

MCERA PENSION NOTES

CURRENT NEWS

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Merced County Employees' Retirement Association

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MCERA will be closed

Oct.14, Nov. 11, 28, 29

As the summer came to a close, MCERA completed several annual projects.

Money: MCERA is pleased to report that it ended its fiscal year June 30, 2013 with a solid total investment return of 12.4% which exceeds the assumed earning rate of 7.75%. The Board is conducting an asset allocation study with its investment consultant team to insure further positive investment results. More information on investments is on page 3 of Pension Notes.

Audit: From August 26 to September 6, 2013, Macias Gini & O'Connell conducted the annual on site audit of MCERA's fiscal operations. Their final audit report will be presented at the October 24, 2013 Board meeting.

CAFR: Staff has completed the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended 2013 which will also be presented at the October 24 meeting. MCERA considers the quality of this current report to be consistent with past award winning CAFRS. (see article below)

Lawsuit: On the litigation related to the AB 197 law suit, MCERA has filed a responsive document stating the Retirement Board's position that the Board has complied with applicable law and authority in determining compensation earnable. The lawsuit has been consolidated in Contra Costa County Superior Court. Pursuant to the Court's order, the three retirement systems involved in this litigation,

Contra Costa, Alameda and Merced have not implemented AB 197 and are waiting for the Court to make a decision on the issues. The next court hearing is set for October 31, 2013. MCERA will announce any new developments in the law suit as soon as we get notification.

Finally, I have announced my retirement to take effect early next spring 2014. The Retirement Board has selected a committee which will oversee the hiring of a new Retirement Plan Administrator.

Maria L. Arevalo
Plan Administrator

CERTIFICATE OF ACHIEVEMENT

MCERA has earned a Certificate of Achievement for Excellence in Financial Reporting for the 2012 year-end financial report, the Comprehensive Annual Financial Report (CAFR). The CAFR is a comprehensive annual report similar

to an annual report for a major company, it is posted on the MCERA website. The Certificate of Achievement, awarded by the Government Finance Officers Association, is the highest form of recognition in the area of government account-

ing and financial reporting, and its attainment represents a significant accomplishment. This is the 8th consecutive year for recognition for the CAFR. Thanks to David Liu and Gale Garcia, MCERA's fiscal staff.

FREQUENTLY ASKED QUESTIONS

Does the Public Records Act Request (PRA) apply to my pension information?

The PRA is designed to give the public access to information in possession of public agencies. Records include all communications related to public business “regardless of physical form or characteristics”. All state and local agencies are included. An agency has 10 days to reply to an initial request.

In 2007 the California Supreme Court ruled that government employee salaries including employee names are public records and must be disclosed under the PRA. In 2011, several appellate

courts upheld the right of the public to obtain the names and pension amounts of retired public employees.

Since then, MCERA has received numerous requests for the names and pension amounts of its retired members and in consultation with legal counsel, MCERA has provided the requested information .

MCERA will continue to comply to all requests as required by the Public Records Act and the 2007 Supreme Court ruling. As a courtesy, MCERA will make every effort to notify members of a request for their pension information. MCERA has one pending request for all 2012 retired members

pension data which is still under review.

What if I object to having my pension amount disclosed?

If you do not wish to have your pension amount or other information about your retirement disclosed, you would need to notify MCERA

that you object to the disclosure. MCERA would review the objection with legal counsel and then make a determination about what action is legally required.



Remaining Retiree Pay Dates

The retiree payroll dates for 2013 are:

October 31, 2013

November 29, 2013

December 31, 2013

RETIREE’S CORNER

Attention Safety Retirees

Jim Wilde has asked MCERA to provide this notice .

A firearms qualification for Merced County Safety Retirees is being planned and we’d like to invite those interested to join us for the qualification and a BBQ afterwards. We

have yet to set a date and time, but if interested, please contact either **Jim Wilde at (209) 631-7564** or **Rick DeBusk at (209) 769-6224**

Please note, MCERA is not associated with or involved in sponsoring this event.



Brown Bag Meetings

Next Brown bag meeting will be held at noon on November 13, 2013

Location:
MCERA
3199 M St
Merced CA 95348

To reserve a seat:
Mcera@co.merced.ca.us
Or 209-725-3636

INVESTMENT REPORT FOR QUARTER ENDING JUNE 30, 2013

MCERA’s total fund returned 12.4% for fiscal year ending June 30, 2013, and ranked in the 33rd percentile. The return exceeded the assumed earnings rate of 7.75% and total assets were at \$559,805,096. For the second quarter ending June 30, 2013 MCERA’s total portfolio returned a negative 0.4%. This return underperformed the benchmark return of 0.1% and ranked in the 61st percentile. Longer term, the three and five year returns of 11.2% and 4.4% ranked above and below the medium among peer public plans. (10.8% and 4.8% respectively) Asset allocations for the MCERA portfolio as of

June 30, 2013 were 58.7% equities, 27.7% US fixed income, 6.9% real estate, 4.5% private equity and 2.3% real assets and cash. The domestic equity market continued its positive performance in the second quarter, posting moderate returns overall. However, the market lost momentum in the latter half of the quarter, particularly in June on concerns of the potential tapering of the Federal Reserve’s asset purchase program.

The international equity market had a difficult time compared to the U.S. equity market during the second quarter. Both the international devel-

oped and emerging markets underperformed during the quarter. As investors were concerned about slowing growth in China, and the fear of Fed tapering quantitative easing. The same tapering concerns led to broad declines in fixed income assets.

Below you will find MCERA’s cumulative performance results versus the benchmark as of June 30, 2013.



CUMULATIVE PERFORMANCE RESULTS PERIOD ENDING JUNE 30, 2013

	Last Quarter	Fiscal Year 2013	5 Year	7 Year	10 Year	Since Inception
TOTAL FUND	-0.4%	12.4%	4.2%	4.4%	6.2%	8.1%
FUND BENCHMARK	0.1%	12.9%	5.4%	5.1%	6.4%	5.4%

MEET MCERA BOARD TRUSTEE ALFONSE PETERSON



Alfonse Peterson serves

as MCERA Board secretary. He is one of four members of the Board appointed by the Merced County Board of Supervisors. He was first appointed in 2009 and is serving his second three year term which expires December 2015. Currently, Mr. Peterson is an

advisor with LPL Financial, a group of independent financial advisors, he has over 25 years of experience as a financial advisor. He also completed a 24 year military career and has degrees in Math and Psychology. Mr. Peterson lives in Atwater with his wife.

- The Board of Retirement**
- Karen Adams
 - Mark Bodley
 - Deidre Kelsey
 - Mary McWatters,
 - Jim Pacheco
 - David Ness, Chair
 - Alfonse Peterson
 - Michael Rhodes
 - Darlene Ingersoll
 - Ron Kinchloe
 - Scott Johnston

- Retirement Board Meeting**
- The Retirement Board Meetings for 2013 are:
- October 10
 - October 24
 - November 21
 - December 12