



Notice of Special Meetings

The Board of Retirement

of the San Mateo County Employees' Retirement Association
will convene two special meetings to be held on

**Tuesday, April 25, 2017, starting at 9:00 a.m. and
Wednesday, April 26, 2017, 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 25, 2017

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**
 - 3.1 Approval of the Regular Board Meeting Minutes from March 28, 2017
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 (3) <ul style="list-style-type: none">• Alma Carranza-Reyes• Joann Demattei• Lydia Guzman	4.7 Member Account Rollovers
4.2 Survivor Death Benefits	4.8 Member Account Redeposits
4.3 Service Retirements	4.9 Report of Trustee Education Received
4.4 Continuances	4.10 Approval to Renew Fiduciary Liability Insurance Policy
4.5 Deferred Retirements	4.11 Approval of Resolution Authorizing Agreement with Financial Knowledge Network, LLC
4.6 Member Account Refunds	4.12 Approval of Actuarial Valuation Addendum and Resolution
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, 2017
7. **Board & Management Support Services**
 - 7.1 Approval of Direction for Voting Delegate at SACRS Spring Conference Business Meeting
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**

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

Agenda for Wednesday, April 26, 2017

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 25, 2017, see attached agenda and list of presenters)*
3. **Adjournment in Memory of the Following Deceased Members:**

Price, Anna	March 9, 2017	Human Services Agency
Bouscal, Ray	March 13, 2017	Sheriff's Office
Peterson, Eugene	March 15, 2017	Assessor's Office



Paul Hackleman
Chair, Board of Retirement

Posted: April 19, 2017

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.

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.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MARCH 28, 2017 – REGULAR BOARD MEETING MINUTES

1703.1 **Call to Order, Roll Call and Miscellaneous Business**

Call to Order: Mr. Paul Hackleman, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Sandie Arnott, Mark Battey (arrived at 10:03 a.m.), Ben Bowler (arrived at 10:05 a.m.), Albert David, Paul Hackleman, Kurt Hoefler, David Spinello, Eric Tashman and Shirley Tourel.

Excused: Alma Salas.

Alternates present: Susan Lee.

Staff: Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Elizabeth LeNguyen, Barbara Edwards, Lili Dames, Doris Ng, and Kristina Perez.

Consultants: Margaret Jadallah, Stephen Quirk, Joe Abdou, John Nicolini and Ping Zhu (*Verus*); Will Morrow (*LRWL*).

1703.1.1 **Administration of the Oath of Office to Newly Elected Trustee:** Shirley Tourel, Assistant Controller, administered the Oath of Office to newly elected Trustee, Albert David. Mr. David was elected to fill the remaining term of the Third Member seat on the Board of Retirement, previously held by Natalie Kwan Lloyd.

1703.2.1 **Oral Communications from the Board:** None.

1703.2.2 **Oral Communications from the Public:** None.

1703.3.1 **Approval of Board Meeting Minutes from February 28, 2017:** Mr. Hackleman asked if there were any changes or corrections to the minutes from February 28, 2017. None were noted.

Action: Mr. Hoefler moved to approve the minutes from February 28, 2017; the motion was seconded by Ms. Arnott and carried with a vote of 7-0-2, with trustees Arnott, David, Hackleman, Hoefler, Spinello, Tashman, and Tourel in favor; none opposed; trustees Battey and Bowler were absent, arriving after this action was taken.

Mr. Battey arrived prior to item 4.0.

1703.4.0 **Approval of the Consent Agenda:** Mr. Hackleman asked if there were any items to be removed from the Consent Agenda, and the disability application of Florinda DeLeon was removed (see Item 5.1).

Action: Mr. David moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Tourel. The motion carried with a vote of 8-0-1, with trustees Arnott, Battey, David, Hackleman, Hoefler, Spinello, Tashman, and Tourel in favor; none opposed; trustee Bowler was absent, arriving after this action was taken.

1703.4.1 **Disability Retirements:**

- a) The Board accepted the proposed findings and recommendations of the Hearing Officer, John Simonson, and found that Mary Burns is able to perform her duties as a Corrections Officer and denied her application for a service-connected disability retirement.
- b) The Board accepted the proposed findings and recommendations of the Hearing Officer, George Camerlengo, and found that Teresa Magana is able to perform her duties as a Medical Assistant II and denied her application for a service-connected disability retirement.

- c) The Board found that Stephen Mroz is permanently incapacitated for the performance of his usual and customary duties as a Deputy Sheriff, found that his disability was the result of an injury arising out of and in the course of his employment, and granted his application for a service-connected disability retirement.
- d) The Board found that Teresa Thomas is permanently incapacitated for the performance of her usual and customary duties as a Court Reporter, found that her disability was the result of an injury arising out of and in the course of her employment and granted her application for a service-connected disability retirement.
- e) The Board found that Myra Yapching is permanently incapacitated for the performance of her usual and customary duties as a Human Resources Manager I, found that her disability was not a result of an injury arising out of and in the course of her employment, denied her application for a service-connected disability retirement, and granted her a non-service-connected disability retirement.

1703.4.2 **Survivor Death Benefits:** None.

1703.4.3 **Service Retirements:**

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

Member Name	Effective Retirement Date	Department
Avila Summerville, Cristina	January 8, 2017	District Attorney
Bates, Robert	January 25, 2017	Deferred from Sheriff's
Cisneros, Maria E	January 28, 2017	Medical Center
De La Rocha, Dana	January 17, 2017	Deferred from Sheriff's
Federico, Judith	February 1, 2017	Aging & Adult Services
Freitas, SHERALYNN	January 31, 2017	Deferred from Probation
Gorham, Danamaya	January 13, 2017	Medical Center
Griffin, Marie	January 4, 2017	Superior Court
Guier, Holly	December 27, 2016	Deferred from Environ. Health
Holman, Richard	February 1, 2017	Human Services Agency
Isaacs, Jean	January 12, 2017	Deferred from Social Services
Magana, Octavio	January 27, 2017	Deferred from Probation
Mason-Cook, Patricia	January 28, 2017	Human Services Agency
McFarren-Nave, Ellen	January 27, 2017	(Plan 3 Service Retirem't Activated)
Moran, Bruce	December 31, 2016	Deferred from Sheriff's
Pedemonte, Eduardo	January 15, 2017	Probation
Reddy, Harish	January 28, 2017	Human Services Agency
Schumaker, Larry	January 29, 2017	Sheriff's
Shirk, Peter	January 26, 2017	Deferred from ARC
Simmons, Lorraine	January 28, 2017	Sheriff's
Tissier, Adrienne	January 3, 2017	Board of Supervisors
Tse, Conny	January 28, 2017	Human Services Agency
Wales, Roxane	January 7, 2017	Superior Court
Young, Keith	January 6, 2017	Human Services Agency

1703.4.4 **Continuances:**

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

Survivor's Name	Beneficiary of:
Theiss, Margie	Theiss, Leonard

1703.4.5 **Deferred Retirements:**

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

Member Name	Retirement Plan Type
Ernst, Heidemarie	G4, Vested
Quinn, Patrick B	G5, Non-vested - Reciprocity
Valdez, Anthony	G7, Non-vested - Reciprocity
Margarita, Venecia	G4, Vested - Reciprocity
Campos, Robert	G5, Non-vested - Reciprocity
Kumar, Kritika	G5, Non-vested - Reciprocity
Perez, Alexander	G4, Vested - Reciprocity
Byrne, Michael	G7, Non-vested - Reciprocity
Sanchez-Ortiz, Irene	G5, Non-vested - Reciprocity
Myszka, Emmy	G4, Vested - Reciprocity
Tercero, Ursula	G4, Vested
Wang, Betty	G4, Vested – Reciprocity

1703.4.6 **Member Account Refunds:**

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

Member Name	Retirement Plan Type
Alvarado, Maria	G7, Non-vested
De Leon, Ruth	G4, Vested
Sanchez, Medelyn	G4, Vested
Solaiza, Ernesto	G7, Non-vested
Villa Landron, Julio	G7, Non-vested

1703.4.7 **Member Account Rollovers:**

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

Member Name	Retirement Plan Type
Brooks, Amy	G7, Non-vested
Bundy, Jessica	G7, Non-vested
Espenida, Jason	G7, Non-vested
Manchia, Beverly (QDRO)	G2, Vested
Winston, Erin	G7, Non-vested
Wu, Serine	G4, Non-vested

1703.4.8 **Member Account Redeposit:** None.

1703.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by trustees Battey, Hackleman, Lee, Spinello (2), Tashman and Tourel.

1703.4.10 **Approval of Resolution Amending SamCERA's Placement Agent Policy:** The Board approved the resolution amending SamCERA's Placement Agent Policy as presented.

1703.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** The disability application for Florinda DeLeon was removed from the Consent Agenda and voted upon separately, as Mr. Hackleman recused himself.

Action: Mr. Tashman made a motion to approve Staff's recommendation which found that Florinda De Leon is not permanently incapacitated for the performance of her usual and customary duties as a Fiscal Office Specialist, and denied her application for a service-connected disability retirement. The motion was seconded by Ms. Tourel and carried with a vote of 7-0-1-1, with trustees Arnott, Battey, David, Hackleman, Hofer, Spinello, Tashman, and Tourel in favor; none opposed; trustee Bowler was absent, arriving after this action was taken; trustee Hackleman was recused.

Mr. Bowler arrived prior to item 6.1.

- 1703.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ended February 28, 2017:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for February 2017 was 1.8%, while the preliminary trailing twelve-month return ending February 2017 was 15.5% net. This item was informational and for discussion only, no action was taken.
- 1703.6.2 **Report on Global Custodian (Northern Trust) Annual Review:** Ms. Dames reviewed the meeting notes from the annual review of Northern Trust held on March 2, 2017, at SamCERA's office. She reported that Northern Trust continues to provide excellent level of service to staff in accordance with expectations, and that no significant concerns were identified during the review. This item was informational and for discussion only, no action was taken.
- 1703.6.3 **Report on Cash Overlay (Parametric Minneapolis) Annual Review:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's overlay manager, Parametric Minneapolis (formerly The Clifton Group) which was held on March 2, 2017, at SamCERA's office. She reported that results from the overlay program were positive for the year, and that no significant concerns were identified during the review. This item was informational and for discussion only, no action was taken.
- 1703.6.4 **Report on Update of Verus Capital Market Assumptions:** Ms. Jadallah and Mr. Quirk reviewed Verus' report on capital market assumptions with the Board. They discussed the impact that the revised capital market assumptions could have upon the total fund policy expectations. This item was informational and for discussion only, no action was taken.
- 1703.6.5 **Report on Real Estate Debt Short-List Managers:** Mr. Nicolini reviewed the proposed mandate and discussed the short-list of real estate debt managers for a new real asset strategy within the real estate sub-asset class, with the Board. He noted that further due diligence would occur over the next few months, and the final investment recommendation for this strategy will be presented to the Board after that time. This item was informational and for discussion only, no action was taken.

The Board adjourned into closed session at 11:13 a.m. to hear Item 6.6, Approval of Proposed Alternative Investments. The meeting was reconvened into open session at 11:35 a.m. and Ms. Carlson reported the action taken by the Board while in Closed Session.

- 1703.6.6 **Approval of Proposed Alternative Investments (heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26):** Ms. Carlson reported that while in Closed Session, it was moved by Mr. Spinello, and seconded by Ms. Arnott, to approve a recommendation to commit \$35 million to the White Oak Yield Spectrum Fund as part of SamCERA's Private Credit composite within fixed income. The motion carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, Spinello, Tashman, and Tourel in favor; none opposed.

The meeting was adjourned for lunch at 11:37 a.m. and reconvened at 12:15 p.m.

- 1703.7.1 **Report on April 25 and 26, 2017 Board-Staff Retreat Planning:** Mr. Hood updated the Board on the finalized plans and agenda of speakers for the Board-Staff retreat. This item was informational and for discussion only, no action was taken.

Item # 7.3 was taken out of order, and the remainder of the agenda was heard in the order listed below.

- 1703.7.3 **Approval of SamCERA Voting Delegate and Alternates for SACRS Spring 2017 Business Meeting:** Mr. Hood and the Board discussed the upcoming SACRS conference, May 16th -19th, in Napa. The recommendation is for the Board to designate Trustee David Spinello as the Voting Delegate, with Ben Bowler as the First Alternate Voting Delegate and Scott Hood as the Second Alternate Voting Delegate. The Voting Delegate is authorized to cast votes on behalf of SamCERA at the SACRS business meeting, scheduled for Friday, May 19th. More information about the SACRS business meeting agenda and topics will be reviewed in April.
- Action:** Mr. Battey moved to approve the voting delegates as proposed. The motion was seconded by Mr. Tashman and carried with a vote of 9-0 with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, Spinello, Tashman and Tourel, all in favor; none opposed.
- 1703.8.1 **Chief Executive Officer's Report:** Mr. Hood announced that for the 20th year in a row, SamCERA has received a Certificate of Achievement for Excellence in Financial Reporting, from the Government Finance Officers Association (GFOA). He reported that the contribution rates for the next fiscal year were on the consent calendar for the Board of Supervisors' approval today. He remarked on the new CALAPRS website and thanked those that participated in the 360 evaluations for the Chief Legal Counsel and Chief Investment Officer. Mr. Hood stated next month's meeting agenda would include the retreat presentations and the budget.
- 1703.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported on due diligence trips he performed and planned with Mr. Hood and Ms. Ng, related to the selection of an investment consultant. He stated that the annual review of Invesco would be held on April 13th at SamCERA. Mr. Coultrip reported on rebalancing events that occurred, and updated the Board on the search for a private credit manager and for a strategic credit manager.
- 1703.8.4 **Chief Legal Counsel's Report:** Ms. Carlson updated the Board on two California Supreme Court cases. The first was related to disability applicants; determining when interest begins to accrue on retroactive benefits owed to an applicant if the Board denied the disability retirement and that decision is later reversed by the Court. The second case addresses the application of the Public Records Act on communications relating to SamCERA business sent or received on person electronic accounts and devices. The court ruled that those communications are no different than communications sent on public devices and accounts. Ms. Carlson discussed this with the Board members and answered questions.
- 1703.7.2 **Report on Progress of SamCERA's IT Projects:** Mr. Morrow gave an update on the implementation status of the new pension administration software solution, which went "live" on December 29, 2016, and has been used by staff since that time. He reported on the other components of the software such as Member Self-Service and the Employer Self-Service portals that were launched in February. He discussed how the vendor was addressing problems as they arose.
- 1703.8.1 **Assistant Executive Officer's Report:** Ms. Smith reported on the vacating of the 2nd floor office space. She stated that 76 members were retiring in April. Ms. Smith reported that Financial Knowledge Network, SamCERA's current provider for member financial education, had provided the only response to the RFP seeking a provider of financial education services. Ms. Perez reminded Board members of the due date for Form 700 filing, and noted upcoming education events.
- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** See report on Item 5.1 above.
- C2 **Approval of Proposed Alternative Investments (Confidential Under Gov. Code §54956.81 and §6254.26):** See report on Item 6.6.

1703.9 **Report on Actions Taken in Closed Session:** See items C2 and 6.6.

1703.10 **Adjournment:** Mr. Hackleman adjourned the meeting at 12:34 p.m. in memory of the deceased members listed below.

Peregoy, Michele	January 16, 2017	Sheriff's
Maes, Anna	February 4, 2017	Superior Court
Ruble, Richard	February 6, 2017	General Services
Payton, Deborah	February 7, 2017	Probation
Brown, Esther	February 20, 2017	Library
Mitvalsky, Derek	February 21, 2017	Parks & Recreation
Whitehead, James	February 21, 2017	District Attorney's Office
Lauron, Antonio	February 24, 2017	Public Works
Gardner, Betty	March 3, 2017	County Library
Patane, Carmen	March 3, 2017	Superior Court
Hypes, Margaret	March 12, 2017	Social Services

Scott Hood
Chief Executive Officer

Kristina Perez
Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Items 4.1- 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager



SUBJECT: Approval of Consent Agenda Items 4.1 – 4.9

4.1 Disability Retirements

- a) The Board find that **Alma Carranza-Reyes** is (1) permanently incapacitated for the performance of her usual and customary duties as a Community Worker II, (2) find that her disability was the 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.

- b) The Board (1) accept the proposed findings and recommendations of the Hearing Officer, George Camerlengo, (2) find that **JoAnn Demattei** is able to perform her duties as a Legal Office Specialist and (3) deny her application for a service-connected disability retirement.

- c) The Board (1) accept the proposed findings and recommendations of the Hearing Officer, John Shupe, (2) find that **Lydia Guzman** is able to perform her duties as a Dietitian and (3) deny her application for a service-connected disability retirement.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

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

Member Name	Effective Retirement Date	Department
Atkinson, Audrey	February 13, 2017	Medical Center
Cairns, David	February 4, 2017	Superior Court
Camacho, Gloria	March 1, 2017	Food Services
Chand, Sunil	February 7, 2017	Food Services
Donigan, Mark	February 26, 2017	Deferred from Parks
Fernandez, Manolo	March 1, 2017	Deferred from Medical Center
Flood, David	December 31, 2016	Deferred from Sheriff's

Flores, John	February 27, 2017	Deferred from Sheriff's
Galleguillos, Roy	February 7, 2017	Sheriff's
Garner, Mary	February 25, 2017	Human Services Agency
Gray, Nancy	March 31, 2015	Deferred from Mental Health
Guintu, Cynthia	March 1, 2017	Medical Center
Harris, Kimberly	February 27, 2017	Deferred from Mental Health
Huynh, Kim	February 25, 2017	Medical Center
Jones, Lenora	February 4, 2017	Human Services Agency
Kwong, William	March 1, 2017	Human Services Agency
Mochel, Kathy	February 15, 2017	Courts
Nevarez, Donald	February 17, 2017	Public Works
Plaisted, Jalene	February 25, 2017	Sheriff's
Schwab, Robert	March 1, 2017	Deferred from Human Services
Spiller, Maurice	February 24, 2017	Sheriff's
Steck, Christopher	February 3, 2017	Deferred from Agriculture
Tauaefa, Rosemarie	February 11, 2017	Controller's
Vassallo, Josephine	March 1, 2017	Medical Center

4.4 Continuances

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

Survivor's Name	Beneficiary of:
Calderon, Lucelyn	Calderon, Cesar
Jensen, Gary	Jensen, Anne
Kendrick, Patricia	Kendrick, George
Perry, Susan	Perry, Robert
Ruble, Judith M	Ruble, Richard
Whitehead, Elizabeth A	Whitehead, James

4.5 Deferred Retirements

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

Member Name	Retirement Plan Type
Reyna, Renee	G4, Vested - Reciprocity
Valido, Frances	G4, Vested - Reciprocity
Roman, Erika	G4, Vested - Reciprocity
Qian, Rong	G7, Non-Vested - Reciprocity
Tam, Carrie	G4, Vested - Reciprocity
Amansec, Anne	G5, Vested
Mason, Katherine	G7, Non-Vested - Reciprocity
Triolo, Ashnita	G4, Vested

4.6 Member Account Refunds

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

Member Name	Retirement Plan Type
De La Herran, Esmeralda	G7, Non-vested
Delgadillo, Lizbeth	G7, Non-vested
Hinds, Sean	G5, Non-vested
Mbong, Valentin	G4, Non-vested
Paredes, Raul	P5, Non-vested
Sandoval, Diane	G7, Non-vested

4.7 Member Account Rollovers

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

Member Name	Retirement Plan Type
Alkire, Anita	G7, Non-vested
Fuentes, Charlene	G7, Non-vested
Ortiz, Michelle	G4, Non-vested

4.8 Member Account Redeposits

None.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Item 4.9

TO: Board of Retirement
FROM: Kristina Perez, Executive Secretary
SUBJECT: Trustees' Reports of Educational Activities



Staff Recommendation

Accept the following reports from Board of Retirement trustees who have recently attended educational events.

Background

SamCERA's Education Policy was amended in December 2016.

Section 1D states "Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report shall substantially reflect the information contained in the attached sample report."

The "reporting out" requirement was changed from an oral report given by individual Trustees under agenda item 2.2, Oral Communications from the Board, to a written report submitted on the Consent Agenda.

Discussion

SamCERA Trustees attended the following educational events, and their reports are attached:

CALAPRS Advanced Principles of Pension Management for Trustees, at UCLA,
March 29-31, 2017:

Mark Battey
Paul Hackleman
Susan Lee
David Spinello

The Pension Bridge, San Francisco, April 18-19, 2017:

Reports for Pension Bridge attendees were not received in time for the agenda packet mailing, and will be provided at the meeting.

Attachments

Trustee Education Proof of Participation Certificate and Summary (4)

SamCERA Board of Retirement Trustee Education
 Proof of Participation Certificate and Summary



Trustee Name C. Mark Battey		Date(s) of Event March 29-31, 2017
Education Event Name CALAPRS Advanced Principles of Pension Management for Trustees		
Event Provider CALAPRS (Held at UCLA)		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>		Eligible Credit: Total hours for sessions you participated in: <u>16</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input checked="" type="checkbox"/> Pension fund governance |
| <input checked="" type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

Very good overview of board governance and fiduciary issues. The consultant from Cortex was particularly good in delineating between trustees and staff issues and roles. The consultant from Segal highlighted key actuarial issues. The one session on economics and investments was a bit too simplistic, but in general I recommend the training for trustees who have served at least a year.

Would you recommend this event to other trustees?

- Yes No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) 	Date 4/4/2017
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NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name <i>Paul Hackleman</i>		Date(s) of Event March 29-31, 2017
Education Event Name CALAPRS Advanced Principles of Pension Management for Trustees		
Event Provider CALAPRS (Held at UCLA)		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	Eligible Credit: Total hours for sessions you participated in: <u>12</u> <i>(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)</i>	

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input checked="" type="checkbox"/> Pension fund governance |
| <input checked="" type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

LEARNED NUANCED INFO ON FIDUCIARIES BOTH IN FED AND STATE LAW ESPECIALLY RELATED TO TWO HAT RULE FOR HOMEWORK, READ CLARMAN REPORT ON GOVERNANCE AND ETHICS, ALSO, BROAD DISCUSSION OF DELEGATION HELPFUL AS OUR BOARDS CONSIDERS BECOMING MORE POLICY FOCUSED

Would you recommend this event to other trustees?

- Yes *EMPHATICALLY* No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) <i>Paul Hackleman</i>	Date 4-5-17
---	----------------

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

RECEIVED

APR 5 2017

SAN MATEO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name <i>Susan Lee</i>		Date(s) of Event March 29-31, 2017
Education Event Name CALAPRS Advanced Principles of Pension Management for Trustees		
Event Provider CALAPRS (Held at UCLA)		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	Eligible Credit: Total hours for sessions you participated in: <u>15</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)	

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input checked="" type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input checked="" type="checkbox"/> Pension fund governance |
| <input checked="" type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

active and passive management
wearing the right hat
Economic forecasting, CA and US
Actuarial $C + I = B + E$ Contributions + Investment income

Would you recommend this event to other trustees?

- Yes No Maybe

benefit payment + expenses

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) <i>[Signature]</i>	Date <i>4-18-17</i>
--	------------------------

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

RECEIVED

APR 13 2017

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary

SAN MATEO COUNTY
EMPLOYEES' RETIREMENT
ASSOCIATION



Trustee Name DAVID SPINELLO		Date(s) of Event March 29-31, 2017
Education Event Name CALAPRS Advanced Principles of Pension Management for Trustees		
Event Provider CALAPRS (Held at UCLA)		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>	Eligible Credit: Total hours for sessions you participated in: <u>16</u> (Staff may adjust hours if the provider issues an education certificate that reflects different hours.)	

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- Fiduciary responsibilities
- Ethics
- Benefits administration
- Actuarial matters
- Pension funding
- Pension fund investments and investment program management
- Disability evaluation
- Fair hearings
- Pension fund governance
- New board member orientation
- Other: _____

Summary Report

What concepts or information did you learn about?

HOW BOARDS CAN BE MORE PRODUCTIVE

Would you recommend this event to other trustees?

- Yes
- No
- Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) D. SPINELLO	Date 4/12/17
--	------------------------

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

File Name: TrusteeParticipationSummaryReport.docx

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Item 4.10

TO: Board of Retirement
FROM: Gladys Smith, Assistant Executive Officer
SUBJECT: Approval to Renew Fiduciary Liability Insurance Policy

Staff Recommendation

The Board authorize staff to work with the County's Risk Manager to renew fiduciary liability insurance coverage with American International Group (AIG) through May 2018.

Background

The Government Code requires SamCERA to defend trustees and staff against claims and litigation which arises from the performance of their duties. Because the assets of the retirement fund would be used to provide such defense, since 1998, the Board has purchased fiduciary liability insurance to help protect the assets of the fund from the expenses and awards resulting from such litigation.

Discussion

Currently, the Board has a fiduciary policy with AIG for \$10 million in coverage, a deductible of \$100,000, and an annual premium of \$64,700. Staff is working with County Risk Manager and James and Gable Insurance Brokers, Inc. to obtain a continuation of this coverage for roughly the same amount in premium. We anticipate a slight increase due to the recent general increases in costs.

For the 18 covered fiduciaries (Board and certain staff), SamCERA will once again be able to pay for a Waiver of Nonrecourse endorsement. We will update the Board on that cost, which last year was \$450, to be divided equally by 18. By law, this cannot be paid by the fund and must be paid personally by each fiduciary. For convenience, SamCERA collects the money from each fiduciary and remits payment to the insurance broker.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

April 25, 2017

Agenda Item 4.11

TO: Board of Retirement

FROM: Gladys Smith, Assistant Chief Executive Officer

SUBJECT: Agreement with Financial Knowledge Network, LLC for member financial education services.

Staff Recommendation

Approve a resolution authorizing the Chief Executive Officer to execute an agreement with Financial Knowledge Network, LLC for member financial education services.

Background

In 2009, after a Request for Proposal process, Financial Knowledge Network, LLC (FKN) was selected to provide member education in topics such as personal investing, taxes, estate planning among other financial areas. FKN's agreement was extended three times and the current term is ending June 30, 2017. In February, Staff issued a Request for Proposal for financial education services and FKN was the only proposer.

FKN provides a variety of member education on wide variety of financial topics. Members and staff have been pleased with the quality and range of classes. The classes are well received and continue to have good attendance. The classes are free and are provided either in a classroom setting in our Boardroom, County buildings or via an evening webinar.

Discussion

As with past agreements, the proposed agreement with FKN provides a rate structure based on the number of classes held; the cost per class decreases as the number of classes increases. Staff has determined that it is in the best interest of SamCERA to have a 5-year agreement that has a 2% annual COLA built into the fees. The fee rate for fiscal year 2017-2018 is the same rate as fiscal year 2016-17 rate. The total amount for five years will not exceed \$318,750. The agreement can be terminated by either party with or without cause with 30-day written notice.

The resolution also authorizes the Chief Executive Officer to execute amendments up to total of \$25,000 in increased costs during the term of the agreement.

Attachment

Resolution Authorizing the Chief Executive Officer to Execute Agreement with Financial Knowledge Network, LLC for Member Financial Education Services

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

RESOLUTION 2017-07

RESOLUTION AUTHORIZING CHIEF EXECUTIVE OFFICER TO EXECUTE AGREEMENT WITH FINANCIAL KNOWLEDGE NETWORK, LLC FOR FINANCIAL EDUCATION SERVICES

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board with plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system; and

WHEREAS, in 2009, after a Request For Proposal process, Financial Knowledge Network, LLC was selected to provide member education in topics such as personal investing, taxes, estate planning among other financial areas; and

WHEREAS, in February 2017, staff issued a Request For Proposal these services and Financial Knowledge Network, LLC was the only proposer. Members and staff have been pleased with the quality and range of classes offered by them. The classes are well received and have good attendance; and

WHEREAS, this Board has determined that it is in the best interest to enter into a 5-year agreement with Financial Knowledge Network, LLC to continue to provide financial education services to SamCERA members; Therefore, be it

RESOLVED, that the Board of Retirement authorizes the Chief Executive Officer to execute an agreement with Financial Knowledge Network, LLC for financial education services in an amount not to exceed \$318,750. Be it further

RESOLVED, that the Chief Executive Officer is hereby authorized and directed to execute any subsequent amendments and minor modifications in an amount not to exceed \$25,000

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on April 25, 2017.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:


*Shirley Tourel, Board Secretary
SamCERA*

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Item 4.12

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: April 13, 2017 Addendum to the 2016 Actuarial Valuation and Resolution Accepting Contribution Rates contained in the April 13, 2017 addendum.

Recommendation

Accept addendum to the 2016 Actuarial Valuation and Approve Resolution Accepting Contribution Rates contained in the April 13, 2017 addendum to the 2016 Actuarial Valuation to Recommend to the Board of Supervisors for the 2017-18 Fiscal Year.

Background

In September 2016, the Board accepted the 2016 Actuarial Valuation and the 2017-18 fiscal year employer and employee contribution rates. After the 2016 Actuarial Valuation was prepared, the San Mateo County Superior Court and the Court Interpreters and Court Commissioners separately agreed that these members would contribute 50% of the retirement COLA costs and that the Court would no longer pick up any of the employee's share of the COLA costs.

Discussion

The shifting COLA costs and termination of employee pick-ups for these Court employees will not change the total amount of contributions expected to be paid to SamCERA for the 2017-18 fiscal year; it only changes the distribution between the Court and these employees. Milliman created addendums to the following exhibits to reflect the Court's employer contribution rate change:

Revised Statutory Employer Contribution Rates- All Plans (Exhibit 10)
Revised Employer Statutory Contribution Rates- General (Exhibit 10a)

No changes are necessary to existing employee COLA contribution rates, these rates will just become applicable to these Court employees. Once accepted, the revised employer rates will be forwarded to the Board of Supervisors for approval.

Attachments

Milliman April 13, 2017 addendum to the 2016 Actuarial Valuation
Resolution Accepting Contribution Rates contained in the April 13, 2017 Addendum to the 2016 Actuarial Valuation to Recommend to the Board of Supervisors for the 2017-18 Fiscal Year



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Suite 3800
Seattle, WA 98101-2605
USA

Tel +1 206 624 7940
Fax +1 206 623 3485

milliman.com

April 18, 2017

VIA EMAIL ONLY

Board of Retirement
San Mateo County Employees' Retirement Association
100 Marine Parkway, Suite 125
Redwood Shores, CA 94065-5208

Re: June 30, 2016 Actuarial Valuation Addendum – Revised Employer Contribution Rates

Dear Members of the Board:

We have previously provided you an actuarial valuation report as of June 30, 2016 for the San Mateo County Employees' Retirement Association (SamCERA). The contribution rates shown in Exhibit 10 (including 10a-10d) of that report are scheduled to be effective for the first pay period in July 2017. It is our understanding that since that report was prepared, negotiations with Court Interpreters and Court Commissioners have resulted in those members paying for 50% of the cost of COLA benefits. The purpose of this addendum to the valuation is to provide revised employer contribution rates for pay periods beginning on or after July 1, 2017 that reflect these changes.

Changes in Member Contribution Rates

Effective October 2016, all current Court employees under General Plans 1, 2, and 4 will pay 50% of the retirement COLA cost. In our valuation, we assumed Courts employees with retirement benefits negotiated under Court Interpreters and Court Commissioners contracts made no contributions toward the COLA cost.

Impact on employer contribution rates

The attached Exhibit 10 provides revised aggregated information for all members, and the attached Exhibit 10a provides employer statutory contribution rates for all General members. Court employer rates are shown with the 50% COLA share. No revisions from the June 30, 2016 valuation are needed to Exhibits 10b-10d for members in SMCM&VCD, Safety, or Probation classes.

Member contribution rates

The member contribution rates provided in the June 30, 2016 actuarial valuation Appendix D can be used to calculate the necessary member rates under these COLA share revisions.

Estimation Techniques Used

For purposes of this analysis, we have used a simplified technique to determine the effect of the change in COLA sharing on the employer contribution rates. Specifically, we have increased the expected member contributions to reflect the 50% COLA share.

This work product was prepared solely for SamCERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

The higher expected member contribution rates results in reduced employer contribution rates for the affected groups. The Unfunded Actuarial Accrued Liability (UAAL) rates and the contribution rates for all other groups remain unchanged from the June 30, 2016 valuation. We believe this approach provides a reasonable estimate of the impact on the employer contribution rates; however, a more detailed calculation should be performed in future valuations.

Certification

This addendum is based on our valuation report dated September 19, 2016, and all caveats disclosed in that valuation continue to apply. All plan provisions, assumptions, and methods are the same as that valuation, except for the changes due to addition of the 50% COLA sharing for certain General members as specified in this letter.

Milliman's work is prepared solely for the internal business use of SamCERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

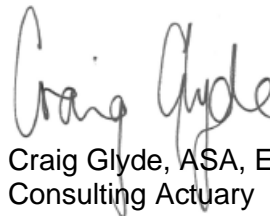
Sincerely,



Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

NJC/CG/nlo

Enclosures



Craig Glyde, ASA, EA, MAAA
Consulting Actuary

San Mateo County Employees' Retirement Association

Exhibit 10: Statutory Employer Contribution Rates – All Plans

All Plans								
	Gross Normal Cost	Member Contributions	Employer Rates					Prior Year Total Contribution Rate ⁽²⁾
			Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
General Members								
County	19.99%	(11.08)%	6.81%	2.10%	8.91%	19.81%	28.72%	27.04%
Courts	21.00%	(11.91)%	6.81%	2.28%	9.09%	21.30%	30.39%	28.58%
Total	20.05%	(11.12)%	6.81%	2.12%	8.93%	19.89%	28.82%	27.15%
SMCM&VCD Members	19.84%	(7.82)%	8.83%	3.19%	12.02%	12.50%	24.52%	31.29%
Safety Members	33.33%	(17.02)%	12.52%	3.79%	16.31%	44.25%	60.56%	58.72%
Probation Members	31.90%	(15.96)%	12.46%	3.48%	15.94%	31.72%	47.66%	42.42%
All Plans	22.31%	(12.07)%	7.81%	2.43%	10.24%	23.52%	33.76%	31.96%
County Only	22.36%	(12.09)%	7.83%	2.44%	10.27%	23.64%	33.91%	32.08%

¹ County UAAL Contribution Rate includes an aggregate offset of 1.73% of payroll to reflect the County Supplementary Contribution Account. Offsets vary by class of member as follows:

- General member UAAL offset is 1.49% of payroll
- Safety member UAAL offset is 3.05% of payroll
- Probation member UAAL offset is 2.27% of payroll

SMCM&VCD UAAL Contribution Rate includes an offset of 8.80% of payroll to reflect the District Supplementary Contribution Account.

² The Prior Year Total Contribution Rate reflects the valuation addendums that were issued subsequent to the valuation report.

This work product was prepared solely for SamCERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

San Mateo County Employees' Retirement Association

Exhibit 10a: Employer Statutory Contribution Rates – General

General Members								
	Gross Normal Cost	Member Contributions	Employer Rates					Prior Year Total Contribution Rate ⁽²⁾
			Basic Normal Cost	COLA Normal Cost	Total Normal Cost	UAAL Contribution Rate ⁽¹⁾	Total Contribution Rate	
Plan 1								
County (50%) ⁽³⁾	21.90%	(12.97)%	5.94%	2.99%	8.93%	19.81%	28.74%	27.83%
Courts (50%) ⁽³⁾	21.90%	(12.66)%	5.42%	3.82%	9.24%	21.30%	30.54%	29.28%
Total	21.90%	(12.94)%	5.90%	3.06%	8.96%	19.94%	28.90%	28.06%
Plan 2								
County (50%) ⁽³⁾	21.92%	(12.97)%	5.99%	2.96%	8.95%	19.81%	28.76%	27.06%
Courts (50%) ⁽³⁾	21.92%	(12.64)%	5.49%	3.79%	9.28%	21.30%	30.58%	28.55%
Total	21.92%	(12.96)%	5.97%	2.99%	8.96%	19.88%	28.84%	27.25%
Plan 3								
County	7.65%	0.00%	7.65%	0.00%	7.65%	19.81%	27.46%	25.78%
Courts	7.65%	0.00%	7.65%	0.00%	7.65%	21.30%	28.95%	26.95%
Total	7.65%	0.00%	7.65%	0.00%	7.65%	19.83%	27.48%	25.79%
Plan 4								
County (0%) ⁽³⁾	27.27%	(12.58)%	10.33%	4.36%	14.69%	19.81%	34.51%	29.26%
County (50%) ⁽³⁾	21.56%	(12.50)%	6.95%	2.11%	9.06%	19.81%	28.88%	27.12%
Courts (50%) ⁽³⁾	21.90%	(12.65)%	7.12%	2.13%	9.25%	21.30%	30.55%	28.14%
Total	21.59%	(12.51)%	6.96%	2.12%	9.08%	19.85%	28.93%	27.31%
Plan 5								
County	19.14%	(8.69)%	8.56%	1.86%	10.45%	19.81%	30.26%	28.27%
Courts	19.14%	(10.04)%	8.56%	1.86%	9.10%	21.30%	30.40%	28.00%
Total	19.14%	(8.72)%	8.56%	1.86%	10.42%	19.85%	30.27%	28.27%
Plan 7								
County	16.27%	(8.14)%	6.49%	1.64%	8.13%	19.81%	27.94%	26.28%
Courts	16.27%	(8.14)%	6.49%	1.64%	8.13%	21.30%	29.43%	27.45%
Total	16.27%	(8.14)%	6.49%	1.64%	8.13%	19.86%	27.99%	26.30%
All Plans								
County	19.99%	(11.08)%	6.81%	2.10%	8.91%	19.81%	28.72%	27.04%
Courts	21.00%	(11.91)%	6.81%	2.28%	9.09%	21.30%	30.39%	28.58%
Total	20.05%	(11.12)%	6.81%	2.12%	8.93%	19.89%	28.82%	27.15%

1 UAAL Contribution Rate includes an offset of 1.49% of payroll to reflect the County Supplementary Contribution Account, except for Courts.

2 The Prior Year Total Contribution Rate reflects the valuation addendums that were issued subsequent to the valuation report.

3 Bargaining units that have negotiated for members of Plans 1, 2, and 4 to pay a specific share of the cost of COLA are grouped together for purposes of this exhibit. The percentage of COLA cost paid by member is shown in parenthesis.

This work product was prepared solely for SamCERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

RESOLUTION 2007-08

**RESOLUTION ACCEPTING CONTRIBUTION RATES CONTAINED IN THE APRIL 13, 2017 ADDENDUM
TO THE 2016 ACTUARIAL VALUATION TO RECOMMEND TO THE BOARD OF SUPERVISORS
FOR THE 2017-2018 FISCAL YEAR.**

WHEREAS, Government Code §31453 mandates the periodic actuarial valuation of the Retirement Fund and requires that the Board... *"shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the Board of Supervisors such changes in the rates of interest, in the rates of contributions of members, and in the county and district appropriations as are necessary...;"* and

WHEREAS, the Board has received and accepted the June 30, 2016, valuation report from its actuarial firm, Milliman, Inc., and the employer and member contribution rates as recommended, which have been accepted by the Board of Supervisors; and

WHEREAS, the Board has received and accepted the April 13, 2017 Actuarial Valuation Addendum from Milliman, Inc., and

WHEREAS, the Chief Executive Officer has recommended, in agreement with Milliman, Inc., the contribution rates necessary to assure the actuarial soundness of the Retirement Fund,

THEREFORE, BE IT RESOLVED that the Board hereby accepts the employer rates set forth in the April 13, 2017 Actuarial Valuation Addendum effective for the fiscal year 2017-2018.

BE IT FURTHER RESOLVED that the Board recommends that the Board of Supervisors adopt the recommended employer contribution rates for the San Mateo Superior Court in accordance with the schedules provided by Milliman, Inc. in its June 30, 2016, Actuarial Valuation as amended by the April 13, 2017 Actuarial Valuation Addendum reflected in the attached Exhibits 10 and 10a.

BE IT FURTHER RESOLVED that the Chief Executive Officer is hereby authorized to transmit these amended rates and recommendations to the Board of Supervisors and to take all actions necessary to provide for their implementation effective July 1, 2017.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on April 25, 2017.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Shirley Tourel, Board Secretary
SamCERA

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Item 6.1

TO: Board of Retirement 

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Report on Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2017

Staff Recommendation

Accept the preliminary performance report dated March 31, 2017.

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 Risk Parity, AQR Delta, PanAgora Risk Parity, and Beach Point Select. The quarterly performance metrics are not yet available for our private equity, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

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 4-8) also shown.

Discussion

The fund's net preliminary return for March was 1.1%, while the preliminary trailing twelve-month return ending March 2017 was 12.1% net. The twelve-month return is higher than both SamCERA's Total Plan Policy Benchmark return of 11.6% and the Actuarial Assumed Earnings Rate of 7.0%.

Domestic equities were flat on the month, with the broad U.S. equity market (as measured by the S&P 500 Index) up 0.1%, while developed international equity (as measured by MSCI EAFE) was up 2.8%. Emerging markets were also higher and returned 2.5%.

As expected, the Federal Reserve raised its overnight target rate by 25 basis points in mid-March. This was priced into the market and outside of this increase rate moves were relatively subdued across most of the yield curve. Economic data continued being strong in March. Real GDP increased at an annual rate of 2.1% in the fourth quarter, which was revised higher from the initial estimate of 1.9%. Manufacturing continued to show strength, advancing for the seventh straight month. The labor market also remained healthy as the unemployment rate fell from 4.7% to 4.5%. Lastly, consumer confidence also increased in March, reaching the highest level since 2001.

The general U.S. fixed income market was down -0.1% during the month, as interest rates modestly increased on the month. The 10-year U.S. Treasury yield increased by 4 basis points during the month with the yield ending at 2.4% by month-end. Credit spreads widened slightly during the month, leading the high yield market lower by -0.2%, while emerging debt returned 0.4%.

Attachments

Verus March 2017 Capital Markets Update

Northern Trust Performance Report



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

MARCH 2017
Capital Markets Update

Market commentary

ECONOMIC CLIMATE

- Real GDP in the fourth quarter was revised up from 1.9% to an annualized rate of 2.1% (2.0% year-over-year). Higher than estimated consumer spending contributed to the upward revision.
- On March 15th, the Federal Reserve announced a 25 bp increase in the fed funds rate to a target of 0.75% - 1.00%. FOMC members discussed the possibility of additional rate hikes and a reduction of the Fed balance sheet beginning as soon as this year.
- Nonfarm payrolls added 98,000 jobs in March, below the consensus estimate of 178,000. The labor force participation rate remained at 63.0% while the unemployment rate fell from 4.7% to 4.5%, the lowest since 2007.
- The Conference Board's Consumer Confidence Index, a survey of business and employment perceptions, rose in March from 114.8 to 125.6, the highest level since December of 2000.
- Headline CPI increased 25 bps to 2.7% year-over-year in February, driven by higher energy prices. Core CPI increased 2.2% over the previous year, steady from the prior month.

DOMESTIC EQUITIES

- Domestic equities were flat in March, as the S&P 500 returned 0.1%. Realized volatility remained low as the annualized standard deviation in March was 8.1%, below the 10-year average of 15.3%.
- According to FactSet, the estimated Q1 2017 earnings growth rate of the S&P 500 was 8.9% year-over-year. The estimate was revised downward from 12.5% on December 31st due to negative EPS guidance in the Materials and Consumer Discretionary sectors.

DOMESTIC FIXED INCOME

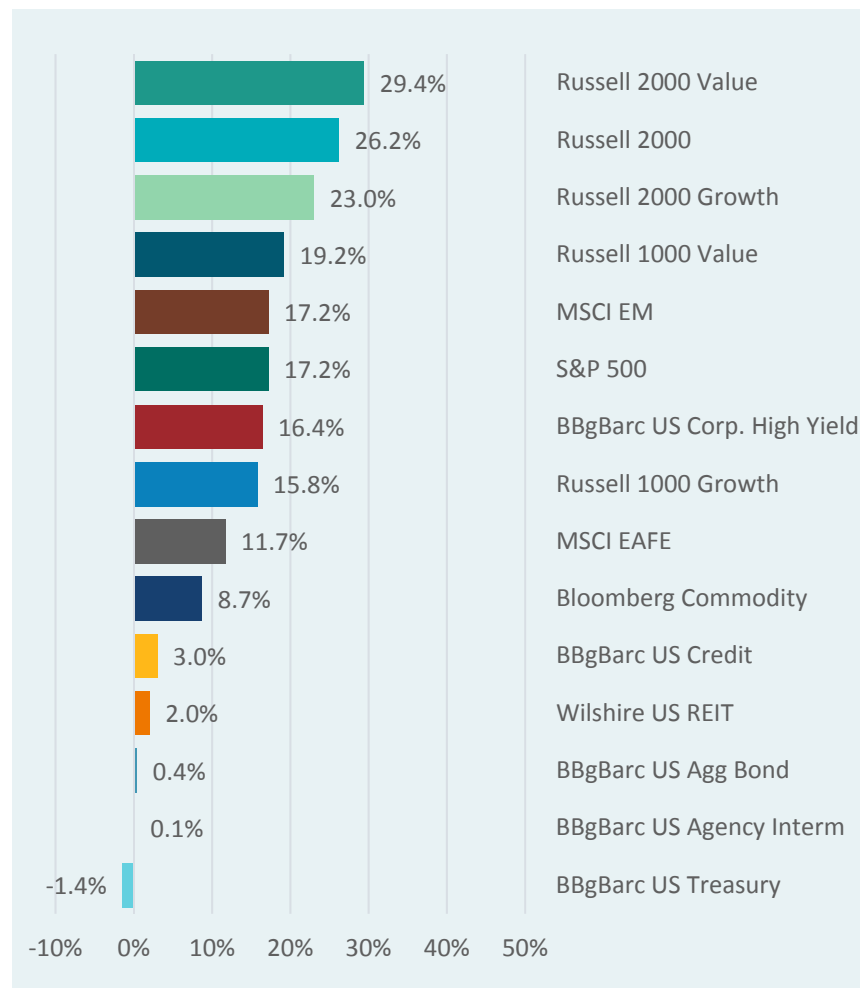
- Domestic fixed income returns were flat in March, as the Bloomberg Barclays U.S. Aggregate returned -0.1%.
- The U.S. Treasury curve flattened as short-term interest rates increased and long-term rates remained unchanged. The 1-month Treasury yield increased from 0.40% to 0.74% during the month.
- Coincident with the FOMC decision to raise interest rates, the 10-year Treasury yield jumped to a 2-year high of 2.62%. However, the 10-year yield ended March at 2.40%, up only 4 bps from the prior month.

INTERNATIONAL MARKETS

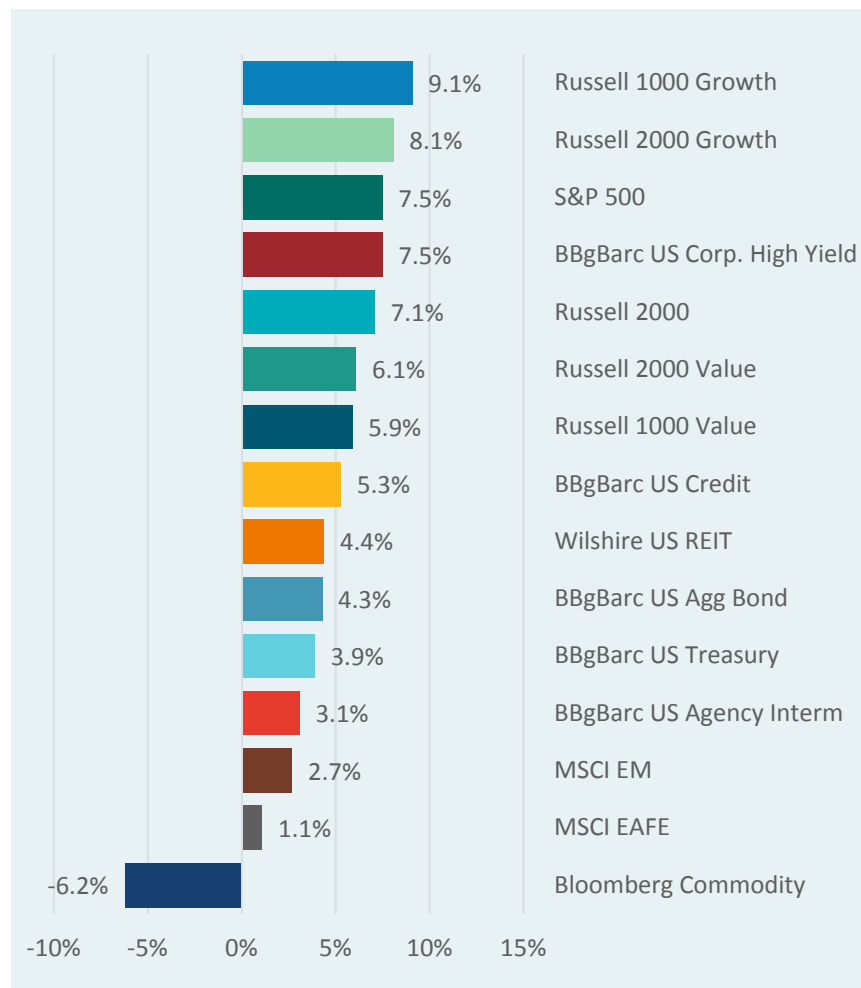
- International equities outperformed domestic equities (S&P 500 0.1%) as the unhedged MSCI ACWI ex U.S. Index returned 2.5% (2.3% hedged).
- On March 29th, the British Prime Minister, Theresa May, filed the official papers to withdraw the U.K. from the European Union. Article 50 of the Treaty of Lisbon outlines a 2-year timeframe for negotiations to take place.
- The Eurozone Purchasing Managers' Composite Index (PMI) rose to a six-year high of 56.7 in March. Readings above 50 indicate expansionary expectations in the Eurozone economy.
- The Eurozone unemployment rate fell to 9.5% in February, down from 9.6% in January and 10.3% one year prior. Compared to the previous year, 26 of the 28 member states reported a lower rate of unemployment.

Major asset class returns

ONE YEAR ENDING MARCH



TEN YEARS ENDING MARCH



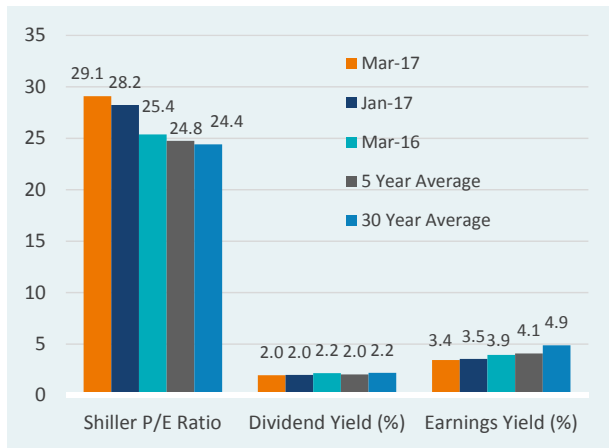
Source: Morningstar, as of 3/31/17

Source: Morningstar, as of 3/31/17

U.S. large cap equities

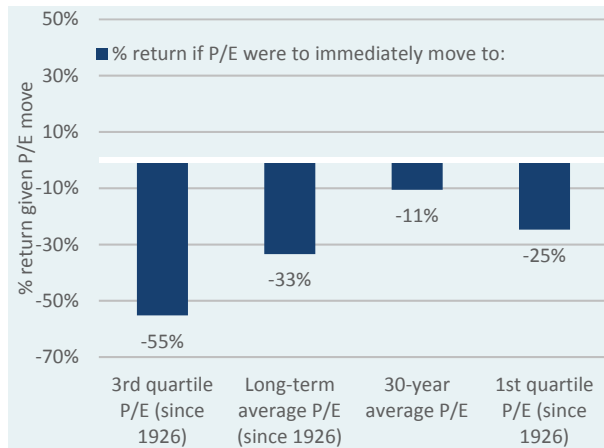
- The S&P 500 returned 0.1% in March. According to FactSet, eight sectors were estimated to have positive year-over-year earnings growth rates, led by Energy and Financials.
- Information Technology outperformed the S&P 500 index (+0.1%) in March, as the sub-index returned 2.6%. The two worst performing sectors were Telecom Services and Financials, returning -1.1% and -2.8%, respectively.
- The Shiller P/E ratio of the S&P 500 increased from 28.7 to 29.1 in March, well above the 30-year average of 24.4.
- The S&P 500 Auto Manufacturers sub-index returned -5.6% in March as U.S. automobile sales fell from 17.5 million (annualized seasonally adjusted) in February to 16.5 million in March. The rate is down from a 10-year high of 18.3 million in December.

US LARGE CAP (S&P 500) VALUATION SNAPSHOT



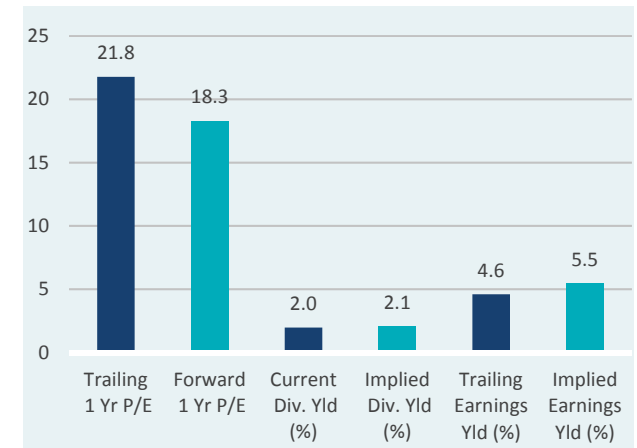
Source: Yale/Shiller, as of 3/31/17

RETURNS IF P/E MOVED TO HISTORIC LEVEL



Source: Yale/Shiller, Verus, as of 3/31/17

S&P 500 VALUATION SNAPSHOT



Source: Bloomberg, as of 3/31/17

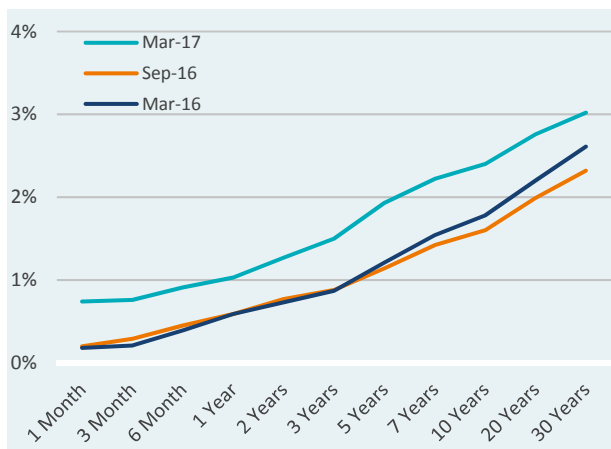
Fixed income

— In March, the Federal Reserve announced an increase to the federal funds target rate from 0.50% - 0.75% to 0.75% - 1.00%. The move resulted in the U.S. Treasury curve flattening moderately as short-term interest rates increased and long-term rates remained materially unchanged. The 1-month and 3-month Treasury yields increased by 34 bps and 23 bps, respectively.

— U.S. high yield option-adjusted spreads halted their downward trend and increased 18 bps in March, ending the month at 3.9%. The Bloomberg Barclays U.S. Corporate High Yield Index fell -0.2% during the month.

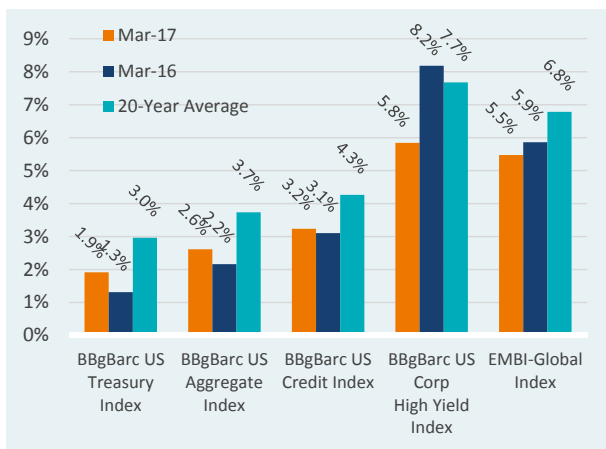
— The yield of the J.P. Morgan Emerging Markets Bond Index (hard currency) ended March down 33 bps year-to-date at 5.5%, below 5.9% from 1-year prior, and well below the 20-year average of 6.8%.

U.S. TREASURY YIELD CURVE



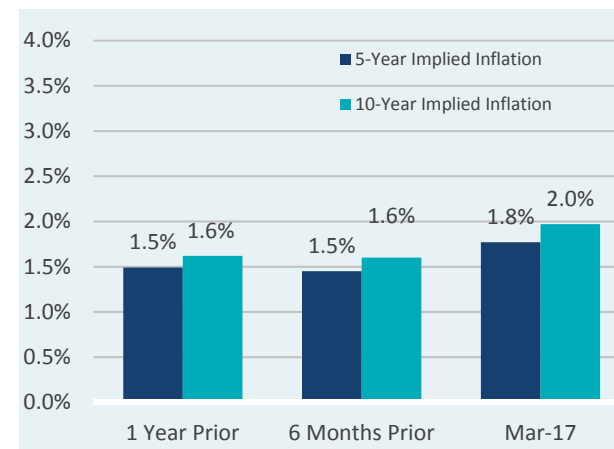
Source: Federal Reserve, as of 3/31/17

NOMINAL FIXED INCOME YIELDS



Source: Morningstar, as of 3/31/17

IMPLIED INFLATION (TIPS BREAKEVEN)

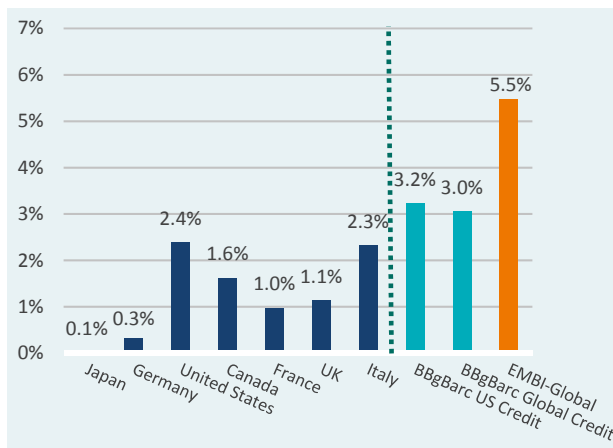


Source: Federal Reserve, as of 3/31/17

Global markets

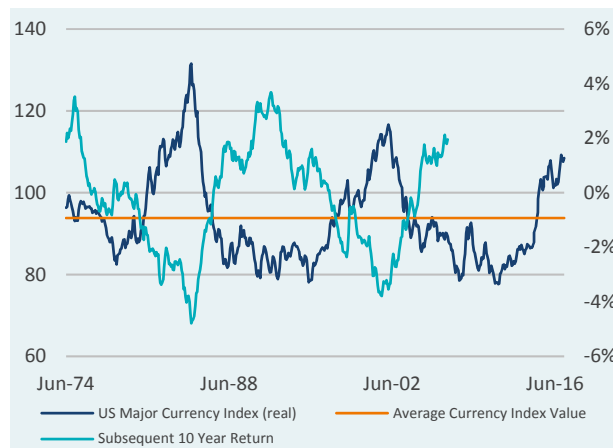
- Global sovereign bond yields were generally higher in March. Italian and German 10-year yields experienced the largest change, increasing by 23 and 12 bps, respectively.
- The U.S. major currency index increased 0.8% to 108.4 in March against a trade weighted basket of currencies. The index remained above its long-term average of 93.8.
- U.S. equity valuations are elevated relative to international and emerging markets based on the MSCI index valuation metrics P/E and P/FCF, listed below.
- Following the removal of South Africa's finance minister, S&P Global Ratings downgraded the nation's debt to junk status. Three of the five major emerging countries (South Africa, Russia and Brazil) now have below investment grade credit ratings.

GLOBAL SOVEREIGN 10 YEAR INDEX YIELDS



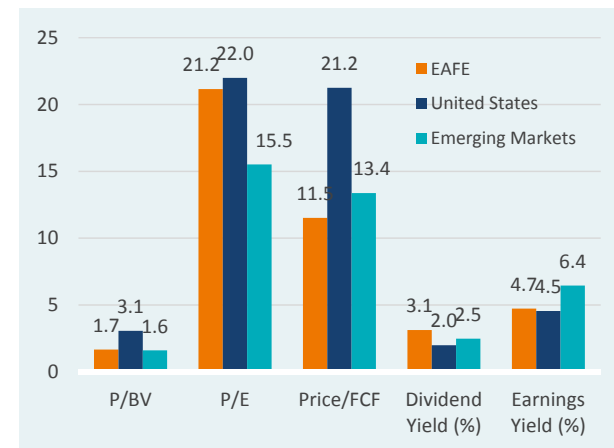
Source: Morningstar, as of 3/31/17

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 3/31/17

MSCI VALUATION METRICS (3 MONTH AVERAGE)

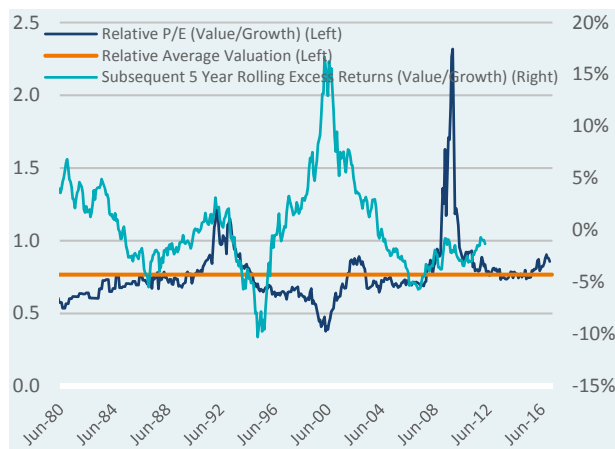


Source: Bloomberg, as of 3/31/17

Style tilts: U.S. large value vs. growth

- For a third consecutive month, growth equities outperformed value equities. In March, the Russell 1000 Growth Index and Russell 1000 Value Index returned 1.2% and -1.0%, respectively.
- The performance of value equities was negatively affected by a relatively larger weight in Financial Services companies. The Russell 1000 Financial Services sub-index returned -2.1% during the month.
- The outperformance of growth equities in March was attributable to a higher concentration of Technology companies in the Russell 1000 Growth relative to the Russell 1000 Value. The Russell 1000 Technology sub-index returned 2.7% in March.
- The relative trailing P/E ratio of value to growth equities remained unchanged in March at 0.86, slightly above the long-term average of 0.77.

RELATIVE TRAILING PE RATIO OF U.S. VALUE VS. GROWTH



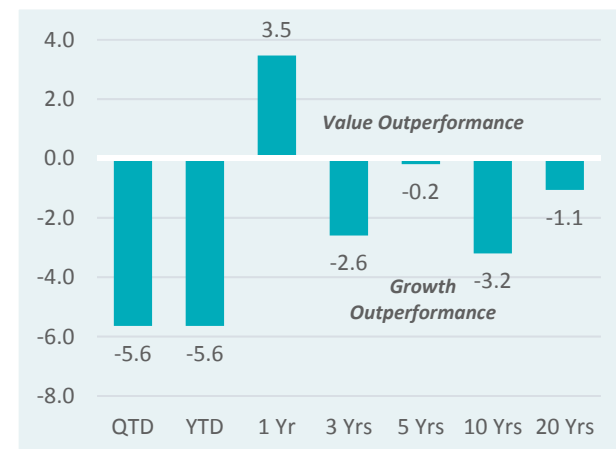
Source: Russell, Bloomberg, as of 3/31/17

U.S. VALUE VS. GROWTH ABSOLUTE PERFORMANCE

	RUSSELL 1000 VALUE ANNUALIZED RETURN TO DATE %	RUSSELL 1000 GROWTH ANNUALIZED RETURN TO DATE %
QTD	3.3	8.9
YTD	3.3	8.9
1 YEAR	19.2	15.8
3 YEARS	8.7	11.3
5 YEARS	13.1	13.3
10 YEARS	5.9	9.1
20 YEARS	8.4	7.3
	SHARPE RATIO	SHARPE RATIO
3 YEARS	0.82	1.01
5 YEARS	1.22	1.22
10 YEARS	0.40	0.60
20 YEARS	0.47	0.37

Source: Morningstar, as of 3/31/17

U.S. VALUE VS. GROWTH RELATIVE PERFORMANCE

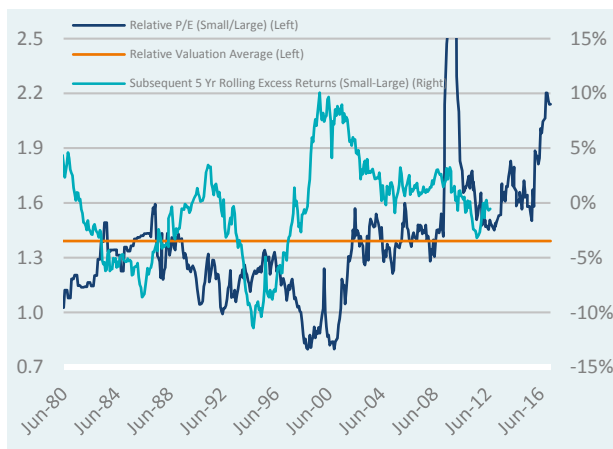


Source: Morningstar, as of 3/31/17

Style tilts: U.S. large vs. small

- U.S. small cap equities narrowly outperformed large cap equities in March, as the Russell 2000 index and Russell 1000 index returned 0.13% and 0.06%, respectfully.
- The relative trailing P/E ratio of small to large equities remained elevated at 2.14, well above the long-term average of 1.39.
- As measured by the Sharpe ratio, large cap equities have provided superior risk-adjusted returns relative to small cap equities over all time periods examined below. The largest difference was seen over the trailing 3-year period when the Russell 1000 outperformed the Russell 2000 by 2.8% annualized.

RELATIVE TRAILING PE RATIO OF U.S. SMALL VS. LARGE



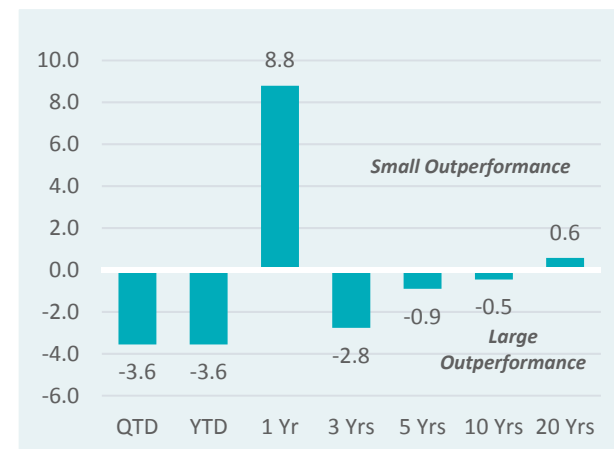
Source: Russell, Bloomberg, as of 3/31/17

U.S. LARGE VS. SMALL ABSOLUTE PERFORMANCE

	RUSSELL 1000 INDEX ANNUALIZED RETURN TO DATE %	RUSSELL 2000 INDEX ANNUALIZED RETURN TO DATE %
QTD	6.0	2.5
YTD	6.0	2.5
1 YEAR	17.4	26.2
3 YEARS	10.0	7.2
5 YEARS	13.3	12.4
10 YEARS	7.6	7.1
20 YEARS	8.1	8.7
	SHARPE RATIO	SHARPE RATIO
3 YEARS	0.94	0.51
5 YEARS	1.25	0.88
10 YEARS	0.51	0.41
20 YEARS	0.44	0.41

Source: Morningstar, as of 3/31/17

U.S. LARGE VS. SMALL RELATIVE PERFORMANCE



Source: Morningstar, as of 3/31/17

Commodities

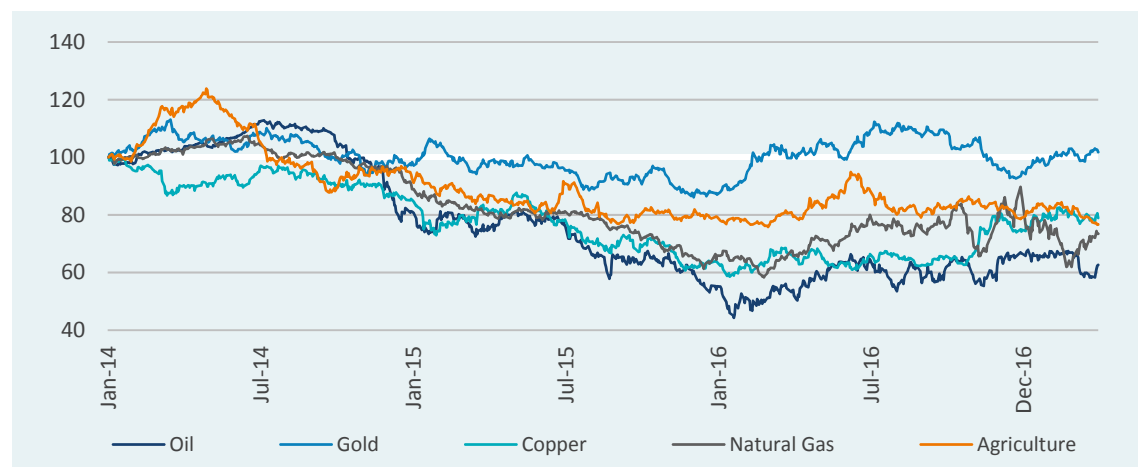
- The Bloomberg Commodity index returned -2.7% in March. The Livestock sub-index outperformed the broad index as it returned 0.2% in the month.
- Seven of the eight commodity sub-indices provided negative returns in March, of which the worst performer was the Bloomberg Softs (-6.2%). The index was negatively affected by sugar futures, which fell by -12.8%.
- WTI Crude Oil ended the month down -6.3% at \$50.60 per barrel. U.S. Crude Oil inventory rose in March (7 million barrels) but at a decreased rate relative to the prior month (34 million barrels). Reports of a short-term production outage in the North Atlantic Sea and speculation of an OPEC production cut extension helped raise oil futures from an intra-month low of \$47.34 on March 21st.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(2.7)	(2.3)	(2.3)	8.7	(13.9)	(9.5)	(6.2)
Bloomberg Agriculture	(5.8)	(3.0)	(3.0)	(1.6)	(13.3)	(8.1)	(1.1)
Bloomberg Energy	(1.5)	(11.4)	(11.4)	13.6	(28.4)	(17.3)	(17.4)
Bloomberg Grains	(5.2)	(1.4)	(1.4)	(7.3)	(16.4)	(8.8)	(2.4)
Bloomberg Industrial Metals	(2.0)	7.6	7.6	26.2	(2.7)	(6.3)	(6.2)
Bloomberg Livestock	0.2	0.1	0.1	(6.6)	(9.7)	(3.4)	(7.8)
Bloomberg Petroleum	(5.4)	(9.3)	(9.3)	12.8	(28.6)	(18.8)	(10.8)
Bloomberg Precious Metals	(0.6)	9.8	9.8	4.3	(2.0)	(7.6)	5.0
Bloomberg Softs	(6.2)	(4.8)	(4.8)	8.7	(10.4)	(10.5)	(1.4)

Source: Morningstar, as of 3/31/17

COMMODITY PERFORMANCE



Source: Bloomberg, as of 3/31/17

Appendix

Periodic table of returns

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	5-Year	10-Year
Emerging Markets Equity	16.6	38.4	23.2	35.2	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	11.4	13.3	9.1
Large Cap Growth	8.1	37.8	23.1	32.9	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	8.9	13.3	8.1
International Equity	6.4	37.2	22.4	31.8	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	7.2	13.1	7.6
Large Cap Equity	4.4	31.0	21.6	30.5	19.3	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	6.0	12.5	7.1
Small Cap Growth	3.2	28.5	21.4	22.4	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	5.3	12.4	6.9
60/40 Global Portfolio	2.6	25.7	16.5	16.2	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	4.8	12.1	6.1
Large Cap Value	0.4	19.6	14.4	13.9	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	3.3	10.9	5.9
Small Cap Equity	-1.5	18.5	11.3	12.9	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	2.5	5.8	4.3
Hedge Funds of Funds	-1.8	15.2	10.3	10.6	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	2.0	5.2	4.0
US Bonds	-2.0	11.6	9.9	9.7	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	0.8	3.1	2.7
Cash	-2.4	11.1	6.4	5.2	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	0.1	2.3	1.2
Small Cap Value	-2.9	7.5	6.0	2.1	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	-0.1	0.8	1.1
Commodities	-3.5	5.7	5.1	-3.4	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	-2.3	0.1	0.5
Real Estate	-7.3	-5.2	3.6	-11.6	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	N/A	-9.5	-6.2

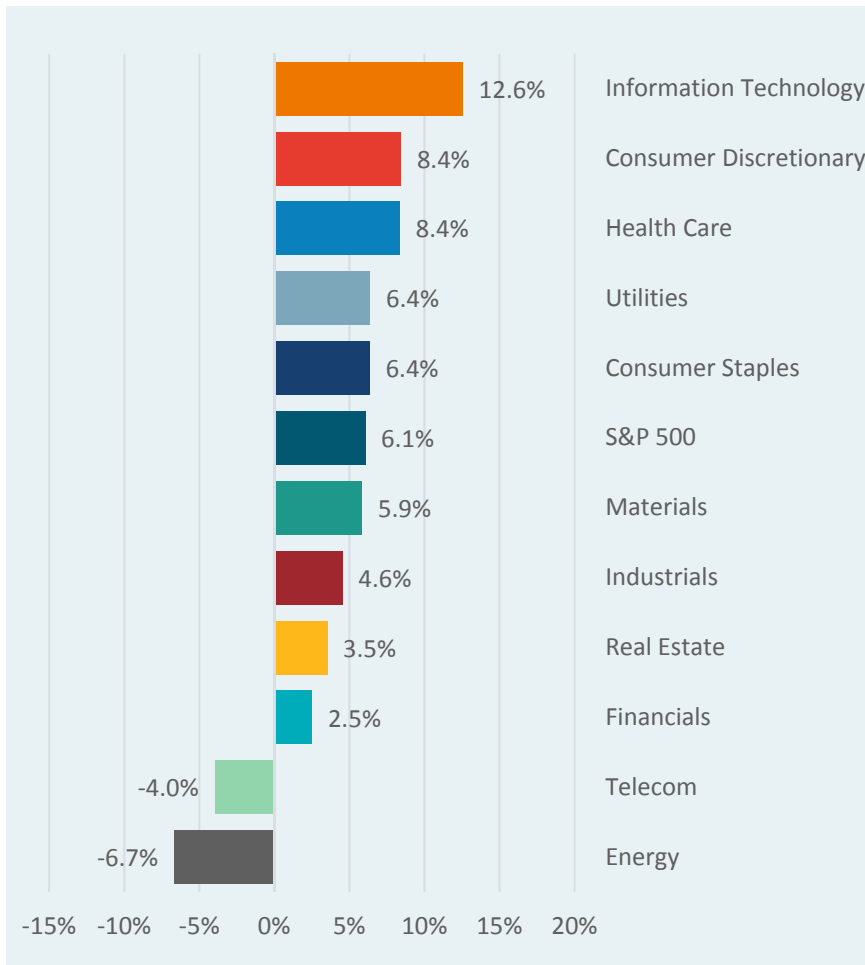
BEST
↑
WORST
↓

 Large Cap Equity	 Small Cap Growth	 Commodities
 Large Cap Value	 International Equity	 Real Estate
 Large Cap Growth	 Emerging Markets Equity	 Hedge Funds of Funds
 Small Cap Equity	 US Bonds	 60% MSCI ACWI/40% BBgBarc Global Bond
 Small Cap Value	 Cash	

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 12/31/16.

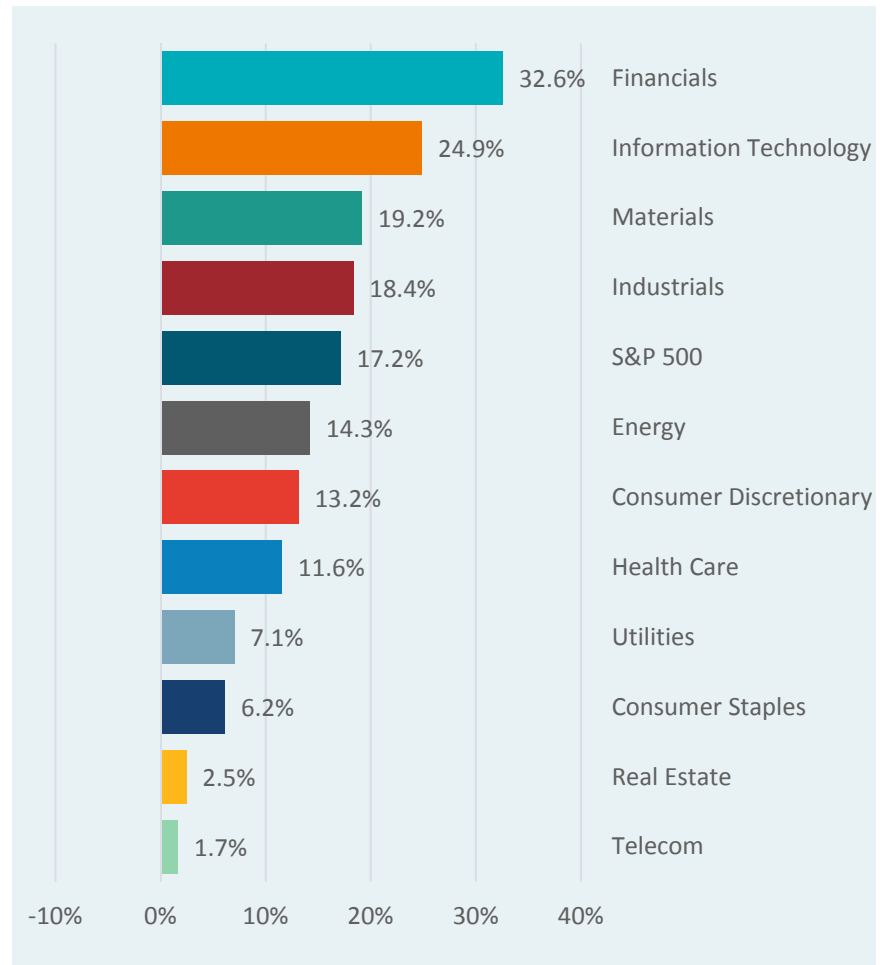
S&P 500 and S&P 500 sector returns

QTD



Source: Morningstar, as of 3/31/17

ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/17

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	0.1	6.1	6.1	17.2	10.4	13.3	7.5
S&P 500 Equal Weighted	0.0	5.4	5.4	17.4	9.6	14.0	8.7
DJ Industrial Average	(0.6)	5.2	5.2	19.9	10.6	12.2	8.1
Russell Top 200	0.2	6.4	6.4	17.6	10.6	13.3	7.5
Russell 1000	0.1	6.0	6.0	17.4	10.0	13.3	7.6
Russell 2000	0.1	2.5	2.5	26.2	7.2	12.4	7.1
Russell 3000	0.1	5.7	5.7	18.1	9.8	13.2	7.5
Russell Mid Cap	(0.2)	5.1	5.1	17.0	8.5	13.1	7.9
Style Index							
Russell 1000 Growth	1.2	8.9	8.9	15.8	11.3	13.3	9.1
Russell 1000 Value	(1.0)	3.3	3.3	19.2	8.7	13.1	5.9
Russell 2000 Growth	1.2	5.3	5.3	23.0	6.7	12.1	8.1
Russell 2000 Value	(0.8)	(0.1)	(0.1)	29.4	7.6	12.5	6.1

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	1.2	6.9	6.9	15.0	5.1	8.4	4.0
MSCI ACWI ex US	2.5	7.9	7.9	13.1	0.6	4.4	1.4
MSCI EAFE	2.8	7.2	7.2	11.7	0.5	5.8	1.1
MSCI EM	2.5	11.4	11.4	17.2	1.2	0.8	2.7
MSCI EAFE Small Cap	2.0	8.0	8.0	11.0	3.6	9.2	3.0
Style Index							
MSCI EAFE Growth	2.7	8.5	8.5	7.4	1.5	6.0	2.0
MSCI EAFE Value	2.8	6.0	6.0	16.0	(0.6)	5.6	0.0
Regional Index							
MSCI UK	1.7	5.0	5.0	7.4	(2.6)	3.5	0.5
MSCI Japan	(0.4)	4.5	4.5	14.4	6.0	6.8	0.6
MSCI Euro	6.2	8.5	8.5	12.8	(1.3)	6.4	(0.2)
MSCI EM Asia	3.3	13.4	13.4	18.0	4.5	4.4	4.7
MSCI EM Latin American	0.6	12.1	12.1	23.3	(4.0)	(6.1)	0.8

Source: Morningstar, as of 3/31/17

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
BBgBarc US Treasury USTIPS	(0.1)	1.3	1.3	1.5	2.0	1.0	4.2
BBgBarc US Treasury Bills	0.0	0.1	0.1	0.4	0.2	0.2	0.8
BBgBarc US Agg Bond	(0.1)	0.8	0.8	0.4	2.7	2.3	4.3
Duration							
BBgBarc US Treasury 1-3 Yr	0.0	0.3	0.3	0.2	0.7	0.6	2.0
BBgBarc US Treasury Long	(0.6)	1.4	1.4	(5.0)	5.8	4.0	6.7
BBgBarc US Treasury	(0.0)	0.7	0.7	(1.4)	2.1	1.6	3.9
Issuer							
BBgBarc US MBS	0.0	0.5	0.5	0.2	2.7	2.0	4.2
BBgBarc US Corp. High Yield	(0.2)	2.7	2.7	16.4	4.6	6.8	7.5
BBgBarc US Agency Interim	0.0	0.5	0.5	0.1	1.4	1.2	3.1
BBgBarc US Credit	(0.2)	1.3	1.3	3.0	3.5	3.7	5.3

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(2.7)	(2.3)	(2.3)	8.7	(13.9)	(9.5)	(6.2)
Wilshire US REIT	(2.7)	0.0	0.0	2.0	10.2	9.8	4.4
CS Leveraged Loans	0.1	1.2	1.2	9.7	3.7	4.9	4.2
Regional Index							
JPM EMBI Global Div	0.4	3.9	3.9	8.9	6.2	5.8	7.0
JPM GBI-EM Global Div	2.3	6.5	6.5	5.5	(2.7)	(1.6)	4.1
Hedge Funds							
HFRI Composite	0.2	2.3	2.3	8.6	2.8	4.0	3.3
HFRI FOF Composite	0.1	2.0	2.0	5.9	1.7	3.1	1.2
Currency (Spot)							
Euro	0.7	1.4	1.4	(6.1)	(8.1)	(4.3)	(2.2)
Pound	0.5	1.2	1.2	(13.0)	(9.1)	(4.8)	(4.4)
Yen	0.4	4.7	4.7	0.9	(2.6)	(5.9)	0.6

Definitions

***Conference Board Consumer Confidence Index** – a barometer of the health of the U.S. economy from the perspective of the consumer. The index is based on consumers' perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment, and income. (www.conference-board.org)*

Notices & disclosures

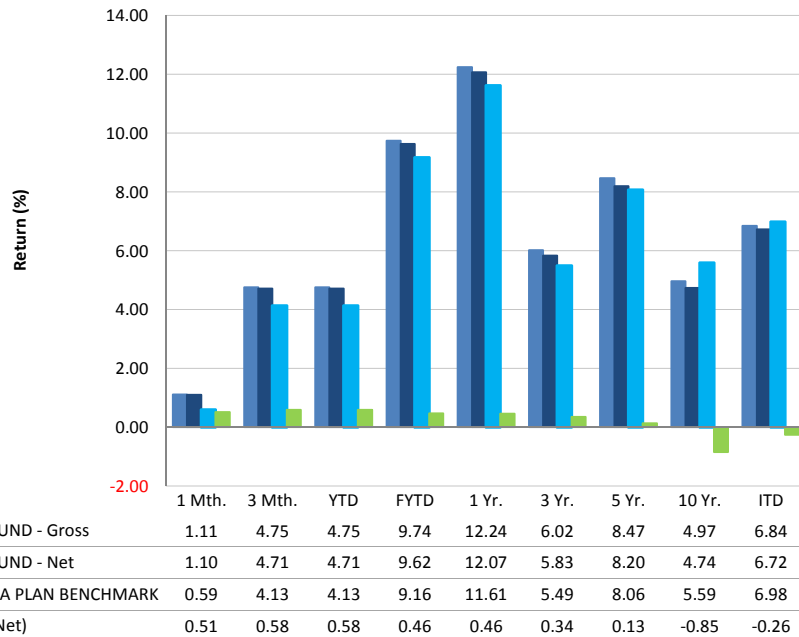
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San Mateo County Total Fund Characteristics

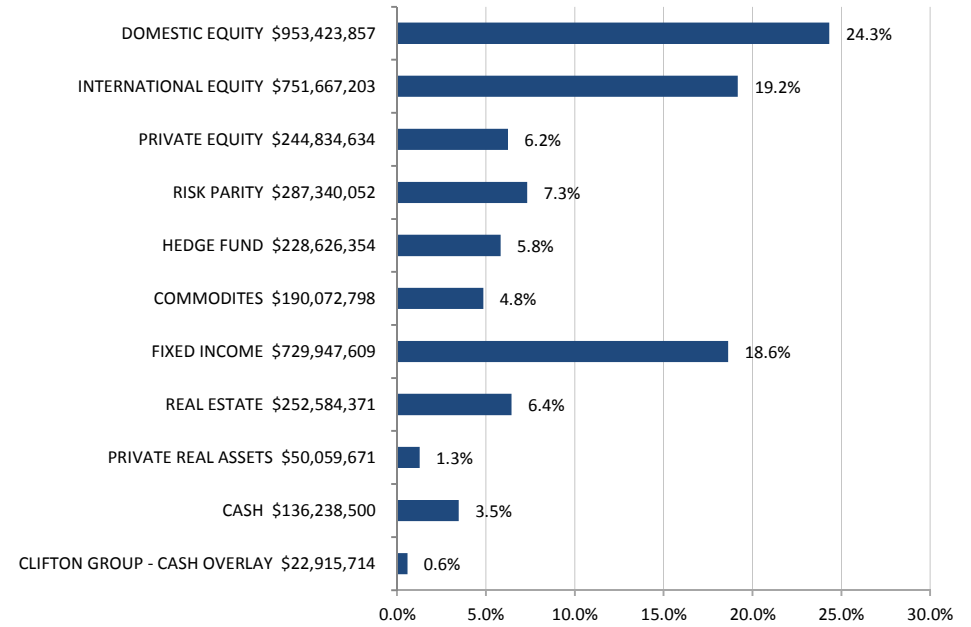


March 31, 2017

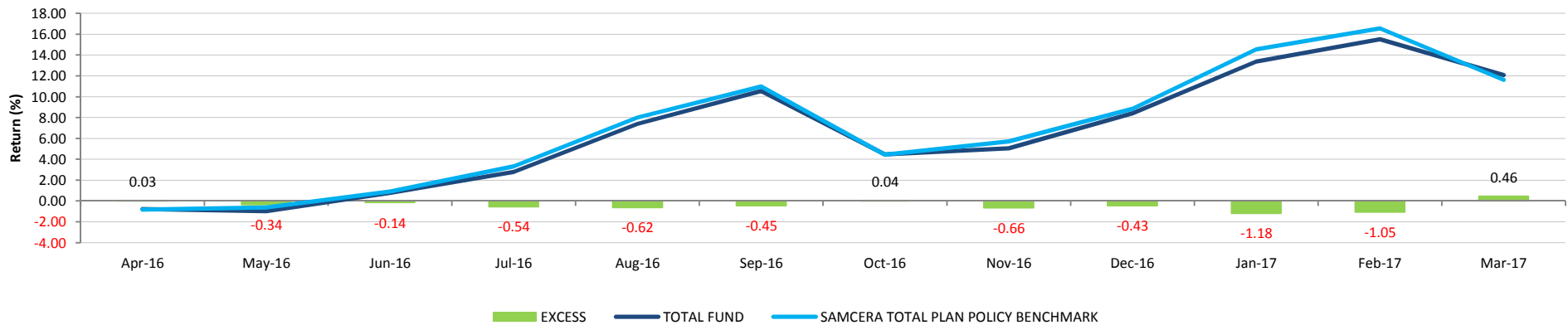
Total Fund Performance



Asset Allocation



Rolling Month End Annual Returns

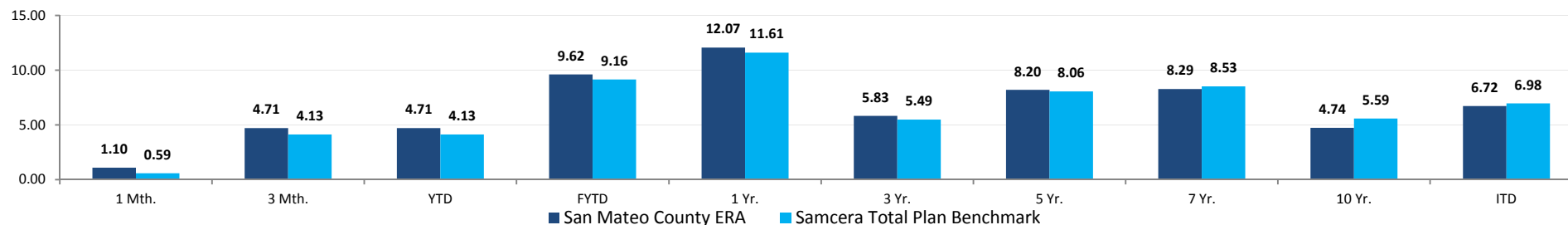


San Mateo County Composite Return Summary



March 31, 2017

Return Comparison



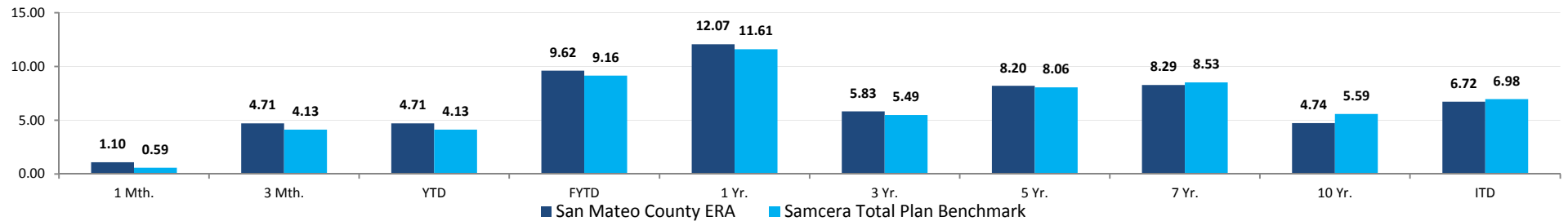
Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County ERA	3,919,042,541	1.10	4.71	4.71	9.62	12.07	5.83	8.20	8.29	4.74	6.72
Samcera Total Plan Benchmark		0.59	4.13	4.13	9.16	11.61	5.49	8.06	8.53	5.59	6.98
Excess		0.51	0.58	0.58	0.46	0.46	0.34	0.13	-0.24	-0.85	-0.26
San Mateo Ex-Clifton Overlay	3,896,126,827	1.08	4.66	4.66	9.77	12.05	5.70	8.13	8.25	4.63	6.65
Samcera Total Plan Benchmark		0.59	4.13	4.13	9.16	11.61	5.49	8.06	8.53	5.59	6.98
Excess		0.49	0.53	0.53	0.61	0.44	0.21	0.07	-0.28	-0.95	-0.33
Total Equity	1,705,091,061	1.50	7.76	7.76	14.31	15.64	6.17	9.90	9.45	4.44	7.62
Samcera Total Equity Benchmark		0.57	6.22	6.22	15.62	18.04	7.86	11.10	10.50	6.01	8.22
Excess		0.93	1.54	1.54	-1.31	-2.40	-1.69	-1.21	-1.05	-1.57	-0.60
Total Fixed Income	729,947,609	1.16	2.75	2.75	5.65	8.52	4.11	4.56	5.65	5.26	5.70
Samcera Fixed Income Benchmark		-0.04	1.24	1.24	0.12	2.78	2.84	2.49	3.79	4.49	5.10
Excess		1.20	1.51	1.51	5.53	5.74	1.27	2.08	1.86	0.77	0.59
Total Risk Parity	287,340,052	0.59	4.35	4.35	2.59	10.16	5.03	5.56	--	--	6.05
Samcera Risk Parity Benchmark		0.62	4.13	4.13	8.49	11.17	7.16	8.96	--	--	8.69
Excess		-0.03	0.22	0.22	-5.91	-1.01	-2.13	-3.40	--	--	-2.64

San Mateo County Composite Return Summary



March 31, 2017

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	228,626,354	-0.81	1.18	1.18	5.10	3.67	7.69	6.79	--	--	5.22
Samcera LIBOR + 4%		0.39	1.17	1.17	3.43	4.56	4.33	4.28	--	--	4.28
Excess		-1.20	0.00	0.00	1.67	-0.90	3.37	2.51	--	--	0.94
Total Private Real Assets	50,059,671	3.49	5.37	5.37	33.01	52.66	--	--	--	--	52.66
SamCera Custom Real Asset Inde		0.25	3.11	3.11	--	--	--	--	--	--	--
Excess		3.24	2.26	2.26	--	--	--	--	--	--	--
Total Real Estate	252,584,371	0.00	0.05	0.05	3.77	8.73	--	--	--	--	8.73
Samcera NCREIF ODCE EW (gross)		0.00	0.00	0.00	4.39	6.66	--	--	--	--	6.66
Excess		0.00	0.05	0.05	-0.62	2.07	--	--	--	--	2.07
Total Cash	136,238,500	0.06	-0.12	-0.12	0.65	0.75	0.51	0.54	0.64	0.73	2.03
Samcera Cash Benchmark		0.02	0.10	0.10	0.28	0.36	0.17	0.14	0.13	0.68	1.87
Excess		0.04	-0.22	-0.22	0.37	0.40	0.34	0.40	0.51	0.05	0.16

San Mateo County Manager Return Summary



March 31, 2017

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	1,705,091,061	1.50	7.76	7.76	14.31	15.64	6.17	9.90	9.45	4.44	7.62
Samcera Total Equity Benchmark		0.57	6.22	6.22	15.62	18.04	7.86	11.10	10.50	6.01	8.22
Excess		0.93	1.54	1.54	-1.31	-2.40	-1.69	-1.21	-1.05	-1.57	-0.60
Total Domestic Equity	953,423,857	0.17	6.93	6.93	16.01	18.30	9.07	12.41	12.17	6.29	8.45
Samcera Dom. Equity Benchmark		0.07	5.74	5.74	15.33	18.47	9.33	13.03	12.79	7.50	8.81
Excess		0.10	1.18	1.18	0.68	-0.17	-0.26	-0.62	-0.63	-1.21	-0.35
Total Large Cap Equity	826,253,242	0.08	7.73	7.73	15.94	18.55	10.41	13.03	12.40	6.66	9.21
Russell 1000		0.06	6.03	6.03	14.52	17.43	9.99	13.26	12.95	7.58	9.54
Excess		0.02	1.70	1.70	1.42	1.12	0.43	-0.23	-0.55	-0.92	-0.33
Blackrock Russell 1000	688,048,850	0.06	--	--	--	--	--	--	--	--	--
Russell 1000		0.06	--	--	--	--	--	--	--	--	--
Excess		-0.00	--	--	--	--	--	--	--	--	--
DE Shaw Commingled Fund	138,204,388	0.28	6.81	6.81	16.29	21.03	--	--	--	--	10.43
Russell 1000		0.06	6.03	6.03	14.52	17.43	--	--	--	--	8.40
Excess		0.22	0.78	0.78	1.76	3.60	--	--	--	--	2.03
Total Small Cap Equity	127,170,616	0.71	2.28	2.28	16.94	17.40	3.40	10.03	11.27	4.70	6.42
Russell 2000		0.13	2.47	2.47	21.60	26.22	7.22	12.35	12.27	7.12	7.87
Excess		0.58	-0.18	-0.18	-4.67	-8.81	-3.81	-2.32	-0.99	-2.42	-1.44
QMA US Small Cap	127,170,616	0.71	2.28	2.28	--	--	--	--	--	--	15.61
Russell 2000		0.13	2.47	2.47	--	--	--	--	--	--	13.09
Excess		0.58	-0.18	-0.18	--	--	--	--	--	--	2.52
Total International Equity	751,667,203	3.25	8.76	8.76	11.43	11.32	1.26	5.22	4.11	0.66	5.31
MSCI ACW ex US-IMI		2.47	7.99	7.99	13.78	13.01	0.82	4.66	4.13	1.59	4.83
Excess		0.78	0.77	0.77	-2.35	-1.69	0.44	0.56	-0.02	-0.93	0.48
Total Developed Markets Equity	669,271,654	3.32	8.57	8.57	11.23	10.93	1.43	5.75	4.49	1.09	4.12
MSCI ACW ex US-IMI		2.47	7.99	7.99	13.78	13.01	0.82	4.66	4.13	1.59	4.60
Excess		0.85	0.59	0.59	-2.55	-2.08	0.61	1.09	0.36	-0.50	-0.48
Baillie Gifford	225,881,934	3.50	10.00	10.00	10.74	10.40	2.30	--	--	--	7.36
MSCI ACWI ex US Growth		2.91	9.23	9.23	9.33	10.03	1.92	--	--	--	5.41
Excess		0.59	0.78	0.78	1.41	0.37	0.38	--	--	--	1.95

San Mateo County Manager Return Summary



March 31, 2017

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Blackrock EAFE Index Fund	141,292,093	2.86	7.36	7.36	13.56	12.14	0.80	--	--	--	0.96
MSCI EAFE ND		2.75	7.25	7.25	13.33	11.67	0.50	--	--	--	0.66
Excess		0.11	0.12	0.12	0.22	0.46	0.30	--	--	--	0.30
Mondrian Investment Partners	226,337,934	3.66	8.12	8.12	11.11	11.56	0.77	4.73	4.64	1.58	5.33
MSCI ACWI ex US Value		2.36	6.82	6.82	19.15	17.41	0.05	4.39	3.65	1.25	5.07
Excess		1.30	1.30	1.30	-8.05	-5.86	0.72	0.34	0.99	0.33	0.25
FIAM Intl Small Cap	75,759,693	2.68	8.02	8.02	8.90	8.50	2.13	5.95	--	--	5.95
MSCI ACWI Small Cap ex US Net		2.07	8.78	8.78	13.25	12.26	2.46	6.68	--	--	6.68
Excess		0.61	-0.76	-0.76	-4.36	-3.76	-0.32	-0.73	--	--	-0.73
Total Emerging Markets Equity	82,395,549	2.65	10.30	10.30	13.07	14.57	-0.35	1.00	--	--	1.00
MSCI Emerging Markets ND		2.52	11.44	11.44	16.44	17.21	1.18	0.80	--	--	0.80
Excess		0.13	-1.15	-1.15	-3.38	-2.65	-1.52	0.20	--	--	0.20
EV Parametric EM	82,395,549	2.65	10.30	10.30	13.07	14.57	--	--	--	--	6.40
MSCI Emerging Markets GD		2.55	11.49	11.49	16.72	17.65	--	--	--	--	6.26
Excess		0.10	-1.19	-1.19	-3.65	-3.08	--	--	--	--	0.14
Total Fixed Income	729,947,609	1.16	2.75	2.75	5.65	8.52	4.11	4.56	5.65	5.26	5.70
Samcera Fixed Income Benchmark		-0.04	1.24	1.24	0.12	2.78	2.84	2.49	3.79	4.49	5.10
Excess		1.20	1.51	1.51	5.53	5.74	1.27	2.08	1.86	0.77	0.59
Total Domestic Fixed Income	617,985,943	0.47	2.33	2.33	4.49	7.66	4.20	4.39	5.59	5.25	5.80
Samcera US Fixed Inc Benchmark		-0.07	1.17	1.17	0.98	3.50	3.36	2.80	4.10	4.71	5.31
Excess		0.54	1.16	1.16	3.51	4.16	0.84	1.59	1.49	0.54	0.49
Total Core Fixed Income	457,221,590	0.19	1.41	1.41	1.49	4.23	3.73	3.57	4.82	4.70	5.49
BB Barclays U.S. Aggregate		-0.05	0.82	0.82	-1.73	0.44	2.68	2.34	3.48	4.27	5.06
Excess		0.24	0.60	0.60	3.23	3.79	1.05	1.23	1.33	0.43	0.42
FIAM Core Bond	226,604,481	-0.01	1.15	1.15	-0.35	2.37	3.27	3.13	4.35	4.80	4.84
BB Barclays U.S. Aggregate		-0.05	0.82	0.82	-1.73	0.44	2.68	2.34	3.48	4.27	4.35
Excess		0.04	0.34	0.34	1.38	1.93	0.59	0.79	0.87	0.52	0.48
Western Total Return	110,112,390	0.53	2.25	2.25	6.13	8.90	--	--	--	--	4.38
BB Barclays U.S. Aggregate		-0.05	0.82	0.82	-1.73	0.44	--	--	--	--	2.05
Excess		0.58	1.44	1.44	7.86	8.46	--	--	--	--	2.33

San Mateo County Manager Return Summary



March 31, 2017

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Blackrock Inter Gov	120,504,719	0.07	--	--	--	--	--	--	--	--	--
BB Barclays U.S. Aggregate		-0.05	--	--	--	--	--	--	--	--	--
Excess		0.12	--	--	--	--	--	--	--	--	--
Total Opportunistic Credit	160,764,354	1.23	4.61	4.61	11.74	15.92	5.97	9.00	9.97	--	9.96
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	6.53	10.04	4.71	6.28	7.31	--	7.88
Excess		1.36	2.85	2.85	5.21	5.89	1.26	2.72	2.66	--	2.07
AG Opportunistic Whole Loan	15,172,605	2.79	2.79	2.79	9.55	9.15	--	--	--	--	2.94
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	6.53	10.04	--	--	--	--	4.61
Excess		2.91	1.03	1.03	3.01	-0.89	--	--	--	--	-1.68
Angelo Gordon	18,738,469	0.00	2.27	2.27	10.20	7.70	7.40	--	--	--	9.00
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	6.53	10.04	4.71	--	--	--	5.37
Excess		0.12	0.51	0.51	3.67	-2.33	2.70	--	--	--	3.63
Beach Point Select Fund	45,663,048	0.47	4.50	4.50	11.54	16.27	--	--	--	--	9.86
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	6.53	10.04	--	--	--	--	5.24
Excess		0.59	2.74	2.74	5.01	6.23	--	--	--	--	4.62
Brigade Cap Mngmt	72,788,145	1.82	6.15	6.15	14.10	23.82	4.28	6.62	--	--	7.31
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	6.53	10.04	4.71	6.28	--	--	7.09
Excess		1.94	4.38	4.38	7.56	13.78	-0.42	0.34	--	--	0.22
TCP Direct Lending VIII	8,402,087	0.48	2.55	2.55	--	--	--	--	--	--	--
BB Barc BA Intermediate HY Ind		-0.12	1.76	1.76	--	--	--	--	--	--	--
Excess		0.60	0.79	0.79	--	--	--	--	--	--	--
Total Global Fixed Income	111,961,666	2.58	5.25	5.25	11.94	13.18	3.57	5.17	--	--	5.25
Samcera Global Fixed Benchmark		0.16	1.90	1.90	-3.91	-1.02	-0.20	0.65	--	--	1.57
Excess		2.42	3.35	3.35	15.85	14.21	3.76	4.52	--	--	3.68
Franklin Templeton	111,961,666	2.58	5.25	5.25	11.94	13.18	3.10	4.89	--	--	5.02
BB Barclays Multiverse Index		0.16	1.90	1.90	-3.91	-1.02	-0.20	0.65	--	--	1.57
Excess		2.42	3.35	3.35	15.85	14.21	3.29	4.23	--	--	3.45
Total Risk Parity	287,340,052	0.59	4.35	4.35	2.59	10.16	5.03	5.56	--	--	6.05
Samcera Risk Parity Benchmark		0.62	4.13	4.13	8.49	11.17	7.16	8.96	--	--	8.69
Excess		-0.03	0.22	0.22	-5.91	-1.01	-2.13	-3.40	--	--	-2.64



San Mateo County Manager Return Summary



March 31, 2017

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
AQR Global Risk III	134,245,527	0.61	4.57	4.57	4.55	11.53	2.29	3.90	--	--	4.68
Samcera Risk Parity Benchmark		0.62	4.13	4.13	8.49	11.17	7.16	8.96	--	--	8.69
Excess		-0.01	0.44	0.44	-3.94	0.36	-4.87	-5.06	--	--	-4.02
Panagora	153,094,525	0.58	4.16	4.16	0.92	8.99	--	--	--	--	6.09
Samcera Risk Parity Benchmark		0.62	4.13	4.13	8.49	11.17	--	--	--	--	6.40
Excess		-0.04	0.03	0.03	-7.57	-2.18	--	--	--	--	-0.31
Total Alternatives	473,460,988	0.93	4.08	4.08	12.22	10.95	6.17	5.66	-6.10	-7.73	-3.04
Samcera Alternatives Benchmark		0.36	3.62	3.62	10.84	13.53	4.99	7.89	8.68	6.20	7.37
Excess		0.57	0.45	0.45	1.38	-2.58	1.18	-2.23	-14.78	-13.93	-10.41
Total Private Equity	244,834,634	2.61	6.86	6.86	18.92	17.82	15.22	13.51	--	--	-24.55
Samcera PE Benchmark		0.31	6.51	6.51	17.58	21.56	12.94	16.49	--	--	16.99
Excess		2.29	0.34	0.34	1.34	-3.74	2.28	-2.98	--	--	-41.54
Total Hedge Fund Composite	228,626,354	-0.81	1.18	1.18	5.10	3.67	7.69	6.79	--	--	5.22
Samcera LIBOR + 4%		0.39	1.17	1.17	3.43	4.56	4.33	4.28	--	--	4.28
Excess		-1.20	0.00	0.00	1.67	-0.90	3.37	2.51	--	--	0.94
AQR Delta XN	158,870,912	-1.27	1.30	1.30	5.60	4.04	8.09	7.03	--	--	5.41
Samcera LIBOR + 4%		0.39	1.17	1.17	3.43	4.56	4.33	4.28	--	--	4.28
Excess		-1.66	0.12	0.12	2.17	-0.53	3.76	2.75	--	--	1.14
Standard Life GARS	69,755,442	0.26	0.64	0.64	2.89	2.01	--	--	--	--	-1.14
Samcera LIBOR + 4%		0.39	1.17	1.17	3.43	4.56	--	--	--	--	4.48
Excess		-0.13	-0.53	-0.53	-0.55	-2.55	--	--	--	--	-5.62
Total Inflation Hedge	564,048,617	0.36	1.27	1.27	7.03	12.86	--	--	--	--	12.86
SamCERA Inflation Hedge Index		0.10	1.51	1.51	3.73	8.28	--	--	--	--	8.28
Excess		0.26	-0.25	-0.25	3.30	4.58	--	--	--	--	4.58
Total TIPS	71,331,777	-0.06	1.10	1.10	1.71	2.58	--	--	--	--	2.58
BBG Barclays US TIPS		-0.05	1.26	1.26	-0.22	1.48	--	--	--	--	1.48
Excess		-0.00	-0.16	-0.16	1.94	1.10	--	--	--	--	1.10
Brown Brothers Harriman	71,331,777	-0.06	1.10	1.10	1.71	2.58	1.23	0.50	--	--	2.71
BBG Barclays US TIPS		-0.05	1.26	1.26	-0.22	1.48	2.03	0.97	--	--	3.06
Excess		-0.00	-0.16	-0.16	1.94	1.10	-0.80	-0.47	--	--	-0.34

San Mateo County Manager Return Summary



March 31, 2017

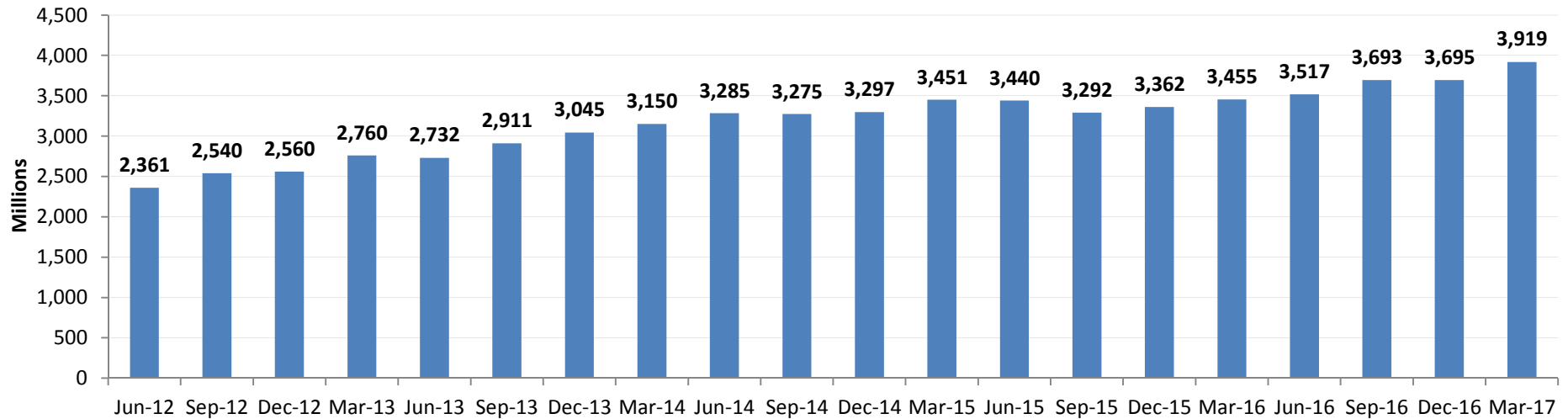
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Real Estate	252,584,371	0.00	0.05	0.05	3.77	8.73	--	--	--	--	8.73
Samcera NCREIF ODCE EW (gross)		0.00	0.00	0.00	4.39	6.66	--	--	--	--	6.66
Excess		0.00	0.05	0.05	-0.62	2.07	--	--	--	--	2.07
Invesco Core Real Estate	241,432,991	0.00	0.00	0.00	3.71	8.86	11.40	11.23	12.87	5.00	7.75
Samcera NCREIF ODCE EW (gross)		0.00	0.00	0.00	4.39	6.66	11.32	11.60	13.19	5.21	7.63
Excess		0.00	0.00	0.00	-0.67	2.20	0.08	-0.37	-0.31	-0.20	0.12
Invesco US Val IV	11,151,380	0.00	1.05	1.05	5.81	5.50	--	--	--	--	12.62
Samcera NCREIF ODCE EW (gross)		0.00	0.00	0.00	4.39	6.66	--	--	--	--	9.61
Excess		0.00	1.05	1.05	1.43	-1.17	--	--	--	--	3.01
Liquid Real Assets	190,072,798	0.17	2.41	2.41	--	--	--	--	--	--	--
SamCera Custom Real Asset Index		0.25	3.11	3.11	--	--	--	--	--	--	--
Excess		-0.08	-0.70	-0.70	--	--	--	--	--	--	--
SSGA CST REAL ASSET NL	190,072,798	0.17	2.41	2.41	--	--	--	--	--	--	--
SamCera Custom Real Asset Index		0.25	3.11	3.11	--	--	--	--	--	--	--
Excess		-0.08	-0.70	-0.70	--	--	--	--	--	--	--
Total Private Real Assets	50,059,671	3.49	5.37	5.37	33.01	52.66	--	--	--	--	52.66
SamCera Custom Real Asset Inde		0.25	3.11	3.11	--	--	--	--	--	--	--
Excess		3.24	2.26	2.26	--	--	--	--	--	--	--
Total Cash	136,238,500	0.06	-0.12	-0.12	0.65	0.75	0.51	0.54	0.64	0.73	2.03
Samcera Cash Benchmark		0.02	0.10	0.10	0.28	0.36	0.17	0.14	0.13	0.68	1.87
Excess		0.04	-0.22	-0.22	0.37	0.40	0.34	0.40	0.51	0.05	0.16
SamCera General Account	95,016,438	0.08	0.22	0.22	0.53	0.65	0.39	0.29	0.29	0.90	2.02
County Treasury Pool	41,094,660	0.00	0.00	0.00	0.00	0.00	0.12	0.34	0.55	0.61	2.70
San Mateo County ERA	3,919,042,541	1.10	4.71	4.71	9.62	12.07	5.83	8.20	8.29	4.74	6.72
Samcera Total Plan Benchmark		0.59	4.13	4.13	9.16	11.61	5.49	8.06	8.53	5.59	6.98
Excess		0.51	0.58	0.58	0.46	0.46	0.34	0.13	-0.24	-0.85	-0.26

March 31, 2017

Record of Asset Growth

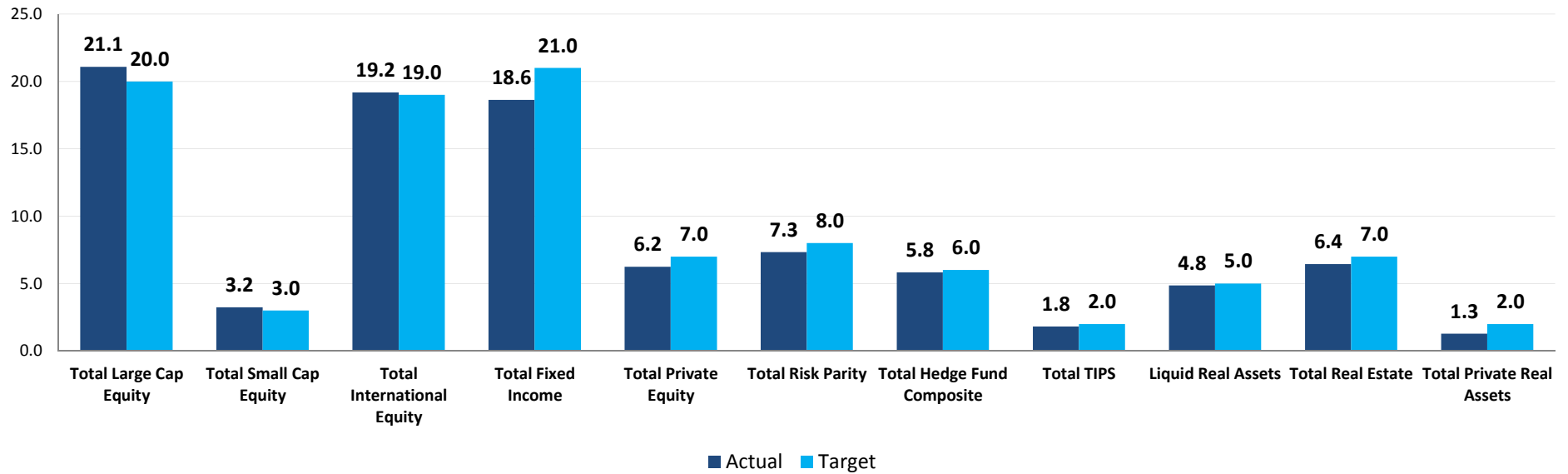
	Three Months	One Year
TOTAL FUND		
Beginning Market Value	3,695,287,030	3,454,936,310
Contributions	1,407,089,918	1,655,658,463
Withdrawals	-1,362,815,049	-1,620,824,491
Income Received	4,757,440	38,522,888
Gain/Loss	174,533,259	389,152,294
Ending Market Value	3,919,042,541	3,919,042,541

Net Asset Values Over Time (\$000)



March 31, 2017

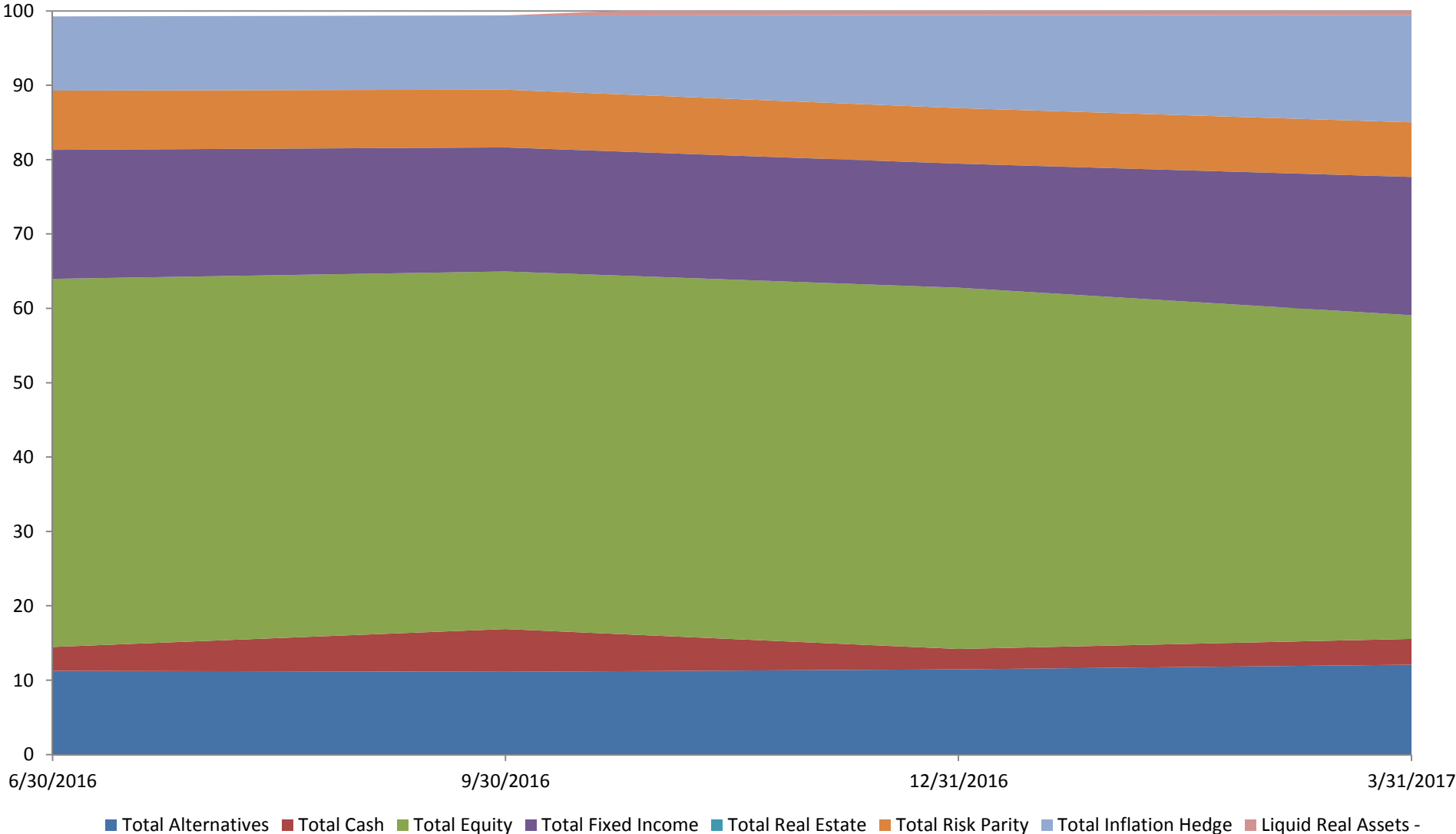
Actual vs Target Weights



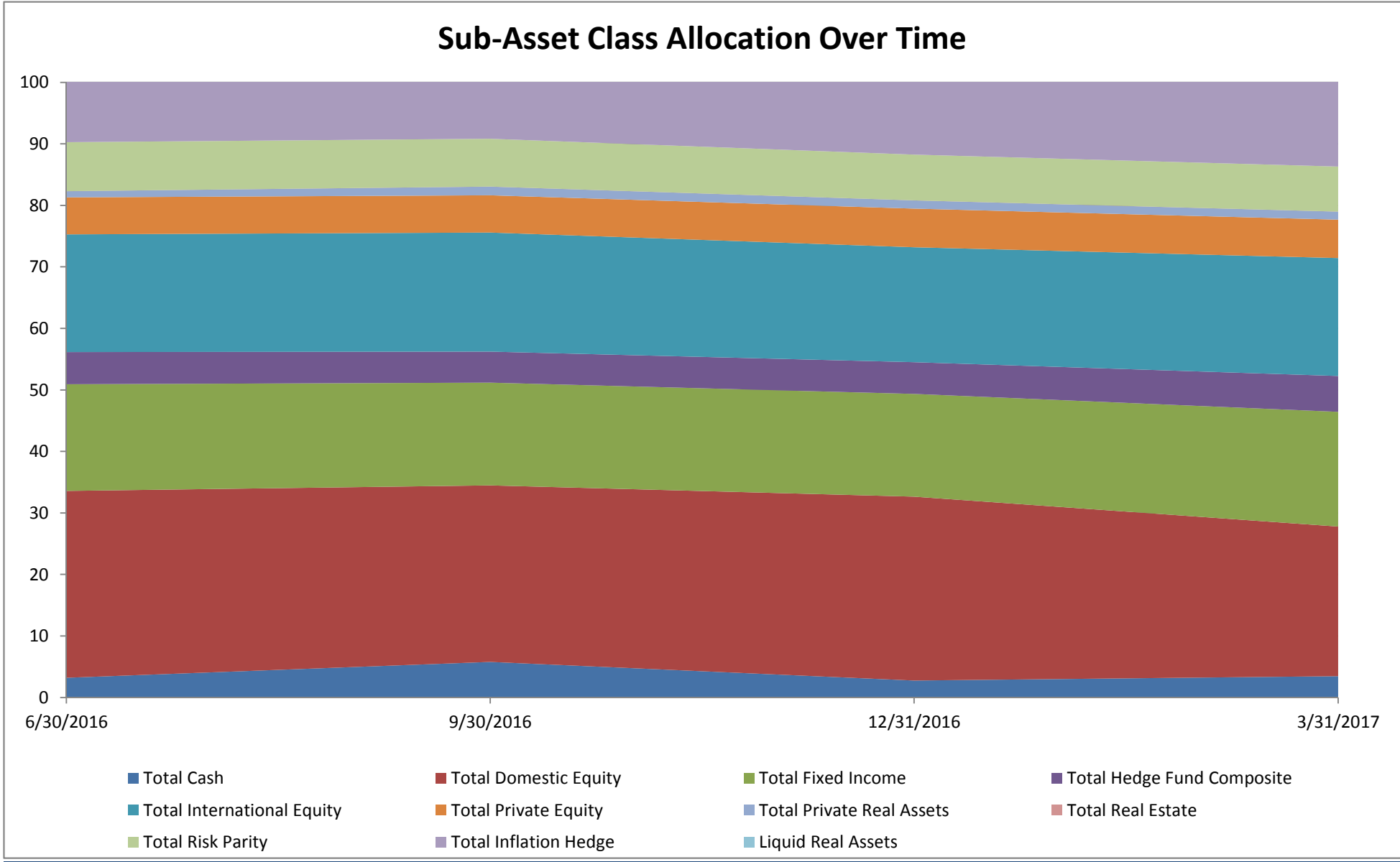
	Min	Actual	Target	Deviation	Max
Total Large Cap Equity	18.0	21.1	20.0	1.1	22.0
Total Small Cap Equity	1.0	3.2	3.0	0.2	5.0
Total International Equity	17.0	19.2	19.0	0.2	21.0
Total Fixed Income	19.0	18.6	21.0	-2.4	23.0
Total Private Equity	5.0	6.2	7.0	-0.8	9.0
Total Risk Parity	6.0	7.3	8.0	-0.7	10.0
Total Hedge Fund Composite	4.0	5.8	6.0	-0.2	8.0
Total TIPS	0.0	1.8	2.0	-0.2	4.0
Liquid Real Assets	3.0	4.8	5.0	-0.2	7.0
Total Real Estate	5.0	6.4	7.0	-0.6	9.0
Total Private Real Assets	0.0	1.3	2.0	-0.7	4.0

March 31, 2017

Asset Allocation over Time



March 31, 2017



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

April 25, 2017

Agenda Item 7.1

TO: Board of Retirement 
FROM: Scott Hood, Chief Executive Officer
SUBJECT: Directions for Voting by SamCERA Delegates at the SACRS Spring Business Meeting.

Recommendation

Direct the SamCERA Voting Delegate as to how to vote at the election for SACRS Board of Directors and on the proposed SACRS Bylaw changes to be held at the SACRS business meeting May 19, 2017.

Background

At the March meeting the Board designated Ben Bowler as SamCERA's voting delegate, followed by David Spinello and Scott Hood as the first and second alternate delegates who are authorized to serve as the voting delegate for SamCERA at the upcoming SACRS business meeting. The delegate will vote on the slate of SACRS officers for 2017-18 and a proposed addition to the SACRS bylaws.

Discussion

Yves Chery, SACRS Nominating Committee Chair, sent the attached memo setting forth the SACRS Nominating Committee's recommended slate of officers for the 2017-18 fiscal year which is as follows:

President: Dan McAllister, San Diego CERA
Vice President: Gabe Rodrigues, Contra Costa CERA
Treasurer: Harry E. Hagen, Santa Barbara CERA
Secretary: Kathryn Cavness, Mendocino CERA

The proposed amendment to the by-laws amends Section 4 of Article XI, Program Committee, to further define the membership, duties and responsibilities of the Program Committee per the attached red-lined version of the Section.

The proposed addition to the SACRS By-Laws adds Section 7 to Article III, Membership Code of Conduct. It includes a "Policy Against Harassment, Discrimination, and Retaliation," "Standard of Decorum and Professionalism" and the penalties for any violation. There are separate guidelines that apply to the affiliate members.

Attachments

Memo from, Yves Chery SACRS Nominating Committee Chair, dated March 31, 2017
Proposed Bylaws changes

March 31, 2017

Attn: SACRS Administrators
From: Yves Chery, SACRS Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Directors Elections 2017-2018 – **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 25, 2017. The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1, 2017.

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...”

Listed below is the SACRS’ Nominating Committee recommended Final Slate and all the write-in candidates submitted by the systems. As in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete slate. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the upcoming SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California.

Please distribute the ballot 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 (Page 1 of 2)

SACRS Nominating Committee Recommended 2017-2018 Final Slate:


President	Dan McAllister, San Diego CERA
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Harry E. Hagen, Santa Barbara CERA
Secretary	Kathryn Cavness, Mendocino CERA

Write-In Candidates:

Treasurer	Art Goulet, Ventura CERA
Secretary	Art Goulet, Ventura CERA
Treasurer	Harry E. Hagen, Santa Barbara CERA

If you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you for your prompt attention to this timely matter.

Best Regards,



Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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

March 31, 2017

To: All 37 Act Systems
From: Yves Chery, Chair SACRS Nominating Committee
Re: **SACRS NOMINATING COMMITTEE 2017-2018 ELECTION REPORT**

Nominating Committee Members: Yves Chery, Chairperson (LACERA), Louis Fiorino (San Bernardino CERA), Tracy Towner (Ventura CERA), Vivian Gray (LACERA), Deanna McCormick (Ventura CERA) (absent)

For years the SACRS' Nominating Committee has contributed to the stability and continuity of our association and its election process. Given the diversity of the 37 Act Systems and the importance of ensuring the continuity and collegiality of the SACRS' Board in its work to further the mission of SACRS, and encourage greater participation by the membership, the Nominating Committee considered numerous factors in making its recommendation to the 37 Act Systems.

Prior to the February 1, 2017 deadline, the Nominating Committee received 6 letters of interest from SACRS members for 4 open seats on the SACRS' Board of Directors for the 2017-2018 election.

On February 20, 2017 the Nominating Committee received an email from Marin CERA administrator, Jeff Wickman, suggesting that the committee consider diversifying the SACRS' Board of Directors to ensure it reflects the diversity of the overall SACRS' member systems. **(See Attachment)**

On February 23, 2017 the committee convened via conference call and carefully and thoroughly reviewed all the candidates' information, considered their experience, qualifications, and the following to ensure a broad and diverse representation of the 37 Act memberships on the SACRS' Board of Directors:

- **Size of System – Small, Medium, Large**
- **Location of System – North, Central, South, Urban, Rural**
- **Trustee – Elected, Appointed, Gender**

PRESIDENT

The Nominating Committee recommends, Mr. Dan McAllister, San Diego CERA Trustee for President

Mr. Dan McAllister, San Diego CERA Trustee (Treasurer & Tax-Collector), was the only candidate that submitted a letter of interest for President. MOTION by Yves Chery and seconded by Louis Fiorino to recommend Dan McAllister for President. MOTION PASSED UNANIMOUSLY.

VICE PRESIDENT

The Nominating Committee recommends, Mr. Gabe Rodrigues, Contra Costa CERA Trustee for Vice President

Continued (Page 1 of 3)

Mr. Gabe Rodrigues, Contra Costa CERA Trustee, was the only candidate that submitted a letter of interest for Vice President. MOTION by Yves Chery and seconded by Ms. Gray to recommend Gabe Rodrigues for Vice President. MOTION PASSED UNANIMOUSLY.

The Treasurer and Secretary seats were the only contested positions. After unanimously approving the President and Vice President nominees, the committee considered the two contested seats.

Both of the incumbents of the contested seats (Mr. Larry Walker and Mr. Art Goulet) were from systems in the Southern California Region; however, SACRS current Treasurer, Larry Walker (San Bernardino CERA), was completing his first term on the Board while SACRS current Secretary, Art Goulet (Ventura CERA), was finishing his second term.

After weighing all the above factors, including Marin CERA's suggestion to broaden and diversify the representation on the Board, the committee voted to recommend the incumbent Larry Walker as Treasurer and a non-incumbent, Kathryn Cavness, the current Vice Chairwoman of Mendocino CERA as SACRS' Board Secretary

On March 3, 2017 the Nominating Committee's nominee for Treasurer, Larry Walker, withdrew his name to allow Mr. Goulet the opportunity to serve as SACRS' Treasurer. Moreover, Mr. Goulet did not accept Mr. Walker's gracious gesture of suggesting that he considers the Treasurer's position. **(See Attachments)**

On March 30, 2017, the committee reconvened via conference call to review all the candidates' information for the vacant Treasurer seat, make a recommendation for the Treasurer position, and prepare a final ballot for the 37 Act Systems.

The committee received two letters of interest for Treasurer. One from, Harry E. Hagen, Santa Barbara CERA Trustee (Treasurer and Tax-Collector) and another from, Tarrell V. Gamble, Alameda CERA Trustee.

TREASURER

The Nominating Committee recommends, Mr. Harry E. Hagen, Santa Barbara CERA Trustee for Treasurer

While Mr. Gamble was considered, the committee recommends Harry E. Hagen, Santa Barbara CERA Trustee (Treasurer and Tax-Collector). Mr. Hagen who is the Treasurer and Tax-Collector of Santa Barbara CERA is a Certified Public Accountant (CPA), Certified Public Finance Officer (CPFO), Certified Fixed Income Practitioner (CFIP), and Advanced Certified Public Funds Investment Manager (ACPFIM) and chairman of Santa Barbara CERA.

MOTION by Mr. Fiorino and seconded by Ms. Gray to recommend Harry E. Hagen for Treasurer. MOTION PASSED UNANIMOUSLY.

Continued (Page 2 of 3)

SECRETARY

The Nominating Committee recommends, Ms. Kathryn Cavness, Mendocino CERA Trustee for Secretary

Ms. Kathryn Cavness and Mr. Art Goulet were the only candidates who submitted a letter of interest for SACRS' Board Secretary.

Mr. Art Goulet, a trustee from Ventura CERA, who is currently finishing his second term as SACRS' Board Secretary is seeking a third term. Ms. Kathryn Cavness, the Vice Chairwoman of Mendocino CERA, is seeking her first term.

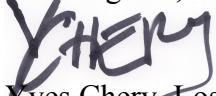
Currently, the bylaws do not preclude any SACRS' Board of Directors from seeking the same position beyond two terms, but historically, SACRS Board of Directors serve for two terms in one seat, then continues to the next seat, until she/he becomes President or resigns from the SACRS' Board. This process allows the Board Member the opportunity to learn and grow while serving on the Board of Directors. However, Mr. Art Goulet has no desire to advance to the next seat, the Treasurer; instead, he wishes to run for a third term as Secretary. **(See Attachment)**

The Nominating Committee voted (3-1) to recommend Ms. Kathryn Cavness, the Vice chairwoman of Mendocino CERA. In addition to possessing the retirement board experience and qualification, Ms. Cavness would broaden and expand the representation on the SACRS' Board, as she is from a rural, relatively small, Northern California County Retirement System. Further, Ms. Cavness would be the **only woman on the SACRS' Board for the upcoming year, and the first since 2015.**

MOTION by Ms. Gray and seconded by Mr. Fiorino to recommend Ms. Kathryn Cavness for Secretary. [Louis Fiorino – YES (San Bernardino CERA), Vivian Gray – YES (LACERA), Tracy Towner – NO (Ventura CERA), Yves Chery – YES (LACERA). VOTE (3 – 1) MOTION PASSED.

The elections will be held at the SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California. Should you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you!

Best Regards,



Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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

(Page 3 of 3)

SACRS Nominating Committee Feedback

1 message

Wickman, Jeff <JWickman@marincounty.org>

Mon, Feb 20, 2017 at 9:52 AM

To: Yves Chery <ychery2013@gmail.com>

Yves Chery

SACRS Immediate Past President

Nominating Committee Chair

SACRS Board of Directors Nominating Committee

Dear Yves,

At their February 8, 2017 meeting the Board of Retirement for the Marin County Employees' Retirement Association (MCERA) reviewed your memorandum regarding the 2017-2018 SACRS Board of Directors election process. On behalf of the Board I want to thank you for providing the opportunity to consider and potentially nominate qualified candidates for the Board of Directors.

At the end of the discussion, the MCERA Board Chair directed me to provide you with some feedback that they would like the Nominating Committee to consider. The MCERA Board believes that the composition of the Board of Directors should reflect the diversity of the overall SACRS member systems. SACRS member systems are broadly dispersed throughout California and vary greatly in size. One thing that all member systems have in common is they are composed of genders and races that represent the broad population within the specific jurisdiction. The MCERA Board of Retirement encourages the Nominating Committee to consider all these factors when deciding on the final ballot that will be presented to the voting member systems.

Please feel free to contact me directly if you have any questions.

Jeff Wickman

Retirement Administrator

Marin County Employees' Retirement Association

One McInnis Parkway, Suite 100

San Rafael, CA. 94903

jwickman@marincounty.org

415-473-3733 Office

415-473-4179 Fax

Email Disclaimer: <http://www.marincounty.org/main/disclaimers>

Larry Walker
POB 968
Chino, CA 91708
larry@larrywalker.us
909-628-8000

Yves Chery
Chair, Nominating Committee, SACRS
ychery2013@gmail.com
[delivered as e-mail attachment]

March 3, 2017

Subj: Withdrawal of candidacy for SACRS Treasurer

Dear Yves:

Pursuant to our discussions during the past few days, this is a notice of withdrawal of my candidacy for the position of Treasurer of SACRS for 2017-18. As laid out below, I strongly believe that Art Goulet should replace me on the ballot for that position.

I have thoroughly enjoyed this past year as a member of the SACRS Board of Directors. We have made substantial accomplishments in the area of leading the management of our organization, including the improvement of our information systems and our web presence. We have also established a very positive working relationship among board members, staff, and local systems. I am committed to doing whatever I can to assure that that effort continues.

Looking at the Nominating Committee's proposed list of candidates, I believe the committee responded to a very important issue, that of diversity in the representation of our organization's members. We have no women on the board, and only one board member from Northern California. The committee's action remedies that situation. I have the impression, however, that the Nominating Committee action may have also awakened negative aspects of SACRS history, in particular negative feelings from 2015.

I support the nomination of Kathryn Cavness. I do not know her, but I trust the committee's judgement, and her addition to the board should be a positive. It should not become a battlefield on which ghosts of the past are revived and old battles re-fought. The issue is simply whether Art Goulet or Larry Walker should give way to accommodate the new board member. On this I disagree with the Nominating Committee. I will step back.

I note that the Committee's hands were tied by the fact that each of us nominated ourselves for a specific position. The committee could not therefore take what I believe would be the best course of action — nominate Art Goulet for Treasurer, and Kathryn Cavness for Secretary. My withdrawal paves the way to remedy that situation.

Yesterday, at my request, SBCERA nominated Art Goulet for Treasurer. I propose that you formally seek Art's consent to serve in that capacity. Assuming that he agrees, the Nominating Committee will be in a position to add Art's name to their recommended ballot as part of their final ballot process in late March. I do not withdraw with joy or celebration. However, I volunteered for this position with the goal of making SACRS a better organization, and I now believe that withdrawing in this moment will help avoid a controversy that would be as pointless as it is potentially destructive.

It comes down to this: on one hand, we can stand by and watch another conference overshadowed by a competition in which there is little difference in the candidates, but in which normally constructive leaders fall prey to the temptation to cast opponents as incapable or dishonest, even treacherous, and demand that each system take a side, however uncomfortable the situation. On the other hand, we can take a simple action that places virtually the same group onto the Board of Directors with very little antagonism on the part of anyone (other than whatever has gone on already.)

I urge the second course, and this withdrawal sets the table for the accomplishment of that strategy. My hope is that Art will accept this gesture for what it is – an effort to accomplish the best for our organization. My goal is that 2017-18 will be a year of accomplishment and fulfillment for SACRS, and not another cleanup year spent patching up relationships that have been needlessly damaged.

If there is any further procedural step that I need to undertake in order to accomplish the action outlined above, please so notify me at your convenience.

Thank you for your leadership.

Sincerely,



Larry Walker
Treasurer, SACRS

Cc: Dan McAllister President, SACRS
Sulema Peterson Administrator, SACRS

March 6, 2017

To: All 37 Act Systems
From: Yves Chery, Chair SACRS Nominating Committee
Re: Withdrawal of Treasurer Candidate for SACRS BOD

On Friday, March 3, 2017, Larry Walker, the Nominating Committee's nominee for the position of Treasurer of SACRS for 2017-2018 withdrew his name for consideration from the upcoming elections.

This development in the election process necessitated the Nominating Committee, with guidance from SACRS' legal counsel, to inform you of this matter to ensure that the election process remains fair, transparent and consistent with our bylaws.

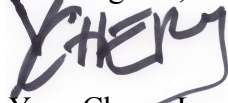
Therefore, the Treasurer's position is now open. Interested candidates should submit their letter of interest and brief bio to the Nominating Committee prior to March 25, 2017.

Additionally, in accordance with our bylaws, the Boards of the regular members may also submit a write-in candidate for the Treasurer's position (or any other office). All submissions must be made prior to March 25, 2017.

The Nominating Committee will report a final slate to all 37 Act Systems prior to April 1, 2017. The elections will be held at the SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California.

If you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you for your prompt attention to this important matter.

Best Regards,



Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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



Yves Chery <ychery2013@gmail.com>

SACRS Treasurer

1 message

Artgou@aol.com <Artgou@aol.com>
To: ychery2013@gmail.com

Fri, Mar 24, 2017 at 11:05 AM

Yves,

Please remove my name as a write-in candidate for Treasurer, as nominated by SBCERA.

Larry Walker did not talk to me before he convinced the SBCERA Board to nominate me. He did that and withdrew his nomination because he graciously sought to dampen the controversy you caused.

My goal is to be re-elected Secretary despite your actions.

Art

January 31, 2017

Mr. Yves Chery
Chairman
Nominating Committee
State Association of County Retirement Systems

Dear Mr. Chery,

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

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

Over the past three years it has been my distinct honor and pleasure to serve on the SACRS Board. The first two years as Treasurer and this year as President. During this year our Board has worked closely together to establish and implement goals that will improve our levels of customer service to our members. Some of the key goals include:

1. Re-branding SACRS with a fresh new logo and look
2. Re-building our website to create more interactive capabilities for members
3. Presenting high quality speakers and topics of interest at each of our conferences
4. Building attendance at the SACRS Berkeley Education program through stronger marketing efforts
5. Reaching out to each '37 Act systems to determine what we can do to build Trustee and staff attendance at SACRS fall and spring conferences.

I am proud of the work our board has accomplished this year under my leadership. It has been a productive year for our Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments.

SACRS is a special organization and one that must continue to provide educational forums for disseminating knowledge and information to Trustees and system staffs from all '37 Act counties in California. Additionally, SACRS must take an active role in the legislative process as it affects county retirement systems. As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees and system staff statewide to ensure that our educational programs and conferences continue to be of the highest quality.

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

Sincerely,


Dan McAllister
President

To: Yves Chery, SACRS Nomination Committee Chairperson
From: Gabe Rodrigues, CCCERA and SACRS VP
Re: 2017-2018 SACRS Elections

Mr. Chery,

I am requesting that my name be included on the 2017-2018 SACRS Nomination Slate for the position of Vice President at the upcoming elections in May 2017.

The past two years as the SACRS Vice President has been a most enjoyable and rewarding journey. It has not only given me the opportunity to work with some of the best and brightest individuals in the Public Pension and Institutional Investment communities, but it has also given me the ability to give back to our members who are made up of good, hardworking public servants.

I have been the Chairperson for three successful SACRS Conferences as well as a contributing member of the SACRS Board of Directors. With the knowledge and experience I have gained from overseeing the conferences and working with our esteemed and highly qualified Board members, Program Committee members and the Shaw/Yoder/Antwih Inc. staff, I feel qualified as well as motivated to be a successful Vice President. My goals are to keep moving SACRS forward as a premier public pension organization by reaching out to our members and understanding what our organization can do for them. My focus will be on our Spring and Fall Conferences, the UC Berkeley Educational Program, our upcoming new website and branding launch and any new, needed legislation.

It would be an honor to serve as the 2017-1018 SACRS Vice President.

Sincerely,
Gabe Rodrigues
CCCERA Safety Trustee

Education:

- Bachelor of Arts In Management – Saint Mary’s College at Moraga, California
- MBA in Marketing Management – California State University, Hayward

Public Pension Trustee Certificates:

State Association of Public Retirement Systems - SACRS:

- Modern Investment Theory & Practice for Retirement Systems - U.C. Berkeley

California Association of Public Retirement Systems – CALAPRS:

- Principles of Pension Management - Stanford University
- Advanced Principles of Pension Management – UCLA

International Foundation of Employee Benefit Plans – IFEBP:

- Portfolio Concepts and Management – Wharton School of Business
- Certificate of Achievement in Public Plan Policy I
- Certificate of Achievement in Public Plan Policy II
- International an Emerging Market Investing
- Trustees Masters Program

National Conference on Public Employees Retirement Systems – NCPERS:

- Trustee Educational Seminar
Public Pension Funding Forum - Yale University

March 17, 2017

To Yves Cherry, Chair, SACRS Nominating Committee

I would like to submit my letter of interest in running for the SACRS Board of Directors position of Treasurer. I am the current Treasurer-Tax Collector-Public Administrator for the County of Santa Barbara. I was first elected in 2010 and am currently serving in my second four-year term.

I believe I am well qualified for the position based upon my educational and work experience. I have a Bachelor of Arts degree in Business Economics from UCSB and a certificate in Public Treasury Management from USC. I also hold the following professional designations: Certified Public Accountant (CPA), Certified Public Finance Officer (CPFO), Certified Fixed Income Practitioner (CFIP), and Advanced Certified Public Funds Investment Manager (ACPFIM).

I am a 20-year employee of Santa Barbara County and the current Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for 6 years. I was also an alternate member to the Board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

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

Thank you for your consideration. I look forward to your positive decision in regards to my expression of interest in becoming SACRS Treasurer.

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

Kathryn Cavness

(707) 459-2215
k24u2figure@gmail.com

January 29, 2017

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

Dear Nominating Committee:

Please consider my request to run for secretary in the State Association of County Retirement Systems (SACRS) Board of Directors upcoming election. Currently, I am a Trustee and Vice Chair of the Mendocino County Employee Retirement Association (MCERA) as well as a member of the MCERA audit committee. My educational background and professional experience has provided me with a strong financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors.

As a public employee, I have been serving as the Senior Department Analyst for the County of Mendocino District Attorney's Office since 2008. My position encompasses budget and finance administration for the DA's Office, as well as providing grant management for the DA's Victim Advocacy programs, the Mendocino County's Behavioral Health Court, and the Mendocino County Community Corrections Partners AB109 Realignment efforts to decrease recidivism.

Additional responsibilities include:

- SACRS Educational Committee Member

My educational background consists of a Master's Degree in Business Administration as well as an abundance of investment management opportunities while serving on the MCERA Board including:

- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UC Davis

Sincerely,

Kathryn Cavness

Art Goulet
artgou@aol.com

I am the current SACRS Secretary, first elected in 2015. I am also the Retired Member Trustee of the Ventura County Employees Retirement Association, having recently completed the second year of my fourth term. Every time I have run for the position, I have run unopposed. I am a Past President of the Retired Employees Association of Ventura County (REAVC), after having served 10 years as President. I also serve as the Legislative Chair for the California Retired County Employees Association (CRCEA) and have been a member of the SACRS Legislative and Audit Committees for 12 and 5 years, respectively.

I have Bachelor of Civil Engineering and Master of Public Administration Degrees, and varied public service and private consulting experience, including more than 22 years as County Director of Public Works. While Director of Public Works, I progressed through the offices of the County Engineers Association of California (CEAC), culminating as President. I was also named County Engineer of the year during my career, and received the Circle of Service Award twice from the California State Association of Counties.

I have a reputation for hard work, doing my homework, and being prepared to make meaningful contributions. I have put that reputation to work as Secretary of SACRS for the past year, and would appreciate being nominated again, so I can continue to do so.

SACRS By-Laws

... Article XI – Standing Committees

... Section 4 – Program Committee

Program Committee. The Program Committee shall be comprised of ~~not less than four (4) members but not more than eighteen (18) members~~ not more than (25) members from names submitted by the Program Committee Chair, with Board approval, and shall include the Education Committee Chair and Vice Chair and the Affiliate Committee Chair and Vice Chair. The committee shall also include five (5) regular members, three (3) staff members and eleven (11) affiliate members.

The President shall fill mid-term vacancies, with Board approval, within forty-five (45) days of taking office. The President shall appoint the Program Committee Chair, with the approval of the Board, within forty-five (45) days of taking office. The Program Committee Chair shall serve a one (1) year term that expires on the last day of the Spring regular meeting. The President may remove Program Committee members missing twenty-five percent (25%) or more of the Program Committee meetings in any given year, with Board approval. If an Affiliate member changes their firm mid-term, he/she may be subject to committee membership review, with Board approval.

The Program Committee shall be responsible for the planning and development ~~program~~ of the ~~two (2) annual~~ SACRS conferences.

Participation on the committee includes:

Pre-conference planning; brainstorming content and topics for general and concurrent sessions; recruitment of speakers and moderators for all conference sessions. Attend quarterly Program Committee meetings, and as needed.

Participation at conference includes; collection of feedback forms, assisting the moderator with question and answer component during sessions; coordination of the distribution of materials and; participation at networking events.

Length of appointment to committee:

Committee members shall serve in 3 year terms, the terms are on a staggered basis of one (1), two (2) and three (3) year rotation. A committee member may reapply for appointment upon completion of his/her term. Ex-Officio members are exempt from the term limitation process. Terms end at the completion of the Fall Conference.

SACRS By-Laws

***** Article III – Membership**

***** Section 7 – Membership Code of Conduct**

1. Policy Against Harassment, Discrimination, and Retaliation. SACRS is committed to providing an environment free from harassment and maintains a strict policy that forbids sexual harassment and other harassment, discrimination and retaliation based on race, color, national origin, ancestry, religion and religious creed, political affiliation, citizenship, sex, gender, gender identity, sexual orientation, age, pregnancy or breastfeeding, medical conditions, marital status, medical condition, physical or mental disability, or any other protected classification under federal, state or local law.

2. Standard of Decorum and Professionalism. SACRS members, representatives, family members, and guests are expected to maintain appropriate decorum and professionalism to improve the deliberative process and foster the integrity of the SACRS community. Verbal or non-verbal conduct which has the purpose or effect of affecting a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment will not be tolerated, regardless of whether such behavior amounts to unlawful conduct. Such inappropriate behavior includes, but is not limited to, the use of profanity, threats, offensive gestures, racial slurs, ethnic jokes, posting of offensive statements or pictures, derogatory remarks, insults, epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, assault or other unwelcome physical conduct, or other similar conduct.

3. Penalties for Violation. Any person found in violation of the SACRS Code of Conduct by the Board of Directors may, within the discretion of Board of Directors and as permitted by law, be temporarily or permanently barred from attending or participating in any SACRS conference, meeting, function, or event. Any member found in violation of the SACRS Code of Conduct by the Board of Directors may be subject to penalty within the discretion of Board of Directors and as permitted by law, including but not limited to:

- (a) Warning and/or Censure;
- (b) Suspension or revocation of the privileges of any member or their designated representatives;
- (c) Suspension of membership; and,
- (d) Termination of membership.

4. Affiliate Guidelines. Affiliate Members are and remain subject to additional guidelines as have been or may be approved by the Board of Directors.

5. No Duty. Although SACRS endeavors to create to create a respectful and welcoming environment for its membership, representatives, and other guests, it does not by this Code of Conduct or any other act, voluntarily assume a duty to do so, except as otherwise required by federal, state, or local law.