



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 5

MEETING DATE: October 18, 2017

SUBJECT: SACRS Fall Conference – Direction to SCERS Voting Delegate for Business Meeting Action Items

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Staff recommends the Board give the following direction to its voting delegate on items designated for action by the membership on the agenda for the SACRS Fall 2017 Business Meeting on Friday, November 17, 2017, at 10:00 a.m. in Burlingame, California:

1. Support the Board receipt and filing of:
 - a. Minutes of the Spring 2017 SACRS Business Meeting (Item 2)
 - b. SACRS Treasurer's Report (Item 3)
2. For legislative proposals submitted for SACRS sponsorship in 2018: (Item 5)
 - a. Do not support SACRS sponsorship of Ventura #1 - Definition of Surviving Spouse
 - b. Do not support SACRS sponsorship of Ventura #2 – Time for filing Disability Retirement Application
 - c. Do not support SACRS sponsorship of Tulare #1 – Expand application of Govt. Code Section 31522.3 to all county retirement systems
3. Support the proposed amendments to the SACRS Bylaws (Item 7)

Staff further recommends the Board:

4. Designate the Interim Chief Executive Officer as the party authorized to vote on behalf of SCERS on matters presented for a vote of the SACRS membership and consider the appointment of an alternate voting delegate.
5. Authorize SCERS voting delegate(s) to: (a) Vote in accordance with the positions adopted by the Board; (b) Vote on any matters that have not been specifically addressed by the Board in a manner consistent with positions previously expressed by the Board; and (c) Abstain from voting on any matters the Board has not previously addressed and upon which the Board has not shown a strong consensus.

PURPOSE

To provide direction to the Board's designated Voting Delegate on matters that will be submitted for a vote of the membership at the Fall 2017 Business Meeting at the upcoming Fall Conference of the State Association of County Retirement Systems (SACRS).

DISCUSSION

The SACRS Fall Business Meeting agenda and the materials for the items designated as "receive and file" by the membership are provided as attachments to this transmittal for reference with no further discussion.

The remainder of this transmittal discusses the items designated for action by the SACRS membership and SCERS Voting Proxy for the SACRS Fall Business Meeting.

2018 Legislative Proposals

The SACRS Legislative Committee received and considered three legislation proposals submitted by member systems for SACRS sponsorship during the 2018 legislative year. The following summarizes the proposal, the SACRS Legislative Committee's recommendation, and Staff's recommendation for each proposal.

Definition of "Surviving Spouse" - Ventura Proposal #1**Summary:**

This proposal would add Section 31480.1 to the Government Code to define the term "surviving spouse" to exclude a legally separated spouse. Case law makes it clear that following a judgment of dissolution of marriage, a former spouse is no longer a surviving spouse under the County Employees' Retirement Law (CERL) and not entitled to a continuance benefit upon the death of the member. However, the CERL provides no guidance regarding whether a legally separated spouse qualifies as a surviving spouse and recently published judicial decisions in different jurisdictions have reached different conclusions on this issue.

Background:

SCERS practice to date is to provide a continuance benefit to a legally separated, but still married, spouse. SCERS believes as long as a couple remains legally married at the time of death, the spouse qualifies as a "surviving spouse" under the CERL for a continuance benefit. However, other county retirement systems find that a legally separated spouse does not qualify as a "surviving spouse." It appears about half the county retirement systems operate under the former interpretation, and about half under the latter interpretation.

In the past couple of years, courts have ruled that a legally separated spouse is not entitled to a continuance because with the termination of community property rights associated with a legal separation, the right to receive a continuance benefit is also extinguished. These cases have caused SCERS to consider taking a second look at our position. However, earlier this

year the Contra Costa Superior Court ruled that a legally separated spouse, as long as still legally married (i.e. no judgment of dissolution), is entitled to receive a continuance benefit upon the death of the legally separated member. Contra Costa CERA is currently petitioning the California Supreme Court to review the Appellate Court decision and clarify the issue. Staff concluded that SCERS would continue its current practice for now. If the Supreme Court reviews the case, its decision will apply to all county retirement systems under the CERL.

SACRS Legislative Committee Recommendation:

Support for SACRS sponsorship with revised language for the definition of “surviving spouse”

The SACRS Legislative Committee recommends that SACRS sponsor legislation that clarifies that a legally separated spouse not satisfy the definition of a “surviving spouse” and thus, not be entitled to a continuance benefit.

SCERS Staff Recommendation:

Do not support the Legislative Committee’s Recommendation for Ventura #1

Staff recommends that the Board not support the SACRS Legislative Committee’s recommendation. . It seems premature for SACRS to sponsor legislation before the Supreme Court has had an opportunity to review the Contra Costa case. Additionally, and more importantly, Staff is not convinced that the proposal takes the correct side of the issue. Staff is comfortable with SCERS’ current process of providing a continuance benefit to spouses of deceased members that remain married, regardless of their chosen living arrangements or legal separation. Staff believes there are numerous, reasonable situations where a married couple could decide to legally separate but still want the security of a continuance benefit for a surviving spouse.

Time for Filing Disability Retirement Application - Ventura Proposal #2

Summary:

This proposal would amend Government Code §31722 to require that an application for disability retirement be filed within four months after the applicant knows or should know that his/her disability has become permanent. The genesis of this proposal stems from a recent case reviewed by the California Supreme Court, which dealt with the legal issue of the application of pre-judgment interest, but included a factual scenario where an applicant waited eight years after terminating CERA-covered employment to file for disability retirement. This proposal seeks to prevent an applicant from sitting on their rights to apply for disability retirement to the detriment of the system, namely, making it significantly more difficult for the system to determine the applicant’s condition at the time CERA-covered service was discontinued.

SACRS Legislative Committee Recommendation:

Do not support for SACRS sponsorship

The SACRS Legislative Committee believes this proposal is unnecessary and would be duplicative of current law. Government Code §31722 sets forth the limitation period within which an applicant must file a disability application (four months from the discontinuance of service) and sets forth certain circumstances which permit filing outside that period (demonstration of permanent incapacity since the discontinuance of service). In addition, Government Code §31724 provides that if the applicant can demonstrate that he or she was unable to ascertain the permanency of incapacity until after discontinuance of service, then the effective date of the disability retirement application will be the day after the date for which the applicant last received compensation. Existing law provides the mechanism to prevent prejudicial delay by the applicant.

SCERS Staff Recommendation:

Support the Legislative Committee's Recommendation for Ventura #2

Expand application of Govt. Code Section 31522.3 - Tulare #1

Summary:

This proposal would make Government Code §31522.3 applicable to all twenty SACRS county systems. Currently, §31522.3 only applies to San Diego, Sacramento, Kern, San Joaquin and Marin counties and provides that a retirement board may appoint assistant administrators and chief investment officers who serve at the pleasure of the board and are not subject to county charter, civil service, or merit system rules.

SACRS Legislative Committee Recommendation:

Do not support for SACRS sponsorship; recommend support for Tulare CERA-sponsorship

The SACRS Legislative Committee supports the concept of this proposal, but not for sponsorship by SACRS. This bill would expand the operating authority of the other county retirement systems to which it does not currently apply. With the Governor's veto of the SACRS-sponsored operating authority legislation in 2016 (Assembly Bill 1853, Cooper), the committee is concerned that this proposal would likely meet the same fate if county plan sponsors formally oppose the measure. The Committee did agree if Tulare CERA sponsored a proposal to make Section 31522.2 applicable to its retirement board, the Committee would support the legislation.

SCERS Staff Recommendation:

Support the Legislative Committee's Recommendation for Tulare #1

SACRS Bylaw Amendments

Over the past six months the SACRS Board of Directors and the members of the various standing committees have conducted a periodic review of the SACRS Bylaws. The result of that exercise is the Amended and Restated SACRS Bylaws proposed for approval by the membership at the SACRS Fall Business Meeting.

The changes have been generally described as “streamlining” and “addressing not contemplated situations,” however, they might be more accurately described as eliminating the ability of SACRS member systems to add input or make alternate proposals for consideration by the SACRS membership in terms of the annual slate of officers or items for action at a SACRS Business Meeting.

Staff has reviewed the redlined version of the proposed SACRS Bylaw amendments and notes the following changes that may be of interest or concern to the Board:

- The elimination of raising resolutions from the floor at business meetings. Instead, all resolutions must be submitted 230 days before the meeting date to be considered at the business meeting.
- Elimination of write-in candidates and alternate slates to be considered during Board officer elections.
- The Nominating Committee will report the recommended slate of officers to the membership along with a list of the names of other nominees not recommended by the Nominating Committee. No explanation of what happens if one or more of the slate of officers proposed by the Nominating Committee is not approved by the membership.
- Two new regular members are to be added to the Board. With the additions, the Board will consist of the four Officers (President, Vice President, Secretary and Treasurer), the two newly proposed regular members and a Past President.
- Changes to the composition of the Nominating Committee. Currently, the Chairs of the Legislative, Program, Bylaws and Education Committees each select one member from their respective committees to serve as a member of the Nominating Committee. The proposed changes place restrictions on who these other committee chairs can select. Only one representative from a system can serve on the Nominating Committee. Committee chairs cannot select themselves to sit on the Nominating Committee; nor can the Chair select a representative from his/her system. Nominating Committee members serve two year terms and must not serve for at least one year between terms.

Staff has concerns about some of the proposed amendments to the SACRS Bylaws, which have been communicated to the membership as “necessary for good governance.” However, as no specific process was provided to the member systems for input and comment on the proposed changes, it seems unlikely there will be significant discussion or resistance to the amendments by the member systems. Therefore, staff recommends the Board direct its voting delegate to vote in support of the proposed amendments to the SACRS Bylaws.

SCERS Voting Delegate for the Fall Business Meeting

The Board of each SACRS member system must designate one of its members or SCERS staff to vote on behalf of SCERS at the SACRS Business Meeting. The Board's regular practice is to designate the Chief Executive Officer as SCERS' Voting Delegate. The proposed Voting Proxy form for SCERS for the Fall Business Meeting contemplates that the Board will wish to follow its past practice. If the Board prefers to appoint someone else as its voting delegate, SCERS' Voting Proxy form will be modified to reflect the Board's decision.

While it is not necessary to identify an Alternate Voting Delegate, the Board may do so as a contingency in the event an unforeseen circumstance arises that prevents the primary voting delegate from being available to vote on SCERS behalf at the Business Meeting. Staff proposes that General Counsel be designated as the Board's Alternate Voting Delegate for the Fall Conference. If the Board should desire another person be designated as the Alternate Delegate or choose not to designate one at all, SCERS Voting Proxy Form will be revised accordingly.

ATTACHMENTS

SACRS Fall Business Meeting Agenda
SACRS Spring 2017 Business Meeting Minutes
SACRS Treasurer's Report
Legislative Proposals:
 Ventura #1 – Definition of Surviving Spouse
 Ventura #2 – Time for Filing Disability Retirement Application
 Tulare #1 - Expand Application of G.C. Section 31522.3
Proposed SACRS Bylaw Amendments
SCERS Voting Proxy for Fall 2017 Conference

Prepared by:

/s/

Annette St. Urbain
Interim Chief Executive Officer



SACRS Business Meeting Agenda

Friday, November 17, 2017

10 am-Adjournment

Hyatt Regency San Francisco Airport Hotel, Burlingame, CA

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

1. SACRS County Roll Call

Kathryn Cavness, SACRS Secretary

2. SACRS Secretary's Report – Receive and File

- Spring 2017 SACRS Business Meeting Minutes

3. SACRS Treasurer's Report – Receive and File

Harry Hagen, SACRS Treasurer

- SACRS Financials July – August 2017
- SACRS Annual Budget 2017-2018

4. Board of Director's Report – No Action

Dan McAllister, SACRS President

- Board of Directors Update

5. SACRS Legislative Report & Legislative Proposals 2018 – Action Item

Tracy Towner, Legislative Committee Chair

- Ventura #1- This proposal would add a provision to County Employees Retirement Law (CERL) to define "surviving spouse" so as to include only a spouse who is legally married to the member, is neither divorced nor legally separated from the member, has lived with the member continuously from the date of marriage to the date of the member's death, and who meets all other requirements of CERL pertaining to the length of the marriage and the spouse's age at the time of the member's death

Recommendation: The Committee voted to recommend that SACRS sponsor legislation to define "surviving spouse" so retirement systems are not confused by the conflicting case law. The Committee did recommend a modified version of the proposed language.

- Ventura #2 – This proposal would require an application for disability retirement to be filed within four months after the applicant knows or should have known that his or her illness or injury



has become permanent. The proposal is intended to address a recent court case where a member waited eight years after discontinuance of service to file for disability retirement.

Recommendation: The Committee voted to recommend that SACRS not sponsor legislation reflecting this proposal.

- Tulare #1- Current law allows San Diego, Sacramento, Kern, San Joaquin, and Marin retirement systems the authority to exclude assistant administrators and chief investment officers from civil service. Employees working in these positions serve at the pleasure of, and may be dismissed at the will of, the appointed retirement board. TCERS proposed legislation to apply this law to all 1937 Act Systems.

Recommendation: The Committee voted to recommend that SACRS not sponsor legislation reflecting this proposal. However, they voted to recommend SACRS support legislation that provides this authority to TCERS if they introduced a Tulare specific bill.

6. SACRS Audit Committee Report – Receive and File

Steve Delaney, SACRS Audit Committee Chair

- SACRS Annual 2015-2016 Audit

7. SACRS Bylaws Committee Report – Action Item

Vivian Gray, SACRS Bylaws Committee Chair

- SACRS Board of Directors proposed Bylaw amendments

8. SACRS Education Committee Report – No Action

Christie Porter, SACRS Education Committee Chair

- SACRS Fall Conference Evaluations 2017

9. SACRS Program Committee Report – No Action

Gabe Rodrigues, SACRS Program Committee Chair

- SACRS Fall Conference 2017

10. SACRS Affiliate Committee Report – No Action

Michael Keough, SACRS Affiliate Committee Chair

- Affiliate Committee Update

11. SACRS Nomination Committee Report – No Action

Ray McCray, SACRS Nomination Committee Chair

- Update on 2018-2019 Elections



12. SACRS Fall Conference Breakout Reports – No Action

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

- Administrators
- Counsel
- Disability
- Internal Auditors
- Investment Officers
- Operations & Benefits
- Safety Trustees
- General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 18, 2018 at the Anaheim Marriott Hotel in Anaheim, CA.



SACRS Business Meeting Minutes
Friday, May 19, 2017
10:00 AM - Upon Adjournment
Napa Valley Marriott Hotel
Napa, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Derwin Brown, Los Angeles CERA

Meeting called to order at 10:12 am by Dan McAllister, SACRS President

Board members present:
Gabe Rodrigues, Art Goulet, Dan McAllister, Larry Walker

1. SACRS System Roll Call
Art Goulet, SACRS Secretary

20 systems present

2. Secretary's Report - Receive and File
Art Goulet, SACRS Secretary

A. November 2016 SACRS Business Meeting Minutes

Motion: A motion to receive and file the SACRS Fall 2016 Business Meeting Minutes was made by San Diego.

2nd: Orange

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

No: 0

Motion Passed

3. Treasurer's Report - Receive and File
Larry Walker, SACRS Treasurer

A. July 2016 – February 2017

Motion: A motion to receive and file the SACRS Treasurers report was made by Contra Costa.

2nd: Los Angeles

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

No: 0

Motion Passed



4. SACRS President Report - No Action

Dan McAllister, SACRS President

- **Board of Directors Update, Verbal Update**

5. SACRS Audit Report - Receive and File

Steve Delaney, SACRS Audit Committee Chair

- A. June 30, 2015 and 2014 Audit

Motion: A motion to receive and file the Audit Committee report on the annual audit report was made by Fresno.

2nd: Alameda

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

No: 0

Motion Passed

6. SACRS Legislative Committee Update - No Action

Richard Stensrud, SACRS Legislative Committee Chair

- A. 2017 Legislative Update

SACRS Legislative Committee Update – Verbal update only

7. SACRS Bylaws Committee Report - Vote

Vivian Gray, SACRS Bylaws Committee Chair

- A. Amendment to Article XI - Standing Committees,
Section 4. Program Committee

Motion: A motion to approve and accept the amendment to Article X-Standing Committee, Section 4. Program Committee was made by Contra Costa.

2nd: San Diego

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Sonoma, Stanislaus, Tulare, Ventura

No: Merced, Santa Barbara

Motion Passed

- B. Amendment to Article III – Membership,
Section 7. Membership Code of Conduct

Motion: A motion to approve and accept the amendment to Article III-Membership, Section 7. Membership Code of Conduct was made by Fresno.

2nd: Imperial

Discussion: Orange requested that the Board of Directors develop a procedure for managing complaints, violations and a full review of the investigation process.



Yes: Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Sonoma, Stanislaus, Tulare, Ventura

No: 0

Abstain: Alameda

Motion Passed

8. SACRS Nomination Committee - 2017-2018 SACRS BOD Elections - Vote
Ray McCray, Nomination Committee Chair

A. SACRS BOD 2017 – 2018 Ballot

Motion: A motion to approve the positions of President, Vice President and Treasurer per the recommendation of the Nomination Committee was made by San Diego.

- Dan McAllister, SACRS President
- Gabe Rodrigues, SACRS Vice President
- Harry Hagen, SACRS Treasurer

2nd: Fresno

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Sonoma, Stanislaus, Tulare, Ventura

No: 0

Abstain: Los Angeles

Motion Passed

Motion: A motion to vote for either Art Goulet or Kathryn Cavness per system was made by San Diego.

2nd: San Joaquin

Yes: All

Motion Passed

Voice Roll Call Vote for position of Secretary;

Goulet – Contra Costa, Orange, Sacramento, San Diego, San Joaquin, Sonoma, Ventura

Cavness – Alameda, Fresno, Imperial, Kern, Marin, Mendocino, Merced, San Bernardino, San Mateo, Santa Barbara, Stanislaus, Tulare

Abstain: Los Angeles

Cavness 12 Goulet 7 Abstain 1

Upon completion of the vote, Art Goulet stepped down and left meeting. Art noted that he questioned the Nomination Committee election process this year, but would discuss with the bylaws chair.



9. SACRS Committee & Breakout Reports:

| Committee | | Breakout Reports | |
|-------------|--|----------------------------------|---|
| Affiliate | Mike Keough reported that the group voted and added 3 new members to their committee. They've established the new 3-year term and will hold their elections in November | Administrators | Sonoma CERA will be hosting the administrator's breakout in the Fall |
| Audit | Agenda item served as report. | Counsels | San Mateo will be hosting the counsel's breakout in the Fall |
| Bylaws | Agenda item served as report. | Disability Operations & Benefits | Great presentations, liked the combo sessions and Jackie Purter will host in the Fall |
| Education | Christie Porter reported that the committee received great feed back on the conference, thanked staff for their help | Internal Auditors | No report |
| Legislative | Agenda item served as report. | Investment Officers | Nancy Calkins reported on behalf of the group. Session was well attended. |
| Nomination | Agenda item served as report. Ray also mentioned well done to the program committee. great conference. | Safety Trustees | Gabe Rodrigues reported that the group held a roundtable and really enjoyed the ability to share information. |
| Program | Gabe Rodrigues thanked the committee members for a great conference. Encouraged attendees to submit potential topics and speaker ideas to the committee for the Fall 2017 conference. Larry Walker thanked the program committee as well | General Trustees | No report |

Next scheduled SACRS Association Business Meeting will be held Friday, November 17, 2017, at the Hyatt Regency San Francisco Airport, Burlingame, CA

State Association of County Retirement Systems

Balance Sheet

As of August 31, 2017

| | Aug 31, 17 |
|---|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1000 · Community 1st Bank - Checking | 258,470.28 |
| 1001 · BofA Interest Checking 4389 | 138,918.29 |
| 1002 · Community 1st Bank - ICS Account | 57,281.45 |
| Total Checking/Savings | 454,670.02 |
| Other Current Assets | |
| 1099 · CalTrust - BlackRock TempFund | 7,811.83 |
| 1100 · CalTrust - Medium Term | 1,131,342.62 |
| 1103 · CalTrust - Short Term | 391.96 |
| 1104 · CalTrust - BlackRock FedFund | 753,701.58 |
| 1102 · Deposits in Transit | 5,470.00 |
| Total Other Current Assets | 1,898,717.99 |
| Total Current Assets | 2,353,388.01 |
| TOTAL ASSETS | 2,353,388.01 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Other Current Liabilities | |
| 2150 · Refund Liability | 1,020.00 |
| Total Other Current Liabilities | 1,020.00 |
| Total Current Liabilities | 1,020.00 |
| Total Liabilities | 1,020.00 |
| Equity | |
| 32000 · Retained Earnings | 2,174,622.69 |
| Net Income | 177,745.32 |
| Total Equity | 2,352,368.01 |
| TOTAL LIABILITIES & EQUITY | 2,353,388.01 |

**State Association of County Retirement Systems
Profit & Loss
August 2017**

| | Aug 17 |
|--|-------------------|
| Ordinary Income/Expense | |
| Income | |
| 4100 · Membership Dues | |
| 4101 · Affiliates | 74,000.00 |
| 4102 · Non Profit - Organizations | 750.00 |
| 4103 · Non Profit - Systems | 1,500.00 |
| 4105 · Systems - Large | 18,000.00 |
| Total 4100 · Membership Dues | 94,250.00 |
| 4270 · UC Berkeley Program | |
| 4271 · Registrations | 15,000.00 |
| 4272 · Sponsorships | 6,000.00 |
| Total 4270 · UC Berkeley Program | 21,000.00 |
| 4300 · Fall Conference Registration | |
| 4301 · Affiliates - Early | 81,600.00 |
| 4304 · Non Profit | 240.00 |
| 4305 · Systems | 5,160.00 |
| 4306 · Non-Members | 32,040.00 |
| 4307 · Fun Run | 230.00 |
| Total 4300 · Fall Conference Registration | 119,270.00 |
| 4350 · Spring Conference Registration | |
| 4353 · Affiliates - Late/Onsite | 2,560.00 |
| Total 4350 · Spring Conference Registration | 2,560.00 |
| 4900 · Interest Earned | 2,236.37 |
| Total Income | 239,316.37 |
| Gross Profit | 239,316.37 |
| Expense | |
| 5000 · Administrative Fee - SYAi | 14,605.58 |
| 5001 · Administrative Services | 29.00 |
| 5003 · Bank Charges/Credit Card Fees | 3,866.56 |
| 5010 · Berkeley & Symposium | |
| 5015 · Materials/Printing/Design | 578.88 |
| 5016 · Travel | 219.00 |
| Total 5010 · Berkeley & Symposium | 797.88 |
| 5041 · Consulting | 1,986.00 |
| 5070 · Insurance | 3,414.12 |
| 5072 · Legislative Advocacy | 4,603.71 |
| 6000 · Board & Committees | |
| 6001 · Board of Directors | |
| 6001.1 · Food & Beverage | 1,114.06 |
| 6001.2 · Printing/Supplies | 422.18 |
| 6001.3 · Travel - BOD Meetings | 3,472.89 |
| 6001.4 · Travel - Miscellaneous BOD | 434.11 |
| Total 6001 · Board of Directors | 5,443.24 |

**State Association of County Retirement Systems
Profit & Loss
August 2017**

| | <u>Aug 17</u> |
|--------------------------------------|--------------------------|
| Total 6000 · Board & Committees | 5,443.24 |
| 6010 · Office Expenses / Supplies | 439.06 |
| 6011 · Postage & Delivery | 127.20 |
| 6020 · Spring Conference | |
| 6021 · Audio/Visual | 34,600.00 |
| Total 6020 · Spring Conference | <u>34,600.00</u> |
| 6053 · Technology/AMS/Website | 875.00 |
| 9000 · BofA Credit Card Holding Acct | 3,075.21 |
| Total Expense | <u>73,862.56</u> |
| Net Ordinary Income | <u>165,453.81</u> |
| Net Income | <u><u>165,453.81</u></u> |

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Overview
 July 2017 through June 2018

| | Jul '17 - Jun 18 |
|--|-------------------------|
| Ordinary Income/Expense | |
| Income | |
| 4100 · Membership Dues | |
| 4101 · Affiliates | 215,000.00 |
| 4102 · Non Profit - Organizations | 3,000.00 |
| 4103 · Non Profit - Systems | 6,000.00 |
| 4104 · Systems - Medium | 52,000.00 |
| 4105 · Systems - Large | 42,000.00 |
| Total 4100 · Membership Dues | 318,000.00 |
| 4250 · Product Income | |
| 4255 · Magazine Advertising | 2,000.00 |
| Total 4250 · Product Income | 2,000.00 |
| 4270 · UC Berkeley Program | |
| 4271 · Registrations | 75,000.00 |
| 4272 · Sponsorships | 50,000.00 |
| Total 4270 · UC Berkeley Program | 125,000.00 |
| 4300 · Fall Conference Registration | |
| 4301 · Affiliates - Early | 185,000.00 |
| 4302 · Affiliates - Regular | 82,500.00 |
| 4303 · Affiliates - Late/Onsite | 36,000.00 |
| 4304 · Non Profit | 500.00 |
| 4305 · Systems | 22,500.00 |
| 4306 · Non-Members | 237,500.00 |
| 4307 · Fun Run | 1,000.00 |
| Total 4300 · Fall Conference Registration | 565,000.00 |
| 4350 · Spring Conference Registration | |
| 4351 · Affiliates - Early | 185,000.00 |
| 4352 · Affiliates - Regular | 82,500.00 |
| 4353 · Affiliates - Late/Onsite | 36,000.00 |
| 4354 · Non Profit | 500.00 |
| 4355 · Systems | 22,500.00 |
| 4356 · Non-Members | 237,500.00 |
| 4357 · Fun Run | 1,000.00 |
| Total 4350 · Spring Conference Registration | 565,000.00 |
| Total Income | 1,575,000.00 |
| Gross Profit | 1,575,000.00 |
| Expense | |
| 5000 · Administrative Fee - SYAI | 175,267.01 |
| 5001 · Administrative Services | 21,000.00 |
| 5002 · Awards | 1,000.00 |
| 5003 · Bank Charges/Credit Card Fees | 45,000.00 |

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Overview
 July 2017 through June 2018

| | Jul '17 - Jun 18 |
|--|-------------------------|
| 5010 · Berkeley & Symposium | |
| 5011 · Audio/Visual | 500.00 |
| 5013 · Hotel | 4,000.00 |
| 5016 · Travel | 500.00 |
| 5017 · UC Berkeley | 190,000.00 |
| Total 5010 · Berkeley & Symposium | 195,000.00 |
| 5030 · CERL | |
| 5031 · Materials/Printing/Design | 20,000.00 |
| 5032 · Shipping | 5,000.00 |
| Total 5030 · CERL | 25,000.00 |
| 5040 · Commissions & Fees | 15,000.00 |
| 5041 · Consulting | 20,000.00 |
| 5042 · Dues & Subscriptions | 3,700.00 |
| 5050 · Fall Conference | |
| 5051 · Audio/Visual | 42,500.00 |
| 5054 · Hotel | |
| 5054.1 · Wednesday Night Event | 75,000.00 |
| 5054 · Hotel - Other | 275,000.00 |
| Total 5054 · Hotel | 350,000.00 |
| 5055 · Program Material | 30,000.00 |
| 5056 · Speakers | 50,000.00 |
| Total 5050 · Fall Conference | 472,500.00 |
| 5070 · Insurance | 6,000.00 |
| 5071 · Legal & Professional Fees | 25,000.00 |
| 5072 · Legislative Advocacy | 55,244.00 |
| 5080 · Magazine | 25,000.00 |
| 6000 · Board & Committees | |
| 6001 · Board of Directors | |
| 6001.1 · Food & Beverage | 1,000.00 |
| 6001.2 · Printing/Supplies | 2,000.00 |
| Total 6001 · Board of Directors | 3,000.00 |
| 6002 · Legislative Committee Meetings | 500.00 |
| 6003 · Program Committee Meetings | 600.00 |
| Total 6000 · Board & Committees | 4,100.00 |
| 6010 · Office Expenses / Supplies | 4,000.00 |
| 6011 · Postage & Delivery | 3,200.00 |

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget Overview

July 2017 through June 2018

| | <u>Jul '17 - Jun 18</u> |
|--------------------------------|--------------------------|
| 6020 · Spring Conference | |
| 6021 · Audio/Visual | 42,500.00 |
| 6024 · Hotel | |
| 6024.1 · Wednesday Night Event | 75,000.00 |
| 6024 · Hotel - Other | 275,000.00 |
| Total 6024 · Hotel | <u>350,000.00</u> |
| 6025 · Program Material | 30,000.00 |
| 6026 · Speakers | 50,000.00 |
| Total 6020 · Spring Conference | <u>472,500.00</u> |
| 6051 · Taxes & Licenses | 100.00 |
| 6053 · Technology/AMS/Website | 21,596.00 |
| 6054 · Travel | 35,900.00 |
| Total Expense | <u>1,626,107.01</u> |
| Net Ordinary Income | <u>-51,107.01</u> |
| Net Income | <u><u>-51,107.01</u></u> |

State Association of County Retirement Systems
Budget vs. Actuals
July through August 2017

| | <u>Jul - Aug 17</u> | <u>Annual Budget</u> | <u>\$ Over Budget</u> | <u>% of Budget</u> |
|--|---------------------|----------------------|-----------------------|--------------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4100 · Membership Dues | | | | |
| 4101 · Affiliates | 161,000.00 | 215,000.00 | -54,000.00 | 74.88% |
| 4102 · Non Profit - Organizations | 2,250.00 | 3,000.00 | -750.00 | 75.0% |
| 4103 · Non Profit - Systems | 4,500.00 | 6,000.00 | -1,500.00 | 75.0% |
| 4104 · Systems - Medium | 52,000.00 | 52,000.00 | 0.00 | 100.0% |
| 4105 · Systems - Large | 42,000.00 | 42,000.00 | 0.00 | 100.0% |
| Total 4100 · Membership Dues | <u>261,750.00</u> | <u>318,000.00</u> | <u>-56,250.00</u> | <u>82.31%</u> |
| 4250 · Product Income | | | | |
| 4255 · Magazine Advertising | 0.00 | 2,000.00 | -2,000.00 | 0.0% |
| Total 4250 · Product Income | <u>0.00</u> | <u>2,000.00</u> | <u>-2,000.00</u> | <u>0.0%</u> |
| 4270 · UC Berkeley Program | | | | |
| 4271 · Registrations | 37,500.00 | 75,000.00 | -37,500.00 | 50.0% |
| 4272 · Sponsorships | 23,500.00 | 50,000.00 | -26,500.00 | 47.0% |
| Total 4270 · UC Berkeley Program | <u>61,000.00</u> | <u>125,000.00</u> | <u>-64,000.00</u> | <u>48.8%</u> |
| 4300 · Fall Conference Registration | | | | |
| 4301 · Affiliates - Early | 83,640.00 | 185,000.00 | -101,360.00 | 45.21% |
| 4302 · Affiliates - Regular | 0.00 | 82,500.00 | -82,500.00 | 0.0% |
| 4303 · Affiliates - Late/Onsite | 0.00 | 36,000.00 | -36,000.00 | 0.0% |
| 4304 · Non Profit | 240.00 | 500.00 | -260.00 | 48.0% |
| 4305 · Systems | 9,480.00 | 22,500.00 | -13,020.00 | 42.13% |
| 4306 · Non-Members | 37,380.00 | 237,500.00 | -200,120.00 | 15.74% |
| 4307 · Fun Run | 240.00 | 1,000.00 | -760.00 | 24.0% |
| Total 4300 · Fall Conference Registration | <u>130,980.00</u> | <u>565,000.00</u> | <u>-434,020.00</u> | <u>23.18%</u> |
| 4350 · Spring Conference Registration | | | | |
| 4351 · Affiliates - Early | 0.00 | 185,000.00 | -185,000.00 | 0.0% |
| 4352 · Affiliates - Regular | 0.00 | 82,500.00 | -82,500.00 | 0.0% |
| 4353 · Affiliates - Late/Onsite | 7,680.00 | 36,000.00 | -28,320.00 | 21.33% |

State Association of County Retirement Systems
Budget vs. Actuals
July through August 2017

| | Jul - Aug 17 | Annual Budget | \$ Over Budget | % of Budget |
|--|---------------------|----------------------|-----------------------|--------------------|
| 4354 · Non Profit | 120.00 | 500.00 | -380.00 | 24.0% |
| 4355 · Systems | 3,360.00 | 22,500.00 | -19,140.00 | 14.93% |
| 4356 · Non-Members | 0.00 | 237,500.00 | -237,500.00 | 0.0% |
| 4357 · Fun Run | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| Total 4350 · Spring Conference Registration | 11,160.00 | 565,000.00 | -553,840.00 | 1.98% |
| 4900 · Interest Earned | 4,193.85 | | | |
| Total Income | 469,083.85 | 1,575,000.00 | -1,105,916.15 | 29.78% |
| Gross Profit | 469,083.85 | 1,575,000.00 | -1,105,916.15 | 29.78% |
| Expense | | | | |
| 5000 · Administrative Fee - SYAi | 29,211.16 | 175,267.01 | -146,055.85 | 16.67% |
| 5001 · Administrative Services | 389.00 | 21,000.00 | -20,611.00 | 1.85% |
| 5002 · Awards | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 5003 · Bank Charges/Credit Card Fees | 4,906.11 | 45,000.00 | -40,093.89 | 10.9% |
| 5010 · Berkeley & Symposium | | | | |
| 5011 · Audio/Visual | 0.00 | 500.00 | -500.00 | 0.0% |
| 5013 · Hotel | 0.00 | 4,000.00 | -4,000.00 | 0.0% |
| 5015 · Materials/Printing/Design | 578.88 | | | |
| 5016 · Travel | 219.00 | 500.00 | -281.00 | 43.8% |
| 5017 · UC Berkeley | 0.00 | 190,000.00 | -190,000.00 | 0.0% |
| Total 5010 · Berkeley & Symposium | 797.88 | 195,000.00 | -194,202.12 | 0.41% |
| 5030 · CERL | | | | |
| 5031 · Materials/Printing/Design | 0.00 | 20,000.00 | -20,000.00 | 0.0% |
| 5032 · Shipping | 0.00 | 5,000.00 | -5,000.00 | 0.0% |
| Total 5030 · CERL | 0.00 | 25,000.00 | -25,000.00 | 0.0% |
| 5040 · Commissions & Fees | 3,500.00 | 15,000.00 | -11,500.00 | 23.33% |
| 5041 · Consulting | 3,652.00 | 20,000.00 | -16,348.00 | 18.26% |
| 5042 · Dues & Subscriptions | 0.00 | 3,700.00 | -3,700.00 | 0.0% |
| 5050 · Fall Conference | | | | |
| 5051 · Audio/Visual | 0.00 | 42,500.00 | -42,500.00 | 0.0% |

State Association of County Retirement Systems
Budget vs. Actuals
July through August 2017

| | Jul - Aug 17 | Annual Budget | \$ Over Budget | % of Budget |
|--|---------------------|----------------------|-----------------------|--------------------|
| 5054 · Hotel | | | | |
| 5054.1 · Wednesday Night Event | 0.00 | 75,000.00 | -75,000.00 | 0.0% |
| 5054 · Hotel - Other | 0.00 | 275,000.00 | -275,000.00 | 0.0% |
| Total 5054 · Hotel | 0.00 | 350,000.00 | -350,000.00 | 0.0% |
| 5055 · Program Material | 0.00 | 30,000.00 | -30,000.00 | 0.0% |
| 5056 · Speakers | 0.00 | 50,000.00 | -50,000.00 | 0.0% |
| Total 5050 · Fall Conference | 0.00 | 472,500.00 | -472,500.00 | 0.0% |
| 5070 · Insurance | 3,293.74 | 6,000.00 | -2,706.26 | 54.9% |
| 5071 · Legal & Professional Fees | 5,300.00 | 25,000.00 | -19,700.00 | 21.2% |
| 5072 · Legislative Advocacy | 9,207.42 | 55,244.00 | -46,036.58 | 16.67% |
| 5080 · Magazine | 0.00 | 25,000.00 | -25,000.00 | 0.0% |
| 6000 · Board & Committees | | | | |
| 6001 · Board of Directors | | | | |
| 6001.1 · Food & Beverage | 1,114.06 | 1,000.00 | 114.06 | 111.41% |
| 6001.2 · Printing/Supplies | 853.02 | 2,000.00 | -1,146.98 | 42.65% |
| 6001.3 · Travel - BOD Meetings | 3,472.89 | | | |
| 6001.4 · Travel - Miscellaneous BOD | 434.11 | | | |
| Total 6001 · Board of Directors | 5,874.08 | 3,000.00 | -1,032.92 | 195.8% |
| 6002 · Legislative Committee Meetings | 0.00 | 500.00 | -500.00 | 0.0% |
| 6003 · Program Committee Meetings | 0.00 | 600.00 | -600.00 | 0.0% |
| Total 6000 · Board & Committees | 5,874.08 | 4,100.00 | 1,774.08 | 143.27% |
| 6010 · Office Expenses / Supplies | 439.06 | 4,000.00 | -3,560.94 | 10.98% |
| 6011 · Postage & Delivery | 145.77 | 3,200.00 | -3,054.23 | 4.56% |
| 6020 · Spring Conference | | | | |
| 6021 · Audio/Visual | 34,600.00 | 42,500.00 | -7,900.00 | 81.41% |
| 6024 · Hotel | | | | |
| 6024.1 · Wednesday Night Event | 0.00 | 75,000.00 | -75,000.00 | 0.0% |
| 6024.3 · Food & Beverage | 168,960.44 | | | |
| 6024 · Hotel - Other | 0.00 | 275,000.00 | -275,000.00 | 0.0% |
| Total 6024 · Hotel | 168,960.44 | 350,000.00 | -181,039.56 | 48.27% |

State Association of County Retirement Systems
Budget vs. Actuals
July through August 2017

| | Jul - Aug 17 | Annual Budget | \$ Over Budget | % of Budget |
|---------------------------------------|---------------------|----------------------|-----------------------|--------------------|
| 6025 · Program Material | 0.00 | 30,000.00 | -30,000.00 | 0.0% |
| 6026 · Speakers | 12,035.09 | 50,000.00 | -37,964.91 | 24.07% |
| 6027 · Supplies | 319.14 | | | |
| 6028 · Travel | 101.32 | | | |
| Total 6020 · Spring Conference | 216,015.99 | 472,500.00 | -256,484.01 | 45.72% |
| 6051 · Taxes & Licenses | 0.00 | 100.00 | -100.00 | 0.0% |
| 6053 · Technology/AMS/Website | 4,508.75 | 21,596.00 | -17,087.25 | 20.88% |
| 6054 · Travel | 813.63 | 35,900.00 | -35,086.37 | 2.27% |
| 9000 · BofA Credit Card Holding Acct | 3,283.94 | | | |
| Total Expense | 291,338.53 | 1,626,107.01 | -1,334,768.48 | 17.92% |
| Net Ordinary Income | 177,745.32 | -51,107.01 | 228,852.33 | -347.79% |
| Net Income | 177,745.32 | -51,107.01 | 228,852.33 | -347.79% |



5. SACRS Legislative Report & Legislative Proposals 2018 – Action Item

Tracy Towner, Legislative Committee Chair

- Ventura #1
- Ventura #2
- Tulare #1



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS LEGISLATIVE COMMITTEE REPORT – SEPTEMBER 2017

By Mike Robson and Trent Smith
September 28, 2017

On September 22, 2017, the SACRS Legislative Committee (Committee) met to consider three Legislative proposals submitted by member systems. The Committee received two proposals; one from the Ventura County Employees' Retirement System (VCERS) and one proposal from the Tulare County Employees' Retirement System (TCERS).

VCERS Proposal 1: This proposal would add a provision to County Employees Retirement Law (CERL) to define "surviving spouse" so as to include only a spouse who is legally married to the member, is neither divorced nor legally separated from the member, has lived with the member continuously from the date of marriage to the date of the member's death, and who meets all other requirements of CERL pertaining to the length of the marriage and the spouse's age at the time of the member's death.

The proposal is intended to address conflicting court cases. A recent court case in Contra Costa concluded that a legally separated spouse qualifies for a survivor continuance as the member's "surviving spouse". This opinion is contrary to the practices of at least eight CERL systems and three prior decisions issued by the Superior Court in Santa Barbara, Contra Costa, and Ventura Counties.

The Committee voted to recommend that SACRS sponsor legislation to define "surviving spouse" so retirement systems are not confused by the conflicting case law. The Committee did recommend a modified version of the proposed language that reads:

"Surviving spouse", as used in this Chapter, means a person who has legally married the member, is neither divorced nor legally separated from the member, is the spouse of the member at the time of the member's death, and who meets all other requirements of this Chapter pertaining to the length of the marriage, and the person's age at the time of the member's death.

VCERS Proposal 2: VCERS' second proposal would require an application for disability retirement to be filed within four months after the applicant knows or should have known that his or her illness or injury has become permanent.

The proposal is intended to address a recent court case where a member waited eight years after discontinuance of service to file for disability retirement.

The Committee agreed that waiting eight years is excessive. However, most committee members were uncomfortable placing a specific time frame in statute, as it would restrict the flexibility of the systems to address specific and unique cases that arise in their systems. The Committee voted to recommend that SACRS not sponsor legislation reflecting this proposal.

TCERS Proposal: Current law allows San Diego, Sacramento, Kern, San Joaquin, and Marin retirement systems the authority to exclude assistant administrators and chief investment officers from civil service. Employees working in these positions serve at the pleasure of, and may be dismissed at the will of, the appointed retirement board. TCERS proposed legislation to apply this law to all 1937 Act Systems.

The Committee voted to recommend that SACRS not sponsor legislation reflecting this proposal. However, they voted to recommend SACRS support legislation that provides this authority to TCERS if they introduced a Tulare specific bill.

The Committee agreed with the underlining policy of TCERS proposal. However, they believe legislation on this matter would likely be opposed by the counties based on their previous opposition of AB 1158; SACRS sponsored legislation in 2016 that would have provided more operational autonomy for 1937 Act Systems. Additionally, the Committee was concerned that a system-wide approach would run contrary to the Governor's veto message on AB 1158, which directed systems to reach agreement locally with their respective counties and then pursue individual legislation.



DANNIS WOLIVER KELLEY

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MEMORANDUM

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Sacramento, CA 95814

Tel 916.978.4040
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TO: Dan McAlister, President
State Association of County Retirement Systems

FROM: Marilyn L. Jacobs

DATE: September 25, 2017

RE: Amended and Restated Bylaws

The bylaws of an organization contain the rules that govern its operations. They generally contain provisions for electing directors; holding member, board of directors, and committee meetings; and addressing other essential formalities. As an organization evolves and changes, its bylaws should be periodically reviewed and amended to respond to these changes.

During the last 6 months, SACRS' Board of Directors ("Board") and the members of the various Standing Committees ("Committees") have been working to amend and restate the current Bylaws. It is my understanding that the Board and the Committees undertook this rather daunting project pursuant to their strategic plan, and because the organization is growing and they genuinely desire to see more members actively participate in SACRS.

As you will see in the attached document, the Bylaws were amended and restated to address situations not contemplated by the current Bylaws; eliminate statutory provisions that are not applicable to SACRS; and correct formatting and minor grammatical error contained in the Bylaws.

The significant changes made to the Bylaws include:

- increasing the number of Directors from 5 to 7. As amended, 2 regular members will now serve on the Board in addition to the Officers (President, Vice-President, Secretary and Treasurer) and the immediate Past President.
- streamlining the process for electing Directors. As revised, regular members must submit their nominees to the Nominating Committee no later than noon on March 1st. Write-in candidates are no longer permitted. The Nominating Committee will report its slate of candidates, along with the names of all nominees, to the regular member County Retirement Systems prior to March 25th.
- proposed changes made by the Standing Committees to their respective sections in the Bylaws. For example, the Nominating Committee section was revised to help ensure geographic diversity by restricting the number of representatives from each system. Also, in the event the immediate Past President is unable to Chair the Nominating Committee, the Chair of the Audit Committee is now responsible for appointing an alternate trustee to serve as the Chair. Finally, after serving their 2-year term, members of the Nominating Committee must wait 1 year before reapplying.
- limiting the number of committees that a member may apply to serve on to one (1) in order to encourage participation by more members.



BYLAWS STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

ARTICLE I NAME, MISSION, PURPOSES AND GENERAL POLICY

Section 1. Name. The name of this corporation is State Association of County Retirement Systems (“SACRS”).

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

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

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

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

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

ARTICLE II OFFICES

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

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

ARTICLE III **MEMBERSHIP**

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

- A. Regular Membership. Regular membership shall be extended to all duly elected or appointed members of County Retirement and Investment Boards operating under the County Employees Retirement Law of 1937, California Government Code 31450 et seq. Regular membership shall also be extended to the Administrator of a system operating under the County Employees Retirement Law of 1937 when said Administrator is employed by and reports directly to the Retirement Board of the Member county.
- B. Associate Membership. Associate membership shall be extended to (i) the staff of County Retirement and/or Investment Boards; (ii) those staff of the County Treasurer whose specific duties are retirement related; and (iii) legal counsel advising County Retirement and Investment Boards.
- C. Nonprofit Membership. Nonprofit organizations having an active interest in the purpose of SACRS may be extended nonprofit membership upon (i) the appropriate letter of application approved by the majority vote of the Board, and (ii) payment of the annual Nonprofit membership dues as set forth under Article III, Sections 5 and 6 herein. Nonprofit members will be comprised of two distinct tiers as follows: (i) Nonprofit Retirement Systems - defined as public retirement systems not eligible for regular membership; and (ii) Nonprofit Organizations - defined as nonprofit organization other than public retirement systems.
- D. Affiliate Membership. Affiliate membership may be extended to a retirement-related business or institutional investment-related company or firm on a first come, first served basis as follows: (i) submission of an appropriate letter of application approved by a majority vote of the Board; and (ii) payment of the annual Affiliate membership dues as set forth under Article III, Sections 5 and 6 herein.
- E. Past Presidents. Past Presidents who are no longer eligible for regular membership under Article III, Section 1(A), and who are not eligible for associate or affiliate membership under Article III, Section 1(B) and (D), shall be afforded lifetime membership and the privileges of membership held in the name of SACRS; and shall have their annual regular membership dues as defined in Article III, Section 5(A) and conference registration fees waived by SACRS.

Section 2. Rights of Regular Membership. Regular member County Retirement Systems shall have the right to vote, as set forth in these Bylaws, on (i) the election of the Officers/Directors, (ii)

the disposition of all or substantially all of the corporation's assets, (iii) any merger and its principal terms and any amendment of those terms, and (iv) any election to dissolve the corporation. In addition, the regular member County Retirement Systems shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

Section 3. Rights of Associate and Affiliate Membership. Associate and affiliate members shall be accorded all the rights and privileges to which any regular member is entitled except the right to vote and as specifically restricted in the Articles of Incorporation and these Bylaws.

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

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

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

Section 5. Membership Dues and Fees.

- A. Regular Members. Regular member County Retirement Systems shall pay annual dues as approved by the organization's delegates at any noticed meeting. This fee shall, in addition to a regular membership, entitle the member systems to an annual associate membership under Article III, Section 1(B) herein.
- B. Nonprofit Members. Nonprofit members shall pay annual dues in any amount determined by the Board.
- C. Affiliates. Affiliate members shall pay annual dues in any amount determined by the Board.
- D. Registration. Registration fees for meetings may be charged to all members in addition to annual dues.

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

Section 7. Membership Code of Conduct.

- A. 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.

- B. 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.
- C. 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:
- (1) Warning and/or Censure;
 - (2) Suspension or revocation of the privileges of any member or their designated representatives;
 - (3) Suspension of membership; and,
 - (4) Termination of membership.
- D. Affiliate Guidelines. Affiliate Members are and remain subject to additional guidelines as have been or may be approved by the Board.
- E. No Duty. Although SACRS endeavors 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.

ARTICLE IV DELEGATES

Section 1. Delegates. Regular member County Retirement Systems shall be entitled to one (1) voting delegate. The delegate shall be designated in writing by the County Retirement Board and shall be a regular member from the member County Retirement System consistent with Article III, Section 1(A) herein.

Section 2. Alternate Delegates. Alternate delegates may be designated in writing by the member County Retirement Board.

Section 3. Voting by Delegates/Alternative Delegates. Voting delegates serve as a proxy for their respective County Retirement System. The delegate or alternative delegate shall vote as directed by their respective County Retirement System.

Section 4. Credentials. Credentials for the delegates who are voting participants shall be filed with the Credentials Committee in writing prior to any meeting of SACRS at which voting will take place. Credentials shall include the names of the member County Retirement System, the delegate and alternate delegates, if any, consistent with Article IV, Sections 1 and 2 of these Bylaws.

ARTICLE V **MEMBER MEETINGS**

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

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

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

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

Section 5. Quorum. The presence of eleven (11) credentialed delegates (as defined in Article IV, Section 4) shall constitute a quorum for the transaction of business at all SACRS meetings. If, however, the attendance at any SACRS meeting, whether in person or by proxy, is less than one-third (1/3) of the voting power, the members may vote only on those matters specified in the meeting agenda described in Article V, Section 4 herein. Meetings may be restricted to regular members only by a majority vote of the quorum present.

Section 6. Voting. Voting at meetings of SACRS shall be the exclusive privilege of the delegates or alternate delegates. Voting delegates or alternate delegates must have proper credentials on file consistent with Article IV, Section 4 herein prior to voting. Each delegate or alternate delegate may cast one (1) vote on each matter submitted to vote of the members. Voting shall be by open roll-call. A simple majority vote of the quorum present shall pass all issues considered by the regular membership unless otherwise specified in the Articles of Incorporation or these Bylaws. A roll-call vote of delegates and alternate delegates shall decide any voice vote in doubt by the regular members present.

Section 7. Proxy. A delegate may issue his or her proxy to an alternate delegate from the same member County Retirement System. All proxies must be in writing, signed and filed with the Credentials Committee prior to voting.

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

Section 9. Resolutions. Any regular, associate and non-profit member may submit resolutions for consideration by the regular membership at any meeting. Submission of such resolutions shall be made in writing and sent by certified mail to the President at least thirty (30) days prior to any meeting of SACRS.

Section 10. Travel Expenses. The travel expenses incurred by officers and committee members may be reimbursed in accordance with the current SACRS travel policy.

ARTICLE VI **OFFICERS**

Section 1. Officers. The officers of SACRS, upon being elected, shall serve on the Board. The officers of SACRS shall be the President, Vice-President, Secretary, and Treasurer.

Section 2. Election and Qualification. The officers of SACRS shall be regular members of SACRS. The officers shall be elected pursuant to the procedure described in Article VIII, Section 2 by a majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year.

Section 3. Resignation of Officers. Any officer may resign pursuant to the procedure described in Article VIII, Section 7, however said Article VIII, Section 7 shall be superseded by any conflicting terms of a contract which has been approved or ratified by the Board relating to the employment of any officer of SACRS.

Section 4. President. The President shall be the Chief Executive Officer of SACRS and shall preside over all membership meetings and Board meetings. The President shall appoint committee members subject to the approval of the Board, and shall serve as an ex-officio member of all committees with the exception of the Nominating Committee. The President shall be responsible for the general administration of SACRS.

Section 5. Vice-President. The Vice-President shall, in the absence or inability of the President, perform the duties of the President.

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

Section 7. Treasurer. The Treasurer shall be the Chief Financial Officer of SACRS. The Treasurer shall act as custodian of all funds and financial records of SACRS; collect, deposit and disperse funds consistent with SACRS direction; prepare and present a written detailed financial report at each meeting of SACRS.

ARTICLE VII **BOARD ADVISORS**

Section 1. Chair of Affiliate Committee. The Chair of the Affiliate Membership Committee shall serve as an advisor and/or consultant to the Board for educational (not legislative) purposes.

Section 2. Vice Chair of Affiliate Committee. The Vice Chair of the Affiliate Membership Committee shall, in the absence or inability of the Chair of the Affiliate Committee, perform the duties of the Chair.

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

ARTICLE VIII **BOARD OF DIRECTORS**

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

- A. Immediate Past President. The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.
- B. Two (2) Regular Members. Two (2) regular members shall also be members of the Board with full voting rights.

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

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

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

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

Section 3. General Powers. Subject to limitations of the Articles of Incorporation and these Bylaws, the activities and affairs of SACRS shall be conducted and all corporate powers shall be exercised by or under the direction of the Board. The Board may delegate the management of the activities of SACRS to any person, persons, management company, or committees however composed, provided that the activities and affairs of SACRS shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

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

- A. To select and remove all the agents and employees of SACRS, prescribe powers and duties for them as are consistent with law, the Articles of Incorporation or these Bylaws, and fix their compensation.
- B. To conduct, manage, and control the affairs and activities of SACRS and to make such rules and regulations that are consistent with the law, the Articles of Incorporation, or these Bylaws, as they may deem best, including, but not limited to, executing all motions, resolutions, association positions and/or direction passed on by the membership at any meeting.
- C. To incur indebtedness, including but not limited to extensions of credit, for the purposes of SACRS, and to cause to be executed and delivered in SACRS' name.
- D. To change the principal office of SACRS in Sacramento County, California, from one location to another.
- E. To accept on behalf of SACRS any contribution, gift, bequest, or devise for the social welfare purposes of SACRS.
- F. To report to the regular membership, in writing, as soon as possible, all actions taken by the Board under this Article VIII.

Section 5. Term. The Directors shall hold office for one (1) year and until a successor Director has been designated and qualified.

Section 6. Vacancies. Vacancies on the Board shall exist in the event of:

- A. the death, resignation or removal of any Director;

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

Except for a vacancy created by the removal of a Director by the delegates and alternate delegates, vacancies occurring on the Board may be filled by Board approval or, if the number of Directors then in office is less than a quorum, by the affirmative vote of a majority of the Directors then in office at a meeting held pursuant to these Bylaws, or a sole remaining Director. The delegates and alternate delegates may fill any vacancy not filled by the Directors.

A person elected to fill a vacancy as provided by this Section shall hold office for the remaining term of the vacating Director, or until his or her death, resignation or removal from office.

Section 7. Resignation of Directors. Except as provided below, any Director may resign effective upon giving written notice to the Board, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, the Board may appoint a successor before such time, to take office when the resignation becomes effective and for the remaining term of the vacating Director. Except on notice to the California Attorney General, no Director may resign if the corporation would be left without a duly elected Director.

Section 8. Conflicts of Interest.

- A. All Directors shall comply with the disclosure requirements of California Corporation Code Section 5234 concerning transactions between SACRS and any other entity in which a Director is an officer or director; and
- B. SACRS will not lend money or other property, or guarantee the obligation, of any Director or officer, except as authorized by California Corporation Code Section 5236.

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

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

Section 11. Insurance for Corporate Agents. SACRS shall purchase and maintain Directors and Officers Insurance (D&O) and Errors and Omissions Insurance (E&O) on behalf of SACRS' Directors, officers, employee or other agents.

ARTICLE IX **MEETINGS OF THE BOARD OF DIRECTORS**

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

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

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

Section 4. Notice of Meetings. Written notice of the time and place of any special meeting shall be given to each Director by one of the following methods (i) personal delivery, (ii) first class mail, postage prepaid, (iii) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or (iv) Electronic Transmission if the Director has consented to accept notice in this manner. All notices shall specify the purpose of the special meeting and shall be given or sent to the Director's address, phone number, facsimile number or e-mail address as shown on SACRS' records.

Notices sent by first class mail shall be deposited into a United States mail box at least four (4) days prior to the time set the meeting. Notices given by personal delivery, telephone, voice messaging system, Electronic Transmission, or other similar means of communication shall be delivered at least forty-eight (48) hours prior to the time set for the meeting. Any notice given personally or by telephone may be communicated directly to the Director or to a person who would reasonably be expected to promptly communicate such notice to the Director.

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

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

Section 6. Validation of Meeting. Transactions of the Board at any meeting, however called or noticed or wherever held, shall be as valid as though the meeting had been properly called and noticed and duly held if (i) a quorum is present, and (ii) either before or after the meeting, each Director who was not present at the meeting signs a written waiver of notice, a consent to the holding the meeting, or an approval of the minutes. All waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7. Waiver of Notice. Notice of a meeting is not required to be given to any Director who (i) attends the meeting without protesting, before or at its commencement, about the lack of adequate notice, (ii) signs a waiver of notice or a written consent to holding the meeting, or (iii) signs an approval of the minutes whether before or after the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. Quorum. A majority of the Directors present in person or pursuant to Article IX, Section 5 shall constitute a quorum for the transaction of business, except as provided in Article IX, Section 11. A meeting, at which a quorum is initially present, may continue to transact business notwithstanding the withdrawal of Directors as long as the action is approved by at least a majority of the required quorum for the meeting.

Section 9. Majority Action as Board Action. Every act or decision done or made by a vote of the majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless a greater number is expressly required by SACRS' Articles of Incorporation, these Bylaw, or provisions of the California Nonprofit Public Benefit Corporation Law.

Section 10. Prohibition against Voting by Proxy. Directors may not vote by proxy.

Section 11. Adjournment. A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place of the next meeting are fixed at the adjourned meeting and if the adjourned meeting is held no more than twenty-four (24) hours from the time of the original meeting. Notice shall be given of any adjourned regular or special meeting to Directors absent from the original meeting if the meeting is adjourned for more than twenty-four (24) hours from the time of the original meeting.

ARTICLE X **POWERS OF COMMITTEES**

Section 1. Powers of Committees. The committees described in these Bylaws shall have the authority described herein, and any additional authority of the Board to the extent provided in a Board resolution. Notwithstanding the preceding sentence, no committee may do the following:

- A. Take any final action on any matter that, under the California Nonprofit Corporation Law, also requires approval of the members or approval of a majority of all members;
- B. Fill vacancies on the Board or any committee of the Board;

- C. Amend or repeal Bylaws or adopt new Bylaws;
- D. Amend or repeal any resolution of the Board that by its express terms cannot be amended or repealed by a committee;
- E. Create any other committees of the Board or appoint the members of committees of the Board; and
- F. Expend corporate funds to support a nominee for Director if more people have been nominated for Director than can be elected.

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

ARTICLE XI **STANDING COMMITTEES**

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

Section 2. Nominating Committee. The Nominating Committee shall be responsible for ascertaining the availability and interest of regular members to serve as Directors and officers of SACRS. The Nominating Committee shall consist of the following five (5) members: (i) the immediate Past President; (ii) one (1) member of the Program Committee appointed by the Program Committee Chair; (iii) one (1) member of the Legislative Committee appointed by the Legislative Committee Chair; (iv) one (1) member of the Bylaws Committee appointed by the Bylaws Committee Chair; and (v) one (1) member of the Education Committee appointed by the Education Committee Chair.

The immediate Past President shall serve as the Nominating Committee Chair. In the event the immediate Past President is unable to serve as the Nominating Committee Chair and there is no other qualified immediate Past President to serve in that capacity, the Chair of the Audit Committee shall appoint an alternate trustee (who satisfies the geographic diversity requirements in the immediately following paragraph) to chair the Nominating Committee.

To help ensure geographic diversity on the Nominating Committee, the immediate Past President and the Chairs of the Program Committee, the Legislative Committee, the Bylaws Committee and the Education Committee shall ensure that (i) only one (1) representative from a system serves on the Nominating Committee (this prohibition also applies to the system represented by the immediate Past President); (ii) Committee Chairs do not serve on the Nominating Committee, and (iii) no one from their respective systems serves on the Nominating Committee.

The members of the Nominating Committee shall serve a two (2)-year term, and may reapply for appointment following a one (1)-year break. The members of the Nominating Committee may not run for an office.

The Chairs of the Program Committee, the Legislative Committee, the Bylaws Committee and the Education Committee shall appoint members to the Nominating Committee no later than ninety (90) days prior to the second business meeting of SACRS each calendar year.

If there is a vacancy on the Nominating Committee (other than the immediate Past President), the Committee Chair responsible for appointing the seat that is being or has been vacated shall submit the name of his or her appointee to the Board for its consideration and approval.

Section 3. Bylaws Committee. The Bylaws Committee shall be comprised of not less than three (3) members, with at least one (1) regular trustee member, one (1) regular administrative member, and one (1) associate member. The President shall appoint the Bylaws Committee Chair, with Board approval. The Bylaws Committee shall be comprised of appointees selected from names submitted by the Bylaws Committee Chair, with Board approval, within forty-five (45) days after the President is notified of the vacancy. The Bylaws Committee shall be responsible for the maintenance of the Articles of Incorporation and the Bylaws.

Section 4. Program Committee. The Program Committee shall be comprised of not more than twenty-five (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 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 developing the 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; and attending quarterly Program Committee meetings, and as needed. Participation at conference includes: collecting feedback forms, assisting the moderator with question and answer component during sessions; coordinating the distribution of materials and; participating at networking events.

Length of appointment to committee: Committee members will serve three (3) year terms, and 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 or her term. Ex-Officio members are exempt from the term limitation process. Terms end at the completion of the Fall Conference.

Section 5. Audit Committee. The Audit Committee shall be comprised of two (2) regular members appointed by the Board from names submitted by the Audit Committee Chair within forty-five (45) days of the President taking office. The President shall appoint the Audit Committee Chair, with Board approval. Audit Committee members shall be familiar with auditing procedures; shall not receive, directly or indirectly, any consulting, advisory, or other compensatory fees from SACRS; and shall not be from the same County as SACRS' Treasurer. The Audit Committee shall be responsible for SACRS' audits, and its duties shall include, but shall not be limited to, the following:

- A. Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;
- B. Negotiating the auditor's compensation;
- C. Conferring with the auditor regarding SACRS' financial affairs; and
- D. Reviewing and accepting or rejecting the audit.

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

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

Section 7. Affiliate Membership Committee. The Affiliate Membership Committee shall be comprised of nine (9) affiliate member delegates, appointed by the President to serve three (3)-year terms on a staggered basis. If a committee member becomes ineligible to serve or resigns, a successor may be appointed by the Board for the remaining term of the outgoing member. The Affiliate Membership Committee shall provide counsel and advice to the Board regarding educational (not legislative) activities, and shall represent the Affiliate membership. Additional information regarding the Affiliate Membership Committee is located in the Affiliate Member Guidelines, as amended September 15, 2015.

Section 8. Education Committee. The Education Committee shall be comprised of not more than ten (10) members from names submitted by the Education Committee Chair, with Board approval. Such appointments shall be made within forty-five (45) days of the President being notified of the vacancy. The President shall appoint the Education Committee Chair, with Board approval.

The President may remove Education Committee members who miss twenty-five percent (25%) or more of the Education Committee meetings in any given year. The Education Committee shall be responsible for the educational activities of SACRS.

Participation on the Education Committee includes: Determining training needs of the SACRS community with input from the community itself through conference feedback and networking. Summary reports of feedback forms will be prepared by the Education Committee Chair and presented to the Board and Program Committee after each conference.

Meeting at each SACRS Conference, with additional meetings held as workload or needs require. Participating at conferences including review and summary of feedback forms at meetings, collection of feedback forms, and coordination of the distribution of materials.

Working closely with the Program Committee for pre-conference planning, brainstorming content and topics for general and concurrent sessions, and recruitment of speakers and moderators for all conference sessions.

Participating in subcommittees/workgroups as identified to address education/program issues needing specialized knowledge/focused efforts.

Attendance: Committee members accept the responsibility for carrying out the goals of the Education Committee when appointed, and meeting attendance is part of that responsibility. If a Committee member will be absent from a meeting, a written notice shall be submitted to the Committee Chair before the meeting date (email suffices as a written notice). If a Committee member is absent from two (2) consecutive regularly scheduled Committee meetings without providing notice to the Committee Chair, the Committee Chair may request that the President remove Education Committee members, with Board approval.

Length of appointment to the Education Committee. Members shall be reviewed by the Education Committee Chair every three (3) years. The President, with Board approval, may remove individuals if it is determined to be in the best interest of SACRS. Any member removed from the Education Committee may be eligible to be reappointed to the Education Committee following the next annual meeting at which the Board is elected.

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

Section 10. Meetings and Action of Committees. Committee meetings and actions shall be governed by, noticed, held and taken in accordance with the provisions of Article IX, with such changes in the context of Article IX as are necessary to substitute the committee and its members for the Board and its members, except that the time for regular meetings and special meetings of committees may be fixed by the Board or the committee. The minutes of all committee meetings shall be filed with the corporate records. The Board may also adopt rules and regulations for conducting committee meetings that are consistent with the provisions of these Bylaws. Committee expenditures of SACRS funds require prior Board approval.

Section 11. Members Serving on Committees. A member may not simultaneously serve on more than one (1) standing committee.

Section 12. System Representation on a Committee. Each standing committee shall not have more than one (1) representative from each system.

ARTICLE XII **CORPORATE RECORDS**

Section 1. Maintenance of Corporate Records. SACRS shall keep at its principal office in California:

- A. Minutes of all meetings of the Board and the committees, indicating the time and place of holding such meetings, whether regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- B. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains and losses;
- C. A copy of SACRS' Articles of Incorporation and Bylaws, as amended to date, which shall be open to inspection at all reasonable times during office hours;
- D. A copy of its federal and state tax exemption application and determination letters, and, for the last three (3) years from their date of filing, its annual federal and state information returns. These documents shall be open to public inspection and copying to the extent required by the Code.

Section 2. Inspection Rights. Every Director and member shall have the right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of SACRS.

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

ARTICLE XIII **FISCAL YEAR AND ANNUAL AUDIT**

Section 1. Fiscal Year. The fiscal year of SACRS shall be July 1 through June 30.

Section 2. Annual Audit. There shall be an annual audit of SACRS.

ARTICLE XIV **INDEMNIFICATION**

Section 1. Indemnification. SACRS may, to the maximum extent permitted under the Nonprofit Public Benefit Corporations Law and general California Corporation Law, as now or

hereafter in effect, indemnify each person who is or was a Director or officer of SACRS against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising against any one or more of them, based on their conduct as Directors or officers, or by reason of the fact that any one or more of them is or was a Director or officer of SACRS. "Proceeding" means any threatened, pending, or completed action or proceeding whether civil, criminal, administrative or investigative; and "expenses" includes without limitation attorney's fees and any expenses of establishing a right to receive indemnification from SACRS.

ARTICLE XV WINDING UP AND DISSOLUTION

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

ARTICLE XVI AMENDMENTS

Section 1. Amendment of Articles of Incorporation and Bylaws. Amendments to the Articles of Incorporation and Bylaws may be proposed by the Board, any regular member of SACRS, or any standing committee. Proposed amendments shall be submitted in writing by certified mail to the President at least sixty (60) days before any meeting of SACRS. The President shall submit the proposed amendments to the membership at least thirty (30) days before any meeting of SACRS. A two-thirds (2/3) vote of a quorum present at any meeting of SACRS is required to adopt an amendment.

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

ARTICLE XVII CONSTRUCTION AND DEFINITIONS

Section 1. Construction and Definitions. Except as provided in these Bylaws and/or unless the context requires otherwise, the general provisions, rules of construction, and definitions of the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without

limiting the generality of the above, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both SACRS and the natural person.

Section 2. Specific Definitions. For purposes of these Bylaws, the following terms have the following meanings specified:

- A. Business Day. Any day other than a Saturday, Sunday, or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

- B. Electronic Transmission. Notice given by SACRS by Electronic Transmission shall be valid only if:
 - (1) delivered by (i) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with SACRS; (ii) posting on an electronic message board or network that SACRS has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered on the later of the posting or delivery of the separate notice of it; or (iii) other means of electronic communications;
 - (2) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications; and
 - (3) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

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

CERTIFICATE OF THE SECRETARY

I, the undersigned, do hereby certify that:

1. I am the Secretary of the State Association of County Retirement Systems, a California nonprofit public benefit corporation ("SACRS"); and

2. The foregoing is a true and correct copy of the Bylaws of SACRS and that such Bylaws were duly adopted by the Board of Directors on May 13, 2016.

IN WITNESS WHEREOF, I have hereunto subscribed and affixed my name on _____, 2017.



SACRS VOTING PROXY FORM

The following are authorized by the Sacramento County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference (*if you have more than one alternate, please attach the list of alternates in priority order*):

Annette St. Urbain -- Voting Delegate

Robert Gaumer -- Alternate Voting Delegate

These delegates were approved by the Retirement Board on 10 /18 /17.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: _____

Print Name: Rick Fowler

Position: Board President

Date: October 18, 2017

Please send your system's voting proxy by **October 1, 2017** to:

SACRS
Attn: Sulema H. Peterson, SACRS Administrator
1415 L Street, Suite 1000
Sacramento, CA 95814

E-mail: sacrs@sacrs.org