SACRS
State Association of County Retirement Systems
Staff ★ Trustees ★ Affiliates ★ Success
A California Non Profit Corporation

SACRS Business Meeting Agenda
Friday, May 15, 2015
9:45 AM- Upon Adjournment
Anaheim Marriott, Anaheim, CA
Marquis Center Ballroom

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

1. SACRS System Roll Call
Zandra Cholmondeley, SACRS Secretary

2. Secretary's Report – Receive and File
Zandra Cholmondeley, SACRS Secretary

A. November 2014 SACRS Business Meeting Minutes

3. Treasurer's Report – Receive and File
Dan McAllister, SACRS Treasurer

A. July 2014 – March 2015
B. SACRS 2015-2016 Proposed Budget

4. SACRS Nomination Committee – 2015-2016 SACRS BOD Elections - Vote
Ray McCray, Nomination Committee Chair

A. SACRS BOD 2015 – 2016 Slate of Candidates

5. SACRS President Report – No Action
Yves Chery, SACRS President

6. SACRS Strategic Facilitator Report – No Action
Jim Lites, SACRS Strategic Facilitator

7. SACRS Audit Report – Receive and File
Steve Delaney, SACRS Audit Committee Chair

A. SACRS 2013-2014 Audit

8. SACRS Legislative Committee Update – No Action
Richard Stensrud, SACRS Legislative Committee Chair

A. 2015 SACRS Legislation Update

9. SACRS Bylaws Committee Report – Vote
Vivian Gray, SACRS Bylaws Committee Chair

A. Cover letter for Bylaws and proposed changes in both red lined and final

10. SACRS Committee & Breakout Reports:

Committee	Chair	Breakout Reports	Representative
Affiliate	Michael Bowman	Administrators	Greg Levin
Audit	Steve Delaney	Attorneys	Bob Valer
Bylaws	Vivian Gray	Disability	Jackie Purter
Education	Christie Porter	Internal Auditors	Harsh Jadhav
Legislative	Richard Stensrud	Investment Officers	Steve Marsh
Nomination	Ray McCray	Ops & Benefits	Theodore King
Program	John Kelly	Safety Trustees	Tracy Towner
		General Trustees	John Kelly

Next scheduled SACRS Association Business Meeting will be held Friday, November 20, 2015, San Diego Marquis, San Diego, CA.

2. Secretary's Report – Receive and File
Zandra Cholmondeley, SACRS Secretary

A. November 2014 SACRS Business Meeting Minutes

SACRS Business Meeting Minutes
Friday, November 14, 2014
Called to order at 10:18 a.m.
The Monterey Hyatt, Monterey CA

SACRS Parliamentarian –David Lantzer, Orange CERA
Sergeant at Arms – Absent

1. County Roll Call
Zandra Cholmondeley, SACRS Secretary

19 Systems Present
1 System absent – San Bernardino CERA

2. Secretary's Report
Zandra Cholmondeley, SACRS Secretary

- May 2014 SACRS Business Meeting Minutes – Receive and File

Motion: A motion to receive and file the May 2014 SACRS Business Meeting Minutes was submitted by San Diego CERA.
2nd: Alameda
Yes: 19
No: 0
Absent: 1
Motion Passes 19-0-1

3. Treasurer's Report – Receive and File
Dan McAllister, SACRS Treasurer

- SACRS Financials – July 2014 – September 2014

Motion: A motion to receive and file the Treasurers report was submitted by Los Angeles.
Discussion: Sean Webb and Maya Gladstern, Marin CERA, had a question regarding budget expenditures for the proposed communication project. Robert Palmer, Executive Director/Strategic Facilitator addressed the membership with background on the line item, the progress of the communication project and relayed that the Board would address at the January 2015 Board of Directors meeting.
2nd: Ventura
Yes: 19
No: 0
Absent: 1
Motion passes 19-0-1

4. Board of Director's Report – No Action
Yves Chery, SACRS President

- Board of Directors Update

5. Audit Committee Report –No Action
Steve Delaney, Audit Committee Chair

- Audit Committee Update – the Audit will be on the next agenda for the membership in May 2015.

**At this time an item not on the agenda was taken up by the President, Yves Chery. Yves designated that this item is 5A.
Yves introduced Tracy Towner, Ventura CERA Trustee and SACRS Legislative Committee member and Communications Project Ad Hoc Committee member. Tracy reported on the following:
What the committee is trying to do:

- Provide better communication to the members, stakeholders and the community on matters that concern DB Pension plans.
- The role of the committee is to investigate how SACRS can better fulfill the mission statement with strengthen communication and education capacity.
- Disseminating information to the member systems.

SACRS Member Input:

- Assess communications needs and interests of member systems
- Engage with members (including existing committees) on education capacity and priorities
- Solicit ideas from members on key issues impacting member systems
- Develop a proposal on how SACRS can strengthen communications with members

SACRS Sets Precedence:
Annual Conference, Magazine, Special Symposiums, Training FPPC and Ethics, Studies and Task Force. All these are projects that SACRS offers already as our educational opportunities for members and the community. The Communication project would fall under the same category of education.

The Ad Hoc committee would like to develop a proposal for the membership but first they would; survey the membership, retain a communications specialist/PR firm to assist with new communication efforts. Identify possible communication practices, hold a symposium to discuss best practices and develop a proposal for communication and education. Once these tasks are done the committee would circulate and review the proposal with members and then the membership would decide whether to move forward with the project.

An opportunity to discuss the Ad Hoc Committee proposal/project took place as the completion of Tracy's presentation.
Marin: Discussed challenges in their local area. They expressed their good relationship with their plan sponsor and not wanting to upset the continuity they have in their area. Maya mentioned the possible use of NIRS as a source of educational information to disseminate. The potential of SACRS using their own PR group may come across as self-serving.
Orange: Chris agreed with Maya that the use of NIRS may be the better approach.
Los Angeles: Vivian mentioned NIRS presentation and their educational offerings, research, website and data that are available to SACRS.
Santa Barbara: Ward asked for the slides that Tracy presented.
Sacramento: Richard followed up on Tracy's comments, the possible inclusion of a NIRS researcher at UC Berkeley that may be able to assist with the project. Buy in from the member systems needs to happen to make the project work; the committee will make every effort to communicate all activity to the membership.

6. SACRS Executive Director Report – No Action
Robert Palmer, SACRS Executive Director

- Projects for 2014-2015
- IRS review/monitoring project – SACRS has RFP for IRS review/monitoring services to assist the Association to maintain the CERL in compliance with new requirements/legislation happening on a nation and local level.
- Trustee Database – The President would like to develop a trustee database for disseminating information directly to Trustees. SACRS will be sending information to the systems requesting volunteer participation.
- CERL reorganization – SACRS hired Dave Muir to review the order with which the CERL is organized. He is developing an index to the CERL. The Legislative committee will review prior to any action.

7. SACRS Legislative Proposals 2015 – Action Item
Richard Stensrud, Legislative Committee Chair

- LACERA #1

Motion: A motion to approve the LACERA #1 proposal was submitted by San Diego.
2nd: Tulare
Yes: 19
No: 0
Absent: 1
Motion Passes 19-0-1

- SACRS BOD CERL Reorganization
  Based on the discussion during Bob Palmers report, this item was pulled from the agenda and referred back to the Legislative Committee.

8. SACRS Bylaws Committee Proposal – Action Item
Maya Gladstern, Audit Committee Chair

- Bylaw proposal for Audit Committee

Motion: a motion to approve proposal #1 that addresses changing the title of the "Executive Director" to "Strategic Facilitator" was made by San Diego. The motion also included a correction to the 4th whereas – the word "be" should not be stricken. The word "have" should be stricken.
2nd: Ventura
Yes: 19
No: 0
Absent: 1
Motion Passes 19-0-1

9. SACRS Nomination Committee – No Action
Ray McCray, Nomination Committee Chair

- Schedule for the Spring 2015 Board of Directors Election

DEADLINE	DESCRIPTION
February 2, 2015	Nominating Committee receives nominations from SACRS membership
March 2, 2015	Nominating Committee submits its recommended ballot to each 1937 Act Board
March 23, 2015	Nominating Committee receives nominations from any 1937 Act Board
April 1, 2015	Nominating Committee submits final ballot to each 1937 Act Board – ballot consists of recommended ballot plus anybody else who is nominated but not recommended by the NC
May 15, 2015	Conduct elections during the SACRS Business Meeting (at end of the May 2015 conference)
May 15, 2015	Board of Directors take office for 1 year

Continued

10. SACRS Committee & Breakout Reports:

Committee	Breakout Reports
Affiliate – See breakout report	Administrators – Vince Brown gave a report on the Administrators breakout. They discussed how to improve communications with your Board, celebration for David Baily retirement, and had a lively roundtable discussion.
Audit – Steve Delaney, Chair See agenda item	Affiliate - Susan Marshall gave a report on the Affiliate breakout. It was well attended; they discussed the membership rules for the committee, reported on affiliate attendance and participation at conference. They reviewed the process of program agenda & speakers. Also discussed other association's membership structures/participation requirements. Promised the Affiliate committee would survey the Affiliate membership for input and report back to the Board.
Bylaws – Maya Galdstern. Chair See agenda item	Counsels – Sulema Peterson gave a report on behalf of Bob Gaumer. They discussed; Whether systems were going to change their approach to the definition of Pensionable Compensation in light of the new regulations recently adopted by CalPERS; Issues related to language in Model Domestic Relations Orders and whether there was an need to amend; Issues related to reciprocity and the Judicial Retirement System How systems are dealing with felony forfeitures. There were short discussion relating to the use of commingled funds versus funds of one and the impact of the US Supreme Court's dismissal of the IndyMac case. The session concluded with a lively discussion related to the proposed CERL Reorganization project.
Education – Kathy Foster gave the report on behalf of Christie Porter. Lots of participation at the tabulation meeting. The preliminary report is that they received lots of positive comments on the conference. A full report will be submitted to the Board in January.	Disability – No report
Legislative – Richard Stensrud, Chair See agenda item	Internal Auditors – Harsh Jadhav gave a report on the auditor's breakout. They had a panel discussion on best practice, their speaker was Bob Griffin. A new feature this year is that they added Accountants to their session.

Nomination – Ray McCray, Chair See agenda item	Investment Officers – Nancy Calkins reported that they had a good and interactive session that was well attended.
Program – John Kelly, Chair Thank you to the program committee members for their hard work and dedication to making it a successful conference.	Operations & Benefits – Carlos Barrios gave a report, said that they discussed; Non service connected disability issues. Best practices for Portals and how complete compensations. Followed by a roundtable.
	Safety Trustees – Skip Murphy said the session was well attended. They discussed the Ventura initiative decision/background
	General Trustees – John Kelly gave a report on the Trustee breakout. The group had an FPPC update on reporting requirements and regulation.

11. Adjournment
Motion: A motion to adjourn the meeting was submitted by San Diego.
2nd: Stanislaus
Yes: 19
No: 0
Absent: 1
Motion Passes 19 – 0 – 1

Next scheduled SACRS Association Business Meeting will be held Friday, May 15, 2015 at the Anaheim Marriott, Anaheim, California.

3. Treasurer's Report – Receive and File
Dan McAllister, SACRS Treasurer

A. July 2014 – March 2015
B. SACRS 2015-2016 Proposed Budget

State Association of County Retirement Systems
Balance Sheet
As of March 31, 2015

		Total
ASSETS		
Current Assets		
Bank of Sacramento - CD FLEX #0899	$	-
Bank of Sacramento - Checking		54,822.27
Bank of Sacramento - CD FLEX #0642		57,077.49
Bank of Sacramento - MMA #0719		-
Bank of America Interest Checking #4389		167,302.57
Total Bank Accounts	$	279,202.33
Other Current Assets		
CalTrust - Medium Term	$	1,104,130.21
CalTrust - MMA		754,247.01
Total Other Current Assets	$	1,858,377.22
TOTAL ASSETS	**$**	**2,137,579.55**
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities	$	-
Total Current Liabilities		-
Total Liabilities	**$**	-
Equity		
Retained Earnings	$	1,739,033.25
Net Income		398,546.30
Total Equity	$	2,137,579.55
TOTAL LIABILITIES AND EQUITY	**$**	**2,137,579.55**

State Association of County Retirement Systems
Budget vs. Actuals
July 2014 - March 2015

	July 2014 - March 2015 Actual	July 2014 - March 2015 Budget	Over/Under July 2014 - March 2015 Budget	Percentage of Annual Budget Recognized	Annual Budget
Income					
Billable Expense Income	5,560.00		5,560.00		
Conference Registration	853,590.00	689,994.00	163,596.00	92.78%	920,000.00
Membership Dues - Affiliates	203,000.00	161,244.00	41,756.00	94.42%	215,000.00
Membership Dues - Non Profit	8,500.00	6,750.00	1,750.00	94.44%	9,000.00
Membership Dues - Systems	94,000.00	70,497.00	23,503.00	100.00%	94,000.00
Sales of Product Income	651.00	747.00	(96.00)	65.10%	1,000.00
UC Berkeley Registration	52,500.00	56,250.00	(3,750.00)	70.00%	75,000.00
UC Berkeley Sponsorships	10,000.00	48,744.00	(38,744.00)	15.38%	65,000.00
Total Income	**$ 1,227,801.00**	**$ 1,034,226.00**	**$ 193,575.00**	**89.04%**	**$1,379,000.00**
Gross Profit	**$ 1,227,801.00**	**$ 1,034,226.00**	**$ 193,575.00**	**89.04%**	**$1,379,000.00**
Expenses					
Administrative Fee (SLGS)	120,778.54	110,952.00	9,826.54	81.64%	147,938.00
Administrative Services	3,658.04	15,750.00	(12,091.96)	17.42%	21,000.00
Audio/Visual equipment	38,390.51	59,994.00	(21,603.49)	47.99%	80,000.00
Bank Charges/Credit Card Fees	36,679.33	29,997.00	6,682.33	91.70%	40,000.00
Berkeley & Symposium	105,328.25	142,497.00	(37,168.75)	55.44%	190,000.00
Credit Card Holding Account	3,160.98	-	3,160.98		
CEO	30,170.32	56,250.00	(26,079.68)	40.23%	75,000.00
CERL	9,098.89	56,250.00	(47,151.11)	12.13%	75,000.00
Commissions & Fees	9,199.13	3,744.00	5,455.13	183.98%	5,000.00
Consulting	22,500.00	23,751.00	(1,251.00)	71.04%	31,672.00
Dues & Subscriptions	3,637.26	333.00	3,304.26	817.36%	445.00

State Association of County Retirement Systems
Budget vs. Actuals
July 2014 - March 2015

	July 2014 - March 2015 Actual	July 2014 - March 2015 Budget	Over/Under July 2014 - March 2015 Budget	Percentage of Annual Budget Recognized	Annual Budget
Education	8,134.77	14,994.00	(6,859.23)	40.67%	20,000.00
Hotels	326,929.26	315,000.00	11,929.26	77.84%	420,000.00
Insurance	4,748.40	1,494.00	3,254.40	237.42%	2,000.00
Legal & Professional Fees	34,693.02	18,747.00	15,946.02	138.77%	25,000.00
Lobby	38,475.00	38,430.00	45.00	75.07%	51,250.00
Meals and Entertainment	1,084.59	63,747.00	(62,662.41)	1.28%	85,000.00
Office Expenses	239.26	1,458.00	(1,218.74)	12.27%	1,950.00
Postage	748.68	1,494.00	(745.32)	37.43%	2,000.00
Program Material	16,763.41	23,994.00	(7,230.59)	52.39%	32,000.00
Speakers	9,790.87	37,494.00	(27,703.13)	19.58%	50,000.00
Stationery & Printing	1,754.65	900.00	854.65	146.22%	1,200.00
Supplies	62.43	1,125.00	(1,062.57)	4.16%	1,500.00
Taxes & Licenses	10.00	72.00	(62.00)	10.00%	100.00
Travel	4,787.03	14,994.00	(10,206.97)	23.94%	20,000.00
Total Expenses	**$ 830,822.62**	**$ 1,033,461.00**	**$ (202,638.38)**	**60.29%**	**$1,378,055.00**
Net Operating Income	**$ 396,978.38**	**$ 765.00**	**$ 396,213.38**	**42008.29%**	**$ 945.00**
Other Income					
Interest Earned	1,567.92	1,323.00	244.92		1,765.00
Total Other Income	**$ 1,567.92**	**$ 1,323.00**	**$ 244.92**	**0.00%**	**$ 1,765.00**

State Association of County Retirement Systems
Budget vs. Actuals
July 2014 - March 2015

	July 2014 - March 2015 Actual	July 2014 - March 2015 Budget	Over/Under July 2014 - March 2015 Budget	Percentage of Annual Budget Recognized	Annual Budget
Other Expenses					
Operation Reserve	-	2,025.00	(2,025.00)	0.00%	2,710.00
Total Other Expenses	**$ -**	**$ 2,025.00**	**$ (2,025.00)**	**0.00%**	**$ 2,710.00**
Net Other Income	**$ 1,567.92**	**$ (702.00)**	**$ 2,269.92**	**-165.92%**	**$ (945.00)**
Net Income	**$ 398,546.30**	**$ 63.00**	**$ 398,483.30**	**41842.38%**	**$ -**

SACRS FY 2015/2016 BUDGET

	FY 2015/2016 Proposed Budget
Income	
Billable Expense Income	-
Conference Registration	1,020,000.00
Membership Dues - Affiliates	215,000.00
Membership Dues - Non Profit	8,500.00
Membership Dues - Systems	94,000.00
Sales of Product Income	500.00
UC Berkeley Registration	75,000.00
UC Berkeley Sponsorships	65,000.00
Total Income	1,478,000.00
Expenses	
Administrative Fee (SLGS)	152,376.14
Administrative Services	21,000.00
Audio/Visual Equipment	85,000.00
Awards	1,000.00
Bank Charges/Credit Card Fees	45,000.00
Berkeley & Symposium	190,000.00
CEO -Strategic Facilitator	75,000.00
CERL	25,000.00
Commissions & Fees	5,000.00
Consulting	32,622.16
Dues & Subscriptions	3,700.00
Education - Magazine	25,000.00
Hotels	450,000.00
Insurance	7,500.00
Legal & Professional Fees	25,000.00
Lobby	52,787.00
Meals and Entertainment	85,000.00
Office Expenses	1,000.00
Postage	2,000.00
Program Material	35,000.00
Speakers	60,000.00
Stationery & Printing	1,200.00
Supplies	1,500.00
Taxes & Licenses	100.00
Travel	25,000.00
Total Expenses	1,406,785.30
Net Operating Income	71,214.70
Other Income	
Interest Earned	1,765.00
Total Other Income	1,765.00
Other Expenses	
Miscellaneous	
Operation Reserve	-
Total Other Expenses	-
Net Other Income	1,765.00
Net Income	$ 72,979.70

4. SACRS Nomination Committee – 2015-2016 SACRS BOD Elections - Vote
Ray McCray, Nomination Committee Chair

A. SACRS BOD 2015 – 2016 Slate of Candidates

SACRS
State Association of County Retirement Systems
Staff ★ Trustees ★ Affiliates ★ Success
A California Non Profit Corporation

SACRS MEMORANDUM

April 1, 2015

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

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

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

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

"…The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee's final ballot provided the Nominating Committee receives those write-in candidates prior to March 25th.
The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1.
The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and placing the election of SACRS Officers on his or her Board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee…"

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

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

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

Continued

SACRS
State Association of County Retirement Systems
Staff * Trustees * Affiliates * Success
A California Non Profit Corporation

SACRS Nominating committee recommended 2015-2016 slate:

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

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

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

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

Sincerely,

Raymond McCray

Raymond McCray, San Joaquin County
SACRS Nominating Committee Chair

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

RMC:shp

5. SACRS President Report – No Action & No printed materials
Yves Chery, SACRS President

6. SACRS Strategic Facilitator Report – No Action & No Printed materials
Jim Lites, SACRS Strategic Facilitator

7. SACRS Audit Report – Receive and File
Steve Delaney, SACRS Audit Committee Chair

A. SACRS 2013-2014 Audit

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2014 AND 2013

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2014

EXECUTIVE COMMITTEE

Yves Chery
President

John Kelly
Vice President

Dan McAllister
Treasurer

Zandra Cholmondeley
Secretary

Susan Marshall
Affiliate Chair

Ray McCray
Immediate Past President

* * * *

Sulema Peterson,
Strategic Local Government Services LLC
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2014

TABLE OF CONTENTS

James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statement of cash receipts and disbursements of the State Association of County Retirement Systems for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

701 Howe Avenue, Suite E3, Sacramento, CA 95825 916-993-9494 fax 916-993-9489
www.jpmcpa.com jmarta@jpmcpa.com

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2014 and 2013, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 2, 2015

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

	2013-14	2012-13
Cash Receipts		
Dues	$ 318,000	$ 313,000
Conference		
Fall	564,390	561,430
Spring	483,250	530,020
Seminars	145,000	94,150
Other Admin Receipts	269	124
Other Conference Receipts	6,300	6,684
Interest	2,041	1,014
Total Cash Receipts	1,519,250	1,506,422
Cash Disbursements		
Conference		
Fall - 2013 and 2012		
Hotel and meals	328,405	258,387
Audio and visual	36,800	37,725
Printing and badges	-	-
Program materials	46,591	43,763
Spring - 2014 and 2013		
Hotel and meals	86,618	8,442
Audio and visual	41,759	36,250
Printing and badges	-	-
Program materials	35,892	31,224
Seminars	205,617	185,229
Conference Administration	17,136	21,580
Prior Year and Other Expenses	199,830	37,469
Total conference disbursements	998,648	660,069
Administration	274,954	283,465
Legislative representation	281	964
Lobbying	76,375	76,000
Newsletters	-	750
Committee meetings	1,911	1,752
Special projects	26,435	-
Total administration disbursements	379,956	362,931
Total Cash Disbursements	1,378,604	1,023,000
Excess (Deficit) of Cash Receipts over Cash Disbursements	140,646	483,422
Cash and Equivalents, Beginning	1,590,617	1,107,195
Cash and Equivalents, Ending	$ 1,731,263	$ 1,590,617

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

---

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Strategic Local Government Services, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the Association's financial position and operations.

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled, this report is presented as supplementary information.

2. CASH AND CASH EQUIVALENTS

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2014	2013
Bank accounts	$ 619,631	$ 730,008
Bank certificates of deposit	357,634	357,001
Money market accounts	753,998	503,608
Total cash and cash equivalents	$ 1,731,263	$ 1,590,617

Cash in bank accounts at June 30, 2014 consisted of the following:

	Bank of America	Bank of Sacramento	Total
Per bank	$ 268,311	$ 343,848	$ 612,159
Checks outstanding	-	(10,578)	(10,578)
Deposits in transit	-	18,050	18,050
Total bank accounts	$ 268,311	$ 351,320	$ 619,631

Cash in bank accounts at June 30, 2013 consisted of the following:

	Bank of America	Bank of Sacramento	Total
Per bank	$ 454,990	$ 298,344	$ 753,334
Checks outstanding	-	(23,326)	(23,326)
Deposits in transit	-	-	-
Total bank accounts	$ 454,990	$ 275,018	$ 730,008

Cash balances on interest-bearing accounts held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). The amount in excess of FDIC as of June 30, 2014 and 2013 was $112,159 and $253,334, respectively.

3. CONTRACTS

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

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2014	$73,397- $154,774	$75,000	870	696	$189 plus tax
Spring 2015	$48,015-$192,060	$140,000	990	792	$194 plus tax
Fall 2015	$57,659-$230,635	$75,000	990	792	$229 plus tax
Spring 2016	$28,432 -$213,240	$99,000	842	674	$226 plus tax
Fall 2016	$50,544-$299,674	$80,000	888	710	$229 plus tax
Fall 2018	$55,418-$286,672	$100,000	968	774	$226 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS management has evaluated subsequent events through April 2, 2015, the date which the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

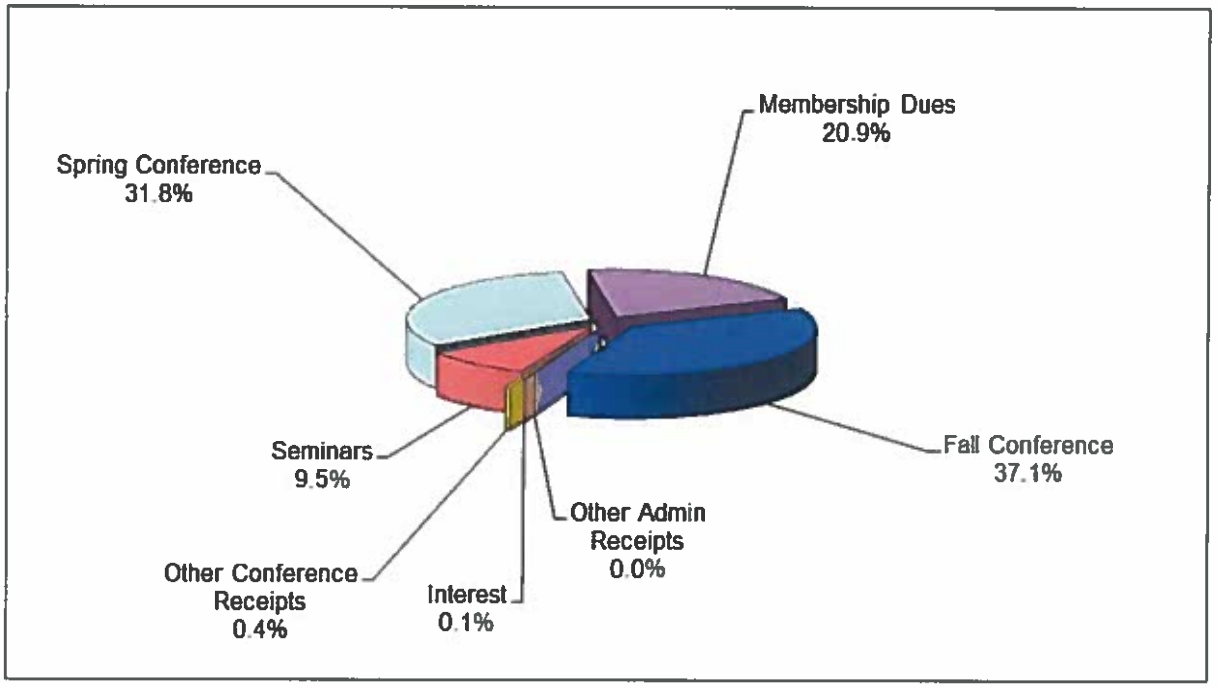
	Conference	Administration	Total
Cash Receipts			
Dues	$ -	$ 318,000	$ 318,000
Conference			
Fall	564,390	-	564,390
Spring	483,250	-	483,250
Seminars	145,000		145,000
Other Admin Receipts	-	269	269
Other Conference Receipts	6,300	-	6,300
Interest	2,041	-	2,041
Total Cash Receipts	1,200,981	318,269	1,519,250
Cash Disbursements			
Conference			
Fall - 2013			
Hotel and meals	328,405	-	328,405
Audio and visual	36,800	-	36,800
Program materials	46,591	-	46,591
Spring - 2014			
Hotel and meals	86,618	-	86,618
Audio and visual	41,759	-	41,759
Program materials	35,892	-	35,892
Seminars	205,617	-	205,617
Conference Administration	17,136	-	17,136
Prior Year and Other Expenses	199,830	-	199,830
Total conference disbursements	998,648	-	998,648
Administration	-	274,954	274,954
Legislative representation	-	281	281
Lobbying	-	76,375	76,375
Newsletters	-	-	-
Committee meetings	-	1,911	1,911
Special projects	-	26,435	26,435
Total administration disbursements	-	379,956	379,956
Total Cash Disbursements	998,648	379,956	1,378,604
Excess (Deficit) of Cash Receipts over Cash Disbursements	202,333	(61,687)	140,646
Cash and Equivalents, Beginning	1,770,693	(180,076)	1,590,617
Cash and Equivalents, Ending	$ 1,973,026	$ (241,763)	$ 1,731,263

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CASH RECEIPTS BY SOURCE

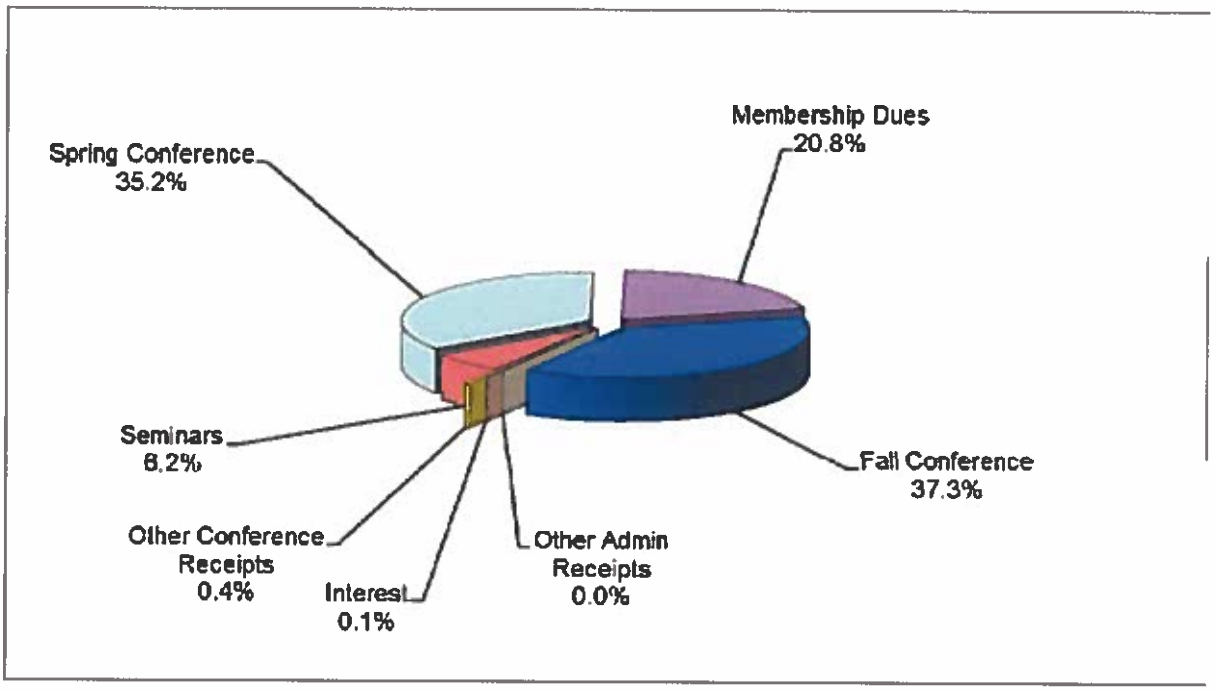


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CASH RECEIPTS BY SOURCE

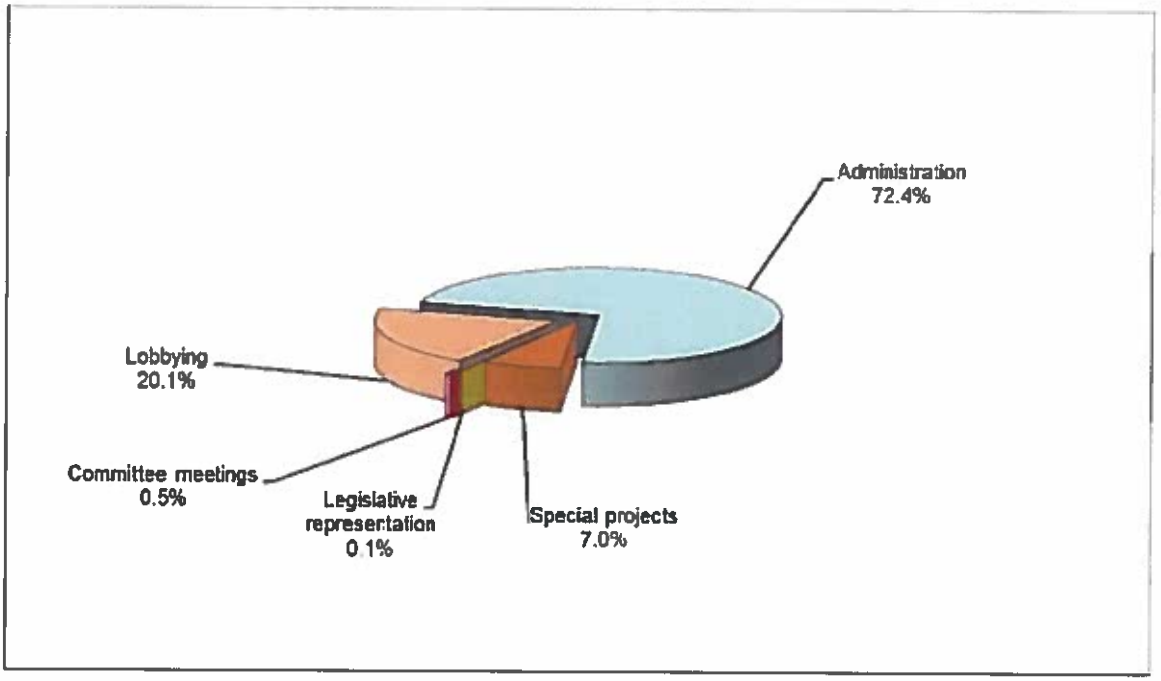


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

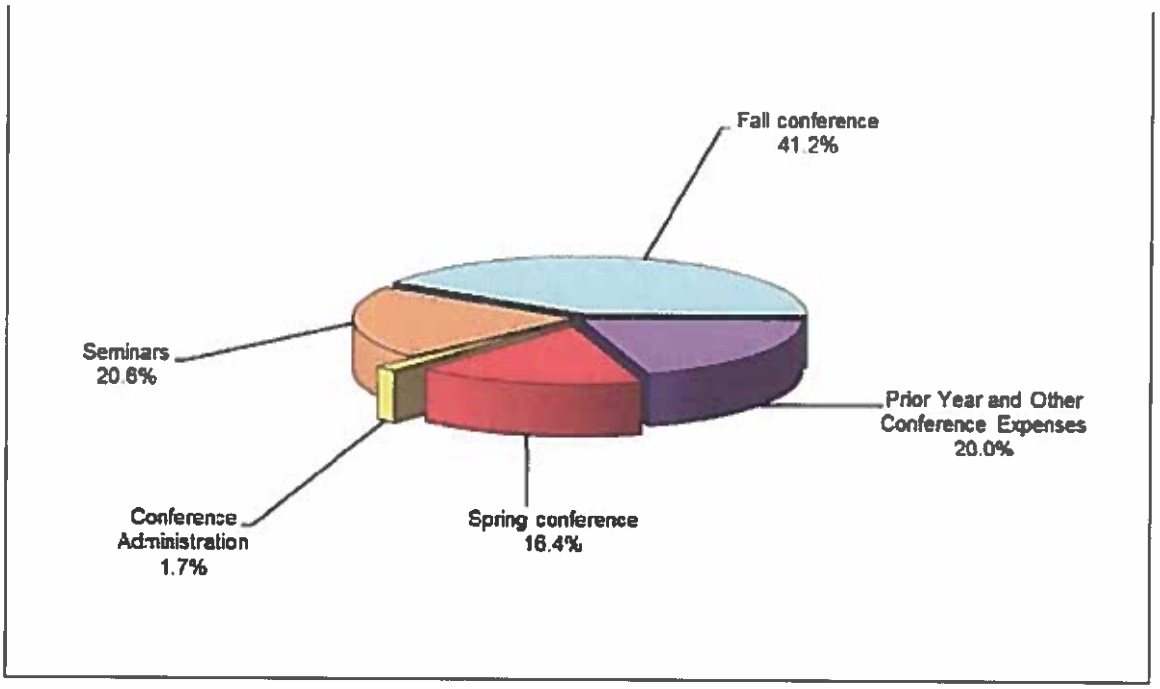
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

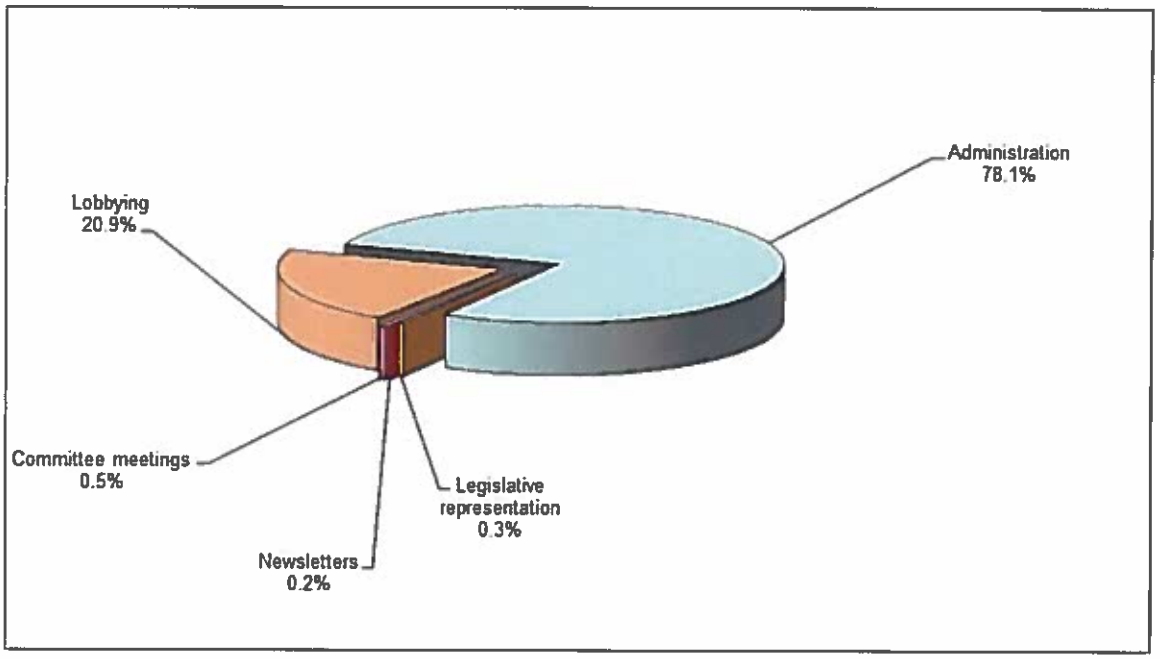


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

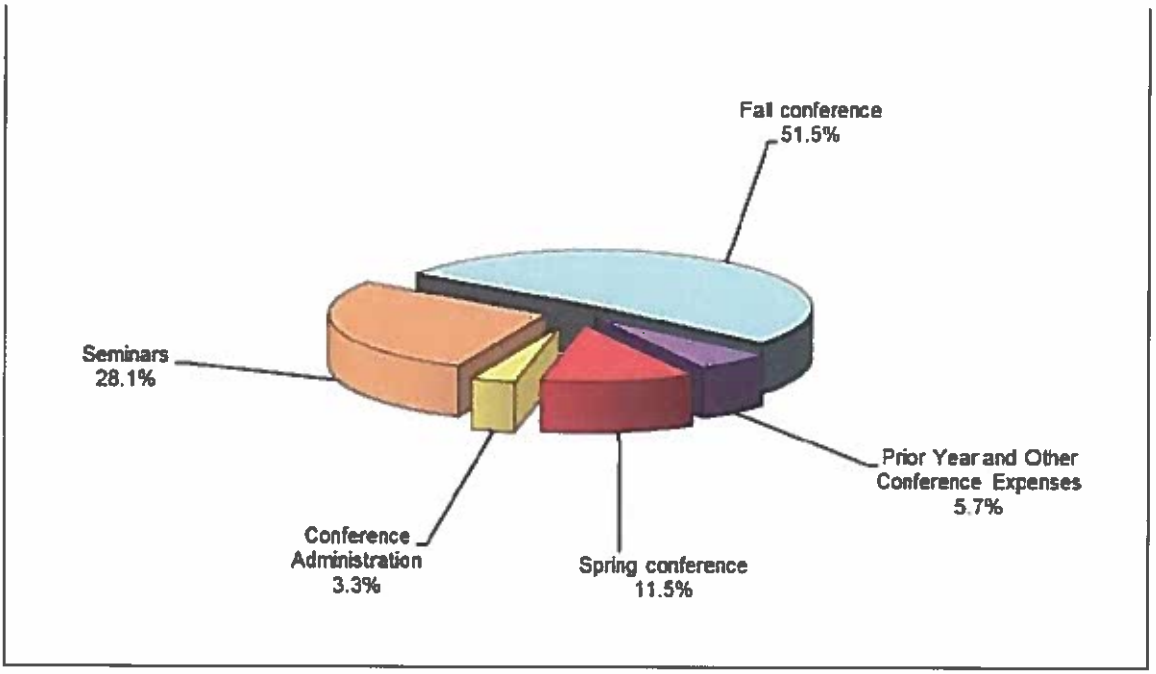
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2014 Sacramento	Fall 2013 Palm Springs	Spring 2013 Napa	Fall 2012 Hollywood
Cash receipts				
Conference	$ 503,655	$ 564,440	$ 536,295	$ 561,480
Total cash receipts	503,655	564,440	536,295	561,480
Cash disbursements				
Hotel and meals	154,322	328,405	189,939	257,884
Audio and visual	42,031	36,800	36,800	37,725
Program materials	42,182	46,851	38,822	44,073
Conference Administration	9,322	16,800	13,448	9,131
Other	1,750	-	2,601	-
Total cash disbursements	249,607	428,856	281,610	348,813
Net cash provided by conference	$ 254,048	$ 135,584	$ 254,685	$ 212,667
Total attendees	570	631	612	636

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS), as of and for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise SACRS' basic financial statements, and have issued our report thereon dated April 2, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SACRS' internal control. Accordingly, we do not express an opinion on the effectiveness of SACRS' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters that we have reported to management of SACRS in a separate letter dated April 2, 2015.

701 Howe Avenue, Suite E3, Sacramento, CA 95825 (916) 993-9494 fax (916) 993-9489
www.jpmcpa.com jmarta@jpmcpa.com

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 2, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

To the Management
State Association of County Retirement Systems
Sacramento, CA, 95814

We have recently completed the audit of the financial statements of State Association of County Retirement Systems (SACRS) and have issued our report thereon dated April 2, 2015. In planning and performing our audit of your financial statement for year ending June 30, 2014, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of SACRS' accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated April 2, 2015 on the financial statements of the State Association of County Retirement Systems.

Current Year Recommendations

2013-1 Classification of Revenue

Observation:
Fall 2013 conference revenues totaling $9,150 were posted to the "General" Class in QuickBooks. This revenue should have been posted to the "Fall Conference" Class.

Recommendation:
We recommend reclassifying the income as of the original deposit date, similar to our RJE-1.

Management Response:
Bookkeeper identified this item independent of the audit and reclassified accordingly.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489
e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Current Year Recommendations (continued)

2013-2 Prepaid Expenses

Observation:
At June 30, 2014 and 2013, we noted activity in the "Prepaid Expenses" account on QuickBooks. SACRS uses the cash basis of accounting, no accrual of prepaid expenses is necessary.

Recommendation:
While we have detailed our reclassification of the prepaid expenses in RJE-2, we do not recommend adjustment to SACRS' books at this time. All of the underlying transactions are captured on the books, only the timing of the expense recognition will differ slightly from the audit.

Management Response:
Bookkeeper will no longer use the general ledger code for "Prepaid Expenses".

Status of Prior Year Recommendations

2011-2 Cash Management Policy

Observation:
The Cash Management Policy approved by the board on March 10, 2009 states that "one primary bank will have a commercial account for check responsibilities of the association...other three banks will be used for holding the association's reserves." As of June 30, 2011, SACRS had deposits in only two banks: Bank of America and Bank of Sacramento. Deposits with Bank of America were in excess of FDIC insured limits by $532,212 at June 30, 2011.

Recommendation:
Auditor recommends that accounts be maintained with balances below the federally insured limits – i.e. no more than $250,000 on deposit per institution. Further, the cash management policy and management's compliance with the policy should be reviewed at least annually by the Treasurer to ensure that the policy represents current facts and circumstances and that cash is being managed consistent with the policy.

Status:
Comment repeated. The amount of cash held by SACRS in excess of FDIC as of June 30, 2014, was $112,159 – $93,848 in Bank of Sacramento, and $18,311 in Bank of America.

Management Response:
An updated Cash Management Policy was approved by the board of directors as of January 27, 2015. As of March 31, 2015, SACRS rebalanced its holdings in accordance with the new policy.

We believe that the implementation of these recommendations will provide State Association of County Retirement Systems with a stronger system of internal accounting control while also making its operations more efficient.

Management's responses to our recommendations are described above. We did not audit the Management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and others within the association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 2, 2015

James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

April 2, 2015

Board of Directors
State Association of County Retirement Systems
Sacramento, California 95814

We have audited the financial statements of the State Association of County Retirement Systems (SACRS) for fiscal years ended June 30, 2014 and 2013, and have issued our report thereon dated April 2, 2015. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 20, 2014, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statements. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding other matters noted during our audit in a separate letter to you dated April 2, 2015.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489
e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2014. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statements.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statements.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management: see attached *Reclassifying Journal Entry Report*.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 2, 2015.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

This report is intended solely for the information and use of the Board of Directors, and management of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
April 2, 2015

Client:	***SACRS - State Association of County Retirement Systems***
Period Ending:	***6/30/2014***
Workpaper:	***2507 - Reclassifying Journal Entry Report***

Account	Description	Debit	Credit
Reclassifying Journal Entry JE # 1			
To correct misclassification of 2013 Fall Conference revenue - deposited 11/8/13 to "General" class in QuickBooks instead of "Fall Conference" class.			
1616	Income - Conference Registration - General	9,150.00	
1210.1	Income - Conference Registration - Fall		9,150.00
Total		**9,150.00**	**9,150.00**
Reclassifying Journal Entry JE # 2			
DO NOT POST. SACRS' books recognized prepaid expenses at June 30, 2014 and 2013. Reclassified expenses to recognize in accordance with the cash basis of accounting.			
1495.1	Other Expenses - Miscellaneous - Fall Conference	7,433.00	
1495.30	Prepaid Expenses - Future Conference	6,997.00	
2020	Retained Earnings	7,334.00	
1422.5	Expense - Commissions & Fees - Fall Conference		6,997.00
1495.30	Prepaid Expenses - Future Conference		7,334.00
1495.30	Prepaid Expenses - Future Conference		7,433.00
Total		**21,764.00**	**21,764.00**

MANAGEMENT REPRESENTATION LETTER

April 2, 2015

James Marta & Company LLP
701 Howe Avenue, Suite E3
Sacramento, CA 95825

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, , in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 2, 2015:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 20, 2014, for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Material related party relationships and transactions have been appropriately accounted for and disclosed.
- All material events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all material known actual or possible litigation and claims have been accounted for and disclosed.
- All receipts within the statement of cash receipts and disbursements have been properly classified.
- All disbursements have been properly classified in the statement of cash receipts and disbursements, and allocations, if any, have been made on a reasonable basis.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete and adequate.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statement.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of cash disbursements are reasonable and appropriate.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;

- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- All transactions have been recorded in the accounting records and are reflected in the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, vendors, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statement.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- SACRS has no plans or intentions that may materially affect the carrying value or classification of assets.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statement or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Suleni H. Peterson, SACRS Administrator

Dodie Wishek, SACRS Financial Services

8. SACRS Legislative Committee Update – No Action
Richard Stensrud, SACRS Legislative Committee Chair

A. 2015 SACRS Legislation Update

SACRS
Spring Legislative Report

Legislative Report
2015-2016 Legislative Session

SACRS-Sponsored Measure

SACRS is sponsoring one bill in 2015, AB 992 (Assembly Committee on PERS). This measure, recommended by LACERA, allows a member to change their retirement application after a service retirement is granted. Specifically, if a member applies for a disability retirement and is granted a service retirement while the disability retirement determination is pending, AB 992 will allow that member to later change their retirement option application to disability if the disability retirement is granted. This measure is not expected to be controversial, thus, key legislative staff suggested authorship by the entirety of the Assembly PERS Committee.

Less Overall Retirement Policy Activity?

Overall, 2015 may be less active in the retirement and pension policy arena than in recent years. California public retirement systems are now in the third year of PEPRA implementation with the policy focus now at the local system level. Various clean-ups and modifications have been completed within the 1937 Act and other retirement authorizing statutes, thus, significant new pension policy ground is unlikely to be broken this year.

Among 1937 Act systems, one theme that is stronger since PEPRA is independent district status. The Contra Costa Employees Retirement Association passed SB 673 in 2014 to grant independent district status and the Ventura County Employees Retirement Association is pursuing similar district status in this year via AB 1291 (Williams). Independence is a key tool for 1937 Act counties to fulfill the PEPRA mandate to monitor compensation modifications that could constitute spiking.
AB 1291 will be heard in the Assembly PERS Committee in early May.

9. SACRS Bylaws Committee Report – Vote
Vivian Gray, SACRS Bylaws Committee Chair

A. Cover letter for Bylaws and proposed changes in both red lined and final

SACRS
State Association of County Retirement Systems
Staff ★ Trustees ★ Affiliates ★ Success
A California Non Profit Corporation

Greetings to SACRS Membership:

The Bylaws Committee is submitting for your approval technical corrections and reorganization of the current Bylaws as published on the SACRS website and in SACRS 2014 membership roster handbook.

Maya Gladstern, our former committee chair retired in March.
Before she retired with Maya at the helm we worked tirelessly to review the SACRS Bylaws for consistency and clarification to reflect the intent of the mission and purpose of our organization.

As a starting point we began with the technical corrections submitted by Dave Muir, former SACRS' consultant and current LACERA alternate board member. We conferred with Dave then began our months of discussions and review.

PLEASE NOTE: There were no material changes to the bylaws with the exception of the previously approved audit committee changes incorporated herein.

For your approval I have submitted the technical changes in redlined version and draft final version without the redline markups.

Your review and vote of approval is welcomed and appreciated.

Warm regard,
Vivian Gray, Chair
Bylaws Committee

1415 L St. Suite 1000 | Sacramento, CA 95814 | T (916) 441-1850 | F (916) 441-6178 | www.sacrs.org
OPERATING UNDER COUNTY EMPLOYEES RETIREMENT LAW OF 1937, GOVERNMENT CODE 31450 ET SEQ

SACRS

Bylaws

Website September 9, 2014
Final Proposal

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, nonprofit, affiliate, and past president members as hereinafter defined.

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

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

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

(d) Past Presidents. Past Presidents who are no longer members of Regular Member Retirement Systems under Article III, Section 1(a), and who are not eligible for affiliate

membership under Article III, Section 1(c), are not entitled to vote; but, shall be 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 the election of the officers/directors, on the disposition of all or substantially all of the corporation's assets, on any merger and its principal terms and any amendment of those terms, and on any election to dissolve the corporation. In addition, Regular Member County Retirement Systems shall have all rights afforded members under the California Nonprofit Public Benefit Corporation Law.

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

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

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.

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

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

(d) Registration Fees. Registration fees for conferences 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.

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 and shall be a Regular County Retirement System board member or administrator of the County Retirement System as defined in Article III, Section 1(a).

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

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

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 agendashall be mailed by first-class postage or provided by Electronic Transmission (as defined in Section 2 of Article XVII) to all members no later than ten (10) days prior to any meeting.

Section 5. Quorum. The presence of eleven (11) delegates 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. Meetings may be restricted to Regular Member Retirement Systems 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 notice on file with the Secretary pursuant to Article IV, Section 3 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 Member County Retirement Systems present.

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

Section 8. Robert's Rules of Order. 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 Member County Retirement System may submit resolutions for consideration by the regular membership at any regular or special meeting. Any Nonprofit Member may submit a resolution with the endorsement of at least one Regular Member County Retirement System. Submission of resolutions shall be made in writing and sent to the President, who will confirm receipt to the sender, at least sixty (60)

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

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

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

ARTICLE VI
OFFICERS

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

Section 2. Election, Qualification and Term of Office. officer of SACRS shall be a member of the retirement or investment board of a Regular Member County Retirement System, The officers shall be elected by a majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.

Section 3. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of SACRS. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The provisions of this Section 3 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. Officer Elections. Any member of a Regular Member Retirement System may submit nominations for the election of officers to the Nominating Committee, provided the Nominating Committee receives those nominations prior to February 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election. Prior to March 1 and subsequent to verification of interest, the Nominating Committee shall report its recommended ballot to each Regular Member County Retirement System.

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

The Nominating Committee shall report a final ballot to each Regular Member County Retirement System prior to April 1.

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

Officer 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 with Article V, Section 6 and 7 of these Bylaws.

Newly elected officers 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 5. 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 and 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 in the absence of the membership.

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

Section 7. 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 shall prepare and maintain a current list of members in good standing.

Section 8. 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.

Section 9. 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.

ARTICLE VII
BOARD ADVISORS

Section 1. Chair of Affiliate Committee. The Chair of the Affiliate Membership Committee shall serve as a non-voting 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. 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 2. 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:

1. To select and remove all the agents and employees of SACRS, prescribe powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or these Bylaws, fix their compensation, and require from them security for faithful service.

2. To conduct, manage, and control the affairs and activities of SACRS and to make such rules and regulations that are not inconsistent 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.

3. To borrow money and incur indebtedness for the purposes of SACRS, and to cause to be executed and delivered, in SACRS' name, promissory notes, bond, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities.

4. To change the principal office or the principal business office of SACRS in Sacramento County, California, from one location to another.

5. To adopt, make, and use a corporate seal and to alter the form of the seal from time to time, as determined by the Board.

6. To accept on behalf of SACRS any contribution, gift, bequest, or devise for the social welfare purposes of SACRS.

7. To report to the regular membership, in writing, as soon as possible, all actions taken by the Board under this Article VIII.

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

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

1. the death, resignation or removal of any Director;

2. 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) the Director has been 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

3. 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, when vacancies occur on the Board such vacancies may be filled by approval of the Board 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 5. 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, a successor may be appointed by the Board 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 6. Conflicts of Interest.

1. All Directors of the Board 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

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

Section 7. Compensation/Travel Policy. Directors shall serve without compensation except that they shall be 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 8. Non-Liability of Directors. The Directors shall not be personally liable for the debts, liabilities, or other obligations of SACRS.

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

ARTICLE IX
MEETINGS OF THE BOARD OF DIRECTORS

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

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 meeting adjourned and if such 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 adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

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:

1. Each member participating in the meeting can communicate concurrently with all other members; and
2. 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. The transactions of the Board at any meeting, however called or noticed, or wherever held, shall be as valid as though the meeting had been duly held after proper call and notice if a quorum is present and if, either before or after the meeting, each voting Director not present signs a written waiver of notice or consent to the

holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 7. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice. 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. At all meetings of the Board, a majority of the Directors present in person or pursuant to Section 5 of this Article IX shall be necessary and sufficient to constitute a quorum, except to adjourn as provided in Section 11 of this Article IX. 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 majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless the Articles of Incorporation or Bylaws of SACRS, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238(e)), require a greater percentage or different voting rules for approval of a matter by the Board.

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 a quorum is present, 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 is fixed at the meeting adjourned, except that if the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

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:

1. 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;

2. Fill vacancies on the Board or any committee of the Board;

3. Fix compensation of the Directors for serving on the Board or on any committee of the Board;

4. Amend or repeal Bylaws or adopt new Bylaws;

5. Amend or repeal any resolution of the Board that by its express terms cannot be amended or repealed by a committee;

6. Create any other committees of the Board or appoint the members of committees of the Board; and

7. 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 consist of the following five (5) members: (i) the immediate Past President of SACRS; (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 Program Committee, Legislative Committee, Bylaws Committee and Education Committee Chairs shall appoint members to the Nominating Committee, as previously specified, no later than ninety (90) days prior to the second business meeting of SACRS each calendar year. The immediate Past President shall serve as the Nominating Committee Chair. The Nominating Committee shall be responsible for ascertaining the availability and interest of regular members to serve as Directors and officers of SACRS.

Section 3. Bylaws Committee. The Bylaws Committee shall be comprised of not less than three (3) members, with at least one (1) regulartrustee member of the retirement or investment board of a Regular Member County Retirement System, and at least one (1) administrator of aRegular Member County Retirement System if employed by and reporting directly to the retirement system board or boards. 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 takes office. 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 less than four (4) members but not more than eighteen (18) 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 and 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. The

Program Committee shall be responsible for the program of the two (2) annual SACRS conferences.

Section 5. Audit Committee. The Audit Committee shall be comprised of not less than two (2) regular members selected by the Board from names submitted by the Audit Committee Chair, with Board approval, 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:

1. Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;

2. Negotiating the auditor's compensation;

3. Conferring with the auditor regarding SACRS' financial affairs; and

4. 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 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, selected from names submitted by the Affiliate Committee Chair, with Board approval, 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 Committee shall provide counsel and advice to the Board regarding educational (not legislative) activities, and shall represent the Affiliate membership.

Section 8. Education Committee The Education Committee shall be comprised of at least three (3) but not more than nine (9) members appointed by the Education Committee

Chair, with Board approval. Such appointments shall be made within forty-five (45) days of the President taking office. 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.

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. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board, with such changes in the context of such Bylaw provisions 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. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws. Any expenditure of SACRS funds by a committee shall require prior approval of the Board.

ARTICLE XII
CORPORATE RECORDS AND SEAL

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

1. 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;

2. 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; and

3. 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.

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

Section 3. 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 4. 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 thorough 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 The property of SACRS 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 or any Regular Member County Retirement System or by any standing committee. Proposed amendments shall be submitted in writing to the President, who will confirm receipt to the sender, at least sixty (60) days before any meeting of SACRS. The President shall submit the proposed amendments to Regular Member County Retirement System at least forty-five (45) 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 Section 1 of this Article XVI, 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. 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 Section 2, 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.

***

SACRS

By-Laws

Website September 9, 2014

ARTICLE I–
NAME, MISSION, PURPOSES AND GENERAL POLICY

Formatted: Centered

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, and past president members as hereinafter defined.

~~1.~~ (a) Regular Membership. Regular membership shall be extended to all county employee retirement systems organized and ~~duly elected or appointed members of Boards of Retirement and Investments~~ 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.~~

~~2. 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.~~

~~3.~~ (b) Nonprofit Membership. Nonprofit organizations having an active interest in the purpose of SACRS may be extended nonprofit membership upon (i) the appropriate letter of application approved by the majority vote of the Board, and (ii) payment of the annual Nonprofit membership dues as set forth under Article III, Sections 5 and 6 herein. Nonprofit members will be comprised of two distinct tiers as follows: (i) Nonprofit Retirement Systems - defined as public retirement systems not eligible for regular membership; and (ii) Nonprofit Organizations - defined as nonprofit organization other than public retirement systems.

Formatted: Centered

Formatted: Centered

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

Formatted: Underline

Formatted: Indent: Left: -0.25", Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, … + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.5" + Indent at: 0.5"

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

~~4.~~ (c) Affiliate Membership. Affiliate membership may be extended to a retirement-related business or institutional investment-related company or firm on a first come, first served basis as follows: (i) submission of an appropriate letter of application approved by a majority vote of the Board; and (ii) payment of the annual Affiliate membership dues as set forth under Article III, Sections 5 and 6 herein.

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

~~5.~~ (d) Past Presidents. Past Presidents who are no longer members of Regular Member Retirement Systems~~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)~~(c), are not entitled to vote; but, 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.

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

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

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

Section 3. Rights of ~~Associate and~~ Affiliate Membership. ~~Associate and affiliate~~ Affiliate members are not entitled to vote, but shall be ~~accorded~~ afforded all the rights and privileges to which any ~~r~~Regular ~~m~~Member Retirement System is entitled except as specifically restricted in the Articles of Incorporation and these Bylaws. ~~Associate and affiliate members are not entitled to vote.~~

~~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.

~~1.~~ (a) Regular Members. Regular ~~m~~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.~~

Formatted: No bullets or numbering

~~2.~~ (b) Nonprofit Members. Nonprofit members shall pay annual dues in ~~any~~ an amount determined by the Board.

Formatted: No bullets or numbering

~~3.~~ (c) Affiliate Members. Affiliate members shall pay annual dues in ~~any~~ an amount determined by the Board.

Formatted: No bullets or numbering

~~4.~~ (d) Registration Fees. Registration fees for conferences~~meetings~~ may be charged to all members in addition to annual dues.

Formatted: No bullets or numbering

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

ARTICLE IV
DELEGATES

Formatted: Centered

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

Comment [L1]:

Formatted: Tab stops: 3.94", Left

Section 2. Alternate Delegates. Alternate delegates may be designated in writing by the Regular ~~m~~Member County Retirement Board. ~~All a~~Alternates shall meet the same requirements as defined in Article IV Section 1 ~~be regular members consistent with Article III, Section 1(a) herein~~.

Section 3. ~~Credentials~~Designation of Voting Delegates and Alternates. Each Regular Member County Retirement System shall, prior to any meeting of SACRS where voting will take place, file written notice with the Secretary of SACRS specifying the names of the voting delegate and/or alternate delegate authorized to cast votes on behalf of the Regular Member Retirement System. ~~Credentials for the delegates who are voting participants shall be filed with the Credentials Committee in writing prior to any meeting of SACRS at which voting will take place. Credentials shall include the names of the member County Retirement System, the delegate and alternate delegates, if any, consistent with Section IV, Sections 1 and 2 of these Bylaws.~~

ARTICLE V~~-~~
MEMBER MEETINGS

Formatted: Centered

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 agenda~~s~~ shall be mailed by first-class postage or provided by Electronic Transmission (as defined in Section 2 of Article XVII) to all members no later than ten (10) days prior to any meeting.

Section 5. Quorum. The presence of eleven (11) ~~credentialed~~ delegates 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 ~~r~~Regular ~~members~~Member Retirement Systems 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~~ notice on file with the Secretary ~~consistent with~~ pursuant to Article IV, Section

3 ~~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 ~~r~~Regular Member County Retirement Systems~~members~~ present.

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

Section 8. ~~Procedures.~~ Robert's Rules of Order. 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~~Regular Member County Retirement System may submit resolutions for consideration by the regular membership at any regular or special meeting~~s~~. Any Nonprofit Member may submit a resolution with the endorsement of at least one Regular Member County Retirement System. Submission of resolutions shall be made in writing and sent ~~by certified mail~~ to the President, who will confirm receipt to the sender, at least ~~thirty~~ sixty (~~30~~60) days prior to any meeting of SACRS at which the proposed resolution is to be considered for a vote. The President shall ~~provide a sufficient number of legible copies of the proposed resolutions to allow delegates and alternate delegates to receive one (1) copy each before voting~~ send a copy of the proposed resolution to each Regular Member County Retirement System at least forty-five (45) days prior to the date a vote on the resolution will be taken. Additional copies shall be made available to the membership at meetings.

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

Comment [L3]:

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

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

ARTICLE VI–
OFFICERS

Formatted: Centered

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

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

Section 3. Resignation of Officers. Any officer may resign at any time by giving written notice to the Board or to the President or Secretary of SACRS. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The provisions of this Section 3 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. Officer Elections. Any ~~regular~~ member of ~~the~~ a Regular Member ~~r~~Retirement System ~~or investment board of a County Retirement System, or the Administor of a retirement system if employed by and reporting directly to the retirement system board or boards~~ may submit nominations for the election of officers to the Nominating Committee, provided the Nominating Committee receives those nominations prior to February 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election. Prior to March 1 and subsequent to verification of interest, the Nominating Committee shall report its recommended ballot to each ~~regular~~ Regular ~~member~~ Member County Retirement System.

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

The Nominating Committee ~~will~~ shall report a final ballot to each ~~regular~~ Regular ~~member~~ Member County Retirement System prior to April 1.

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

Officer 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 with Article V, Section 6 and 7 of these Bylaws.

Newly elected officers 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 5. 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 and 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 in the absence of the membership.

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

Section 7. 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 shall prepare and maintain a current list of members in good standing.

Section 8. 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.

Section 9. 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.

ARTICLE VII - BOARD ADVISORS

Formatted: Centered

Section 1. Chair of Affiliate Committee. The Chair of the Affiliate Membership Committee shall serve as a non-voting 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

Formatted: Centered

Section 1. 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 2. 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:

1. To select and remove all the agents and employees of SACRS, prescribe powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or these Bylaws, fix their compensation, and require from them security for faithful service.

2. To conduct, manage, and control the affairs and activities of SACRS and to make such rules and regulations that are not inconsistent 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.

3. To borrow money and incur indebtedness for the purposes of SACRS, and to cause to be executed and delivered, in SACRS' name, promissory notes, bond, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidence of debt and securities.

4. To change the principal office or the principal business office of SACRS in Sacramento County, California, from one location to another.

5. To adopt, make, and use a corporate seal and to alter the form of the seal from time to time, as determined by the Board.

6. To accept on behalf of SACRS any contribution, gift, bequest, or devise for the social welfare purposes of SACRS.

7. To report to the regular membership, in writing, as soon as possible, all actions taken by the Board under this Article VIII.

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

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

1. the death, resignation or removal of any Director;

2. 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) the Director has been 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

3. 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, when vacancies occur on the Board such vacancies may be filled by approval of the Board 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 5. 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, a successor may be appointed by the Board 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 6. Conflicts of Interest.

1. All Directors of the Board 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

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

Section 7. Compensation/Travel Policy. Directors shall serve without compensation except that they shall be 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 8. Non-Liability of Directors. The Directors shall not be personally liable for the debts, liabilities, or other obligations of SACRS.

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

ARTICLE IX -
MEETINGS OF THE BOARD OF DIRECTORS

Formatted: Centered

Section 1. Place of Meeting. All meetings of the Board 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 officers 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 delivered personally to each Director or sent to each Director by mail or other form of written communication, charges prepaid, addressed to the Director either at his or her address as it is shown on the records or, if not readily ascertainable, to the place in which the Director meets as a regular member of a County Retirement System. Such notice, if mailed, shall be sent at least four (4) days prior to the time of holding the meeting. Said

notice shall specify the purpose of the special meeting of the Board. In addition, telephone (including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director), Electronic Transmission, or other similar means of communication may be used to provide such notice. If given personally, or by telephone, Electronic Transmission, or other similar means of communication, such notice shall be provided at least forty-eight (48) hours prior to the meeting.

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 meeting adjourned and if such 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 adjourned meeting is held more than twenty-four (24) hours from the time of the original meeting.

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:

1. Each member participating in the meeting can communicate concurrently with all other members; and
2. 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. The transactions of the Board at any meeting, however called or noticed, or wherever held, shall be as valid as though the meeting had been duly held after proper call and notice if a quorum is present and if, either before or after the meeting, each voting Director not present signs a written waiver of notice or consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

Section 7. Waiver of Notice. Notice of a meeting need not be given to any Director who signs a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice. 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. At all meetings of the Board, a majority of the Directors present in person or pursuant to Section 5 of this Article IX shall be necessary and sufficient to constitute a quorum, except to adjourn as provided in Section 11 of this Article IX. 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 majority of the Directors present at a meeting duly held at which a quorum is present is the act of the Board, unless the Articles of Incorporation or Bylaws of SACRS, or provisions of the California Nonprofit Public Benefit Corporation Law, particularly those provisions relating to appointment of committees (Section 5212), approval of contracts or transactions in which a Director has a material financial interest (Section 5233) and indemnification of Directors (Section 5238(e)), require a greater percentage or different voting rules for approval of a matter by the Board.

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 a quorum is present, 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 is fixed at the meeting adjourned, except that if the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

ARTICLE X -
POWERS OF COMMITTEES

Formatted: Centered

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:

1. 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;

2. Fill vacancies on the Board or any committee of the Board;

3. Fix compensation of the Directors for serving on the Board or on any committee of the Board;

4. Amend or repeal Bylaws or adopt new Bylaws;

5. Amend or repeal any resolution of the Board that by its express terms cannot be amended or repealed by a committee;

6. Create any other committees of the Board or appoint the members of committees of the Board; and

7. 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

Formatted: Centered

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 consist of the following five (5) members: (i) the immediate Past President of SACRS; (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 Program Committee, Legislative Committee, Bylaws Committee and Education Committee Chairs shall appoint members to the Nominating Committee, as previously specified, no later than ninety (90) days prior to the second business meeting of SACRS each calendar year. The immediate Past President shall serve as the Nominating Committee Chair. The Nominating Committee shall be responsible for ascertaining the availability and interest of regular members to serve as Directors and officers of SACRS.

Section 3. Bylaws Committee. The Bylaws Committee shall be comprised of not less than three (3) members, with at least one (1) ~~regular trustee~~regular trustee member of the retirement or investment board of a Regular Member County Retirement System, and at least one (1) ~~regular administrative member~~administrator of aRegular Member County Retirement System if employed by and reporting directly to the retirement system board or boards~~, and one (1) of whom may be an 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 takes office. 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 less than four (4) members but not more than eighteen (18) 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 and 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. The Program Committee shall be responsible for the program of the two (2) annual SACRS conferences.

Section 5. Audit Committee. The Audit Committee shall be comprised of not less than two (2) regular members selected by the Board from names submitted by the Audit Committee Chair, with Board approval, 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 ~~have~~ be familiar with auditing ~~experience~~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:

1. Assisting the Board in choosing an independent auditor and recommending termination of the auditor, if necessary;

2. Negotiating the auditor's compensation;

3. Conferring with the auditor regarding SACRS' financial affairs; and

4. 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 ~~may not concurrently~~ serve as members of ~~the finance committee, and the Chair of the Audit Committee may not serve on the finance~~ 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, selected from names submitted by the Affiliate Committee Chair, with Board approval, 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 Committee shall provide counsel and advice to the Board regarding educational (not legislative) activities, and shall represent the Affiliate membership.

Section 8. Education Committee The Education Committee shall be comprised of at least three (3) but not more than nine (9) members appointed by the Education Committee Chair, with Board approval. Such appointments shall be made within forty-five (45) days of the President taking office. 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.

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. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these Bylaws concerning meetings of the Board, with such changes in the context of such Bylaw provisions 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. Minutes of each meeting shall be kept and shall be filed with the corporate records. The Board may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these Bylaws. Any expenditure of SACRS funds by a committee shall require prior approval of the Board.

ARTICLE XII–
CORPORATE RECORDS AND SEAL

Formatted: Centered

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

1. 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;

2. 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; and

3. 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.

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

Section 3. 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 4. 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

Formatted: Centered

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

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

ARTICLE XIV-
INDEMNIFICATION

Formatted: Centered

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

Formatted: Centered

Section 1. Irrevocable Dedication The property of SACRS 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

Formatted: Centered

Section 1. Amendment of Articles of Incorporation and Bylaws. Amendments to the Articles of Incorporation and Bylaws may be proposed by the Board or any ~~regular~~ Regular ~~member~~ Member ~~of SACRS~~County Retirement System or by any standing committee. Proposed amendments shall be submitted in writing ~~by certified mail~~ to the President, who will confirm receipt to the sender, at least sixty (60) days before any meeting of SACRS. The President shall submit the proposed amendments to ~~the membership~~Regular Member County Retirement System at least ~~thirty~~ forty-five (~~30~~45) 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 Section 1 of this Article XVI, 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

Formatted: Centered

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. 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 Section 2, 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.

***

10. SACRS Committee & Breakout Reports:

Committee	Chair	Breakout Reports	Representative
Affiliate	Michael Bowman	Administrators	Greg Levin
Audit	Steve Delaney	Attorneys	Bob Valer
Bylaws	Vivian Gray	Disability	Jackie Purter
Education	Christie Porter	Internal Auditors	Harsh Jadhav
Legislative	Richard Stensrud	Investment Officers	Steve Marsh
Nomination	Ray McCray	Ops & Benefits	Theodore King
Program	John Kelly	Safety Trustees	Tracy Towner
		General Trustees	John Kelly

Next scheduled SACRS Association Business Meeting will be held Friday, November 20, 2015, San Diego Marquis, San Diego, CA.