m.	Break
2:30 p.m.	Beginning of Regular Board Meeting Agenda

BOARD / STAFF RETREAT AGENDA
Day Two—Wednesday, April 29, 2015

<u>TIME</u>	<u>TOPIC AND PRESENTER</u>
8:30 a.m.	Coffee and Refreshments
9:00 a.m.	<p>Deep Dive Led by Mike Coultrip. Assess longer-term manager performance and other characteristics vs indexes and peer groups. Review Risk Dashboard. Presenters: Patrick Thomas, SIS Vice President, Michael Coultrip, SamCERA Chief Investment Officer</p>
10:15 a.m.	Break
10:30 a.m.	Dive Deep - Continued
11:00 a.m.	Open Discussion
11:30 a.m.	Lunch
12:45 p.m.	<p>Approach to Difficult Cases, such as Stress-related Conditions. Presenter: Dr. Henry Brodtkin, SamCERA Medical Advisor</p>
1:30 p.m.	<p>Risk Management’s Role In Regards to Disabled Employees Presenter: Scott Johnson, San Mateo County Risk Manager</p>
2:15 p.m.	Break
2:30 p.m.	<p>Actuarial Presentation Explicit vs Implicit Assumption Rate Treating SamCERA’s separate employers separately. Presenter: Nick Collier, Milliman, Inc.</p>
3:30 p.m.	<p>Analyzing Currency Risk A summary of the issues surrounding this topic. Presenters: Patrick Thomas, SIS Vice President, Michael Coultrip, SamCERA Chief Investment Officer</p>
4:15 p.m.	<p>Pros and Cons of Implementing a Global Equity Structure. Presenters: Patrick Thomas, SIS Vice President, Michael Coultrip, SamCERA Chief Investment Officer</p>
5:00 p.m.	End of Retreat – Adjournment in the Memory of Our Deceased Members

March 24, 2015 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 10:00 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications**
 - 2.1 Oral Communications from the Board
 - 2.2 Oral Communications from the Public
- 3. Approval of the Minutes**
 - 3.1 Approval of Regular Board Meeting Minutes from February 24, 2015
- 4. Approval of the Consent Agenda***
 - 4.1 Disability Retirements
 - Cecilia Alvarez
 - Martha Gomez
 - Elsie Iniquez
 - Teresa Magana
 - 4.2 Service Retirements
 - 4.3 Continuances
 - 4.4 Deferred Retirements
 - 4.5 Member Account Refunds
 - 4.6 Member Account Rollovers
 - 4.7 Approval of 2014 Actuarial Valuation Addendum and Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2015-2016 Fiscal Year
- 5. Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda
- 6. Investment Services**
 - 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ending February 28, 2015
 - 6.2 Report on the Northern Trust Custodial Annual Review
 - 6.3 Report on the Parametric / Clifton Group Overlay Annual Review
 - 6.4 Educational Presentation on the Current Energy Market and Potential Investment Opportunities
- 7. Board & Management Support**
 - 7.1 Status Report on the Update to the Payment Corrections Policy
 - 7.2 Approval of Travel Policy Amendment and Resolution
 - 7.3 Report on the Status of Annual Board-Staff Retreat
 - 7.4 Update on Progress of SamCERA's Information Technology Projects
- 8. Management Reports**
 - 8.1 Chief Executive Officer's Report
 - 8.2 Assistant Executive Officer's Report
 - 8.3 Chief Investment Officer's Report
 - 8.4 Chief Legal Counsel's Report

CLOSED SESSION – The Board may meet in closed session prior to adjournment.

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Ferguson, Ellis	January 29, 2015	Medical Center
Ottman, Marjorie	February 1, 2015	Aging and Adult Services
McQueen, Michael	February 3, 2015	Probation
Dunlap, Kenneth	February 6, 2015	Sheriff
Fowlkes, Doris	February 6, 2015	Superior Courts
Dungan, Louise	February 7, 2015	Chope Hospital
Langenwalter, Evelyn	February 8, 2015	Chope Hospital
Manders, Jan	February 13, 2015	Aging and Adult Services
Eakin, Helen	February 15, 2015	Health Services
Oakes, John	February 18, 2015	District Attorney
Ritts, Raymond	March 5, 2015	Mosquito

MARCH 24, 2015 – REGULAR BOARD MEETING MINUTES

1503.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. Lauryn Agnew, Chair, called the Regular Meeting of the Board of Retirement to order at 10:04 a.m.

Roll Call:

Present: Lauryn Agnew, Sandie Arnott, Ben Bowler, Albert David, Paul Hackleman, Natalie Kwan Lloyd, Michal Settles, David Spinello and Eric Tashman.

Alternates present: Christopher Miller and Alma Salas

Staff: Scott Hood, Michael Coultrip, Gladys Smith, Brenda Carlson, Tariq Ali, Lilibeth Dames, Elizabeth LeNguyen, Barbara Edwards, and Kristina Perez.

Consultants: Patrick Thomas, Jonathan Brody and John Nicolini (SIS)

1503.2.1 **Oral Communications From the Board:** Mr. David reported on his attendance at the CALAPRS General Assembly in Monterey on March 8-10, 2015.

1503.2.2 **Oral Communications From the Public:** None.

1503.3.1 **Approval of Regular Board Meeting Minutes February 24, 2015:** Ms. Agnew asked if there were any changes to the Regular Board minutes, and there were none.

Action: Mr. Hackleman moved to approve the minutes of the Regular Meeting from February 24, 2015, and the motion was seconded by Ms. Arnott. The motion carried with a vote of 9-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1503.4.0 **Approval of the Consent Agenda:** Ms. Agnew asked if there were any items to be removed from the Consent Agenda, and consideration of the disability retirement application of Martha Gomez was removed.

Action: Mr. David moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Settles. The motion carried with a vote of 9-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1503.4.1 Disability Retirements:

- a) The Board found that Cecilia Alvarez is (1) permanently incapacitated for the performance of her usual and customary duties as a Custodian, (2) found that her disability was a result of an injury arising out of and in the course of her employment, and (3) granted her application for a service-connected disability retirement.
- b) The Board found that Elsie Iniguez is (1) permanently incapacitated for the performance of her usual and customary duties as a Benefits Analyst II, (2) found that her disability was not a result of an injury arising out of and in the course of her employment, (3) denied her application for a service-connected disability retirement, and (4) granted her a non-service-connected disability retirement.
- c) The Board found that Teresa Magana is (1) not permanently incapacitated for the performance of her usual and customary duties as a Medical Assistant II, and (2) denied her application for a service-connected disability retirement.

1501.4.2 **Service Retirements:**

The Board ratified the actions as listed below for the following members regarding service retirements:

Member Name	Effective Retirement Date	Department
Adler, Robert	January 6, 2015	Controllers Office
Barrett, Donna	January 31, 2015	Medical Center
Burns, Mary	January 18, 2015	Sheriff's
Cleary, Francis	January 4, 2015	Probation
Fischer, Robert	January 17, 2015	Deferred from Sheriff's
Foy, Catherine	January 31, 2015	Probation
Guzman, Lydia	January 3, 2015	Family Health
Hofmann, Mary	January 3, 2015	Sheriff's
Lilles, Renato	January 31, 2015	Tax Collector
Livengood, Robert	January 25, 2015	Sheriff's
Lopez-Ocegueda, Irma	January 12, 2015	Superior Court
Pacheco, Alan	January 31, 2015	Public Works
Roberts, Jon	January 15, 2015	Sheriff's
Schulz, Elizabeth	January 17, 2015	Public Health
Vargas, Rene	January 31, 2015	Behavioral Health & Recovery Sv
Yee, Warren	January 30, 2015	Sheriff's
Yoch, Maria	February 1, 2015	Deferred from Medical Center

1502.4.3 **Continuances:**

The Board ratified the actions as listed below for the following members regarding continuances:

Survivor's Name	Beneficiary of
Dempsey, Anne	Wiese, Annabelle
Faltz, Judy	Faltz, Charles
Finn, Patricia	Glennon, Richard
Hayselden, Louis	Hayselden, Diane
Riley, George	Illa-Riley, Judy
Thompson, Donald	Thompson, Beth

1502.4.4 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

Member Name	Retirement Plan Type
Cordeiro Muniz, Lisa M.	Vested, G4
Jensen, Tina H.	Vested, G4
Lechuga, Aaron R.	Vested, G4
Xu, Dan	Non-Vested G4 - Reciprocity
Williams, Nihcole C.	Vested, G4

1503.4.5 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

Member Name	Retirement Plan Type
Ealy, William	G4, Non-vested
Ferguson, Ellis (FBO: Timothy Ferguson)	G4, Vested
Ismael, George	P4 & S4, Vested
Jones, Danielle	G7, Non-vested
Madjd-Sadjadi, Nashmeel	G4, Non-vested
Sharpe, Maybelline	G4, Vested
Smith, Alexandra	G7, Non-vested
Valera, Francisco	G4, Non-vested

1503.4.6 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

Member Name	Retirement Plan Type
Hoch, Marcus	G5, Non-vested
Soller, Marie	G4, Non-vested

1503.4.7 **Approval of 2014 Actuarial Valuation Addendum and Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2015-2016 Fiscal Year:** The Board approved the June 30, 2014 Actuarial Valuation Addendum dated March 13, 2015, and adopted a resolution accepting contribution rates for recommendation to the Board of Supervisors for the 2015-2016 Fiscal Year.

1503.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** The Board adjourned into closed session at 10:10 a.m. to consider the disability retirement application of Martha Gomez. The meeting reconvened in open session at 10:38 a.m. and Ms. Carlson reported the action on this matter as follows:
Action: Mr. Hackleman made a motion finding that Martha Gomez is (1) permanently incapacitated for the performance of her usual and customary duties as a Management Analyst III, (2) and found that her disability is a result of an injury arising out of and in the course of her employment, and (3) granted her application for a service-connected disability retirement. The motion was seconded by Ms. Arnott and carried with a vote of 8-0-1, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman, all in favor; and none opposed. Mr. David abstained from participating and was not present in the closed session.

1503.6.1 **Preliminary Monthly Performance Report for the Period Ending January 31, 2015:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. The Northern Trust report was included in the "Day of Meeting" folder. He reported that SamCERA's net preliminary return for February 2015 was 3.3%, while the preliminary trailing twelve month return was 7.6% net. This item was informational only and no action was taken.

1503.6.2 **Report on the Northern Trust Custodial Annual Review:** Mr. Coultrip reviewed the report of the annual review meeting of SamCERA's custodial bank, Northern Trust, which was held on March 5, 2015. This item was informational only and no action was taken.

1502.6.3 **Report on the Parametric / Clifton Group Overlay Annual Review:** Mr. Coultrip reviewed the report of the annual review meeting of Parametric/Clifton Group, held on March 5, 2015, with the Board. He reported there were no significant concerns identified during the portfolio review and that overall program results were positive for the year. This item was informational only and no action was taken.

1502.6.4 **Educational Presentation on the Current Energy Market and Potential Investment Opportunities:** John Nicolini of SIS presented an update on the current energy market and resulting potential investment opportunities to the Board. Discussion among Board, staff and consultants followed. This item was informational only and no action was taken.

The meeting was adjourned at 12:23 p.m. for lunch, and was reconvened at 12:50 p.m.

1503.7.1 **Status Report on the Update to the Payment Corrections Policy:** Mr. Hood gave an update on the error corrections policy that staff is working on, and specifically reviewed how interest would be paid to SamCERA or to a member in the event of such an error. The policy will be returned to the Board for approval at a future meeting. This item was informational only and no action was taken.

Mr. David was excused at 1:00 p.m. for the remainder of the meeting.

1503.7.2 **Approval of Travel Policy Amendment and Resolution:** Mr. Hood reviewed the proposed amendment to the travel policy with the Board. The amendment reflects that SamCERA supports the involvement of Trustees who choose to take leadership roles with the State Association of County Retirement Systems (SACRS).

Action: Mr. Tashman moved to adopt the resolution amending the Board's Policy for Reimbursement of Travel and Other Official Expenses for Trustees. The motion was seconded by Ms. Kwan Lloyd, and carried with a vote of 8-0, with trustees Agnew, Arnott, Bowler, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman, all in favor; and none opposed.

1503.7.3 **Report on the Status of Annual Board-Staff Retreat:** Mr. Hood reviewed the draft agenda for the retreat and provided information regarding the presenters and topics. This item was informational only and no action was taken.

The next items were taken out of order, with item 7.4 following the management reports.

1503.8.1 **Chief Executive Officer's Report:** Mr. Hood went over the "Day of Meeting" folder contents with the Board, which included communications regarding the SACRS Spring Conference in May. Mr. Hood reported on the status of personnel changes and moves. Space considerations were mentioned as SamCERA is outgrowing its current office space, and Mr. Hood updated the Board on his research regarding office space options. He mentioned Board members would be receiving a survey regarding agenda packets.

1503.8.2 **Assistant Executive Officer's Report:** Ms. Smith announced the new Reciprocity Guide could be found in the "Day of Meeting" folder, as well as the latest member newsletters. Ms. Smith reminded Board members about upcoming conferences. She updated the Board on the upcoming Board of Retirement election and appointments.

1503.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that an offer had been made to a candidate for the investment analyst position.

1503.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reported that the IRS notified SamCERA that the tax determination submittal had been received and they would process the letter within 145 days unless

the IRS had questions or concerns. She also reminded Board members to turn in their FPPC Form 700s.

1503.7.4 **Update on Progress of SamCERA's Information Technology Projects:** Mr. Ali reviewed progress on the new website design, the integration with Workday, selection of an agenda management software system, status of the SharePoint conversion and the web member services portal security testing. Will Morrow updated the Board on the PASS project progress.

1502.10 **Adjournment:** Ms. Agnew adjourned the meeting at 1:39 p.m. in memory of the following deceased members:

Ferguson, Ellis	January 29, 2015	Medical Center
Ottman, Marjorie	February 1, 2015	Aging and Adult Services
McQueen, Michael	February 3, 2015	Probation
Dunlap, Kenneth	February 6, 2015	Sheriff
Fowlkes, Doris	February 6, 2015	Superior Courts
Dungan, Louise	February 7, 2015	Chope Hospital
Langenwalter, Evelyn	February 8, 2015	Chope Hospital
Manders, Jan	February 13, 2015	Aging and Adult Services
Eakin, Helen	February 15, 2015	Health Services
Oakes, John	February 18, 2015	District Attorney
Ritts, Raymond	March 5, 2015	Mosquito

Scott Hood
Chief Executive Officer

Kristina Perez
Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Items 4.1- 4.6

To: Board of Retirement

From: Gladys Smith, Assistant Executive Officer



Subject: Approval of Consent Agenda Items 4.1 – 4.6

4.1 Disability Retirements

- a) The Board find that Genevieve Chollet is (1) permanently incapacitated for the performance of her usual and customary duties as a License Vocational Nurse, (2) find that her disability was not a result of an injury arising out of and in the course of her employment, and (3) grant her application for a non-service-connected disability retirement.
- b) The Board find that (1) John Flahavan's employment substantially contributed to his death and (2) grant the application for service-connected death benefits filed by his surviving spouse, Jennifer Flahavan.
- c) The Board find that Rebecca Romero is (1) able to substantially perform her usual duties as an Agenda Administrator and (2) deny her application for a service-connected disability retirement.
- d) The Board find that Sara Medina is (1) permanently incapacitated for the performance of her usual and customary duties as an Administrative Services Manager I (2) find that her disability was a result of an injury arising out of and in the course of her employment and (3) grant her application for a service-connected disability retirement.
- e) The Board find that Pamela Glembot is (1) permanently incapacitated for the performance of her usual and customary duties as a Sheriff's Sergeant, (2) find that her disability was a result of an illness arising out of and in the course of her employment, and (3) grant her application for a service-connected disability retirement.
- f) The Board find that Lydia Guzman is (1) able to substantially perform her usual duties as Dietitian and (2) deny her application for a service-connected disability retirement.

4.2 Service Retirements

The Board ratifies the actions as listed below for the following members regarding service retirements:

Member Name	Effective Retirement Date	Department
Abrams, Thomas	February 15, 2015	Sheriff's
Blancia, Rafael	February 28, 2015	Information Services

Dorsett, Alan	February 12, 2015	Sheriff's
Guzman, Lydia	January 3, 2015	Family Health
Holness, Laura	February 27, 2015	Sheriff's
Keate, Leslie Walter	February 28, 2015	Human Services Agency
Laran, Laurel	February 19, 2015	Child Support Services
Madrigal, Trinidad	February 28, 2015	Deferred from Human Services
Mott, Nicholas	February 2, 2015	Sheriff's
Roberts, Jon	January 15, 2015	Sheriff's
Rymer, Matthew	February 9, 2015	QDRO
Victor, Terri Margaret	February 14, 2015	County Counsel
Wintergerst, Almaluz	February 21, 2015	Family Health Services
Zelaya, Myrna	February 2, 2015	Deferred from Medical Center

4.3 Continuances

The Board ratifies the actions as listed below for the following members regarding continuances:

Survivor's Name	Beneficiary of:
Manders, Thomas	Jan Manders
Oakes, Eleanor	John Oakes
McQueen, Sharon	Michael McQueen
Webster, Elizabeth	Marguerite Mullins
Slagle, Rhona	Howard Slagle
Ludlow, Hilda	Robert Ludlow

4.4 Deferred Retirements

The Board ratifies the actions as listed below for the following members regarding deferred retirements:

Member Name	Retirement Plan Type
Asiodu, Ifeyinwa V.	Vested, G4
Buenrostro, Erica E.	Non-Vested G4/P4 – Reciprocity
Cardoza, Teresa M.	Vested, G2
Collins, Kevin R.	Vested, G4
Cotton, Hugh A.	Non-Vested G4 – Reciprocity

Cuevas, Carla	Non-Vested G5 – Reciprocity
Gannan, Kari M.	Vested, G4
Greer, Nikki M.	Vested P4 – Reciprocity
Gross, Jennifer L.	Vested, G4
Guerrero, Moises E.	Vested, G4
Harrison, Eugenia D.	Non-Vested G7 – Reciprocity
Jackson, Nathalie	Vested 3/G4 – Reciprocity
Kane, Sean	Non-Vested 3 – Reciprocity
Laurent, Riza	Vested, G4
Leong, Cheryl W.	Vested, G4
McLaughlin, Robert M.	Vested, G4
Padilla, Laura	Vested, G4
Pare Alanda, Naida A.	Vested, G4
Santos, Dennis	Vested, G4
Staufer, Mitzi	Non-Vested G7 - Reciprocity
Takeuchi, Burt	Vested, G4
Wadleigh, James E.	Vested, G4

4.5 Member Account Refunds

The Board ratifies the actions as listed below for the following members regarding refunds:

Member Name	Retirement Plan Type
Fatemi, Faramarz	G4, Non-vested
Kennedy, Molly	G2, Vested
Mendoza, Norma	G4, Non-vested
Smith, Lorraine	G4 & G5, Non-vested
Tran, Evelyn	G7, Non-vested

4.6 Member Account Rollovers

The Board ratifies the actions as listed below for the following members regarding rollovers:

Member Name	Retirement Plan Type
Balster, Marion (FBO: Michael Balster)	G2, Non-vested

Brion, Mary	G4, Vested
Castano, Michele	G4, Vested
Hurskin, Shenita	G2, Vested
Mac, Nikolaos	G5, Non-vested
Weston, Mary	G5, Non-vested

San Mateo County Employees' Retirement Association
Board of Retirement

April 28, 2015

Agenda Item 4.7

To: Board of Retirement

From: Chezelle Milan, Retirement Senior Accountant *CBM*
Lilibeth Dames, Retirement Investment Analyst *Lilibeth Dames*
Mabel Wong, Finance Officer *Mabel Wong*

Subject: Preliminary 3rd Quarter Budget Report

DISCUSSION

SamCERA's budget consists of three components, a professional services budget authorized by Government Code §31596.1, an administrative budget and a technology budget authorized by Government Code §31580.2.

Professional Services Budget - Attachment One provides an overview of the accrued professional services expenditures. Investment management fees are driven by contractual agreements and based on total assets under management or the amount of capital committed. Fees for the actuarial services, investment consulting services and global custodian services are based on services detailed in the contractual agreements. The preliminary annualized aggregate professional services fee as of March 31, 2015, is approximately 55.7 basis points versus the expected fee of 55.4 basis points. Total actual to budget expenses was slightly over than projected.

SamCERA's Administrative Budget –The adopted administrative budget by category, versus the preliminary fiscal expenditures is shown in the table below.

Attachment Two provides a review of the line item administrative appropriations versus the preliminary expenditures. Year-to-date through the third quarter, SamCERA expended 63.8% of the approved appropriations. Under **Salaries & Benefits** SamCERA budgets all positions and benefits. Under **Services & Supplies** the association budgets all overhead and operational expenditures. This year's budget does not include any appropriation for **Capital Assets**.

SamCERA's Administrative Budget

	Adopted Budget	YTD Preliminary
Salaries & Benefits	\$ 4,129,491	\$ 2,783,815
Services & Supplies	\$ 1,676,009	\$ 919,947
Capital Assets	\$ <u>0</u>	\$ <u>0</u>
Total	\$ 5,805,500	\$3,703,762

Attachment Three provides a review of the line item technology appropriations versus the preliminary expenditures. SamCERA extended the contract with LRWL Inc. as the consultant in the implementation of the new Pension Administration Software Solution (PASS). SamCERA entered into contract with Vitech Systems Group and the implementation of the PASS system, V3, is in progress. The implementation of PASS is based on a phased approach over three years and the project is on schedule.

As of 3/31/2015, SamCERA's IT budget expended 57.8% of the approved appropriation.

SamCERA's Technology Budget

	Adopted Budget	YTD Preliminary
Property & Equipment	\$ 53,000	\$ 28,843
IT Infrastructure	\$ 1,508,150	\$ 393,879
Capital Asset	<u>\$ 3,500,000</u>	<u>\$2,502,565</u>
	\$ 5,061,150	\$2,925,287

San Mateo County Employees' Retirement Association
Board of Retirement

April 28, 2015
 Attachment One

Third Quarter Analysis
 3-31-2015

Agenda Item 4.7

PROFESSIONAL SERVICES BUDGET: Government Code §31596.1 states that, *“The expenses of investing its money shall be borne solely by the system. The following types of expenses shall not be considered a cost of administration of the retirement system, but shall be considered a reduction in earnings from those investments or a charge against the assets of the retirement system as determined by the board:*

- (a) The costs, as approved by the board, of actuarial valuations and services rendered pursuant to §31453.*
- (b) The compensation of any bank or trust company performing custodial services.*
- (c) When an investment is made in deeds of trust and mortgages, the fees stipulated in any agreement entered into with a bank or mortgage service company to service such deeds of trust and mortgages.*
- (d) Any fees stipulated in an agreement entered into with investment counsel for consulting or management services in connection with the administration of the board's investment program, including the system's participation in any form of investment pools managed by a third party or parties.*
- (e) The compensation to an attorney for services rendered pursuant to §31607 or legal representation rendered pursuant to §31529.1.”*

The board has entered into the following contracts pursuant to §31596.1:

CONTRACTOR	SERVICE	FEE ⁽¹⁾	2014-2015 YTD EXPENSE (ACCRUED)	2014-2015 ESTIMATE
Milliman	Actuarial Consulting	0.4 bps	\$126,602	\$117,000
Segal Company	Actuarial Audit	0.3 bps	\$90,000	\$90,000
Strategic Investment Solutions	Investment Consulting	1.4 bps	\$363,534	\$450,000
Northern Trust	Global Custody	1.1 bps	\$240,892	\$350,000
State Street	Custodial Transition	0.1 bps	\$9,973	\$50,000
SUB-TOTAL NON INVESTMENT MANAGER CONTRACTUAL FEES			\$83,1001	\$1,057,000
<i>Estimated Market Value 06-30-2015</i>			\$3.5 Billion	\$3.4 Billion
Average Basis Points ⁽²⁾			3.0 bps	3.1 bps

- (1) The Actuary, Custodian and Investment Consultant are compensated on a flat fee basis. Fees on this schedule are expressed in basis points (or fractions thereof) and utilize total assets while the Investment Manager calculations utilize assets under management.
- (2) The calculation utilizes an average market value of \$3.4 billion

The contractual fee schedule for investment managers appears on the following page.

CONTRACTOR	SERVICE	FEE ⁽¹⁾	2014-2015 YTD EXPENSE (ACCRUED)	2014-2015 ESTIMATE
BlackRock – S&P 500 Index Fund	Domestic Large Cap Equity	2.2 bps	\$84,258	\$130,000
D.E. Shaw Investment Management, LLC	Domestic Large Cap Enhanced	78.0 bps	\$491,234	\$750,000
Barrow, Hanley, Mewhinney & Strauss	Domestic Large Cap Value	46.2 bps	\$841,008	\$700,000
Brown Advisory	Domestic Large Cap Growth	44.4 bps	\$481,295	\$675,000
The Boston Company	Domestic Small Cap Equity	82.5 bps	\$667,693	\$1,100,000
Chartwell Investment Partners	Domestic Small Cap Equity	75.0 bps	\$1,022,918	\$1,000,000
Baillie Gifford	International Equity	46.2 bps	\$666,436	\$925,000
Eaton Vance - Parametric	International Equity	105.0 bps	\$503,359	\$680,000
Mondrian Investment Partners	International Equity	40.0 bps	\$471,531	\$450,000
Pyramis Global Advisors	International Equity	90.0 bps	\$428,981	\$625,000
BlackRock – EAFE Index	International Equity	2.2 bps	\$54,425	\$86,000
Pyramis Global Advisors	Domestic Fixed Income	14.4 bps	\$200,231	\$265,000
Western Asset Management	Domestic Fixed Income	26.0 bps	\$257,828	\$350,000
Angelo Gordon (STAR)	Domestic Fixed Income	1.00 bps	\$390,000 (3)	\$520,000
Angelo Gordon (OWL)	Domestic Fixed Income	1.00 bps	\$187,500 (3)	\$250,000
Brigade Capital Management	Domestic Fixed Income	80.0 bps	\$376,388	\$480,000
Brown Brothers Harriman	Domestic Fixed Income	15.0bps	\$86,389	\$125,000
Franklin Templeton	Global Fixed Income	38.0 bps	\$375,000	\$500,000
ABRY ASF II	Private Equity	N/A	\$300,000 (3)	\$400,000
ABRY ASF III	Private Equity	N/A	\$300,000 (3)	\$400,000
ABRY Partners VII	Private Equity	N/A	\$150,000 (3)	\$200,000
Cevian Capital	Private Equity	N/A	\$375,000(3)	\$500,000
Emergence Capital III	Private Equity	N/A	\$150,000(3)	\$200,000
EnCap Energy	Private Equity	N/A	\$112,500 (3)	\$150,000
General Catalyst	Private Equity	N/A	\$187,500 (3)	\$250,000
Regiment TCW	Private Equity	N/A	\$225,000 (3)	\$300,000
Sycamore Partners I	Private Equity	N/A	\$281,250 (3)	\$375,000
Sheridan Production Partners	Private Equity	N/A	\$225,000 (3)	\$300,000
Warburg Pincus	Private Equity	N/A	\$420,000 (3)	\$560,000
Third Rock Ventures III	Private Equity	N/A	\$187,500 (3)	\$250,000
Great Hill Partners	Private Equity	N/A	\$375,000 (3)	\$500,000
AQR Global Risk Premium III	Risk Parity	N/A	\$450,000 (3)	\$600,000
AQR Delta XN	Hedge Fund	N/A	\$810,000(3)	\$1,080,000
PanAgora Asset Management	Risk Parity	35.0 bps	\$420,000 (3)	\$560,000
SSGA- SSARIS Multisource Commodities	Commodities	60.0 bps	\$370,548	\$575,000
INVESCO Realty Advisors	Real Estate Management	35.3 bps	\$522,570	\$800,000
Clifton – Parametric	Cash Management Overlay	N/A	\$148,065	\$150,000
SUB-TOTAL INVESTMENT MANAGERS			\$13,596,407	\$17,761,000
Average Basis Points ⁽¹⁾			52.5 bps	52.2 bps
SUB-TOTAL NON- INVESTMENT MANAGERS (FROM PREVIOUS PAGE)			\$83,1001	\$1,057,000
Average Basis Points ⁽²⁾			3.0 bps	3.1 bps
TOTAL ESTIMATED CONTRACT FEES			\$14,427,408	\$18,818,000
<i>Estimated Market Value 06-30-2015</i>			3.5 Billion	3.4 Billion
Average Basis Points ⁽²⁾			55.7 bps	55.4 bps

(1) The Actuary, Custodian and Investment Consultant fees expressed in basis points utilize total assets while the Investment Manager calculations utilize assets under management.

(2) The calculation utilizes an average market value of \$3.4 billion

(3) Management fees for investment managers that provide quarterly statements are expressed as estimates until quarterly statements are received and booked in SamCERA's financials. Statements have not been received as of the date of the mailing.

San Mateo County Employees' Retirement Association
Board of Retirement

April 28, 2015
Attachment One

Third Quarter Analysis
3-31-2015

Agenda Item 4.7

PROFESSIONAL SERVICES BUDGET: Government Code §31596.1 states that, "The expenses of investing its money shall be borne solely by the system. The following types of expenses shall not be considered a cost of administration of the retirement system, but shall be considered a reduction in earnings from those investments or a charge against the assets of the retirement system as determined by the board:

- (a) The costs, as approved by the board, of actuarial valuations and services rendered pursuant to §31453.
- (b) The compensation of any bank or trust company performing custodial services.
- (c) When an investment is made in deeds of trust and mortgages, the fees stipulated in any agreement entered into with a bank or mortgage service company to service such deeds of trust and mortgages.
- (d) Any fees stipulated in an agreement entered into with investment counsel for consulting or management services in connection with the administration of the board's investment program, including the system's participation in any form of investment pools managed by a third party or parties.
- (e) The compensation to an attorney for services rendered pursuant to §31607 or legal representation rendered pursuant to §31529.1."

The board has entered into the following contracts pursuant to §31596.1:

CONTRACTOR	SERVICE	FEE ⁽¹⁾	2014-2015 YTD EXPENSE (ACCRUED)	2014-2015 ESTIMATE
Milliman	Actuarial Consulting	0.4 bps	\$126,602	\$117,000
Segal Company	Actuarial Audit	0.3 bps	\$90,000	\$90,000
Strategic Investment Solutions	Investment Consulting	1.4 bps	\$363,534	\$450,000
Northern Trust	Global Custody	1.1 bps	\$240,892	\$350,000
State Street	Custodial Transition	0.1 bps	\$9,973	\$50,000
SUB-TOTAL NON INVESTMENT MANAGER CONTRACTUAL FEES			\$83,1001	\$1,057,000
<i>Estimated Market Value 06-30-2015</i>			\$3.5 Billion	\$3.4 Billion
Average Basis Points ⁽²⁾			3.0 bps	3.1 bps

- (1) The Actuary, Custodian and Investment Consultant are compensated on a flat fee basis. Fees on this schedule are expressed in basis points (or fractions thereof) and utilize total assets while the Investment Manager calculations utilize assets under management.
- (2) The calculation utilizes an average market value of \$3.4 billion

The contractual fee schedule for investment managers appears on the following page.

CONTRACTOR	SERVICE	FEE ⁽¹⁾	2014-2015 YTD EXPENSE (ACCRUED)	2014-2015 ESTIMATE
BlackRock – S&P 500 Index Fund	Domestic Large Cap Equity	2.2 bps	\$84,258	\$130,000
D.E. Shaw Investment Management, LLC	Domestic Large Cap Enhanced	78.0 bps	\$491,234	\$750,000
Barrow, Hanley, Mewhinney & Strauss	Domestic Large Cap Value	46.2 bps	\$841,008	\$700,000
Brown Advisory	Domestic Large Cap Growth	44.4 bps	\$481,295	\$675,000
The Boston Company	Domestic Small Cap Equity	82.5 bps	\$667,693	\$1,100,000
Chartwell Investment Partners	Domestic Small Cap Equity	75.0 bps	\$1,022,918	\$1,000,000
Baillie Gifford	International Equity	46.2 bps	\$666,436	\$925,000
Eaton Vance - Parametric	International Equity	105.0 bps	\$503,359	\$680,000
Mondrian Investment Partners	International Equity	40.0 bps	\$471,531	\$450,000
Pyramis Global Advisors	International Equity	90.0 bps	\$428,981	\$625,000
BlackRock – EAFE Index	International Equity	2.2 bps	\$54,425	\$86,000
Pyramis Global Advisors	Domestic Fixed Income	14.4 bps	\$200,231	\$265,000
Western Asset Management	Domestic Fixed Income	26.0 bps	\$257,828	\$350,000
Angelo Gordon (STAR)	Domestic Fixed Income	1.00 bps	\$390,000 (3)	\$520,000
Angelo Gordon (OWL)	Domestic Fixed Income	1.00 bps	\$187,500 (3)	\$250,000
Brigade Capital Management	Domestic Fixed Income	80.0 bps	\$376,388	\$480,000
Brown Brothers Harriman	Domestic Fixed Income	15.0bps	\$86,389	\$125,000
Franklin Templeton	Global Fixed Income	38.0 bps	\$375,000	\$500,000
ABRY ASF II	Private Equity	N/A	\$300,000 (3)	\$400,000
ABRY ASF III	Private Equity	N/A	\$300,000 (3)	\$400,000
ABRY Partners VII	Private Equity	N/A	\$150,000 (3)	\$200,000
Cevian Capital	Private Equity	N/A	\$375,000(3)	\$500,000
Emergence Capital III	Private Equity	N/A	\$150,000(3)	\$200,000
EnCap Energy	Private Equity	N/A	\$112,500 (3)	\$150,000
General Catalyst	Private Equity	N/A	\$187,500 (3)	\$250,000
Regiment TCW	Private Equity	N/A	\$225,000 (3)	\$300,000
Sycamore Partners I	Private Equity	N/A	\$281,250 (3)	\$375,000
Sheridan Production Partners	Private Equity	N/A	\$225,000 (3)	\$300,000
Warburg Pincus	Private Equity	N/A	\$420,000 (3)	\$560,000
Third Rock Ventures III	Private Equity	N/A	\$187,500 (3)	\$250,000
Great Hill Partners	Private Equity	N/A	\$375,000 (3)	\$500,000
AQR Global Risk Premium III	Risk Parity	N/A	\$450,000 (3)	\$600,000
AQR Delta XN	Hedge Fund	N/A	\$810,000(3)	\$1,080,000
PanAgora Asset Management	Risk Parity	35.0 bps	\$420,000 (3)	\$560,000
SSGA- SSARIS Multisource Commodities	Commodities	60.0 bps	\$370,548	\$575,000
INVESCO Realty Advisors	Real Estate Management	35.3 bps	\$522,570	\$800,000
Clifton – Parametric	Cash Management Overlay	N/A	\$148,065	\$150,000
SUB-TOTAL INVESTMENT MANAGERS			\$13,596,407	\$17,761,000
Average Basis Points ⁽¹⁾			52.5 bps	52.2 bps
SUB-TOTAL NON- INVESTMENT MANAGERS (FROM PREVIOUS PAGE)			\$83,1001	\$1,057,000
Average Basis Points ⁽²⁾			3.0 bps	3.1 bps
TOTAL ESTIMATED CONTRACT FEES			\$14,427,408	\$18,818,000
<i>Estimated Market Value 06-30-2015</i>			3.5 Billion	3.4 Billion
Average Basis Points ⁽²⁾			55.7 bps	55.4 bps

(1) The Actuary, Custodian and Investment Consultant fees expressed in basis points utilize total assets while the Investment Manager calculations utilize assets under management.

(2) The calculation utilizes an average market value of \$3.4 billion

(3) Management fees for investment managers that provide quarterly statements are expressed as estimates until quarterly statements are received and booked in SamCERA's financials. Statements have not been received as of the date of the mailing.

SamCERA's
Administrative Budget
Fiscal Year 2014-2015
3rd Quarter
as of March 31, 2015
PRELIMINARY
ATTACHMENT II

	Budget Allotment (as Amended)	Year to Date Expenditures	Percentage Expended	Remaining Balance	Remaining Percentage
Salaries	\$2,658,939	\$1,760,977	66.2%	\$897,962	33.8%
Benefits	\$1,470,552	\$1,022,837	69.6%	\$447,715	30.4%
Salaries & Benefits	\$4,129,491	\$2,783,815	67.4%	\$1,345,676	32.6%
Board Expense	\$10,500	\$4,800	45.7%	\$5,700	54.3%
Insurance	\$80,000	\$60,000	75.0%	\$20,000	25.0%
Medical Evaluation	\$100,000	\$27,882	27.9%	\$72,118	72.1%
Member Education	\$50,000	\$24,722	49.4%	\$25,278	50.6%
Education & Conference	\$115,500	\$67,409	58.4%	\$48,091	41.6%
Transportation and Lodging	\$183,280	\$50,911	27.8%	\$132,369	72.2%
Property & Equipment	\$30,000	\$15,142	50.5%	\$14,858	49.5%
General Office Supplies	\$38,500	\$23,766	61.7%	\$14,734	38.3%
Postage & Printing	\$90,000	\$36,807	40.9%	\$53,193	59.1%
Leased Facilities	\$509,550	\$318,410	62.5%	\$191,141	37.5%
County Services	\$373,179	\$250,429	67.1%	\$122,750	32.9%
Audit Services	\$45,500	\$28,135	61.8%	\$17,365	38.2%
Other Administration	\$50,000	\$11,535	23.1%	\$38,465	76.9%
Services & Supplies	\$1,676,009	\$919,947	54.9%	\$756,062	45.1%
Capital Assets	\$0	\$0	0.0%	\$0	0.0%
Depreciation		\$0			
Grand Total	\$5,805,500	\$3,703,762	63.8%	\$2,101,738	36.2%

SamCERA's
Information Technology Budget
Fiscal Year 2014-2015
3rd Quarter
as of March 31, 2015
PRELIMINARY
ATTACHMENT III

	Budget Allotment (as Amended)	Year to Date Expenditures	Percentage Expended	Remaining Balance	Remaining Percentage
Property & Equipment	\$53,000	\$28,843	54.4%	\$24,157	45.6%
IT Infrastructure	\$1,508,150	\$393,879	26.1%	\$1,114,271	73.9%
Capital Assets	\$3,500,000	\$2,502,565	71.5%	\$997,435	28.5%
IT Total	\$5,061,150	\$2,925,287	57.8%	\$2,135,863	42.2%

**San Mateo County Employees' Retirement Association
Board of Retirement**

April 28, 2015

Agenda Item 4.8

TO: Board of Retirement

FROM: Mabel Wong, Finance Officer 

SUBJECT: Report on Audit Workplan for the 2014-15 Fiscal Year Financial Audit

Staff Recommendation

Accept the Staff report on the Audit Workplan for the 2014-15 fiscal year financial audit.

Background

Government Code Section 31593 mandates that: "The retirement board shall conduct an audit of the retirement system at least once every 12 months and report upon its financial condition." SamCERA's fiscal year is from July 1st through June 30th and the annual audit report along with the Comprehensive Annual Financial Report (CAFR) is routinely scheduled for Board approval at its October meeting.

Part of the review process is performed by the Audit Committee comprised of Mr. Tashman, Chair; Ms. Arnott, Ms. Kwan-Lloyd, and Mr. Hackleman. The resolution establishing and reaffirming the Audit Committee's Charter is attached for reference.

Discussion

The audit process starts in May with staff providing information to the Board's auditor, Brown Armstrong, CPA. The auditor will be on site during the last weeks of June and August to perform fieldwork. In addition to the audit, Milliman Inc. will prepare the actuarial evaluation.

The following is the schedule of audit and actuarial related actions that the Board will be taking:

- | | |
|--------------------|---|
| June 9, 2015 | <ul style="list-style-type: none">• Review and Approval of Assumptions for June 30, 2015, Actuarial Valuation• Acceptance of Entrance Letter for the June 30, 2015, Financial Audit• Acceptance of Estimated Employer Contribution Amount for Fiscal Year 2015-2016 |
| July 28, 2015 | <ul style="list-style-type: none">• Approval of Questions for the Annual Review of SamCERA's Actuarial Firm – Milliman, Inc• Approval of Questions for the Annual Review of SamCERA's Audit Firm – Brown Armstrong |
| September 29, 2015 | <ul style="list-style-type: none">• Acceptance of Actuarial Valuation Report• Acceptance of Fiscal Year 2015-2016 Employer & Employee Contribution Rates |

- October 27, 2015
(Audit Committee and Board)

 - Annual Review of SamCERA's Actuary – Milliman, Inc
 - Approve Auditor's Reports for June 30th Financial Audit
 - Approve Comprehensive Annual Financial Report
 - Review of SamCERA's Internal Control Structure
 - Annual Review of SamCERA's Independent Auditor

- December 15, 2015

 - Approve plan to procure Audit Services effective May 1, 2016

- March 22, 2016

 - Consideration of Financial Audit Structure
 - Approval of Estimated Employer Contribution Amount for Fiscal Year 2016-2017

- May 24, 2016

 - Consideration and Adoption of Assumptions for June 30, 2016, Actuarial Valuation
 - Acceptance of Entrance Letter for the June 30, 2016, Financial Audit

The above schedule may be adjusted as needed.

Attachment

Resolution establishing and affirming the Audit Committee Charter

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Audit Committee Charter as amended
RESOLUTION 97-98-18

THIS RESOLUTION, adopted by the Board of Retirement (Board) of the San Mateo County Employees' Retirement Association (SamCERA), establishes a standing Audit Committee and defines its powers and duties

WHEREAS, Section 17 of Article XVI of the Constitution of the State of California states that *the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for the investment of monies and administration of the system; &*

WHEREAS, SamCERA is governed by the provisions of the County Employees' Retirement Law of 1937 of which Government Code §31520 vests the management of the Association in the Board; &

WHEREAS, the Board has adopted Regulations and Resolutions setting forth the policies of the Board; &

WHEREAS, the Board bears full fiduciary responsibility for assuring that its policies are implemented in faithful compliance with all applicable provisions of Federal and State Law: &

WHEREAS, the Investment & Finance Manager has recommended that the Board establish an Audit Committee to conduct periodic and systematic reviews of *SamCERA's* policies and procedures. Therefore be it

RESOLVED that the Board hereby establishes a standing Audit Committee to perform the following functions:

1. SELECTION OF AUDITOR: The Committee shall select and recommend the Auditor to the Board, for Board approval of the contract;
2. SCOPE OF AUDIT: The Committee shall review, revise and approve the annual audit work plan submitted by the Auditor;
3. REVIEW OF AUDIT: The Committee shall monitor, review and comment on the work of the Auditor;
4. REVIEW OF INTERNAL CONTROLS: The Committee shall monitor the implementation of the Auditor's recommendations regarding *SamCERA's* Internal Controls;
5. REVIEW OF ACTUARIAL PROCESSES: The Committee shall monitor all aspects of the Actuarial process, other than those matters specifically delegated to the Investment Committee, and make recommendations to the Board as appropriate;
6. REVIEW OF BUDGET PROCESSES: The Committee shall monitor all aspects of the Budget process and make recommendations to the Board as appropriate;
7. REVIEW OF BOARD RESPONSIBILITIES: The Committee shall monitor the performance of the Board's Responsibilities set forth in the *Strategic Services Resolution* and make recommendations to the Board, as appropriate;

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

8. REVIEW OF BOARD SUPPORT SERVICES: The Committee shall monitor staff's performance of the Board Support Services set forth in the *Strategic Services Resolution* and make recommendations to the Board, as appropriate;

9. REVIEW OF MANAGEMENT SERVICES: The Committee shall monitor staff's implementation of the components of *SamCERA's* Management Services Plan set forth in the *Strategic Services Resolution*, with particular emphasis on matters related to *SamCERA's* Administrative Budget, Contract Management and Business Continuity (Disaster Recovery) Planning, and make recommendations to the Board, as appropriate; Be it further

RESOLVED that the Chair may appoint the members of the Audit Committee per Regulation 1.1. Be it further

RESOLVED that the Chief Executive Officer is hereby instructed to provide the Committee with access to all appropriate County and *SamCERA* resources and records, so long as such access is consistent with sound fiduciary practices. Be it further

RESOLVED that the Chief Executive Officer is hereby authorized to provide compensation of \$100 per meeting for not more than two meetings per month to the members of the Committee eligible for such compensation, per GC§31521. Be it further

RESOLVED that the Board hereby reserves to itself sole authority to accept, modify, or reject the recommendations which the Audit Committee may present from time to time pursuant to the provisions of this Resolution, per Regulation 2.3.

ADOPTED by unanimous vote, April 28, 1998

AMENDED by unanimous vote, May 22, 2001

AMENDED by unanimous vote, November 23, 2004

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 6.1

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ending March 31, 2015

Staff Recommendation

Review the preliminary performance report dated March 31, 2015.

Background

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. As discussed previously, preliminary performance estimates are now included for AQR's risk parity, Panagora's risk parity, and AQR's Delta portfolios. The quarterly performance metrics are not yet available for our private equity and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by SIS.

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns (pages 2-3) and net manager returns (pages 4-9) also shown.

Discussion

The fund's net preliminary return for March was -0.55%, while the preliminary trailing twelve month return was +6.6% net (+6.8% gross). The twelve-month net return is higher than SamCERA's Total Plan Policy Benchmark return of 5.7%, but below the Actuarial Assumed Earnings Rate of 7.25%. As a reminder, SamCERA should expect performance to vary substantially from that of the Total Plan Policy Benchmark in the initial stages of its private equity implementation.

U.S. Economic data were on the soft side in March, with retail sales and durable goods below expectations. Also, the final estimate for 4th quarter 2014 GDP growth was 2.2%, which was also below expectations. As expected, the Fed removed the word 'patient' from its statement while also communicating that it was in no hurry to raise rates.

The U.S. equity markets were mixed, with larger-cap stocks down between -1 and -2%, while smaller-capitalization stocks up between +1 and +2%. The broad U.S. equity market was down -1.0%. Growth outperformed value stocks across the market capitalization spectrum. International equity indices were also lower on the month, with developed markets (as measured by MSCI EAFE) down -1.4% and emerging markets down -1.4%.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

The general fixed income market was higher by +0.46%, as interest rates (as measured by 10-year Treasuries) decreased slightly by 6 basis points. High yield bonds returned -0.60%, while emerging market bonds were higher by +0.46% during the month.

Attachments

SIS Market Update

Northern Trust Performance Report

U.S. EQUITY

Equity markets were mixed in March with Large cap stocks underperforming Small cap stocks.

For the month, the Russell 1000 Growth Index was down -1.1% compared to the Russell 1000 Value Index down -1.4%. However, the Russell 2000 Growth Index advanced +1.8% and the Russell 2000 Value Index was up +1.7%. The S&P 500 Index ended the month down -1.6%.

The S&P 500 Index has a trailing P/E ratio of 20.3, a forward 12-month estimate P/E ratio of 17.4 and a dividend yield of 2.0%.

Corporate merger highlights for the month included:

Cardinal Health will acquire Johnson & Johnson Cordis business, a leading global manufacturer of cardiology and endovascular devices, for \$1.9 billion; NXP Semiconductors will buy smaller peer Freescale Semiconductor and merge operations in a deal valuing the combined company at over \$40 billion; Hewlett-Packard will buy Wi-Fi network gear maker Aruba Networks for about \$2.7 billion; Endo International will sell its men's health and prostate businesses to Boston Scientific for \$1.6 billion; EBay's PayPal payments unit will buy mobile wallet firm Paydiant; Citigroup will sell its consumer finance unit OneMain Financial Holdings to subprime lender Springleaf Holdings for \$4.25 billion; Alcoa will acquire titanium supplier RTI International metals; Concordia Healthcare will acquire certain assets of privately held Covis Pharma for \$1.2 billion; Perishing Square purchased a \$3.3 billion stake in Valeant Pharmaceuticals; Bain Capital will acquire Blue Coast Systems from Thoma Bravo; IFM Global Infrastructure Fund will pay \$5.7 billion to buy ITR Concession, the company that currently operates and maintains the Indiana Toll Road; PetSmart was taken private in a \$8.7 billion deal; Two years after buying Romano's Macaroni Grill for \$55 million, Ignite Restaurant Group is selling the pasta chain for \$8 million; Private equity company EQT and funds advised by Goldman Sachs sold their 19.3% stake in Danish business services firm ISS for \$1.04 billion; General Electric will sell its consumer lending business in Australia and New Zealand to a group of investors in a deal valued at roughly \$6.3 billion; Life Time Fitness will be taken private by Leonard Green & Partners and TPG in a deal valued at over \$4 billion; A. Schulman will buy Citadel Plastics for \$800 million; Scripps Networks Interactive will buy a majority stake in Polish broadcaster TVN for \$619 million; Ocwen

Financial will sell residential mortgage servicing rights worth \$9.6 billion to Green Tree Loan Servicing; Japanese online retailer Rakuten is buying U.S. eBook company OverDrive for about \$410 million; TSB, Britain's 7th largest bank, has accepted a \$2.6 billion cash offer from Spain's Banco Sabadell; China National Chemical will buy Pirelli, the world's fifth-largest tire maker, in a \$7.7 billion deal; Humana will sell its Concentra urgent care and physical therapy services unit for about \$1.06 billion; Amer Sports, the parent company of Wilson Sporting Goods, will pay \$70 million to acquire U.S. baseball brand Louisville Slugger; Sunoco reached a deal valued at \$816 million to acquire a portion of Energy Transfer Partner's retail business; Tenet Healthcare will form a joint venture with United Surgical Partners in a deal valued at \$1.93 billion; Optimal Payments will buy the maker of the Skrill e-wallet, the biggest competitor to its Neteller business, for about \$1.2 billion; Hutchison Whampoa finalized a deal to buy Telefonica's British mobile unit O2 for \$15.2 billion; Ocwen Financial will sell an additional \$25 billion of servicing rights on agency loans to a subsidiary of Nationstar; Kraft Foods, the maker of Velveeta cheese, will merge with ketchup maker H.J. Heinz, creating the world's fifth-biggest food and beverage company; Lexmark International will acquire software maker Kofax for \$1 billion; UnitedHealth Group will acquire Catamaran Corp in a deal worth about \$12.8 billion to boost its pharmacy benefit business; Teva Pharmaceutical will buy Auspex Pharmaceuticals in a \$3.2 billion deal; Ireland's Horizon Pharma will buy U.S. drug maker Hyperion Therapeutics for about \$1.1 billion; Fortune Brands Home & Security will buy kitchen and bathroom cabinet maker Norcraft for about \$600 million; Japan's Fujifilm Holdings will acquire U.S. biotechnology firm Cellular Dynamics for \$307 million.

FIXED INCOME

Fed Chair Janet Yellen's recent speech on monetary policy was revealing on two very different levels. First, the hawkish – she added to the many signals coming from the Fed that markets should expect rate lift-off this year. Second, the dovish – she suggested that after lift-off, rates could be lower for longer than expected.

The yield on the bellwether 10-year Treasury fell to 1.94% at the close of March, down from 2.02% at the end of February. At month-end, the 30-year bond yield was 2.55% and the 3-month T-bill was 0.036%. The

Barclays Capital US Aggregate Index was up +0.5% in March.

On the economic front, the following key data was released in December:

THE GOOD

*For all of 2014, the economy expanded 2.4%, up slightly from growth of 2.2% in 2013.

*The personal savings rate jumped to 5.5% in January from 5% in December, the highest since the end of 2012.

*The Business Roundtable CEO Economic Outlook Index, a composite index of expectations for the next six months for sales, capital spending and employment, rose to 90.8 from 85.1 in the 4th quarter.

*The U.S. trade deficit in January dropped sharply to \$41.8 billion as both exports and imports fell.

*The Labor Dept. reported that job openings climbed 2.5% in the first month of 2015 to a seasonally adjusted 5 million, the highest level since 2001.

*The Federal Reserve reported that overall industrial production rose 0.1% in February following a revised 0.3% decline in January.

*The National Association of Realtors reported that sales of existing homes increased 1.2% to an annual rate of 4.88 million units in February.

*The Commerce Department reported that sales of single-family homes rose to a seasonally adjusted annual rate of 539,000 up 7.8% from January.

*The Labor Department reported that its Consumer Price Index increased 0.2% in February, ending three straight months of declines in the index.

*The Commerce Department reported that consumer spending edged up 0.1% in February after an unrevised 0.2% drop in January.

THE NOT SO GOOD

*The University of Michigan's index of consumer sentiment slid to 95.4 in February from an 11-year high of 98.1 in January, probably due to harsh winter weather.

*Gross domestic product grew at an annual rate of 2.2% in the fourth quarter, weaker than the 2.6% first estimated last month.

*The Institute for Supply Management reported that its index of national factory activity fell to 52.9 in February; it's slowest in 13 months.

*The Commerce Department reported that consumer spending slipped 0.2% in January after falling 0.3% in December.

*The University of Michigan's preliminary March reading on the overall index on consumer sentiment came in at 91.2, down from the final 95.4 in February.

*The Commerce Department reported that wholesale inventories unexpectedly increased 0.3% in January as sales recorded their biggest decline since 2009.

*U.S. retail sales fell in February for a third month, as auto purchases dropped by the most in more than a year and Americans spent less at restaurants and home improvement stores.

*The Labor Department reported that its producer price index for final demand fell 0.5% in February after dropping 0.8% in January. It was the fourth straight monthly decline in the PPI.

*The Commerce Department reported that housing starts plunged 17% in February to the lowest level in a year as snowstorms blanketed the Northeast and Midwest.

*The U.S. trade deficit widened to \$113.5 billion in the fourth quarter as the stronger dollar made American products less competitive overseas.

*The Conference Board's index of leading indicators rose a paltry 0.2% last month, matching the January increase and indicating the economy's momentum may have slowed.

*The Commerce Department reported that orders for durable goods dropped 1.4% in February following a 2% increase in January.

NON-U.S. MARKETS

Retail sales are soaring in the United Kingdom. Retail sales volume rose 0.7% in February, the fifth consecutive gain to yet another record high. However, U.K. home price appreciation is slowing with the Office of National Statistics national home price index rising 8.4% y/y in January, down 1.4 points from December, the fourth straight decline. Headline CPI inflation rate fell another 0.3 point to 0.0% y/y, a record low, primarily attributable to plummeting energy prices.

The overall Eurozone labor market continues to improve slowly. The unemployment rate slipped 0.1 point to 11.3% in February, the lowest level since mid-2012, and 0.8 point below the peak of 12.1% hit in mid-2013. Rates vary from 23.2% in Spain (data for Greece are not available) to 4.8% in Germany.

Overall Eurozone consumer price (CPI) inflation has reaccelerated over the last two months as oil prices have stabilized, although it remains negative. After falling to a multi-year low of -0.6% y/y in January, CPI inflation accelerated to -0.3% in February and -0.1% March. However, core CPI inflation (which excludes food, energy, alcohol and tobacco) decelerated 0.1 point to 0.6%, the lowest in the history of the series.

Japanese industrial production appears to be trending modestly and erratically higher. Output plunged 3.4% in February after jumping 3.7% in January, leaving it up just 0.9% from last September.

Business confidence in Japan appears to be stable at a relatively high level, led by large manufacturers. However, sentiment among medium and small manufacturers (who export less and thus obtain fewer benefits from the weaker yen) declined.

China's official manufacturing PMI (which covers mostly large firms) unexpectedly edged up 0.2 point in March to 50.1. And the HSBC PIMI (which also covers smaller firms) rose 0.4 point on the month to 49.6. Even so, the PMIs signal that manufacturing remains sluggish (by pre-financial crisis standards); further suggesting that broader growth may be still slowing.

Russia's real GDP rose an anemic 0.4% y/y in Q4, the weakest growth in five years. The economy is expected to contract at least 5.0% in 2015.

Non-U.S. equities delivered negative returns across the board in March. The MSCI ACWI Ex-U.S. gave up -1.5% (US dollars) for the month. International Developed stocks (EAFE) were down -1.4% and Emerging Markets were down -1.4% for the month.

CONCLUSION

Even though U.S. job growth has accelerated, overall economic statistics in the U.S. have been disappointing in the fourth quarter and similarly weak for the start of the year. Though a difficult winter takes some of the blame, there is more weakness than weather related disruptions.

Continued easy money from most central banks inflames the risk of creating awful distortions in asset values and investment patterns. Evidence is obvious in equity, fixed income, and real estate markets. In the long run, the

pricing distortions created by the current regimes of QE may likely lead to a suboptimal allocation of capital and investment, a distortion that may result in years of lower output and lower standards of living.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Mar-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-1.02	1.80	1.80	12.37	17.38	16.43	14.71	9.37	8.38
Russell TOP 200 Index	-1.84	0.54	0.54	12.30	17.01	15.73	14.12	8.51	7.67
Russell TOP 200 Growth Index	-1.79	3.13	3.13	16.34	19.53	15.93	15.39	10.51	9.10
Russell TOP 200 Value Index	-1.88	-2.08	-2.08	8.29	14.50	15.49	12.82	6.46	6.22
S&P 500 Index	-1.58	0.95	0.95	12.73	17.21	16.11	14.47	8.95	8.01
Russell 1000 Index	-1.25	1.59	1.59	12.73	17.47	16.45	14.73	9.27	8.34
Russell 1000 Growth Index	-1.14	3.84	3.84	16.09	19.60	16.34	15.63	10.68	9.36
Russell 1000 Value Index	-1.36	-0.72	-0.72	9.33	15.29	16.44	13.75	7.73	7.21
Russell Mid-Cap Index	0.06	3.95	3.95	13.68	18.50	18.10	16.16	11.17	10.02
Russell Mid-Cap Growth Index	0.28	5.38	5.38	15.56	19.81	17.41	16.43	11.24	10.19
Russell Mid-Cap Value Index	-0.18	2.42	2.42	11.70	17.19	18.60	15.84	10.94	9.61
Russell 2000 Index	1.74	4.32	4.32	8.21	16.26	16.27	14.57	10.47	8.82
Russell 2000 Value Index	1.69	1.98	1.98	4.43	13.17	14.79	12.54	8.94	7.53
Russell 2000 Growth Index	1.80	6.63	6.63	12.06	19.39	17.74	16.58	11.90	10.02
DJ US REIT Index	1.79	4.71	4.71	25.26	14.33	13.95	15.89	8.37	9.45
DJ-UBS US Commodity Index TR	-5.14	-7.52	-7.52	-27.04	-15.48	-11.52	-5.71	-9.58	-3.56
DJ-UBS US Gold Index TR	-2.55	-1.59	-1.59	-8.15	-14.20	-11.32	0.63	2.93	9.75

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Mar-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-1.54	3.59	3.59	-0.57	5.91	6.88	5.29	1.71	5.93
MSCI AC World Index	-1.49	2.44	2.44	5.97	11.43	11.35	9.57	5.07	7.00
MSCI EAFE Index	-1.43	5.00	5.00	-0.48	8.40	9.52	6.64	2.04	5.43
MSCI Emerging Markets index	-1.40	2.28	2.28	0.79	-0.15	0.66	2.08	0.95	8.82
ML Global Government Bond Ex. U.S. Index	-1.29	-3.03	-3.03	-9.34	-5.64	-5.27	0.05	0.55	2.34
Euro	-4.25	-11.24	-11.24	-22.07	-8.55	-6.92	-4.52	-5.40	-1.89
Japanese Yen	-0.32	-0.03	-0.03	-14.13	-11.46	-11.80	-4.87	-2.63	-1.14
UK Pound Sterling	-3.94	-4.79	-4.79	-10.96	-1.12	-2.42	-0.43	-4.08	-2.38

US Fixed Income Indices Trailing Performance

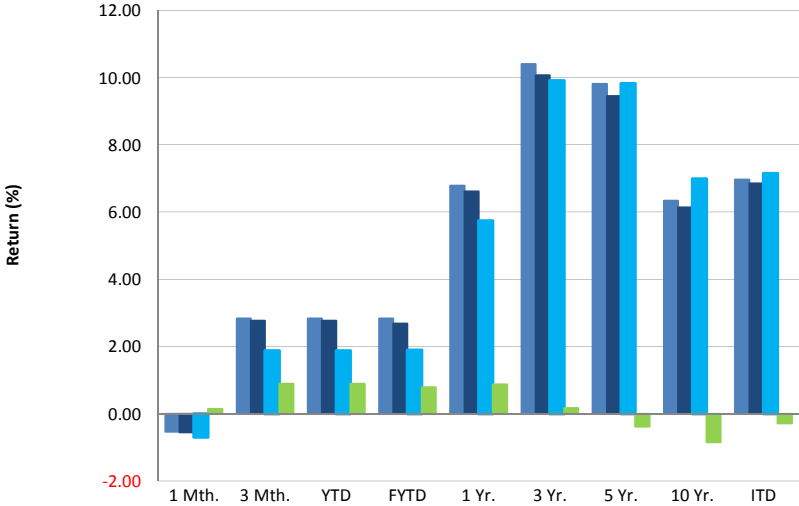
Annualized Performance to Date: Ending Mar-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.00	0.00	0.03	0.05	0.07	0.09	0.26	1.49
BarCap Aggregate Bond Index	0.46	1.61	1.61	5.72	2.77	3.10	4.41	4.69	4.93
ML U.S. Corp/Govt Master Index	0.54	1.90	1.90	6.26	2.84	3.47	4.83	4.73	4.99
ML U.S. Corporate Master Index	0.37	2.26	2.26	6.77	4.06	5.29	6.50	6.68	5.85
BarCap Mortgage Backed Securities Index	0.37	1.06	1.06	5.53	2.83	2.54	3.63	4.48	4.87
ML U.S. High Yield Master Index	-0.55	2.53	2.53	1.98	4.71	7.42	8.38	9.30	7.96
JPM EMBI Global	0.46	2.06	2.06	4.08	1.48	4.38	6.83	7.36	8.04

San Mateo County Total Fund Characteristics



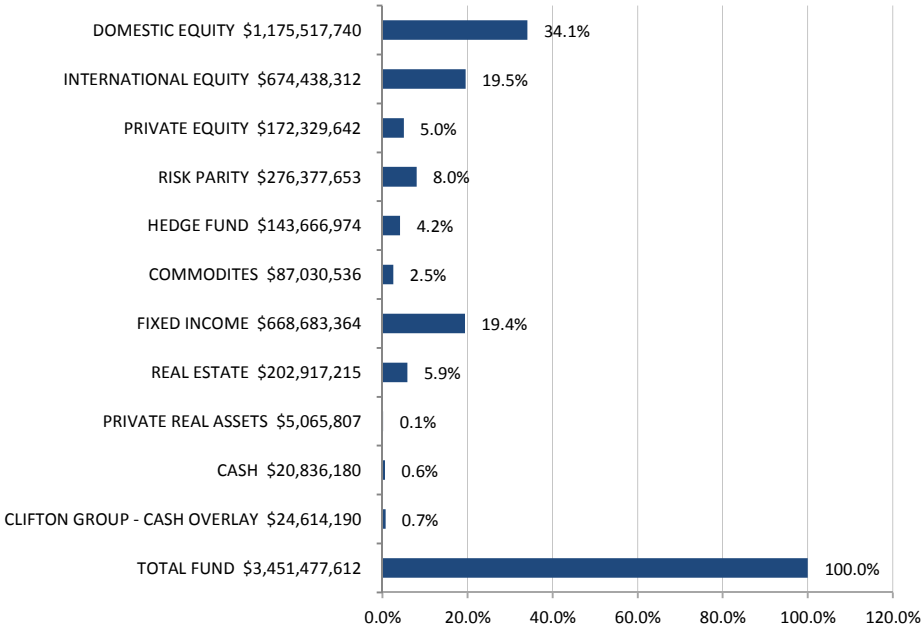
March 31, 2015

Total Fund Performance

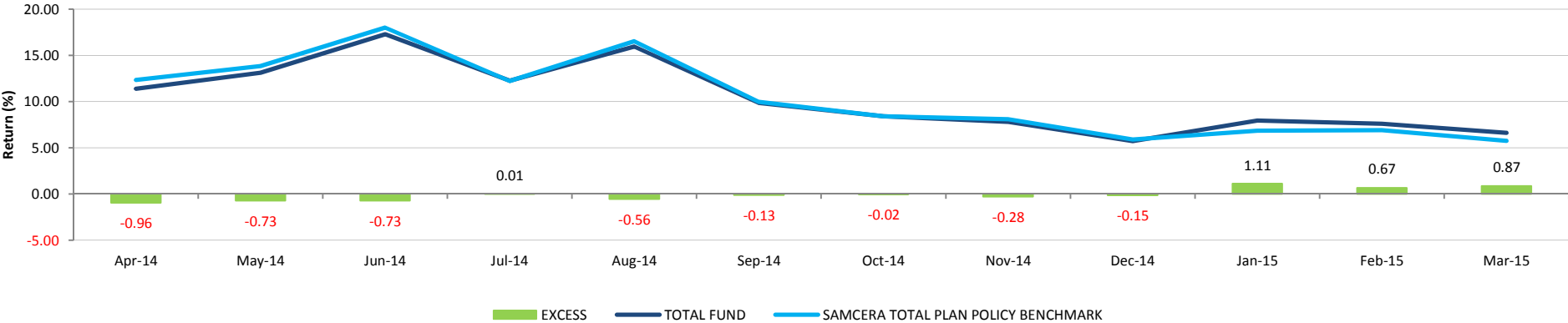


	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	ITD
TOTAL FUND - Gross	-0.54	2.83	2.83	2.83	6.78	10.40	9.81	6.34	6.97
TOTAL FUND - Net	-0.55	2.77	2.77	2.68	6.62	10.07	9.45	6.14	6.86
SAMCERA PLAN BENCHMARK	-0.69	1.87	1.87	1.89	5.74	9.90	9.83	6.99	7.15
Excess (Net)	0.14	0.90	0.90	0.79	0.87	0.17	-0.38	-0.85	-0.29

Asset Allocation



Rolling Month End Annual Returns

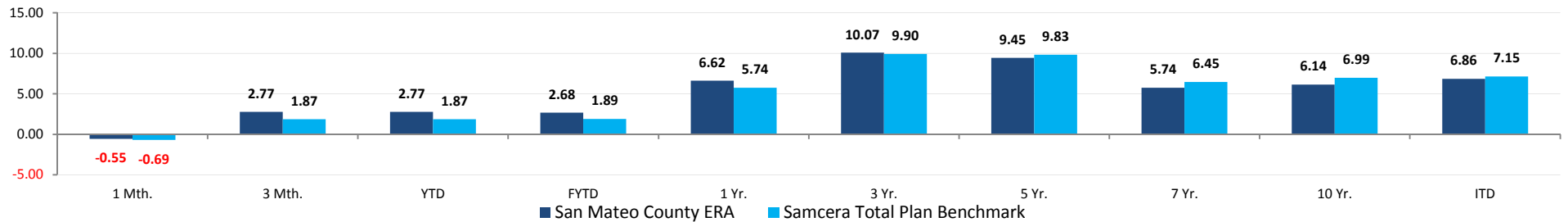


San Mateo County Composite Return Summary



March 31, 2015

Return Comparison



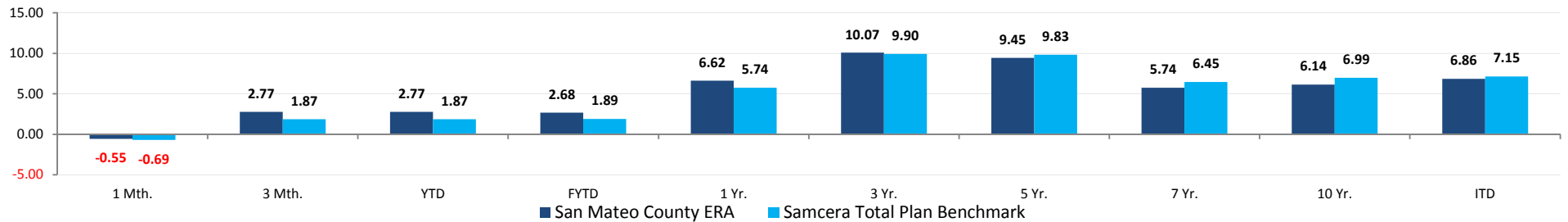
Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County ERA	3,451,477,612	-0.55	2.77	2.77	2.68	6.62	10.07	9.45	5.74	6.14	6.86
Samcera Total Plan Benchmark		-0.69	1.87	1.87	1.89	5.74	9.90	9.83	6.45	6.99	7.15
Excess		0.14	0.90	0.90	0.79	0.87	0.17	-0.38	-0.71	-0.85	-0.29
San Mateo Ex-Clifton Overlay	3,426,863,423	-0.57	2.66	2.66	2.59	6.40	10.03	9.44	5.65	6.00	6.78
Samcera Total Plan Benchmark		-0.69	1.87	1.87	1.89	5.74	9.90	9.83	6.45	6.99	7.15
Excess		0.12	0.79	0.79	0.69	0.66	0.12	-0.39	-0.79	-0.98	-0.36
Total Equity	1,849,956,052	-0.85	3.02	3.02	2.33	6.49	12.56	10.86	5.80	6.24	7.78
Samcera Total Equity Benchmark		-0.92	2.32	2.32	4.32	9.24	13.80	11.86	7.19	7.64	8.32
Excess		0.06	0.70	0.70	-1.99	-2.75	-1.24	-1.00	-1.39	-1.40	-0.54
Total Fixed Income	668,683,364	0.01	1.62	1.62	1.82	4.68	5.06	6.38	6.14	5.46	5.89
Samcera Fixed Income Benchmark		-0.17	1.15	1.15	0.84	3.51	2.47	4.30	4.61	4.87	5.38
Excess		0.18	0.47	0.47	0.98	1.17	2.58	2.08	1.53	0.59	0.52
Total Risk Parity	276,377,653	0.14	5.05	5.05	3.28	11.44	8.03	--	--	--	8.11
Samcera Risk Parity Benchmark		-0.42	1.81	1.81	5.83	9.79	11.07	--	--	--	10.10
Excess		0.57	3.24	3.24	-2.55	1.65	-3.04	--	--	--	-2.00

San Mateo County Composite Return Summary



March 31, 2015

Return Comparison



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Hedge Fund Composite	143,666,974	1.52	2.96	2.96	12.97	14.19	8.29	--	--	--	5.55
Samcera LIBOR + 4%		0.34	1.03	1.03	3.11	4.16	4.20	--	--	--	4.21
Excess		1.18	1.93	1.93	9.86	10.02	4.09	--	--	--	1.34
Total Private Equity	172,329,642	-0.01	3.94	3.94	14.02	16.13	12.67	--	--	--	-37.60
Samcera PE Benchmark		0.26	3.38	3.38	10.41	16.64	20.20	--	--	--	19.75
Excess		-0.27	0.57	0.57	3.61	-0.51	-7.53	--	--	--	-57.35
Total Commodities	87,030,536	-4.68	-3.31	-3.31	-21.55	-19.27	-6.77	--	--	--	-6.76
Bloomberg Commodity Index		-5.14	-5.94	-5.94	-27.10	-27.04	-11.52	--	--	--	-12.85
Excess		0.46	2.64	2.64	5.55	7.77	4.75	--	--	--	6.09
Private Real Assets	5,065,807	0.41	0.41	0.41	--	--	--	--	--	--	0.91
Samcera CPI + 5%		0.00	0.37	0.37	--	--	--	--	--	--	0.96
Excess		0.41	0.04	0.04	--	--	--	--	--	--	-0.05
Total Real Estate	202,917,215	0.00	3.32	3.32	7.73	11.04	11.19	13.39	2.49	6.32	8.00
Samcera Real Estate Benchmark		0.00	0.00	0.00	6.68	9.62	11.21	13.59	2.23	6.31	8.46
Excess		0.00	3.32	3.32	1.06	1.42	-0.02	-0.20	0.25	0.01	-0.46
Total Cash	20,836,180	0.00	0.02	0.02	0.20	0.48	0.55	0.69	0.30	1.41	2.22
Samcera Cash Benchmark		0.00	0.00	0.00	0.02	0.03	0.07	0.09	0.26	1.49	2.08
Excess		0.00	0.02	0.02	0.19	0.45	0.47	0.60	0.04	-0.08	0.14

San Mateo County Manager Return Summary



March 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	1,849,956,052	-0.85	3.02	3.02	2.33	6.49	12.56	10.86	5.80	6.24	7.78
Samcera Total Equity Benchmark		-0.92	2.32	2.32	4.32	9.24	13.80	11.86	7.19	7.64	8.32
Excess		0.06	0.70	0.70	-1.99	-2.75	-1.24	-1.00	-1.39	-1.40	-0.54
Total Domestic Equity	1,175,517,740	-0.54	2.28	2.28	6.72	10.66	15.24	13.76	8.46	7.10	8.47
Samcera Dom. Equity Benchmark		-0.65	2.14	2.14	7.07	11.91	16.46	14.74	9.57	8.49	8.88
Excess		0.11	0.14	0.14	-0.36	-1.25	-1.22	-0.99	-1.11	-1.39	-0.41
Total Large Cap Equity	960,451,664	-0.96	2.05	2.05	7.59	12.39	15.49	13.61	8.35	7.32	9.19
Russell 1000		-1.25	1.59	1.59	7.25	12.73	16.45	14.73	9.27	8.34	9.63
Excess		0.29	0.46	0.46	0.35	-0.35	-0.96	-1.12	-0.92	-1.02	-0.44
Barrow Hanley	107,776,688	-0.91	1.56	1.56	5.37	8.76	16.44	13.95	--	--	16.10
Russell 1000 Value		-1.36	-0.72	-0.72	4.02	9.33	16.44	13.75	--	--	15.98
Excess		0.45	2.28	2.28	1.35	-0.57	0.01	0.20	--	--	0.12
Blackrock S&P 500 Index Fund	581,333,083	-1.59	0.95	0.95	7.15	12.76	--	--	--	--	18.52
S&P 500		-1.58	0.95	0.95	7.12	12.73	--	--	--	--	18.50
Excess		-0.01	-0.00	-0.00	0.02	0.03	--	--	--	--	0.02
Brown Advisory	107,544,999	-0.50	3.66	3.66	8.69	10.69	--	--	--	--	15.66
Russell 1000 Growth		-1.14	3.84	3.84	10.42	16.09	--	--	--	--	19.22
Excess		0.64	-0.17	-0.17	-1.73	-5.40	--	--	--	--	-3.56
DE Shaw Commingled Fund	163,796,894	-0.86	2.94	2.94	--	--	--	--	--	--	2.94
Russell 1000		-1.25	1.59	1.59	--	--	--	--	--	--	1.59
Excess		0.39	1.35	1.35	--	--	--	--	--	--	1.35

San Mateo County Manager Return Summary



March 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Small Cap Equity	215,066,075	1.28	3.26	3.26	3.00	3.96	14.89	14.71	9.04	6.29	6.85
Russell 2000		1.74	4.32	4.32	6.04	8.21	16.27	14.57	10.47	8.82	8.01
Excess		-0.46	-1.05	-1.05	-3.04	-4.25	-1.38	0.14	-1.43	-2.53	-1.16
Boston Company	103,822,333	1.16	1.47	1.47	0.81	1.82	14.47	12.60	--	--	15.47
Russell 2000 Value		1.69	1.98	1.98	2.00	4.43	14.79	12.54	--	--	15.50
Excess		-0.53	-0.51	-0.51	-1.19	-2.61	-0.32	0.06	--	--	-0.04
Chartwell Investment Mgmt	111,243,743	1.39	4.99	4.99	5.13	6.04	15.90	17.15	10.34	9.22	9.22
Russell 2000 Growth		1.80	6.63	6.63	10.16	12.06	17.74	16.58	11.90	10.02	9.30
Excess		-0.40	-1.64	-1.64	-5.03	-6.03	-1.84	0.57	-1.56	-0.80	-0.08
Total International Equity	674,438,312	-1.37	4.38	4.38	-5.07	-0.84	7.20	4.83	0.14	4.79	5.64
MSCI ACW ex US-IMI		-1.55	3.55	3.55	-5.91	-1.34	6.52	5.02	1.52	5.67	5.15
Excess		0.17	0.83	0.83	0.84	0.50	0.67	-0.19	-1.38	-0.87	0.48
Total Developed Markets Equity	607,996,432	-1.19	4.94	4.94	-4.33	-0.22	8.13	5.39	0.73	5.33	4.36
MSCI ACW ex US-IMI		-1.55	3.55	3.55	-5.91	-1.34	6.52	5.02	1.52	5.67	4.94
Excess		0.35	1.39	1.39	1.58	1.12	1.61	0.36	-0.79	-0.34	-0.59
Baillie Gifford	206,383,428	-0.26	6.35	6.35	-1.39	1.32	--	--	--	--	10.61
MSCI ACWI ex US Growth		-0.99	4.89	4.89	-2.43	2.09	--	--	--	--	7.94
Excess		0.73	1.46	1.46	1.04	-0.77	--	--	--	--	2.67
Blackrock EAFE Index Fund	136,864,799	-1.47	4.95	4.95	-4.75	-0.70	--	--	--	--	0.02
MSCI EAFE ND		-1.52	4.88	4.88	-4.81	-0.92	--	--	--	--	-0.21
Excess		0.05	0.08	0.08	0.06	0.22	--	--	--	--	0.23

San Mateo County Manager Return Summary



March 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Mondrian Investment Partners	200,980,467	-2.05	3.64	3.64	-6.69	-1.08	6.80	5.84	1.73	5.61	6.04
MSCI ACWI ex US Value		-2.13	2.24	2.24	-8.63	-3.26	6.20	4.42	1.44	5.38	5.73
Excess		0.08	1.40	1.40	1.94	2.19	0.60	1.42	0.29	0.23	0.31
Pyramis Intl Small Cap	63,767,739	-0.87	4.54	4.54	-5.08	-1.45	7.28	--	--	--	7.28
MSCI ACWI Small Cap ex US Net		-1.08	3.93	3.93	-6.99	-3.60	7.39	--	--	--	7.39
Excess		0.21	0.61	0.61	1.92	2.15	-0.10	--	--	--	-0.10
Total Emerging Markets Equity	66,441,879	-2.98	-0.44	-0.44	-11.08	-5.78	0.02	--	--	--	0.02
MSCI Emerging Markets ND		-1.42	2.24	2.24	-5.78	0.44	0.31	--	--	--	0.31
Excess		-1.56	-2.67	-2.67	-5.30	-6.21	-0.29	--	--	--	-0.29
Eaton Vance	66,441,879	-2.98	-0.44	-0.44	-11.08	-5.78	0.02	--	--	--	0.02
MSCI Emerging Markets GD		-1.40	2.28	2.28	-5.54	0.79	0.66	--	--	--	0.66
Excess		-1.58	-2.72	-2.72	-5.54	-6.57	-0.64	--	--	--	-0.64
Total Fixed Income	668,683,364	0.01	1.62	1.62	1.82	4.68	5.06	6.38	6.14	5.46	5.89
Samcera Fixed Income Benchmark		-0.17	1.15	1.15	0.84	3.51	2.47	4.30	4.61	4.87	5.38
Excess		0.18	0.47	0.47	0.98	1.17	2.58	2.08	1.53	0.59	0.52
Total Domestic Fixed Income	570,515,302	0.20	1.83	1.83	2.20	5.10	4.82	6.34	6.13	5.51	6.06
Samcera US Fixed Inc Benchmark		0.03	1.86	1.86	2.49	5.24	3.04	4.78	4.95	5.11	5.68
Excess		0.17	-0.03	-0.03	-0.30	-0.14	1.78	1.56	1.18	0.40	0.38
Total Core Fixed Income	336,980,987	0.36	1.71	1.71	4.09	6.65	4.42	5.84	5.77	5.25	5.90
BC U.S. Aggregate		0.46	1.61	1.61	3.60	5.72	3.10	4.41	4.69	4.93	5.56
Excess		-0.10	0.10	0.10	0.49	0.93	1.32	1.42	1.08	0.33	0.33

San Mateo County Manager Return Summary



March 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Pyramis Core Bond	201,067,927	0.44	1.69	1.69	3.60	5.91	3.90	5.31	5.88	--	5.47
BC U.S. Aggregate		0.46	1.61	1.61	3.60	5.72	3.10	4.41	4.69	--	5.05
Excess		-0.02	0.09	0.09	-0.00	0.19	0.80	0.90	1.19	--	0.42
Western Asset Management	135,913,060	0.24	1.73	1.73	4.75	7.52	4.96	6.42	6.48	5.68	5.51
BC U.S. Aggregate		0.46	1.61	1.61	3.60	5.72	3.10	4.41	4.69	4.93	4.69
Excess		-0.22	0.12	0.12	1.15	1.80	1.86	2.01	1.79	0.76	0.83
Brown Brothers Harriman	68,506,167	-0.66	0.85	0.85	-2.94	-0.08	-0.41	--	--	--	3.07
BC US Tips		-0.47	1.42	1.42	-0.67	3.11	0.63	--	--	--	3.73
Excess		-0.18	-0.57	-0.57	-2.26	-3.18	-1.04	--	--	--	-0.67
Total Opportunistic Credit	165,028,148	0.22	2.28	2.28	0.29	4.07	10.41	11.20	--	--	11.11
BC BA Intermediate HY Index		-0.57	2.45	2.45	1.74	4.11	7.14	8.24	--	--	8.98
Excess		0.79	-0.17	-0.17	-1.44	-0.04	3.27	2.96	--	--	2.13
AG Opportunistic Whole Loan	24,578,263	0.00	-1.00	-1.00	-1.45	--	--	--	--	--	-3.36
BC BA Intermediate HY Index		-0.57	2.45	2.45	1.74	--	--	--	--	--	3.44
Excess		0.57	-3.46	-3.46	-3.19	--	--	--	--	--	-6.80
Angelo Gordon	42,004,793	0.00	1.99	1.99	3.83	9.43	--	--	--	--	11.27
BC BA Intermediate HY Index		-0.57	2.45	2.45	1.74	4.11	--	--	--	--	5.68
Excess		0.57	-0.46	-0.46	2.09	5.32	--	--	--	--	5.58
Beach Point Select Fund	33,570,736	1.42	--	--	--	--	--	--	--	--	3.29
BC BA Intermediate HY Index		-0.57	--	--	--	--	--	--	--	--	1.31
Excess		1.99	--	--	--	--	--	--	--	--	1.99
Brigade Cap Mngmt	64,874,356	-0.16	2.95	2.95	-1.96	1.07	7.09	--	--	--	7.91
BC BA Intermediate HY Index		-0.57	2.45	2.45	1.74	4.11	7.14	--	--	--	8.00
Excess		0.41	0.50	0.50	-3.70	-3.03	-0.05	--	--	--	-0.09

San Mateo County Manager Return Summary



March 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Global Fixed Income	98,168,062	-1.05	0.47	0.47	-0.23	2.60	5.92	--	--	--	5.82
Samcera Global Fixed Benchmark		-1.03	-1.89	-1.89	-6.12	-3.76	0.00	--	--	--	1.54
Excess		-0.02	2.35	2.35	5.89	6.35	5.92	--	--	--	4.28
Franklin Templeton	98,168,062	-1.05	0.47	0.47	-0.23	1.22	5.44	--	--	--	5.48
BC Multiverse Index		-1.03	-1.89	-1.89	-6.12	-3.76	0.00	--	--	--	1.54
Excess		-0.02	2.35	2.35	5.89	4.97	5.44	--	--	--	3.95
Total Risk Parity	276,377,653	0.14	5.05	5.05	3.28	11.44	8.03	--	--	--	8.11
Samcera Risk Parity Benchmark		-0.42	1.81	1.81	5.83	9.79	11.07	--	--	--	10.10
Excess		0.57	3.24	3.24	-2.55	1.65	-3.04	--	--	--	-2.00
AQR Global Risk III	133,169,185	-0.44	3.90	3.90	-1.65	6.17	6.30	--	--	--	6.84
Samcera Risk Parity Benchmark		-0.42	1.81	1.81	5.83	9.79	11.07	--	--	--	10.10
Excess		-0.02	2.10	2.10	-7.48	-3.61	-4.77	--	--	--	-3.27
Panagora	143,208,468	0.69	6.13	6.13	10.07	--	--	--	--	--	10.07
Samcera Risk Parity Benchmark		-0.42	1.81	1.81	5.83	--	--	--	--	--	5.83
Excess		1.11	4.32	4.32	4.24	--	--	--	--	--	4.24
Total Real Estate	202,917,215	0.00	3.32	3.32	7.73	11.04	11.19	13.39	2.49	6.32	8.00
Samcera Real Estate Benchmark		0.00	0.00	0.00	6.68	9.62	11.21	13.59	2.23	6.31	8.46
Excess		0.00	3.32	3.32	1.06	1.42	-0.02	-0.20	0.25	0.01	-0.46
Invesco Core Real Estate	202,917,215	0.00	3.32	3.32	7.73	11.05	11.00	13.40	2.49	6.33	7.04
Samcera NCREIF ODCE EW (gross)		0.00	0.00	0.00	6.68	9.62	11.21	13.59	2.23	6.31	6.78
Excess		0.00	3.32	3.32	1.06	1.43	-0.21	-0.19	0.26	0.01	0.26

San Mateo County Manager Return Summary



March 31, 2015

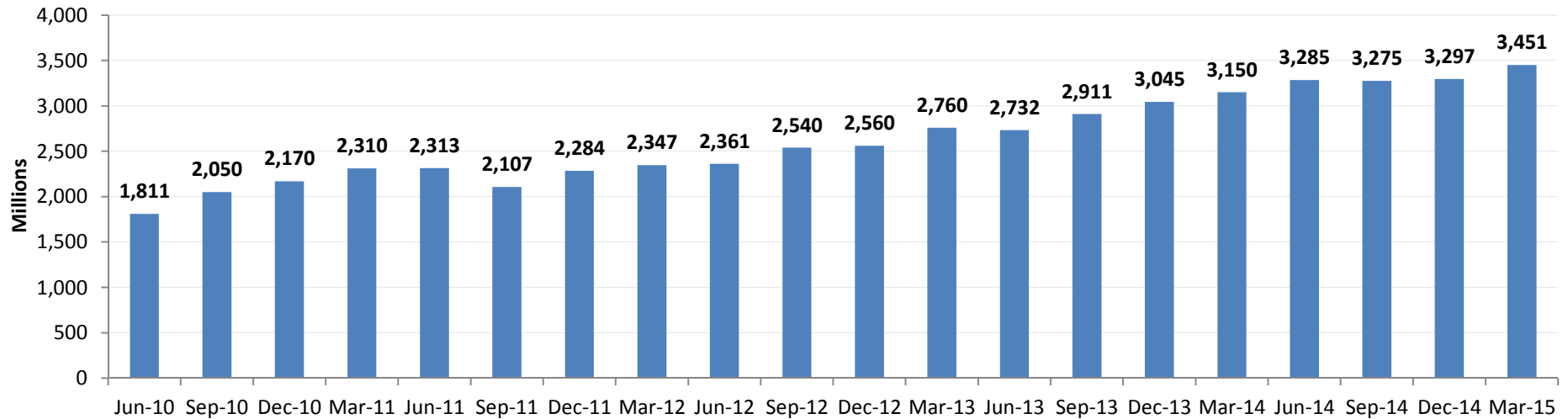
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Alternatives	408,092,959	-0.52	1.88	1.88	3.84	5.86	5.21	-10.66	-13.65	-5.73	-4.73
Samcera Alternatives Benchmark		-0.76	0.67	0.67	-0.43	3.10	9.20	9.80	6.48	7.32	7.64
Excess		0.25	1.20	1.20	4.27	2.76	-3.99	-20.45	-20.13	-13.05	-12.37
Total Private Equity	172,329,642	-0.01	3.94	3.94	14.02	16.13	12.67	--	--	--	-37.60
Samcera PE Benchmark		0.26	3.38	3.38	10.41	16.64	20.20	--	--	--	19.75
Excess		-0.27	0.57	0.57	3.61	-0.51	-7.53	--	--	--	-57.35
Private Real Assets	5,065,807	0.41	0.41	0.41	--	--	--	--	--	--	0.91
Samcera CPI + 5%		0.00	0.37	0.37	--	--	--	--	--	--	0.96
Excess		0.41	0.04	0.04	--	--	--	--	--	--	-0.05
Total Hedge Fund Composite	143,666,974	1.52	2.96	2.96	12.97	14.19	8.29	--	--	--	5.55
Samcera LIBOR + 4%		0.34	1.03	1.03	3.11	4.16	4.20	--	--	--	4.21
Excess		1.18	1.93	1.93	9.86	10.02	4.09	--	--	--	1.34
Total Commodities	87,030,536	-4.68	-3.31	-3.31	-21.55	-19.27	-6.77	--	--	--	-6.76
Bloomberg Commodity Index		-5.14	-5.94	-5.94	-27.10	-27.04	-11.52	--	--	--	-12.85
Excess		0.46	2.64	2.64	5.55	7.77	4.75	--	--	--	6.09
Total Cash	20,836,180	0.00	0.02	0.02	0.20	0.48	0.55	0.69	0.30	1.41	2.22
Samcera Cash Benchmark		0.00	0.00	0.00	0.02	0.03	0.07	0.09	0.26	1.49	2.08
Excess		0.00	0.02	0.02	0.19	0.45	0.47	0.60	0.04	-0.08	0.14
SamCera General Account	17,711,498	0.01	0.03	0.03	0.16	0.17	0.14	0.20	0.45	1.68	2.21
SamCera Treasury & LAIF	3,059,382	0.00	0.00	0.00	0.00	0.35	0.57	0.77	0.23	1.28	2.96
San Mateo County ERA	3,451,477,612	-0.55	2.77	2.77	2.68	6.62	10.07	9.45	5.74	6.14	6.86
Samcera Total Plan Benchmark		-0.69	1.87	1.87	1.89	5.74	9.90	9.83	6.45	6.99	7.15
Excess		0.14	0.90	0.90	0.79	0.87	0.17	-0.38	-0.71	-0.85	-0.29

March 31, 2015

Record of Asset Growth

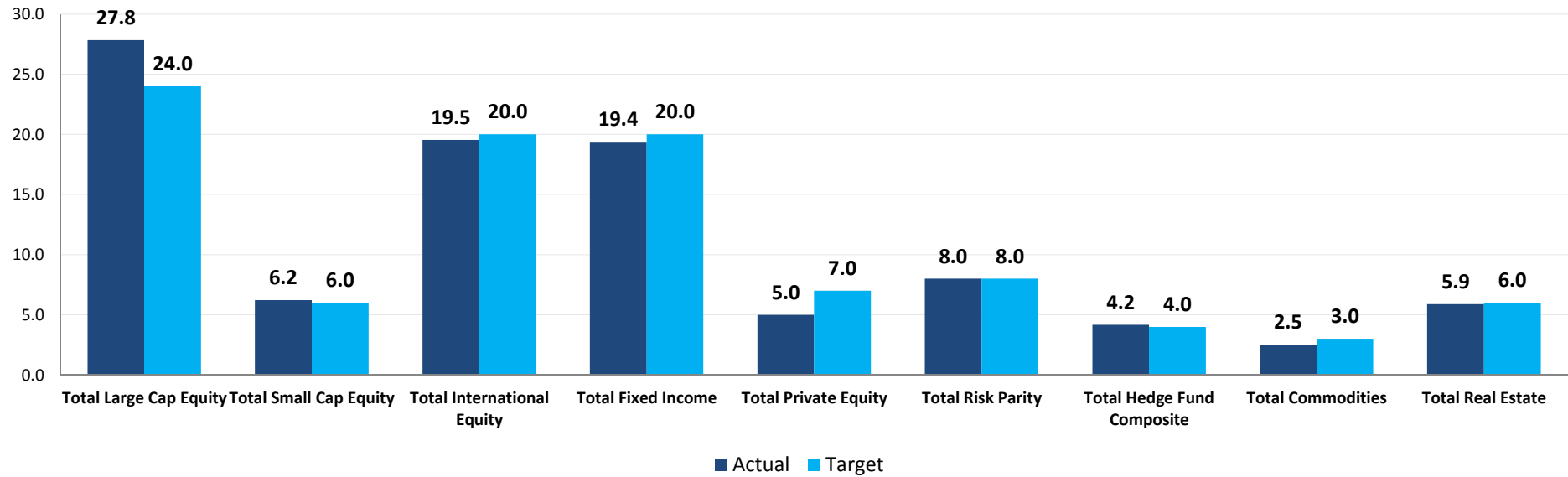
	Three Months	One Year
TOTAL FUND		
Beginning Market Value	3,296,787,236	3,149,631,353
Contributions	199,504,231	300,486,910
Withdrawals	-140,058,208	-229,943,920
Income Received	9,985,912	28,926,075
Gain/Loss	85,518,373	66,824,894
Ending Market Value	3,451,477,612	3,451,477,612

Net Asset Values Over Time (\$000)



March 31, 2015

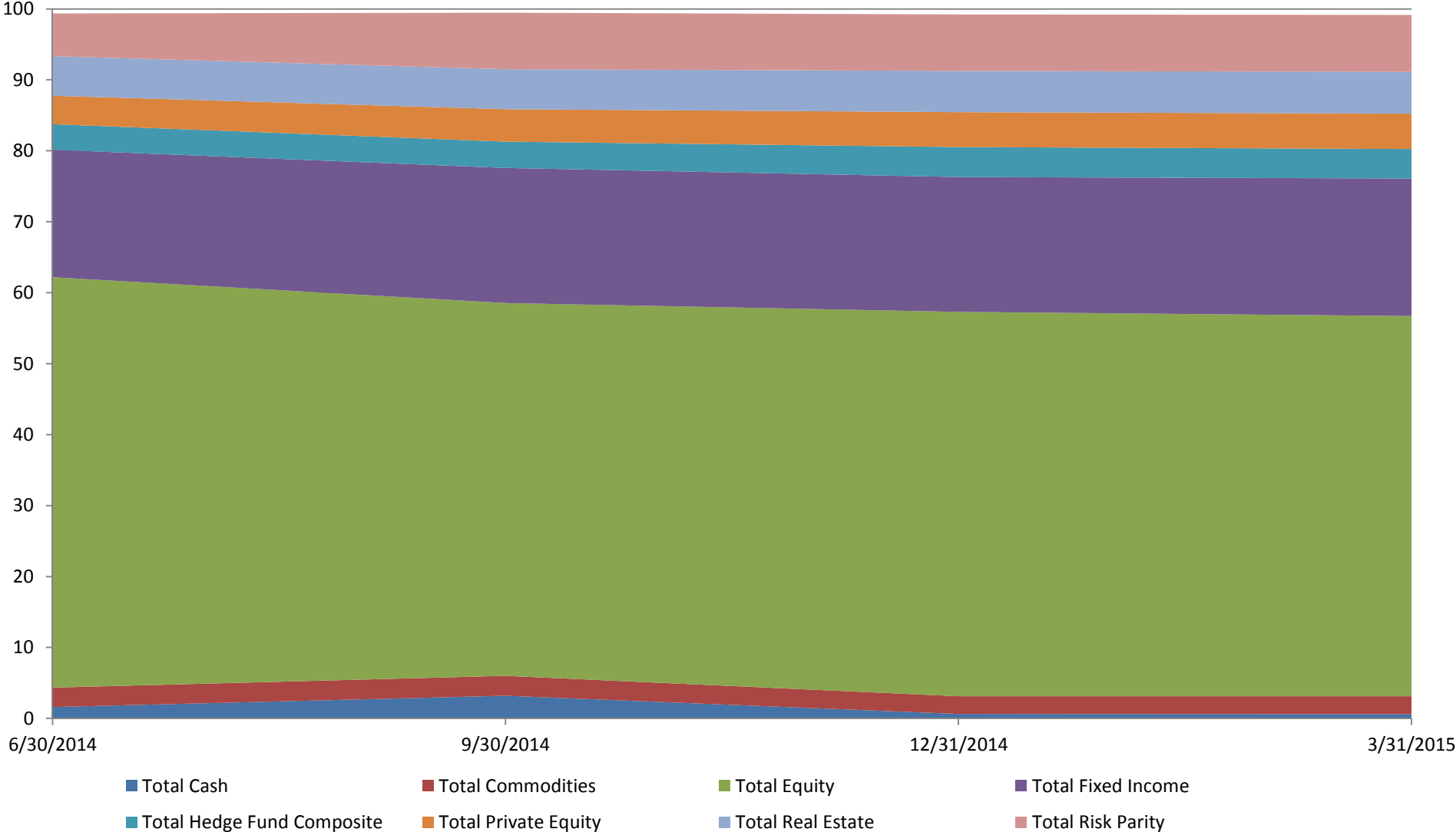
Actual vs Target Weights



	Min	Actual	Target	Deviation	Max
Total Large Cap Equity	22.0	27.8	24.0	3.8	26.0
Total Small Cap Equity	4.0	6.2	6.0	0.2	8.0
Total International Equity	18.0	19.5	20.0	-0.5	22.0
Total Fixed Income	18.0	19.4	20.0	-0.6	22.0
Total Private Equity	5.0	5.0	7.0	-2.0	9.0
Total Risk Parity	6.0	8.0	8.0	0.0	10.0
Total Hedge Fund Composite	2.0	4.2	4.0	0.2	6.0
Total Commodities	1.0	2.5	3.0	-0.5	5.0
Total Real Estate	4.0	5.9	6.0	-0.1	8.0

March 31, 2015

Asset Allocation over Time

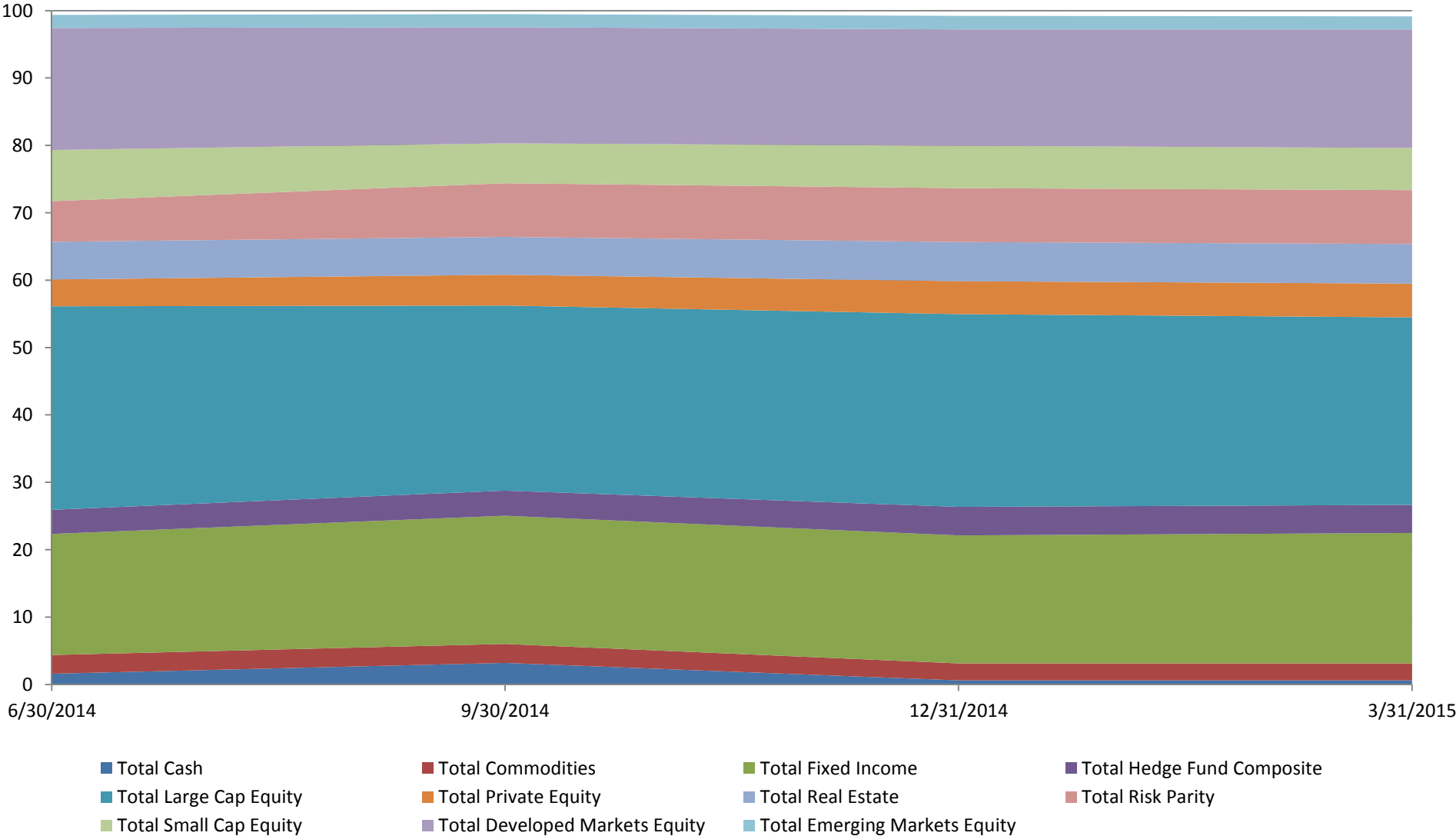


**San Mateo County
Sub-Asset Class Allocation Over Time**



March 31, 2015

Sub-Asset Class Allocation Over Time



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 6.2

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Report on the Annual Review of SamCERA's International Managers (Eaton Vance Parametric, Franklin Templeton, and Pyramis)

Staff Recommendation

Review the report on the annual review of SamCERA's International Managers.

Background

SamCERA staff held annual review meetings in SamCERA's office with Eaton Vance Parametric and Pyramis on April 9th, while on April 16th the annual review meeting with Franklin Templeton was held in SamCERA's offices. As a reminder, SamCERA's International Value and Growth managers, Mondrian Investment Partners and Baillie Gifford Overseas, will be reviewed later in the year along with domestic managers in their respective investment style.

Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion

The Eaton Vance Parametric Structured Emerging Markets Equity strategy, which is a structured, rules based approach, was reviewed first. Next, the Pyramis Select International Small-Cap Plus strategy was reviewed. This is a core strategy that provides a broad exposure to the international small-cap equity asset class. Then on April 16th, the Franklin Templeton Global Multi-Sector Plus bond strategy, which is a global bond mandate managed in an unconstrained fashion using a top-down fundamental framework, was reviewed.

There were no major concerns identified in the portfolio reviews. Meeting notes are attached to this memo summarizing the findings from the annual reviews for Eaton Vance Parametric and Pyramis. The meeting notes for Franklin Templeton will be provided at the Board meeting due to the later review date of this strategy.

Attachments

- A. *Eaton Vance Parametric Annual Review Meeting Notes*
- B. *Pyramis Select International Small-Cap Annual Review Meeting Notes*

SamCERA Account:

\$68.5 mm (2/29/2015)

Manager Representative(s)Daniel Ryan (Relationship Manager), Reuben Butler
(Institutional Portfolio Manager)SIS Representative(s)

Jonathan Brody

Client Representative(s)Scott Hood (SamCERA CEO), Mike Coultrip (SamCERA CIO),
Lili Dames (Investment Analyst)

Date of meeting: 4/9/2015

Location: SamCERA

Product Description

Parametric utilizes a structured, rules-based approach, which they believe is capable of generating enhanced returns with lower volatility compared to both traditional active management and passive capitalization weighted indices. The basic idea is to structure the portfolio with more balanced country weights than the market cap weighted indices, and also to capture a rebalancing premium. This provides more diversification and greater exposure to smaller countries than is provided by the market cap weighted indices. The approach is to divide emerging markets countries into four tiers, and to equally weight the countries within each tier. Tier 1 countries are the largest countries that dominate the cap weighted index. Each successive tier is comprised of smaller countries, each of which is given a smaller target weighting in the model portfolio. In aggregate, the eight Tier 1 countries are given a much lower weighting than in the capitalization weighted index, but they nevertheless comprise more than 50% of the portfolio. Tier 4 countries are in the frontier markets. The SEM strategy targets excess return of 3% over a market cycle with 4.5%-6.5% tracking error. It is designed to generate a level of volatility 85%-95% of the MSCI EM index. The strategy currently invests in 50 countries and will typically hold 1,000-1,500 securities. Turnover is expected to be in the range of 20%-25%.

Meeting Notes**Organization**

Parametric now has offices in Seattle WA, Westport CT, and Minneapolis MI. The structured equity strategies are run from the Seattle office. The office in Minneapolis manages overlay strategies and offers custom risk management solutions. The Westport office is focused on options based strategies and overlays employing options. As of the end of Q1 2015 Parametric's assets under management were \$136.7 billion.

Dan Ryan joined Parametric approximately one year ago and is SamCERA's relationship manager. As Parametric has grown its assets they have built their own client service team, and no longer rely on representatives from Eaton Vance. This makes sense because the Parametric systematic strategies are quite distinct from the traditional fundamental approach used by most of the Eaton Vance strategies.

Parametric announced CIO David Stein's upcoming retirement earlier this year. David is 65 years old and has been with Parametric for over 20 years. He plans to leave the firm in October of 2015. Succession plans have been underway for quite some time. Paul Bouchey is currently serving as Co-CIO with David and later this month will become the sole CIO at which point David will transition to a role as Senior Investment Adviser for the next six months until retirement. Tim Atwill is serving as the Head of Investment Strategy, which involves oversight of investment and research. And Tom Seto is Head of Investment Management, which involves oversight of implementation.

We were informed in the meeting that Parametric's Head of Compliance will be leaving the firm next week for personal reasons. Christine Smith, Chief Administrative Officer, will serve as interim head of compliance while Parametric seeks to recruit another Head of Compliance.

Investment Team

Other than the leadership positions mentioned above, there was no other discussion of changes on the investment team.

Investment Strategy

Parametric is managing approximately \$15 billion in the emerging markets equities strategy used by SamCERA. There is also a similar strategy that omits the frontier market exposure, Emerging Markets Core, which represents approximately another \$5 billion. Overall in 2014, flows to Parametric's emerging markets strategies were positive, with about \$900 mm in inflows across the suite of emerging markets equity products.

Country weightings are the most significant feature of the investment approach. Parametric maintains the view that country, rather than sector, is the dominant driver of returns in the emerging markets. But the strategy also involves a more equal weighting of sectors at the country level than the benchmark. The benchmark relative constraints on sector weightings are determined by liquidity. Parametric has adjusted its approach to sector weightings as intra-sector liquidity has improved in the emerging markets. They have switched from working with five super-sectors to the standard GICs sector categories. But the objective remains the same: to maintain diversification of sectors with country and reduce concentration at the sector level.

Recently a number of new countries have been added to the strategy. In late 2013 Bahrain and Panama were introduced, and Sri Lanka in 2014. Several countries have also moved up or down a tier, primarily due to changes in market liquidity.

Reuben mentioned various research pieces recently published by Parametric on topics including the China A-Shares market, Saudi Arabia and currency hedging. He then provided a brief summary of their views on currency hedging in the emerging markets. They do not hedge currency in this strategy for a number of reasons including costs and the availability of appropriate instruments for emerging markets currencies. They also believe that in the long run currency volatility has little effect.

The strategy is trailing the benchmark on a trailing one-year basis as of the end of February 2015 by close to five percentage points on a net basis. The performance difficulties have happened quite recently. In fact, Parametric was outperforming on a year-to date basis as of the end of Q3 of 2014. There were two main reasons for the difficult Q4. As the Russian market declined, and declined in size in the benchmark, Parametric rebalanced and actually went from being under- to being overweight. Russia was a very poor performing market in Q4, but has rallied in Q1 of 2015. In addition, China is a significant underweight relative to the benchmark. Therefore the strong performance in China late in 2014 and into 2015 has been a headwind.

Soft dollars were discussed. Parametric does not use soft dollars. Fees were also discussed. SamCERA is paying 105 basis points in the Z shares of this strategy. SamCERA could, however, invest in the Emerging Markets Core strategy at a significantly lower fee, 55 basis points. As mentioned above, the difference between the two strategies is that the Core strategy does not include the fourth tier, the frontier markets, which constitute approximately 15% of the Classic Strategy. Parametric has offered to provide more information on the Core Strategy.

SamCERA Account:
\$61 mm (12/31/2014)

Date of meeting: 4/9/2015

Location: SamCERA

Manager Representative(s)

Sue Cullen(Relationship Manager),
Nick Horn (Institutional PM), Mark Botelho
(Account Executive)

SIS Representative(s)

Jonathan Brody

Client Representative(s)

Scott Hood (SamCERA CEO), Mike Coultrip (SamCERA CIO),
Lili Dames (Investment Analyst)

Product Description

Pyramis Select International Small Cap is a core strategy that provides broad exposure to the international small cap equity asset class. The firm's analysts actively research, and formally rate, 1200-1300 international small cap companies. The decision making structure is quite efficient, with portfolio manager Rob Feldman making all the buy and sell decisions. His role, as he puts it, is to be an intelligent user of the analysts' research. He selects the 1- and 2-rated stocks that he thinks are compelling and additive to his portfolio, and he sells names when they are downgraded by the analysts. The portfolio generally has 175-225 holdings. Country and sector weights are within 3 percentage points of the benchmark and position sizes are within 2 percentage points of the benchmark. Turnover tends to be in the 60%-80% range.

Meeting Notes

Organization

As of the end of 2014, Pyramis was managing \$214 billion overall and \$66 billion in international equity. The Select International Small Cap Plus Strategy, which is benchmarked to the ACWI ex US Small Cap Index, had assets of slightly over \$1 billion as of year-end. The flagship developed-only version of the strategy has \$4.5 billion. Overall Pyramis believes they have capacity for another \$2 billion in the international small cap asset class.

Over the past few quarters there have been some changes in upper management at the Pyramis organization. Mike Jones, President of Pyramis, left the firm at the end of 2014. Jeff Lagarce, a 14 year veteran at Fidelity with 30 years of industry experience, has replaced Mike. Andy Matteis, Head of Fundamental Research, also retired at the end of 2014. Ian Baker, who has 20 years of industry experience, stepped into that role effective January 1, 2015.

Investment Team

Portfolio manager Rob Feldman is in his 13th year managing the Select International Small Cap strategy and has been managing the Plus version of the strategy since its inception in 2008. There have been no recent significant changes to the team. Analyst Youngju Ko recently moved to the Hong Kong office. Youngju covers energy, industrials, and utilities. There are now two analysts on the team located in the Hong Kong office. This is helpful because they are working and monitoring the markets during hours when the US based analysts are not.

Investment Strategy

Active share is approximately 92%. The market cap exposure is larger than the benchmark. Nick attributed this to a tendency to let their winners run.

There was a brief discussion of Pyramis' approach to currency management. They take the position that currency views should be integrated into security selection, rather than expressed on a top-down portfolio basis. They do not hedge currency and think that the impact of currency moves washes out over time.

Performance & Positioning

In 2014 developed international small cap stocks underperformed large caps. In the emerging markets, however, small caps had a slightly positive return which was ahead of the slightly negative return of large caps. On a regional basis, Emerging Asia was the standout performer, particularly India. The Pyramis strategy outperformed the benchmark for the year by 95 basis points gross, but was essentially at parity with the benchmark on a net basis. The first three quarters of the year were comparatively weak with a strong fourth quarter. In the first quarter of 2015, the strategy continued to perform reasonably well and was ahead of the benchmark by 85 basis points. Portfolio turnover in 2014 was quite low at 23%.

During the meeting there was some discussion of security level attribution. The bigger picture for 2014 is that active security selection was particularly successful in the emerging markets, but not successful in Japan. On a sector basis, financials were a notable area of weakness. And financials in Japan were particularly difficult, detracting 60 basis points for the year. In the second half of the year M&A activity accelerated in the healthcare and energy sectors.


The impact of "fair value pricing" on the reported performance of the commingled vehicle was -30 basis points. This is an adjustment that is made to a fund's NAV to account for the fact that markets globally do not open and close simultaneously. Pyramis has offered to provide more information on this topic on a follow up call.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.1

TO: Board of Retirement

FROM: Mabel Wong, Finance Officer 

SUBJECT: Introduction of SamCERA's Budget for FY 2015-2016

Staff Recommendation

This is an informational report, no action is required.

Discussion

Staff has begun working on the FY2015-2016 budget. SamCERA's budget consists of three components: an administrative budget for salaries and benefits, services and supplies, County department service charges, and capital assets; a technology budget, which includes computers, software, maintenance, and all technology modernization projects; and a professional budget for investment managers, consultant, custodian, and the actuary. The administrative and technology budgets are incorporated in the County budget, whereas the professional budget is not.

The administrative budget will have a notable increase in FY 2015-16 with the addition of the second Assistant Executive Officer and Financial Analyst positions, and the expansion of office space including any necessary tenant improvements. Salaries and benefits will also include extra help, work-out-of-class, and limited staff overtime associated with unfilled positions, the PASS and other short-term projects, negotiated increases, and merit increases.

The technology budget includes: the PASS project, which will be in the second year of a three-year implementation, the PASS project manager, other technology related projects, maintenance and enhancement of existing Pension Gold, and computers and related equipment.

The professional budget will be based on contracts with the global custodian, investment consultant, actuary, auditing firm, and investment managers.

Staff will present the FY 2015-16 detailed budget for Board approval in June.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.2

TO: Board of Retirement

FROM: 
Scott Hood, Chief Executive Officer

SUBJECT: Approval of a Resolution Authorizing the Chief Executive Officer to Execute an Agreement with Accela, Inc. for Agenda Management Software and Support

Recommendation

Approve a resolution authorizing the Chief Executive Officer to execute an agreement, not to exceed \$50,000 with Accela, Inc. for agenda management software and support services.

Background

Staff has reported to the Board the need to improve the technology used to prepare and distribute the Board's agenda and packet materials. The current process is very time consuming, cumbersome and complicated due to: version control due to editing by multiple staff members; producing the two separate packets (confidential and public); and the conversion of separate packet materials to a one downloadable item.

Through discussion with our peers and our own research, staff became aware of various agenda management software products available that can help create, manage and distribute agenda packets.

Discussion

Staff issued a Request for Proposal soliciting proposals from firms that have agenda management design expertise and development experience for public entities, including public retirement systems. There were nine (9) proposals submitted. Staff narrowed the field of proposers to two finalists. After interviews and a demonstration of their products, SamCERA selected Accela, Inc. because its software best fits the needs of SamCERA.

Accela's software can manage the entire agenda process from creating and reviewing the agenda, organizing packet material, and creating minutes. Additionally, Accela can make all Board meeting material data readily available to any device, including iPads, through a fully searchable public and staff portal. Accela's product looks and feels like a Microsoft Office product with toolbars, menus and simple right-click functionality. Staff was particularly impressed by the user-friendly nature of the product making most activities very intuitive.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Accela is a local company having offices in San Ramon and its products are used by several public entities.

The implementation of agenda management software will allow staff to collaboratively add and edit content of Board packet material. This will permit one person to produce and disseminate the packet at the conclusion of the process. Key required features for the agenda management software will include:

- Version control of the development of documents and materials
- Easy agenda-to-packet process
- Templates for the most common document types
- Facilitates printing as well as distribution to iPads and the web
- Facilitates memos, agendas and minutes production
- Searchable document archive
- Can produce public and confidential packets
- Facilitates work outside of the office
- Allows Board members to make notes in their packet privately
- A user configurable workflow process

The cost of the software and services will not exceed \$9,000 per year and commencing next year will be included in the budget. After the first three years, Accela may increase its rates by no more than 5% per year. If minor modifications to the agreement are required, the resolution authorizes the Chief Executive Officer to make changes not to exceed \$10,000 in the aggregate over the contract term. This will allow staff to address any additional services which may arise due to the integration of the software with any existing hardware or software or the opportunity to add additional features to the product. At no additional charge Accela will provide SamCERA a free historical import by uploading historical agenda packets.

Attachment:

Resolution Authorizing the Chief Executive Officer to Execute an Agreement with Accela, Inc. for the Procurement of an Agenda Management Software and Support Services.

RESOLUTION 14-15-___

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN
AGREEMENT WITH ACCELA, INC. FOR AGENDA MANAGEMENT SYSTEM SERVICES**

WHEREAS, SamCERA, in accordance with California Government Code Section 31588.2, is authorized to expend funds on the administration of the pension system in order to provide timely and accurate benefits to its members; and

WHEREAS, SamCERA has commenced a comprehensive system-wide project to overhaul and update its technology and business processes, which includes an updated agenda processing system; and

WHEREAS, Staff developed and issued a Request for Proposal (RFP) for website development and design services and 9 proposals were received; and

WHEREAS, Staff evaluated proposal documentation and product demonstrations, performed reference checks and recommended to the Chief Executive Officer that contract negotiations commence with Accela, Inc.; and

WHEREAS, the Chief Executive Officer has accepted that recommendation and is of the opinion that Accela, Inc. best meets the needs of SamCERA and that an agreement be entered into for agenda management system services; and

WHEREAS, this Board has determined that it is in the best interest of SamCERA for the Chief Executive Officer to enter into an agreement with Accela, Inc. for agenda management system services in an amount not to exceed \$50,000; therefore, be it

RESOLVED, that the Chief Executive Officer is hereby authorized to execute an agreement with Accela, Inc. for the provision of agenda management system services not to exceed \$50,000; Be it further

RESOLVED, that the Chief Executive Officer is hereby authorized and directed to execute subsequent amendments and minor modifications in an amount not to exceed \$10,000 in the aggregate.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.3

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Policy and Procedures for the Correction of Inaccuracies Relating to Member Accounts

Staff Recommendation

Adopt a resolution adopting the "Policy and Procedure for the Correction of Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits."

Background

As part of staff's on-going project to identify key Board policies and bring such policies to the Board for reaffirmation or amendment, the Board's current policy and procedures to correct inaccuracies in the collection of member contributions or payment of benefits was reviewed. Staff is of the opinion that a revised policy is in order.

Discussion

The proposed policy reflects the Board's on going desire that staff will:

- Collect member contributions and issue all disbursements in accordance with the law;
- Correct inaccuracies as soon as administratively feasible once identified and verified;
- Recover under-payments of member contributions and over-payments of SamCERA funds where it is both in accordance with the law and reasonable to do so in the opinion of the Board; and
- Remit to a member the amount of any over-payment in contributions or under-payment of benefits consistent with this policy and procedures.

At the March Board meeting, staff discussed the need to assess interest on the collection of under-payments of member contributions and over-payments of withdrawals or benefits regardless of the reason for the inaccuracy (i.e. mistake by members, employers or SamCERA). This is in order to make the fund "whole." In turn, interest should be paid to the member for

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

over-payment of contributions or under-payment of benefits. The rate of interest will differ depending upon the scenario. In general, to correct member contributions coming into the system (or lump sum withdrawals leaving the system), interest will be assessed rate(s) of interest credited to the member's account. To correct monthly payments leaving the system, interest would be at the rate of the applicable assumed actuarial rate of return.

The procedures for collection differs depending if the member is an active member, retiree, or made a lump sum withdrawal/rollover. The steps also differ if the amount owed is greater or less than \$50. Because unique situations inevitably will arise, the policy grants the Chief Executive Officer authority to make minor adjustments in implementing the policy so that it can be accomplished in a fair and reasonable manner.

Attachment

Resolution Adopting the "Policy and Procedure for Correction of Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits."

RESOLUTION 14-15-___

**RESOLUTION ADOPTING THE "POLICY AND PROCEDURE
FOR THE CORRECTION OF INACCURACIES RELATING TO MEMBER
CONTRIBUTIONS, WITHDRAWALS AND THE PAYMENT OF BENEFITS."**

WHEREAS, the Board of Retirement ("Board") has a fiduciary obligation to the retirement fund to conserve assets and protect the integrity of the fund, for the benefit of the members and beneficiaries of SamCERA; and

WHEREAS, inaccuracies may occur from time to time in the calculation of member contributions, refunds and benefits that may result in under-payments or over-payments; and

WHEREAS, it is the policy of this Board to: collect member contributions and issue all disbursements in accordance with the law; correct inaccuracies as soon as administratively feasible once identified and verified; and recover under-payments of member contributions and over-payments where it is both in accordance with the law and reasonable to do so in the opinion of the Board; and

WHEREAS, the Board is guided by its fiduciary duty and State law, including but not limited to Government Code §31539, and applicable statutes of limitations; therefore be it

RESOLVED that resolution 98-99-06, and any amendments thereto, setting for the Board's corrections policy is hereby rescinded; and be it

FURTHER RESOLVED that the Board hereby approves the attached "Policy and Procedure for the Correction of Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits."

**POLICY AND PROCEDURE FOR THE CORRECTION OF INACCURACIES
RELATING TO MEMBER CONTRIBUTIONS, WITHDRAWALS
AND THE PAYMENT OF BENEFITS**

I. POLICY OF THE BOARD OF RETIREMENT

Pursuant to the Board of Retirement's ("Board") fiduciary duty to conserve retirement fund assets and protect the integrity of the fund for the benefit of the members and beneficiaries ("Members"), it is the policy of the Board:

- To collect member contributions and issue all disbursements in accordance with the law;
- To correct inaccuracies as soon as administratively feasible once identified and verified;
- To recover under-payments of member contributions and over-payments of SamCERA funds where it is both in accordance with the law and reasonable to do so in the opinion of the Board; and
- To remit to a member the amount of any over-payment in contributions or underpayment of benefits consistent with this policy and procedures.

For purposes of this policy, the term Chief Executive Officer (CEO) means the Chief Executive Officer and his or her designee. The term "member" means member, beneficiary or survivor.

This Policy is designed for use when calculation and other inaccuracies affect an individual or small number of members. In the event of a system-wide inaccuracy that affects multiple members, the Board may direct staff to implement a system-wide correction process that it determines is appropriate under all the circumstances.

In the event of any inconsistency between applicable state and federal law or regulation and this Policy, the law or regulation shall take precedence.

II. PROCEDURE FOR RESOLVING CONTRIBUTION INACCURACIES

A. Under-Payment of Member Contributions Discovered While a Member is Still Active.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the under-payment occurred, and the total amount of contributions owed.

2. Staff shall promptly notify the employer to correct the inaccuracy on a going forward basis in order for that the correct amount of contributions is deducted from the member's bi-weekly pay.
3. In regards to collection of arrears under-payments, the amount of the under-payment and the applicable interest on that amount shall be collected. The interest shall be assessed at the rate(s) of interest credited to the members' accounts for the period in which the under-payments were made, and shall be applied to the outstanding amount due until such amount is fully repaid. The rate of interest during the repayment period shall be the assumed actuarial rate of return applicable at the commencement of the repayment. If the under-payment by the member was due to an incorrect pick-up or cost share, or COLA cost share in which the employer paid rather than the member, no interest shall be assessed.
4. If the full amount of the past due contributions and interest equals \$50 or less, staff shall send a notice setting forth:
 - (a) The total amount of contributions and interest owed; and
 - (b) The amount of the additional contributions to be deducted from the member's next payroll.
5. If collecting the full amount of the past due contributions and interest will exceed \$50, staff shall commence a collection effort that shall commence after sending a notice to the member setting forth:
 - (a) The total amount of contributions and interest owed and the rate that interest will continue to accrue;
 - (b) The bi-weekly amount of the additional contributions to be deducted from the member payroll;
 - (c) The commencement date of the collection and the number of affected pay periods;
 - (d) The member's right to object to the collection of the additional contributions and/or collection method and the deadline for such action; and
 - (e) The fact that repayment will commence if a written appeal is not received within 15 days.
6. All methods of repayments should be completed no later than three years from the date of the notice to member of the amount owed unless otherwise extended by the CEO.

7. Notwithstanding paragraphs 5 and 6 above, the full amount of the required contributions and interest must be paid to prior to the commencement of any benefit payments to the member.
8. In the event that the member intends on terminating active membership and withdrawing/rolling over funds, staff shall note the amount owing in the member's account and that it is to be repaid upon the member's return to active service.

B. Under-Payment of Member Contributions Discovered after Member Left Active Status.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the under-payment occurred, and the total amount of the under-payment of contributions by the member.
2. In regards to collection of arrears under-payments, the amount of the under-payment and the applicable interest on that amount shall be collected. The interest shall be assessed at the rate of interest credited to the members' accounts for the period in which the under-payments were made, and shall be applied to the outstanding amount due until such amount is fully repaid. If the under-payment was due to an incorrect pick-up or cost share, or COLA cost share in which the employer paid rather than the member, no interest shall be assessed.
3. If the member withdraws/rolls over funds, staff shall note the amount owing in the member's account and that it is to be repaid upon the member's return to active service.
4. If the member has left funds on deposit or has already retired, staff shall endeavor to recover under-payments and interest by: (a) a lump sum payment from the member, (b) installment payments from the member, (c) offsets to future benefit payments to the member or (d) a combination of the foregoing, unless the Board, in its discretion and because of legal or practical considerations, determines that other action is warranted.
5. If the member has left active membership and if the CEO believes that considerations of cost effectiveness make it prudent and reasonable to not pursue recovery of under-payments where the cumulative total amount of member contributions underpaid, not including interest, is \$50 or less, then no further action is required.
6. The CEO may, on the advice of legal counsel, compromise the recovery of under-payments when the total amount of under-payment, not including interest, is less than \$5,000. Only the Board may compromise claims in which the total amount of under-payment, not including interest, is \$5,000 or more. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery

and extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial reduction of the amounts underpaid or interest due.

7. The CEO's collection process shall include a notice to the member setting forth:
 - (a) The total amount of contributions and interest owed and the rate at which interest will continue to accrue until the repayment is made;
 - (b) An agreement to pay the amounts owed with the payment options;
 - (c) A statement that, if the member is receiving a monthly payment, a repayment by equal installments for the amount of the contributions and interest will be deducted from benefit payments over the same length of time that the under-payments occurred and will go into effect by default if a written response from the member is not received within 30 days following the date the letter was delivered; and
 - (d) The member's right to appeal the collection of the additional contributions and/or collection method and the deadline for such action.
8. If the amount of the under-payment, not including interest, is \$5,000 or more, staff will attempt to contact the member by phone to discuss the contents of the letter before the letter is sent out for delivery.
9. The CEO may pursue all legal remedies to collect under-payments, including making a claim on an estate or trust, if appropriate.

C. Over-Payment of Member Contributions Discovered While Member is Still Active.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the over-payment occurred, and the total amount of the over-payment of contributions.
2. Staff shall promptly notify the employer to correct the inaccuracy on a going forward basis in order that the correct amount of contributions is deducted from the member's bi-weekly pay.
3. Staff shall promptly notify the employer that the member is entitled to a lump sum credit equal to the amount of the over-payment plus the interest credited to the member's account on the over-payment. The adjustment reflecting the credit applicable to future deductions shall be made in the member's pay from their SamCERA participating employer as soon as is reasonably practicable following the confirmation of the over-payment.

D. Over-payment of Member Contributions Discovered after Member has Left Active Status.

1. The CEO shall confirm the amount of contributions that the member should have paid, the period of time that the over-payment occurred, and the total amount of the over-payment of contributions.
2. Staff shall ensure that the member receives a lump sum payment in the amount of the over-payment plus interest at a rate of interest credited to the member's account on the over-payment, and the interest accruing from the date of the last over-payment until the date that the lump sum is paid accruing at the applicable assumed actuarial rate of return. The payment shall be made as soon as is reasonably practicable following the confirmation of the over-payment and shall be made in a manner that is in compliance with requirements contained in the Internal Revenue Code and applicable Internal Revenue Service regulations.
3. If the member has died prior to payment of the lump sum amount due, the following procedures will be followed:
 - (a) If the member has named a designated beneficiary, the payment will be made directly to the designated beneficiary.
 - (b) If there is no beneficiary but there is an open estate (i.e., no order for final distribution yet), payment will be made to the estate (through the personal representative). If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with SamCERA pursuant to Probate Code Section 13101. In cases where there is no designated beneficiary and the total amount of over-payment is less than \$50, staff need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to SamCERA, however, will be considered regardless of size.

III. PROCEDURE FOR RESOLVING BENEFIT PAYMENT INACCURACIES

A. Under-payments to Members Who Withdrew/Rolled Over Funds or Retired.

1. The CEO shall confirm the amount of the under-payment contained in the withdrawal/rollover) or monthly benefit.
2. If the member has withdrawn/rolled over an incorrect amount of contributions and interest, staff shall promptly contact the member and remit to the member the amount owed and interest accrued. Interest should be paid at the rate(s) of interest credited to the member's account for the period in which the under-payments were made. The correction shall be on the next Consent Agenda for ratification by the Board.

3. For the under-payment of a monthly benefit, staff shall promptly correct the monthly benefit amount on a going forward basis and make a lump sum payment of the arrears owed, for up to three years from the date of the discovery of the under-payment, plus interest that accrued at the applicable assumed actuarial rate of return and report the correction in the next Consent Agenda for ratification by the Board.
4. If a monthly benefit is no longer being paid, the staff shall make a reasonable attempt to pay the amount of the under-payment for up to three years from the date of the discovery of the under-payment, plus interest at the assumed rate of return to the beneficiary, survivor, or estate of the deceased recipient and shall report such action in the next Consent Agenda for ratification by the Board.

B. Over-payments to Members Who Withdrew/Rolled Over Funds or Retired.

1. The CEO shall confirm the amount of the over-payment contained in the withdrawal/rollover or monthly benefit.
2. For withdrawn/rolled over contributions and interest, staff shall contact the member and request payment of the amount of the over-payment plus interest at the rate of the applicable assumed actuarial rate of return from date of withdrawal/rollover to the completion of the repayment. If payment is not made, the collection procedure is set forth in paragraph (5) below.
3. For the over-payment of a monthly benefit, staff shall correct the monthly benefit on a going forward basis at the earliest practical time after confirming the inaccuracy.
4. For the over-payment of a monthly benefit, staff shall take all reasonable steps to recover the full amount of all past over-payments made within three years from the date of the discovery of the over-payment, interest shall accrue from the dates of the over-payment until the completion of the repayment at the applicable assumed rate of return. Collection of over-payments that are subject to the provisions of paragraph 12, shall not be limited to three years.
5. Staff shall endeavor to recover over-payments by: (a) a lump sum payment from the member, (b) periodic installment payments from the member or (c) offsetting the amount to be recovered against future benefits, or a combination of these methods; unless the Board, in its discretion and because of legal or practical considerations, determines that another action is warranted, including but not limited to repayment by the employer. The member shall have a right to appeal the collection of the additional contributions and/or collection method and the deadline for such action.

6. If the CEO believes that considerations of cost effectiveness make it prudent and reasonable to not pursue recovery of over-payments where the cumulative total amount of the over-payment, not including interest, is \$50 or less, then no further steps shall be taken.
7. The CEO shall have authority, on the advice of legal counsel, to compromise recovery of over-payments when the total amount of over-payment, not including interest, is less than \$5,000. Only the Board may compromise claims in which the total amount of over-payment, not including interest, is \$5,000 or more. Among other things, the likelihood of collection, the cost of collection, the amount of possible recovery and the extreme hardship to the member will be considered by the CEO and/or the Board when determining whether to compromise a claim. Compromising claims may include a different method of repayment than is otherwise provided by this Policy and/or a partial forgiveness of the amounts overpaid.
8. Upon confirmation of an over-payment, staff shall send a letter by certified mail, return receipt requested, or by express delivery service, to the member advising the member of the over-payment and proposing a repayment schedule, as follows:
 - (a) The letter will identify the circumstances of the over-payment and the fact that adjustments will be made to all future benefit payments.
 - (b) The letter will request payment of the amount overpaid and interest, subject to the provisions of this Policy.
 - (c) The letter will include an agreement to repay excess benefits and interest and a consent form for the spouse or beneficiaries, if applicable.
 - (d) The agreement to repay excess benefits and interest will provide options including, but not limited to:
 - Option 1 — equal installments over the same length of time that the over-payments occurred, with interest that accrued during the over-payment period and during the repayment period.
 - Option 2 — lump sum payment for the full amount overpaid, with accrued interest that accrued during the over-payment period and during the repayment period.
 - Option 3 — reduction of monthly benefit until the over-payment is paid in full, with interest applied during the over-payment period and during the repayment period.

- (e) The letter and agreement to repay excess benefits may provide that Option 3 will go into effect by default if a written response from the member is not received within 30 days following the date the letter was delivered.
 - (f) The letter shall inform the member of the right to appeal the collection effort and/or collection method and the deadline for such action.
9. If the amount of the over-payment, not including interest, is \$5,000 or more, staff will attempt to contact the member by phone to schedule a meeting to discuss the contents of the letter before the letter is sent out for delivery.
 10. Staff may pursue all legal remedies to collect over-payments, including making a claim on an estate or trust, if appropriate.
 11. Upon the death of the member before full repayment has been made, staff shall endeavor to pursue a claim or claims against the member's estate, survivors, heirs and/or beneficiaries to recover the unpaid amounts.
 12. In cases where the inaccuracy in the calculation of the member's monthly allowance or other benefits was made as a result of either (1) fraudulent reports for compensation made, or caused to be made, by the member for his or her own benefit or (2) the member caused his or her final compensation to be improperly increased or otherwise overstated at the time of retirement and the system applied that overstated amount as the basis for calculating the member's monthly retirement allowance or other benefits, the correction of this inaccuracy shall be subject to the procedures sets forth in Government Code section 31529.

IV. Chief Executive Officer Implementation Authority

In the implementation of this policy and procedure, the Chief Executive Officer has the authority to make minor adjustments in order that such implementation is accomplished in a fair and reasonable manner consistent with the objectives set forth in Section I. Additionally, interest may be waived on inaccuracies caused by systemic constraints or events.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.4

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Policy for Procurement and Contracting for Certain Goods and Services

Staff Recommendation

Adopt a resolution adopting a "Policy for Procurement and Contracting for Certain Goods and Services."

Background

In regards to investment related documents, by resolution, the Board has delineated the Chief Executive Officer's ("CEO") authority to execute documents. In addition, the Board selects and then separately authorizes the CEO to enter into agreements with the Board's actuary, auditor, investment consultant and other Board consultants.

Discussion

There are other contracts for supplies and services that relate to SamCERA's day to day operations. Requests to enter those contracts are presented to the Board, regardless of the dollar amount. A more efficient use of the Board and staff's resources would be for the Board to review and approve contracts for certain goods and services that exceed a \$100,000 threshold. Staff notes that for service contracts in the amount of \$100,000 or less, County Department heads have the authority to enter into such contracts; contracts above that amount are brought to the Board of Supervisors and all purchases for County's supplies are done through the County's Purchasing Agent. SamCERA can, and does, use the services of the Purchasing Agent, but is not required to do so.

The proposed policy mirrors the Departmental limits by granting the CEO the authority to sign agreements for services in amounts of \$100,000 or less. As for supplies, there is no dollar limit, but all expenditures by the CEO must be budgeted. It further provides that while supplies can be purchased through the Purchasing Agent, there is no requirement to do so. The policy does not apply to: actuarial, investment related services, legal, custodial, auditing and any other advisory or consulting services for the Board.

Attachment

Resolution Adopting a "Policy for Procurement and Contracting for Certain Goods and Services."

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

RESOLUTION 14-15-__

**RESOLUTION ADOPTING THE "POLICY FOR PROCUREMENT AND
CONTRACTING FOR CERTAIN GOODS AND SERVICES."**

WHEREAS, pursuant to Government Code section 31520, the management of the retirement system is vested in the Board of Retirement ("Board"); and

WHEREAS, the Board has a fiduciary obligation to the retirement fund to conserve assets and protect the integrity of the fund, for the benefit of the members and beneficiaries of SamCERA; and

WHEREAS, this Board desires that the procurement of goods and services be made in the best interest of SamCERA and be undertaken in an efficient, diligent, transparent, economical, fair manner; and

WHEREAS, this Board finds that it is in the best interest of SamCERA that authority be delegated to the Chief Executive Officer, or designee, to select vendors and enter into certain contracts without approval by the Board, as long as the expenditures for said purchases and service agreements are included in the applicable budget or budgets; and

WHEREAS; this Board has read and desires to adopt the attached "Policy for Procurement and Contracting for Certain Goods and Services" which delineates the authority delegated to the Chief Executive Officer for certain agreements for services and purchases; therefore be it

RESOLVED that the Board of Retirement hereby approves the attached "Policy for Procurement and Contracting for Certain Goods and Services."

BOARD OF RETIREMENT

POLICY FOR PROCUREMENT AND CONTRACTING FOR CERTAIN GOODS AND SERVICES

I. POLICY OF THE BOARD OF RETIREMENT

The management of the retirement system is vested with the Board of Retirement ("Board") pursuant to Government Code Section 31520. Consistent with the Board's fiduciary duty to conserve retirement fund assets, to protect the integrity of the fund for the benefit of the members and beneficiaries, and to minimize the costs of administering the system, it is the policy of the Board that the procurement of goods and services be made in the best interest of SamCERA and be undertaken in an efficient, diligent, transparent, economical, fair manner.

II. DELEGATION OF AUTHORITY TO THE CHIEF EXECUTIVE OFFICER

- A. **Delegated Authority.** The Chief Executive Officer or designee (hereinafter CEO) may bind SamCERA for the purchase of good or services based upon the provisions of this policy, except in emergencies and as may be otherwise authorized by the Board. In cases of emergencies, the CEO is authorized to act on behalf of SamCERA subject to later ratification by the Board.
- B. **Retained Authority.** The Board retains the authority to select and direct the CEO to execute agreements for the following services: actuarial, investment related services, legal, custodial, auditing and any other service provider providing and advisory or consulting services for the Board. The CEO's authority regarding investment services is set forth by a separate resolution entitled "Authorization For The Chief Executive Officer To Execute Documentation For Investments As Required." The Board further retains the authority to execute all leases.

III. CONTRACTS FOR SERVICES

- A. **Contracts \$100,000 and Below.** For contracts for the provision of services that the Board has not retained authority as set forth in Section II B, the CEO may enter into agreements for \$100,000 and below. If the agreement is amended and the amended total is more than \$100,000, the CEO must have Board approval to execute the amendment.
- B. **Contracts Above \$100,000.** All contracts for services, regardless of the type of service, which are for \$100,000 or above, the CEO must have Board approval to execute the contract.

IV. PURCHASE CONTRACTS

The CEO has authority to purchase goods, supplies, equipment and other items needed by SamCERA. If it is in the best interest of SamCERA, and if authorized by the County, the CEO may utilize the County's Procurement Division and process.

V. BUDGET APPROVAL

All expenditures for contracts entered into by the CEO pursuant to the authority delegated by this policy must be included in the applicable budget or budgets. All budgets must be approved by the Board.

VI. PROCEDURES FOR PROCURING GOODS AND SERVICES

CEO will use selection procedures that will enable the consideration of a broad range of potential suppliers of good and services in the selection process, which will meet budgetary, staffing, time and other relevant constraints.


The selection of goods and services shall be efficient, diligent, transparent, economical, fair manner and made in the best interest of SamCERA. Selection procedures need not be used if there is only a "sole source provider" and no other qualified provider. Staff will document selection procedures used or if a selection procedure is not used.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.5

TO: Board of Retirement

FROM: 
Scott Hood, Chief Executive Officer

SUBJECT: Approval of SACRS Voting Delegates for the SACRS Spring Business Meeting and directions for voting

Recommendation

Designate Lauryn Agnew Chair as Voting Delegate, Michel Settles, Secretary as the First Delegate Alternate, and Scott Hood, CEO as Second Delegate Alternate.

Direct the SamCERA Voting Delegate as to how to vote at the election for SACRS Board of Directors to be held at the SACRS business meeting May 15, 2015 and on the proposed SACRS Bylaw changes.

Background

Prior to each SACRS conference, the Board selects a delegate who is authorized to serve as voting delegate for SamCERA at the conference business meeting and also selects the alternate voting delegates in case the delegate is not available.

Attached is a memo from the SACRS Nominating Committee Chair, Ray McCray regarding the two officer slates up for election for SACRS Board of Directors. Also attached are the proposed changes to the SACRS Bylaws.

Discussion

In regards to the selection of voting delegate, the delegate can be either a member of the Board member or staff. The Board normally selects the highest-ranking Board officer who will attend the conference as the voting delegate. For this SACRS conference, Chair, Lauryn Agnew will be the highest-ranking Board officer in attendance at the business meeting, with Michel Settles next in order. We typically recommend the CEO be the final alternate.

Turning to the slate of officers up for election, Mr. McCray's memo sets forth the SACRS Nominating Committee's recommended officers for the 2015-16 fiscal year and the slate proposed by San Joaquin CERA and Sacramento CERS. Because there are two slates, the Board should give direction to the SACRS delegate as to how to vote.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

SACRS Nominating Committee recommended 2015-2016 slate:

President	Yves Chery, Los Angeles CERA
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Dan McAllister, San Diego CERA
Secretary	Art Goulet, Ventura CERA

San Joaquin CERA and Sacramento CERS proposed 2015-2016 slate:

President	John Kelly, Sacramento CERS
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Dan McAllister, San Diego CERA
Secretary	Art Goulet, Ventura CERA

Finally, the proposed amendments to the bylaws are attached and can be summarized as follows:

1. The Audit Committee's recommended fine-tuning of the committee's description.
2. "Technical changes" refining the definition of membership where "Regular Membership" is bestowed on each of the twenty systems with the Trustees and Administrators fulfilling designated roles where appropriate and Associate Membership is eliminated. This would clarify who pays dues and gets to vote and is in compliance with the State Non-profit Code.
3. Changes to the submission processing of resolutions. Clarifies who may submit resolutions, deleted requirement to submit them by certified mail, and extends the time the President and Retirement Systems have to consider the proposal.

Attachments

Memo from Ray McCray, SACRS Nominating Committee Chair, dated 1 April, 2015
Proposed Bylaws changes

SACRS MEMORANDUM

April 1, 2015

Attn: SACRS Administrators
From: Raymond McCray, SACRS Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Directors Elections 2015-2016 – Final Ballot

Per SACRS Bylaws, Article VI ~ Section 2 – Election, Qualification and Term of Office

“The officers of SACRS shall be regular members of SACRS. The officers shall be elected by majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.”

Per SACRS Bylaws, Article VI ~ Section 4 - Officer Elections

“...The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee’s final ballot provided the Nominating Committee receives those write-in candidates prior to March 25th. The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee’s recommended ballot and final ballot to each trustee and placing the election of SACRS Officers on his or her Board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee...”

Below are two options for the ballot; the SACRS Nomination committee recommendation and the slate submitted by both the San Joaquin CERA and Sacramento CERS. As in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete ballot/slate. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the upcoming SACRS Spring Conference May 12-15, 2015 at the Anaheim Marriott in Anaheim, CA. Elections will be held during the Annual Business meeting on Friday, May 15, 2015.

Please distribute the ballot/slate to all standing/eligible board members for approval and authorization for your voting delegate. As stated above, Administrators are required to send acknowledgement of completion to our office at sulema@sacrs.org.

Continued

SACRS Nominating committee recommended 2015-2016 slate:

President	Yves Chery, Los Angeles CERA
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Dan McAllister, San Diego CERA
Secretary	Art Goulet, Ventura CERA

San Joaquin CERA and Sacramento CERS proposed 2015-2016 slate:

President	John Kelly, Sacramento CERS
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Dan McAllister, San Diego CERA
Secretary	Art Goulet, Ventura CERA

If you have any questions or require assistance, please contact me directly at 209-468-2163 or raym1@sbcglobal.net. Thank you for your prompt attention to this timely matter.

Sincerely,

Raymond McCray

Raymond McCray, San Joaquin County
SACRS Nominating Committee Chair

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

RMC:shp

1 **SACRS**

2 **Bylaws**

3 Website September 9, 2014

4
5
6 **ARTICLE I**

7 **NAME, MISSION, PURPOSES AND GENERAL POLICY**

8
9 **Section 1. Name** The name of this corporation is State Association of County Retirement
10 Systems ("SACRS").

11
12 **Section 2. Mission** The mission of this organization shall be to serve the 1937 Act
13 Retirement Systems by exchanging information, providing education and analyzing
14 legislation.

15
16 **Section 3. General Purpose** SACRS is a nonprofit public benefit corporation and is not
17 organized for the private gain of any person. It is organized under the California Nonprofit
18 Public Benefit Corporation Law for public purposes.

19
20 **Section 4. Specific Purpose** The specific and primary purposes of SACRS are to provide
21 forums for disseminating knowledge of and developing expertise in the operation of county
22 retirement systems existing under the County Employees Retirement Law of 1937 as set
23 forth in California Government Code section 31450 et. seq., and to foster and take an active
24 role in the legislative process as it affects county retirement systems.

25
26 **Section 5. Limitations** SACRS is organized exclusively for purposes within the meaning of
27 Section 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "Code"), or the
28 corresponding provisions of any future United States Internal Revenue Law.
29 Notwithstanding any other provision of these Bylaws, SACRS shall not, except to an
30 insubstantial degree, engage in any activities or exercise any powers that are not in
31 furtherance of the purposes of SACRS, and SACRS shall not carry on any other activities not
32 permitted to be carried on by a corporation exempt from federal income tax under Section
33 501(c)(4) of the Code or the corresponding provisions of any future United States Internal
34 Revenue Law.

35
36 **Section 6. Private Benefit** All of SACRS' property is irrevocably dedicated to social welfare
37 purposes. No part of the net earnings of SACRS shall inure to the benefit of any of its
38 Directors, or any other person or individual.

Deleted: -L

Formatted: Centered

Deleted: -

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

ARTICLE II
OFFICES

Formatted: Centered

Deleted: -

Section 1. Offices. The principal office for the transaction of the business, activities and affairs of SACRS is located in Sacramento, California. The Board of Directors of SACRS (the "Board") may change the principal office from one location to another.

Section 2. Branch Offices. Branch or subordinate offices may be established at any time by the Board at any place or places.

ARTICLE III
MEMBERSHIP

Formatted: Centered

Deleted: -

Section 1. Membership. SACRS shall be composed of regular, nonprofit, affiliate, and past president members as hereinafter defined.

Deleted: associate

Deleted: and

(a) Regular Membership. Regular membership shall be extended to all county employee retirement systems organized and operating under the County Employees Retirement Law of 1937, California Government Code 31450 et seq.

Deleted: duly elected or appointed members of Boards of Retirement and Investments

(b) Nonprofit Membership. Nonprofit organizations having an active interest in the purpose of SACRS may be extended nonprofit membership upon (i) the appropriate letter of application approved by the majority vote of the Board, and (ii) payment of the annual Nonprofit membership dues as set forth under Article III, Sections 5 and 6 herein. Nonprofit members will be comprised of two distinct tiers as follows: (i) Nonprofit Retirement Systems - defined as public retirement systems not eligible for regular membership; and (ii) Nonprofit Organizations - defined as nonprofit organization other than public retirement systems.

Deleted: Regular membership shall also be extended to the Administrator of a system operating under the County Employees Retirement Law of 1937 when said Administrator is employed by and reports directly to the Retirement Board of the Member county.

<#>Associate Membership. Associate membership shall be extended to (i) the staff of County Retirement and/or Investment Boards; (ii) those staff of the County Treasurer whose specific duties are retirement related; and (iii) legal counsel advising County Retirement and Investment Boards.

Formatted: Underline

Formatted: Indent: Left: 0.25", No bullets or numbering

(c) Affiliate Membership. Affiliate membership may be extended to a retirement-related business or institutional investment-related company or firm on a first come, first served basis as follows: (i) submission of an appropriate letter of application approved by a majority vote of the Board; and (ii) payment of the annual Affiliate membership dues as set forth under Article III, Sections 5 and 6 herein.

Formatted: Indent: Left: 0.25", No bullets or numbering

(d) Past Presidents. Past Presidents who are no longer members of Regular Member Retirement Systems under Article III, Section 1(a), and who are not eligible for affiliate membership under Article III, Section 1(c), are not entitled to vote; but, shall be

Formatted: Indent: Left: 0.25", No bullets or numbering

Deleted: eligible for regular membership

Deleted: associate or

Deleted: (b) and (d)

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 afforded lifetime membership and the privileges of membership held in the name of
2 SACRS; and shall have their annual regular membership dues as defined in Article III,
3 Section 5(a) and conference registration fees waived by SACRS.

4
5 **Section 2. Rights of Regular Membership.** Regular Member County Retirement Systems
6 shall have the right to vote, as set forth in these Bylaws, on the election of the
7 officers/directors, on the disposition of all or substantially all of the corporation's assets,
8 on any merger and its principal terms and any amendment of those terms, and on any
9 election to dissolve the corporation. In addition, Regular Member County Retirement
10 Systems shall have all rights afforded members under the California Nonprofit Public
11 Benefit Corporation Law.

Deleted: m

Deleted: D

Deleted: the r

Deleted: m

12
13 Regular Member County Retirement Systems may designate its board members and staff to
14 attend SACRS conferences and meetings.

15
16 **Section 3. Rights of Affiliate Membership.** Affiliate members are not entitled to vote,
17 but shall be afforded all the rights and privileges to which any Regular Member Retirement
18 System is entitled except as specifically restricted in the Articles of Incorporation and these
19 Bylaws.

Deleted: Associate and

Deleted: Associate and affiliate

Deleted: accorded

Deleted: r

Deleted: m

Deleted:

Deleted: Associate and affiliate members are not entitled to vote.

Deleted: All associate and affiliate memberships shall be held in the name of the County Retirement System, organization or firm. Membership shall not be personal to an individual.¶

20
21
22 Affiliate member organizations must designate two (2) representatives by name, on their
23 Letter of Application. Only the Affiliate's two (2) designated representatives shall be
24 afforded registration at SACRS meetings unless specific exceptions are made by a majority
25 vote of the Board.

26
27 **Section 4. Rights of Nonprofit Membership.** Nonprofit Retirement Systems may have
28 up to ten (10) delegates attend the regular meetings, and Nonprofit Organizations may
29 have up to two (2) delegates attend the regular meetings. Nonprofit members are not
30 entitled to vote.

Deleted:

31
32 **Section 5. Membership Dues and Fees.**

33
34 (a) **Regular Members.** Regular Member County Retirement Systems shall pay annual
35 dues as approved by the organization's delegates at any noticed meeting.

Deleted:

Deleted: m

Formatted: No bullets or numbering

36
37 (b) **Nonprofit Members.** Nonprofit members shall pay annual dues in an amount
38 determined by the Board.

Deleted: This fee shall, in addition to a regular membership, entitle the member systems to an annual associate membership under Article III, Section 1(b) herein.

Formatted: No bullets or numbering

Deleted: any

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

(c) Affiliate Members. Affiliate members shall pay annual dues in an amount determined by the Board.

Deleted: s

Deleted: any

Formatted: No bullets or numbering

(d) Registration Fees. Registration fees for conferences may be charged to all members in addition to annual dues.

Formatted: No bullets or numbering

Deleted: meetings

Section 6. Payment of Annual Dues. Annual dues are due and payable July 1 and are delinquent July 31 of each year. Registration fees are due at the discretion of the Board.

**ARTICLE IV
DELEGATES**

Deleted: -

Formatted: Centered

Section 1. Delegates. Regular Member County Retirement Systems shall be entitled to one (1) voting delegate. The delegate shall be designated in writing and shall be a Regular County Retirement System board member or administrator of the County Retirement System as defined in Article III, Section 1(a),

Deleted: m

Deleted: to

Deleted: by the County Retirement Board

Deleted: r

Deleted: member from the member

Section 2. Alternate Delegates. Alternate delegates may be designated in writing by the Regular Member County Retirement Board. Alternates shall meet the same requirements as defined in Article IV Section 1,

Deleted: consistent with

Deleted: herein

Formatted: Tab stops: 3.94", Left

Deleted: m

Section 3. Designation of Voting Delegates and Alternates. Each Regular Member County Retirement System shall, prior to any meeting of SACRS where voting will take place, file written notice with the Secretary of SACRS specifying the names of the voting delegate and/or alternate delegate authorized to cast votes on behalf of the Regular Member Retirement System,

Deleted: All a

Deleted: be regular members consistent with Article III, Section 1(a) herein

Deleted: Credentials

Deleted: Credentials for the delegates who are voting participants shall be filed with the Credentials Committee in writing prior to any meeting of SACRS at which voting will take place. Credentials shall include the names of the member County Retirement System, the delegate and alternate delegates, if any, consistent with Section IV, Sections 1 and 2 of these Bylaws.

**ARTICLE V
MEMBER MEETINGS**

Formatted: Centered

Deleted: -

Section 1. Regular Meetings. The membership shall meet to conduct SACRS business once in the Spring and once in the Fall of each calendar year. These meetings shall be referred to as regular meetings.

Section 2. Special Meetings. Special meetings of the membership may be called by (i) a resolution of the membership at a meeting; or (ii) a majority vote of the Board.

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 **Section 3. Site Selection for Meetings.** The meeting sites shall be designated by the
2 Board.

3
4 **Section 4. Agenda for Business Meetings.** The Board shall be responsible for the final
5 agenda of all SACRS meetings. The business meeting agenda shall be mailed by first-class
6 postage or provided by Electronic Transmission (as defined in Section 2 of Article XVII) to
7 all members no later than ten (10) days prior to any meeting.
8

Deleted: s

9 **Section 5. Quorum.** The presence of eleven (11) delegates shall constitute a quorum for
10 the transaction of business at all SACRS meetings. If, however, the attendance at any SACRS
11 meeting, whether in person or by proxy, is less than one-third (1/3) of the voting power,
12 the members may vote only on those matters specified in the meeting agenda described in
13 Article V, Section 4, Meetings may be restricted to Regular Members Retirement Systems
14 only by a majority vote of the quorum present.
15

Deleted: credentialed

16 **Section 6. Voting.** Voting at meetings of SACRS shall be the exclusive privilege of the
17 delegates or alternate delegates. Voting delegates or alternate delegates must have proper
18 notice on file with the Secretary pursuant to Article IV, Section 3, prior to voting. Each
19 delegate or alternate delegate may cast one (1) vote on each matter submitted to vote of
20 the members. Voting shall be by open roll-call. A simple majority vote of the quorum
21 present shall pass all issues considered by the regular membership unless otherwise
22 specified in the Articles of Incorporation or these Bylaws. A roll-call vote of delegates and
23 alternate delegates shall decide any voice vote in doubt by the Regular Member County
24 Retirement Systems present.
25

Deleted: herein

Deleted: r

Deleted: m

Deleted: credentials

Deleted: consistent with

Deleted: herein

Deleted: r

Deleted: members

26 **Section 7. Proxy.** A delegate may issue his or her proxy to an alternate delegate from
27 the same Regular Member County Retirement System. All proxies must be in writing,
28 signed and filed with the Secretary prior to voting.
29

Deleted: m

Deleted: Credentials Committee

30 **Section 8. Robert's Rules of Order.** All meetings of SACRS shall be governed by Robert's
31 Rules of Order unless other rules are specifically provided herein. The rules shall be
32 interpreted at meetings, as necessary, by a parliamentarian appointed by the President
33 prior to the first order of business.
34

Deleted: Procedures.

Commented [L2]: **THIS ISSUE TO BE DECIDED BY COMMITTEE**
Need to change method of notification mail vs. electronic transmission and number of days prior to a meeting

35 **Section 9. Resolutions.** Any Regular Member County Retirement System may submit
36 resolutions for consideration by the regular membership at any regular or special meeting,
37 Any Nonprofit Member may submit a resolution with the endorsement of at least one
38 Regular Member County Retirement System. Submission of resolutions shall be made in
39 writing and sent to the President, who will confirm receipt to the sender, at least sixty (60)

Commented [L3]:

Deleted: regular, associate and non-profit member

Deleted: s

Deleted: by certified mail

Deleted: thirty

Deleted: 30

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 days prior to any meeting of SACRS at which the proposed resolution is to be considered
2 for a vote. The President shall ~~send a copy of the proposed resolution to each Regular~~
3 ~~Member County Retirement System at least forty-five (45) days prior to the date a vote on~~
4 ~~the resolution will be taken.~~ Additional copies shall be made available to the membership
5 at meetings.

Deleted: provide a sufficient number of legible copies of the proposed resolutions to allow delegates and alternate delegates to receive one (1) copy each before voting

6
7 Any resolution not so submitted shall first, in order to be considered by the membership,
8 obtain a consent vote for introduction of two-thirds (2/3) of the voting delegates or
9 alternate delegates present at the session at which such resolution is to be offered from the
10 floor. The member requesting such consent shall have a sufficient number of legible copies
11 of such proposed resolution available, so that the delegates and alternate delegates present
12 may receive one (1) copy each thereof before any vote is taken. The foregoing shall not bar
13 the introduction of resolutions formulated by and originating with the President, or the
14 Board, or at the request of a majority of the members of the Board, or by any standing
15 committee.

16
17 **Section 10. Travel Expenses.** The travel expenses incurred by officers and committee
18 members may be reimbursed according to the current SACRS travel policy.

19
20
21 **ARTICLE VI - OFFICERS**

22
23 **Section 1. Officers.** The officers of SACRS, upon being elected, shall comprise the Board.
24 The officers of SACRS shall be the President, the Vice-President, the Secretary, the
25 Treasurer, and the immediate Past President.

26
27 **Section 2. Election, Qualification and Term of Office.** ~~Each officer, of SACRS shall be a~~
28 ~~member of the retirement or investment board of a County Retirement System, or the~~
29 ~~Administrator of a retirement system if employed by and reporting directly to the~~
30 ~~retirement system board or boards.~~ The officers shall be elected by a majority vote of the
31 quorum of delegates and alternate delegates present at the first meeting in each calendar
32 year and shall hold office for one (1) year and until a successor is elected.

Deleted: The

Deleted: s

Deleted: regular members of SACRS

33
34 **Section 3. Resignation of Officers.** Any officer may resign at any time by giving written
35 notice to the Board or to the President or Secretary of SACRS. Any such resignation shall
36 take effect at the date of receipt of such notice or at any later date specified therein, and,
37 unless otherwise specified therein, the acceptance of such resignation shall not be
38 necessary to make it effective. The provisions of this Section 3 shall be superseded by any

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 conflicting terms of a contract which has been approved or ratified by the Board relating to
2 the employment of any officer of SACRS.

3
4 **Section 4. Officer Elections.** Any member of the retirement or investment board of a
5 County Retirement System, or the Administrator of a retirement system if employed by and
6 reporting directly to the retirement system board or boards may submit nominations for
7 the election of officers to the Nominating Committee, provided the Nominating Committee
8 receives those nominations prior to February 1 of each calendar year. Nominations shall
9 not be accepted from the floor on the day of the election. Prior to March 1 and subsequent
10 to verification of interest, the Nominating Committee shall report its recommended ballot
11 to each Regular Member County Retirement System.

Deleted: regular

12
13 The board of any Regular Member County Retirement System may submit write-in
14 candidates to be included in the Nominating Committee's final ballot, provided the
15 Nominating Committee receives those write-in candidates prior to March 25.

Deleted: regular

Deleted: member

Deleted: regular

Deleted: member

16
17 The Nominating Committee will report a final ballot to each Regular Member County
18 Retirement System prior to April 1

Deleted: regular

Deleted: member

19
20 The administrator of each Regular Member County Retirement System shall be responsible
21 for communicating the Nominating Committee's recommended ballot and final ballot to
22 each trustee and placing the election of SACRS officers on his or her board agenda. The
23 administrator shall acknowledge the completion of these responsibilities with the
24 Nominating Committee.

Deleted: regular

Deleted: member

25
26 Officer elections shall take place during the first regular meeting of each calendar year. The
27 election shall be conducted by an open roll call vote, and shall conform with Article V,
28 Section 6 and 7 of these Bylaws.

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

33
34 **Section 5. President.** The President shall be the Chief Executive Officer of SACRS and shall
35 preside over all membership meetings and Board meetings. The President shall appoint
36 committee members and serve as an ex-officio member of all committees with the
37 exception of the Nominating Committee. The President shall be responsible for the general
38 administration of SACRS in the absence of the membership.

39

1 **Section 6. Vice-President.** The Vice-President shall, in the absence or inability of the
2 President, perform the duties of the President.

3
4 **Section 7. Secretary** The Secretary shall keep, prepare and publish prior to the next
5 immediate regular meeting an accurate record of the proceedings of all SACRS meetings
6 defined under Article V herein. In addition, the Secretary shall prepare and maintain a
7 current list of members in good standing.

8
9 **Section 8. Treasurer.** The Treasurer shall be the Chief Financial Officer of SACRS. The
10 Treasurer shall act as custodian of all funds and financial records of SACRS; collect, deposit
11 and disperse funds consistent with SACRS direction; prepare and present a written detailed
12 financial report at each meeting of SACRS.

13
14 **Section 9. Immediate Past President.** The immediate Past President, while he or she is a
15 regular member of SACRS, shall also be a member of the Board. In the event the immediate
16 Past President is unable to serve on the Board, the most recent Past President who qualifies
17 shall serve as a member of the Board.

18
19
20 **ARTICLE VII - BOARD ADVISORS**

21
22 **Section 1. Chair of Affiliate Committee.** The Chair of the Affiliate Membership Committee
23 shall serve as a non-voting advisor and/or consultant to the Board for educational (not
24 legislative) purposes.

25
26 **Section 2. Vice Chair of Affiliate Committee.** The Vice Chair of the Affiliate Membership
27 Committee shall, in the absence or inability of the Chair of the Affiliate Committee, perform
28 the duties of the Chair.

29
30 **Section 3. Members of the Board.** Neither the Chair nor the Vice Chair of the Affiliate
31 Membership Committee is a member of the Board.

32
33
34 **ARTICLE VIII - BOARD OF DIRECTORS**

35
36 **Section 1. General Powers.** Subject to limitations of the Articles of Incorporation and these
37 Bylaws, the activities and affairs of SACRS shall be conducted and all corporate powers
38 shall be exercised by or under the direction of the Board. The Board may delegate the
39 management of the activities of SACRS to any person, persons, management company, or

1 committees however composed, provided that the activities and affairs of SACRS shall be
2 managed and all corporate powers shall be exercised under the ultimate direction of the
3 Board.

4
5 **Section 2. Special Powers.** Without prejudice to such general powers, but subject to the
6 same limitations, it is hereby expressly declared that the Board shall have the following
7 powers in addition to the other powers enumerated in these Bylaws:

- 8
9 1. To select and remove all the agents and employees of SACRS, prescribe powers and
10 duties for them as may not be inconsistent with law, the Articles of Incorporation or
11 these Bylaws, fix their compensation, and require from them security for faithful
12 service.
- 13
14 2. To conduct, manage, and control the affairs and activities of SACRS and to make such
15 rules and regulations that are not inconsistent with the law, the Articles of
16 Incorporation, or these Bylaws, as they may deem best, including, but not limited to,
17 executing all motions, resolutions, association positions and/or direction passed on
18 by the membership at any meeting.
- 19
20 3. To borrow money and incur indebtedness for the purposes of SACRS, and to cause to
21 be executed and delivered, in SACRS' name, promissory notes, bond, debentures,
22 deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and
23 securities.
- 24
25 4. To change the principal office or the principal business office of SACRS in Sacramento
26 County, California, from one location to another.
- 27
28 5. To adopt, make, and use a corporate seal and to alter the form of the seal from time to
29 time, as determined by the Board.
- 30
31 6. To accept on behalf of SACRS any contribution, gift, bequest, or devise for the social
32 welfare purposes of SACRS.
- 33
34 7. To report to the regular membership, in writing, as soon as possible, all actions taken
35 by the Board under this Article VIII.

36
37 **Section 3. Term.** The Directors, as the officers of SACRS, shall hold office for one (1) year
38 and until a successor Director has been designated and qualified.

1 **Section 4. Vacancies.** Vacancies on the Board shall exist in the event of:

- 2
- 3 1. the death, resignation or removal of any Director;
- 4
- 5 2. the declaration by resolution of the Board of a vacancy in the office of a Director who
- 6 has been (i) declared of unsound mind by a final order of a court; (ii) convicted of a
- 7 felony; (iii) found by a final order of judgment of any court to have breached any duty
- 8 arising under Article 3 of the California Nonprofit Public Benefit Corporations Law; or
- 9 (iv) the Director has been absent without good cause, as determined by the
- 10 remaining Directors, from regular Board meetings for either two (2) consecutive
- 11 meetings or four (4) meetings in any one twelve (12) month period; and
- 12
- 13 3. the vote of a majority of the delegates or alternate delegates to remove the
- 14 Director(s).
- 15

16 Except for a vacancy created by the removal of a Director by the delegates and alternate

17 delegates, when vacancies occur on the Board such vacancies may be filled by approval of

18 the Board or, if the number of Directors then in office is less than a quorum, by the

19 affirmative vote of a majority of the Directors then in office at a meeting held pursuant to

20 these Bylaws, or a sole remaining Director. The delegates and alternate delegates may fill

21 any vacancy not filled by the Directors.

22

23 A person elected to fill a vacancy as provided by this Section shall hold office for the

24 remaining term of the vacating Director, or until his or her death, resignation or removal

25 from office.

26

27 **Section 5. Resignation of Directors.** Except as provided below, any Director may resign

28 effective upon giving written notice to the Board, unless the notice specifies a later time for

29 the effectiveness of such resignation. If the resignation is effective at a future time, a

30 successor may be appointed by the Board before such time, to take office when the

31 resignation becomes effective and for the remaining term of the vacating Director. Except

32 on notice to the California Attorney General, no Director may resign if the corporation

33 would be left without a duly elected Director.

34

35 **Section 6. Conflicts of Interest.**

36

- 37 1. All Directors of the Board shall comply with the disclosure requirements of California
- 38 Corporation Code Section 5234 concerning transactions between SACRS and any
- 39 other entity in which a Director is an officer or director; and

September 9, 2014

1
2 2. SACRS will make no loan of money or other property, or guarantee the obligation, of
3 any Director or officer, except as authorized by California Corporation Code Section
4 5236.
5

6 **Section 7. Compensation/Travel Policy.** Directors shall serve without compensation except
7 that they shall be allowed reasonable advancement or reimbursement for food and
8 beverage, transportation, and lodging expenses incurred in the performance of their
9 regular duties as specified in these Bylaws.

10 **Section 8. Non-Liability of Directors.** The Directors shall not be personally liable for the
11 debts, liabilities, or other obligations of SACRS.
12

13 **Section 9. Insurance for Corporate Agents.** The Board may adopt a resolution authorizing
14 the purchase and maintenance of insurance on behalf of any agent of SACRS (including a
15 Director, officer, employee or other agent) against any liability other than for violating
16 provisions of law relating to self-dealing (Section 5233 of the California Nonprofit Public
17 Benefit Corporation Law) asserted against or incurred by the agent in such capacity or
18 arising out of the agent's status as such, whether or not SACRS would have the power to
19 indemnify the agent against such liability under the provisions of Section 5238 of the
20 California Nonprofit Public Benefit Corporation Law.
21

22 23 **ARTICLE IX - MEETINGS OF THE BOARD OF DIRECTORS**

24
25 **Section 1. Place of Meeting.** All meetings of the Board shall be held at SACRS' office or at
26 such other place as may be designated for that purpose in the notice of the meeting or, if
27 not stated in the notice or there is no notice, at such place as may be designated in the
28 Bylaws or by resolution of the Board.
29

30 **Section 2. Annual Meeting.** Immediately following the election of the officers at the first
31 meeting of the calendar year, the Board shall hold a general meeting for the purposes of
32 conducting any business or transactions as shall come before the meeting. Other general
33 meetings of the Board may be held without notice at such time and place as the Board may
34 fix from time to time.
35

36 **Section 3. Special Meetings.** Special meetings of the Board for any purpose or purposes
37 may be called by the President, the Secretary, or any two (2) or more Directors.
38

1 **Section 4. Notice of Meetings.** Written notice of the time and place of any special meeting
2 shall be delivered personally to each Director or sent to each Director by mail or other form
3 of written communication, charges prepaid, addressed to the Director either at his or her
4 address as it is shown on the records or, if not readily ascertainable, to the place in which
5 the Director meets as a regular member of a County Retirement System. Such notice, if
6 mailed, shall be sent at least four (4) days prior to the time of holding the meeting. Said
7 notice shall specify the purpose of the special meeting of the Board. In addition, telephone
8 (including a voice messaging system or other system or technology designed to record and
9 communicate messages, either directly to the Director or to a person at the Director's office
10 who would reasonably be expected to communicate that notice promptly to the Director),
11 Electronic Transmission, or other similar means of communication may be used to provide
12 such notice. If given personally, or by telephone, Electronic Transmission, or other similar
13 means of communication, such notice shall be provided at least forty-eight (48) hours prior
14 to the meeting.

15 Notice of the time and place of holding an adjourned meeting need not be given to
16 absent Directors if the time and place of the next meeting are fixed at the meeting
17 adjourned and if such adjourned meeting is held no more than twenty-four (24) hours from
18 the time of the original meeting. Notice shall be given of any adjourned regular or special
19 meeting to Directors absent from the original meeting if the adjourned meeting is held
20 more than twenty-four (24) hours from the time of the original meeting.

21
22 **Section 5. Meeting by Telephone or Other Telecommunications Equipment.** Any Board
23 meeting may be held by conference telephone, video screen communication, or other
24 communications equipment. Participation in a meeting under this Section 5 shall constitute
25 presence in person at the meeting if both the following apply:

- 26 1. Each member participating in the meeting can communicate concurrently with all
27 other members; and
- 28 2. Each member is provided the means of participating in all matters before the Board,
29 including the capacity to propose, or to interpose an objection to, a specific action to
30 be taken by the Board.

31
32 **Section 6. Validation of Meeting.** The transactions of the Board at any meeting, however
33 called or noticed, or wherever held, shall be as valid as though the meeting had been duly
34 held after proper call and notice if a quorum is present and if, either before or after the
35 meeting, each voting Director not present signs a written waiver of notice or consent to the
36 holding of such meeting, or an approval of the minutes thereof. All such waivers, consents
37 or approvals shall be filed with the corporate records and made a part of the minutes of the
38 meeting.

1 **Section 7. Waiver of Notice.** Notice of a meeting need not be given to any Director who
2 signs a waiver of notice or a written consent to holding the meeting or an approval of the
3 minutes thereof, whether before or after the meeting, or who attends the meeting without
4 protesting, prior thereto or at its commencement, the lack of notice. All such waivers,
5 consents and approvals shall be filed with the corporate records or made a part of the
6 minutes of the meeting.

7
8 **Section 8. Quorum.** At all meetings of the Board, a majority of the Directors present in
9 person or pursuant to Section 5 of this Article IX shall be necessary and sufficient to
10 constitute a quorum, except to adjourn as provided in Section 11 of this Article IX. A
11 meeting, at which a quorum is initially present, may continue to transact business
12 notwithstanding the withdrawal of Directors as long as the action is approved by at least a
13 majority of the required quorum for the meeting.

14
15 **Section 9. Majority Action as Board Action.** Every act or decision done or made by a
16 majority of the Directors present at a meeting duly held at which a quorum is present is the
17 act of the Board, unless the Articles of Incorporation or Bylaws of SACRS, or provisions of
18 the California Nonprofit Public Benefit Corporation Law, particularly those provisions
19 relating to appointment of committees (Section 5212), approval of contracts or
20 transactions in which a Director has a material financial interest (Section 5233) and
21 indemnification of Directors (Section 5238(e)), require a greater percentage or different
22 voting rules for approval of a matter by the Board.

23
24 **Section 10. Prohibition Against Voting by Proxy.** Directors may not vote by proxy.

25
26 **Section 11. Adjournment** A majority of the Directors present, whether or not a quorum is
27 present, may adjourn any meeting to another time and place. Notice of the time and place
28 of holding an adjourned meeting need not be given to absent Directors if the time and place
29 is fixed at the meeting adjourned, except that if the meeting is adjourned for more than
30 twenty-four (24) hours, notice of the adjournment to another time and place shall be given
31 prior to the time of the adjourned meeting to the Directors who were not present at the
32 time of the adjournment.

33
34
35 **ARTICLE X - POWERS OF COMMITTEES**

36
37 **Section 1. Powers of Committees.** The committees described in these Bylaws shall have the
38 authority described herein, and any additional authority of the Board to the extent

September 9, 2014

1 provided in a Board resolution. Notwithstanding the preceding sentence, no committee
2 may do the following:

- 3
- 4 1. Take any final action on any matter that, under the California Nonprofit Corporation
5 Law, also requires approval of the members or approval of a majority of all members;
6
- 7 2. Fill vacancies on the Board or any committee of the Board;
8
- 9 3. Fix compensation of the Directors for serving on the Board or on any committee of
10 the Board;
11
- 12 4. Amend or repeal Bylaws or adopt new Bylaws;
13
- 14 5. Amend or repeal any resolution of the Board that by its express terms cannot be
15 amended or repealed by a committee;
16
- 17 6. Create any other committees of the Board or appoint the members of committees of
18 the Board; and
19
- 20 7. Expend corporate funds to support a nominee for Director if more people have been
21 nominated for Director than can be elected
22

23 **Section 2. Ratification of Committee Activities.** All activities and actions of the committees
24 shall be reported to and ratified by the full Board at a duly scheduled Board meeting.
25

26 27 **ARTICLE XI - STANDING COMMITTEES**

28
29 **Section 1. Legislative Committee.** The Legislative Committee shall be comprised of not less
30 than three (3) members but not more than thirteen (13) members. The Legislative
31 Committee Chair shall be appointed by the President, with Board approval. The Legislative
32 Committee membership shall be appointed annually by the President, with Board approval,
33 from names submitted from the Legislative Committee Chair, and shall be seated by
34 September 1st. The President may remove Legislative Committee members who miss
35 twenty-five percent (25%) or more of the Legislative Committee meetings in any given
36 year. The Legislative Committee shall be responsible for the legislative activities of SACRS.
37

38 **Section 2. Nominating Committee.** The Nominating Committee shall consist of the
39 following five (5) members: (i) the immediate Past President of SACRS; (ii) one (1) member

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 of the Program Committee appointed by the Program Committee Chair; (iii) one (1)
2 member of the Legislative Committee appointed by the Legislative Committee Chair; (iv)
3 one (1) member of the Bylaws Committee appointed by the Bylaws Committee Chair; and
4 (v) one (1) member of the Education Committee appointed by the Education Committee
5 Chair.

6
7 The Program Committee, Legislative Committee, Bylaws Committee and Education
8 Committee Chairs shall appoint members to the Nominating Committee, as previously
9 specified, no later than ninety (90) days prior to the second business meeting of SACRS
10 each calendar year. The immediate Past President shall serve as the Nominating Committee
11 Chair. The Nominating Committee shall be responsible for ascertaining the availability and
12 interest of regular members to serve as Directors and officers of SACRS.

13
14 **Section 3. Bylaws Committee.** The Bylaws Committee shall be comprised of not less than
15 three (3) members, with at least one (1) member of the retirement or investment board of
16 a County Retirement System, and at least one (1) administrator of a County Retirement
17 System if employed by and reporting directly to the retirement system board or boards,

Deleted: regular trustee

Deleted: regular administrative member

Deleted: , and one (1) of whom may be an associate member

18 The president shall appoint the Bylaws Committee Chair, with Board approval. The
19 Bylaws Committee shall be comprised of appointees selected from names submitted by the
20 Bylaws Committee Chair, with Board approval, within forty-five (45) days after the
21 President takes office. The Bylaws Committee shall be responsible for the maintenance of
22 the Articles of Incorporation and the Bylaws.

23
24 **Section 4. Program Committee** The Program Committee shall be comprised of not less than
25 four (4) members but not more than eighteen (18) members from names submitted by the
26 Program Committee Chair, with Board approval, and shall include the Education
27 Committee Chair and Vice Chair and the Affiliate Committee Chair and Vice Chair. The
28 President shall fill mid-term vacancies and shall appoint the Program Committee Chair,
29 with the approval of the Board, within forty-five (45) days of taking office. The Program
30 Committee Chair shall serve a one (1) year term that expires on the last day of the Spring
31 regular meeting. The President may remove Program Committee members missing twenty-
32 five percent (25%) or more of the Program Committee meetings in any given year. The
33 Program Committee shall be responsible for the program of the two (2) annual SACRS
34 conferences.

35
36 **Section 5. Audit Committee.** The Audit Committee shall be comprised of not less than two
37 (2) regular members selected from names submitted by the Audit Committee Chair, with
38 Board approval, within forty-five (45) days of the President taking office. The President
39 shall appoint the Audit Committee Chair, with Board approval. Audit Committee members

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 shall ~~be familiar with~~ auditing ~~procedures~~; shall not receive, directly or indirectly, any
2 consulting, advisory, or other compensatory fees from SACRS; and shall not be from the
3 same County as SACRS' Treasurer. The Audit Committee shall be responsible for SACRS'
4 audits, and its duties shall include, but shall not be limited to, the following:

Deleted: have

Deleted: experience

- 5
- 6 1. Assisting the Board in choosing an independent auditor and recommending
7 termination of the auditor, if necessary;
- 8
- 9 2. Negotiating the auditor's compensation;
- 10
- 11 3. Conferring with the auditor regarding SACRS' financial affairs; and
- 12
- 13 4. Reviewing and accepting or rejecting the audit.
- 14

15 If SACRS establishes a finance committee, ~~the Chair of the Audit Committee may not serve~~
16 ~~on such committee, nor may~~ a majority of the members of the Audit Committee ~~serve as~~
17 members of ~~such~~ committee.

Deleted: may not concurrently

Deleted: the finance committee, and the Chair of the Audit Committee may not serve on the finance

19 **Section 6. Credentials Committee.** The Credentials Committee shall be comprised of SACRS'
20 Secretary as the Chair and SACRS' Treasurer who shall verify designated voting delegates
21 at all meetings where a delegate vote is conducted.

23 **Section 7. Affiliate Membership Committee.** The Affiliate Membership Committee shall be
24 comprised of nine (9) affiliate member delegates, selected from names submitted by the
25 Affiliate Committee Chair, with Board approval, to serve three (3)-year terms on a
26 staggered basis. If a committee member becomes ineligible to serve or resigns, a successor
27 may be appointed by the Board for the remaining term of the outgoing member. The
28 Committee shall provide counsel and advice to the Board regarding educational (not
29 legislative) activities, and shall represent the Affiliate membership.

31 **Section 8. Education Committee** The Education Committee shall be comprised of at least
32 three (3) but not more than nine (9) members appointed by the Education Committee
33 Chair, with Board approval. Such appointments shall be made within forty-five (45) days of
34 the President taking office. The President shall appoint the Education Committee Chair,
35 with Board approval. The President may remove Education Committee members who miss
36 twenty-five percent (25%) or more of the Education Committee meetings in any given year.
37 The Education Committee shall be responsible for the educational activities of SACRS.

September 9, 2014

1 **Section 9. Resolutions Committee.** The President may appoint a Resolutions Committee,
2 comprised of regular members, to analyze proposed resolutions and make
3 recommendations for adoption, rejection or amendment prior to consideration by the
4 delegates and alternate delegates.

5 **Section 10. Meetings and Action of Committees.** Meetings and action of committees shall
6 be governed by, noticed, held and taken in accordance with the provisions of these Bylaws
7 concerning meetings of the Board, with such changes in the context of such Bylaw
8 provisions as are necessary to substitute the committee and its members for the Board and
9 its members, except that the time for regular meetings and special meetings of committees
10 may be fixed by the Board or the committee. Minutes of each meeting shall be kept and
11 shall be filed with the corporate records. The Board may also adopt rules and regulations
12 pertaining to the conduct of meetings of committees to the extent that such rules and
13 regulations are not inconsistent with the provisions of these Bylaws. Any expenditure of
14 SACRS funds by a committee shall require prior approval of the Board.

15
16
17 **ARTICLE XII - CORPORATE RECORDS AND SEAL**

18
19 **Section 1. Maintenance of Corporate Records.** SACRS shall keep at its principal office in the
20 State of California:

- 21
22 1. Minutes of all meetings of the Board and the committees, indicating the time and
23 place of holding such meetings, whether regular or special, how called, the notice
24 given, and the names of those present and the proceedings thereof;
25
26 2. Adequate and correct books and records of account, including accounts of its
27 properties and business transactions and accounts of its assets, liabilities, receipts,
28 disbursements, gains and losses; and
29
30 3. A copy of SACRS' Articles of Incorporation and Bylaws, as amended to date, which
31 shall be open to inspection at all reasonable times during office hours.
32

33 **Section 2. Corporate Seal.** The Board may adopt, use, and at will alter, a corporate seal.
34 Such seal shall be kept at the principal office of SACRS. Failure to affix the seal to SACRS
35 instruments, however, shall not affect the validity of any such instrument.
36

37 **Section 3. Inspection Rights.** Every Director and member shall have the right at any
38 reasonable time to inspect and copy all books, records, and documents of every kind and to
39 inspect the physical properties of SACRS.

1
2 **Section 4. Right to Copy and Make Extracts.** Any inspection under the provisions of this
3 Article may be made in person or by agent or attorney and the right to inspection includes
4 the right to copy and make extracts.
5

6
7 **ARTICLE XIII - FISCAL YEAR AND ANNUAL AUDIT**
8

9 **Section 1. Fiscal Year.** The fiscal year of SACRS shall be July 1 thorough June 30.
10

11 **Section 2. Annual Audit.** There shall be an annual audit of SACRS.
12
13

14 **ARTICLE XIV - INDEMNIFICATION**
15

16 **Section 1. Indemnification.** SACRS may, to the maximum extent permitted under the
17 Nonprofit Public Benefit Corporations Law and general California Corporation Law, as now
18 or hereafter in effect, indemnify each person who is or was a Director or officer of SACRS
19 against expenses, judgments, fines, settlements, and other amounts actually and reasonably
20 incurred in connection with any proceeding arising against any one or more of them, based
21 on their conduct as Directors or officers, or by reason of the fact that any one or more of
22 them is or was a Director or officer of SACRS. "Proceeding" means any threatened, pending,
23 or completed action or proceeding whether civil, criminal, administrative or investigative;
24 and "expenses" includes without limitation attorney's fees and any expenses of establishing
25 a right to receive indemnification from SACRS.
26
27

28 **ARTICLE XV - WINDING UP AND DISSOLUTION**
29

30 **Section 1. Irrevocable Dedication** The property of SACRS is irrevocably dedicated to social
31 welfare purposes. Upon the winding up and dissolution of SACRS, its assets remaining after
32 payment or adequate provision for payments of all debts and obligations of SACRS shall be
33 distributed in accordance with the plan of liquidation to an organization which is organized
34 and operated exclusively for social welfare purposes and exempt from federal income tax
35 under Section 501(c)(4) of the Code, as the Board may select. In any event, no assets shall
36 be distributed to any organization if any part of the net earnings of such organization
37 inures to the benefit of any private person or individual, or if the organization carries on
38 any other activities not permitted to be carried on by a corporation exempt from federal

SACRS Bylaws

September 9, 2014

Deleted: SACRS By-LawsSACRS Bylaws

1 income tax under Section 501(c)(4) of the Code or the corresponding provisions of any
2 future United States Internal Revenue Law.

3
4
5 **ARTICLE XVI - AMENDMENTS**

6
7 **Section 1. Amendment of Articles of Incorporation and Bylaws.** Amendments to the
8 Articles of Incorporation and Bylaws may be proposed by the Board or any Regular
9 Member County Retirement System or by any standing committee. Proposed amendments
10 shall be submitted in writing to the President, who will confirm receipt to the sender, at
11 least sixty (60) days before any meeting of SACRS. The President shall submit the proposed
12 amendments to Regular Member County Retirement System at least forty-five (45) days
13 before any meeting of SACRS. A two-thirds (2/3) vote of a quorum present at any meeting
14 of SACRS is required to adopt an amendment.

Deleted: regular

Deleted: member

Deleted: of SACRS

Deleted: by certified mail

Deleted: the membership

Deleted: thirty

Deleted: 30

15
16 **Section 2. Certain Amendments.** Notwithstanding Section 1 of this Article XVI, SACRS shall
17 not amend its Articles of Incorporation to alter any statement which appears in the original
18 Articles of Incorporation relating to the name and address of its initial agent, except to
19 correct an error in such statement or to delete such statement after SACRS has filed a
20 "Statement of Information" pursuant to Section 6210 of the California Nonprofit
21 Corporation Law.

22
23
24 **ARTICLE XVII - CONSTRUCTION AND DEFINITIONS**

25
26 **Section 1. Construction and Definitions.** Except as provided in these Bylaws and/or unless
27 the context requires otherwise, the general provisions, rules of construction, and
28 definitions of the California Nonprofit Corporation Law shall govern the construction of
29 these Bylaws. Without limiting the generality of the above, the singular number includes
30 the plural, the plural number includes the singular, and the term "person" includes both
31 SACRS and the natural person.

32
33 **Section 2. Electronic Transmission.** Notice given by SACRS by Electronic Transmission
34 shall be valid only if:

- 35
36 1. delivered by (i) facsimile telecommunication or electronic mail when directed to the
37 facsimile number or electronic mail address, respectively, for that recipient on record
38 with SACRS; (ii) posting on an electronic message board or network that SACRS has
39 designated for those communications, together with a separate notice to the recipient

September 9, 2014

1 of the posting, which transmission shall be validly delivered on the later of the
2 posting or delivery of the separate notice of it; or (iii) other means of electronic
3 communications;

4
5 2. to a recipient who has provided an unrevoked consent to the use of those means of
6 transmission for communications; and

7
8 3. that creates a record that is capable of retention, retrieval, and review, and that may
9 thereafter be rendered into clearly legible tangible form.

10
11 Notwithstanding the foregoing, an Electronic Transmission by SACRS to a recipient is not
12 authorized unless, in addition to satisfying the requirements of this Section 2, the
13 transmission satisfies the requirements applicable to consumer consent to electronic
14 record as set forth in the Electronic Signatures in Global and National Commerce Act (15
15 United States Code Section 7001(c)(1)). Notice shall not be given by Electronic
16 Transmission by SACRS after either of the following: (i) SACRS is unable to deliver two (2)
17 consecutive notices to the recipient by that means, or (ii) the inability so to deliver the
18 notices to the recipient becomes known to the Secretary or any other person responsible
19 for the giving of the notice.

20
21 ***

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 28, 2015

Agenda Item 7.6

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Update on Strategic Plan Development

Staff Recommendation

Review staff's draft additions to the Strategic Plan for the coming fiscal year and provide feedback.

Background

At the January 2015 Board meeting, staff presented its proposed Strategic Plan Development process to the Board for its input. On March 2, 2015, staff held its annual Strategic Planning Meeting and discussed and implemented this process.

Discussion

The results of the Strategic Planning Meeting and further discussion among managers is captured on the attached dashboard. The following key strategic items are planned to be included in the Strategic Plan for the coming fiscal year:

16-1

SamCERA is implementing many new software systems. To facilitate proper integration of personnel and systems, insure that adequate training and familiarization is included with each system roll-out.

16-2

The Board packet development and distribution process is becoming increasingly cumbersome and inefficient. Integrate an agenda management software system to improve the process.

16-3

The changing nature of our work environment requires deliberate planning to employ resources to insure success. Develop and integrate a plan to acquire and manage office space, hire for vacancies and validate employee duties and responsibilities.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

16-4

As new systems are implemented, SamCERA runs the risk of compartmentalizing records management. Evaluate options and implement a system that organizes and integrates administrative records.

16-5

The County's transition from Groupwise to Outlook/Office 365 email systems may create a problem for keeping and retrieving archived email. Find and implement a solution that can archive and search and retrieve archived emails.

16-6

Release of information regarding actions taken by the Board can be streamlined. Develop a policy and implement a program to make such information available on SamCERA's website.

16-7

A number of personnel changes could precipitate a change in SamCERA's culture. Develop a plan to identify components of SamCERA's culture and implement a program to maintain those components.

16-8

The current public equity portfolio structure should be evaluated to determine potential adjustments to further minimize costs, while providing robust long-term returns. Review options and implement an appropriate public equity manager structure.

16-9

SamCERA's real estate allocation/structure could be enhanced. Evaluate current structure to determine whether value-add and/or global exposures should be included.

16-10

Review SamCERA's proxy voting policy and procedures. Develop reporting protocol to share proxy voting results from our managers with the Board on a quarterly basis.

16-11

Evaluate whether the monitoring of managers could be enhanced to further evaluate performance fee arrangements and the use of soft dollars in the portfolio. Develop a process to incorporate these data points.

Attachment

Strategic Plan "Dashboard" for FY 15-16

Strategic Plan Project Overview

FY 2015-16												
	Q1			Q2			Q3			Q4		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
16-1	New tech systems integration and training											
16-2	Board agenda management											
16-3	Develop resource management plan											
16-4	Enterprise-wide records management											
16-5	Transition to Outlook and archiving emails											
16-6	Streamline Board to Public information flow											
16-7	Maintain SamCERA's culture											
16-8	Review public equity manager structure											
16-9	Review opportunities to enhance Real Estate allocation											
16-10	Review proxy voting policy and procedures											
16-11	Evaluate performance fee arrangements and soft dollar use											

↑ 16-series projects were developed for FY 2015-16.



X = completion date

X = projected completion date
(ongoing project)