



ITEM 14

Executive Staff

Richard Stensrud
Chief Executive Officer

Steve Davis
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

For Agenda of:
March 15, 2017

March 10, 2017

TO: President and Members
Board of Retirement

FROM: Richard Stensrud
Chief Executive Officer

SUBJECT: Nomination for the SACRS Board of Directors

Recommendation:

That the SCERS Board approve the nomination of Ventura CERA Trustee Art Goulet for the position of Secretary on the SACRS Board of Directors.

Background:

As you will recall, each year the State Associations of County Retirement Systems (SACRS) member systems elect a Board of Directors at the May SACRS Conference. The process for nominating members for the SACRS Board can be summarized as follows: (1) Individuals interested in running for a SACRS Board position must submit their names to the SACRS Nominating Committee; (2) The Nominating Committee decides which individuals will be brought forward as 'recommended nominees' and the recommendations are forwarded to the SACRS member systems for consideration; (3) Individual member systems have until March 25th to bring forward alternative nominations; and (4) The recommended nominations and any alternative nominations brought forward by one or more member systems are presented for a vote by the membership at the Business Meeting at the end of the May Conference.

Discussion:

On February 23, 2017, the Nominating Committee, chaired by Immediate Past President Yves Chery, notified the SACRS member systems of the Committee's recommended ballot for the 2017-18 Board of Directors. The Committee's recommendations were as follows:

President:	Dan McAllister, San Diego CERA
Vice President:	Gabe Rodrigues, Contra Costa CERA
Treasurer:	Larry Walker, San Bernardino CERA
Secretary:	Kathryn Cavness, Mendocino CERA

The Nominating Committee proposed that all of the incumbent officers continue in their current roles for the 2017-18 fiscal year, except for the office of Secretary currently held by Art Goulet, the elected retiree Trustee at Ventura CERA. Instead, the Committee nominated Kathryn Cavness, an elected general member Trustee at Mendocino CERA for the position of Secretary. The vote was 2-1, with Mr. Chery, a Trustee from LACERA, and Vivian Gray, also a Trustee from LACERA, voting for Ms. Cavness and Tracy Towner, a Trustee from Ventura CERA, voting for Mr. Goulet.

The Nominating Committee has not officially communicated to the SACRS membership the reasons for its recommended change for the office of Secretary. However Mr. Towner has advised me that the reasons offered at the meeting were to achieve better gender diversity on the SACRS Board; better north/south representation on the SACRS Board; and questions as to whether Mr. Goulet would be able to attend SACRS Board meetings based on alleged health issues. Mr. Goulet and Mr. Towner have reported that this last reason is specious.

A couple of other matters are worth noting. Ms. Gray is a close colleague of Mr. Chery and was appointed to the Nominating Committee by him. I have been advised that Ms. Cavness was recruited by Mr. Chery to run for Secretary. Finally, Sulema Peterson from SACRS, who is supposed to staff all committee meetings, was not advised of the meeting and thus was not there to take minutes.

As you will recall, in the past SACRS Board of Director elections were often uncontested, with the member systems unanimously supporting the nominees recommended by the Nominating Committee. However, over the last several years, races have been contested and/or alternative nominations to those recommended by the Nominating Committee have been brought forward by member systems. These cases have often been prompted by concerns regarding perceived agendas or motivation. The current situation falls squarely in this realm.

Mr. Goulet has been a member of the Ventura CERA Board since 2005, and has been a member and active contributor to the SACRS Legislative Committee for many years. Mr. Goulet also serves in a leadership role with the California Retired County Employees Association (CRCEA) and has done so for several years. He has extensive knowledge of

SACRS Board of Directors Nomination

March 10, 2017

Page 3 of 3

and experience with county retirement systems and the environment in which we operate. It is my understanding that Ms. Cavness is in her first term on the Mendocino CERA Board.

Totally apart from the conclusions one might draw from the manner in which the Nominating Committee reached its decision, I believe Mr. Goulet is the better qualified candidate. Accordingly, I recommend that your Board approve and submit the nomination of Art Goulet as Secretary of the SACRS Board of Directors.

Please note one final item. On March 6, 2017, the Nominating Committee Chair issued a notice to all SACRS member systems that Larry Walker, the nominee for SACRS Treasurer, has withdrawn his name from consideration. The SACRS Nominating Committee is accepting nominations for the office of Treasurer through March 25, 2017, and will issue a final recommended ballot to all member systems by April 1, 2017.

If you know of anyone who might be interested in being considered for the position of SACRS Treasurer, please let me know.

When the candidate roster has been finalized, your Board will have an opportunity to decide how SCERS should vote at the May SACRS Conference.

Please let me know if you have any questions.

Respectfully,

Richard Stensrud
Chief Executive Officer

February 23, 2017

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Yves Chery, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections, Recommended Ballot
 2017-2018 BOD Elections

SACRS BOD 2017-2018 election process began January 2017. Please review the following timeline and distribute the recommended ballot to your Board of Trustees, per the bylaws:

DEADLINE	DESCRIPTION
February 1, 2017	Nominating Committee receives nominations from SACRS membership
March 1, 2017	Nominating Committee submits its recommended ballot to each 1937 Act Board
March 25, 2017	Nominating Committee receives nominations from any 1937 Act Board
April 1, 2017	Nominating Committee submits final ballot to each 1937 Act Board – ballot consists of recommended ballot plus anybody else who is nominated but not recommended by the Nominating Committee
May 19, 2017	Conduct elections during the SACRS Business Meeting (At end of the May 2017 conference)
May 19, 2017	Board of Directors take office for 1 year

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

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

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

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

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

Below is the recommended ballot, as in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete ballot. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the SACRS Spring Conference May 16-19, 2017, at the Napa Valley Marriott in Napa, CA. Elections will be held during the Annual Business meeting on Friday,
May 19, 2017.

Please distribute the recommended 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.

SACRS Nominating Committee recommended ballot for SACRS BOD 2017-2018 elections:

President	Dan McAllister, San Diego CERA
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Larry Walker, San Bernardino CERA
Secretary	Kathryn Cavness, Mendocino CERA

If you have any questions, please contact me directly at ychery2013@gmail.com .
Thank you for your prompt attention to this timely matter.

Sincerely,

Yves Chery

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 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.

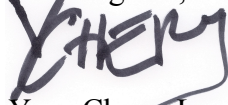
Therefore, the Treasurer's position is now open. Interested candidates should submit their letter of interest and brief bio to the Nominating Committee prior to March 25, 2017.

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