

**ADMINISTRATIVE
RETIREMENT BOARD MEETING AGENDA
THURSDAY, JANUARY 9, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

Please turn your cell phone or other electronic device to non-audible mode.

CALL TO ORDER: 8:15 A.M.

- ROLL CALL.
- APPROVAL OF MINUTES – December 12, 2019.

PUBLIC COMMENT

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

CLOSED SESSION

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

1. DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

(Govt. Code § § 54957, 31532; Cal Const. art. I, § 1)

1. Informal Hearing
 - a. None.
2. Formal Hearing
 - a. None.
3. Disability update and possible action:
 - a. Arroyo, Elizabeth
 - b. Burnett, Donald
 - c. Cruz, Mary Kay
 - d. Elias Jr. Robert C.
 - e. Herrera, Yvonne
 - f. Leyro, Domingo
 - g. Ramirez, Amber
 - h. Ramirez, Linda Ann
 - i. Plascencia, Marcelino
 - j. Salgado, Jose

RETURN TO OPEN SESSION

Report on any action taken in closed session.

CONSENT CALENDAR

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

RETIREMENTS: Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

a. Bickoff, Harvey	MCMC	6 Yrs. Svc.	Eff. 01/02/2020
b. Pettygrove, Scott	Human Svc.	3 Yrs. Svc.	Eff. 01/04/2020
c. Stanton, Nancy	H.S.A	13 Yrs. Svc.	Eff. 12/21/2019
d. Amos, Carsine	H.S.A	24 Yrs. Svc.	Eff. 01/04/2020
e. Barajas, Arturo	H.S.A	24 Yrs. Svc.	Eff. 12/27/2019
f. Lucas, Mollie	H.S.A	6 Yrs. Svc.	Eff. 12/31/2019
g. Bobbit, Christine	H.S.A	35 Yrs. Svc.	Eff. 01/04/2020
h. Broughton, Marisa	Sheriff's	10 Yrs. Svc.	Eff. 01/01/2020
i. Cureton, Michael	Admin/IS	22 Yrs. Svc.	Eff. 12/28/2019
j. Wheeler, Karla	Juve Hall	20 Yrs. Svc.	Eff. 12/21/2019
k. De Cocker, Laura	H.S.A	19 Yrs. Svc.	Eff. 12/28/2019
l. Picciano, Eric	DPW	4 Yrs. Svc.	Eff. 12/31/2019
m. Wade, Judy	D.A	17 Yrs. Svc.	Eff.01/03/2020
n. Gomes, Maria	Tax Collector	20 Yrs. Svc.	Eff. 12/31/2019
o. Manuel Contreras	H.S.A	14 Yrs. Svc.	Eff. 01/04/2020

YTD fiscal year 2019/2020 retirees: 051

YTD fiscal year 2018/2019 retirees: 101

YTD fiscal year 2017/2018 retirees: 082

REFUND OF SERVICE PURCHASE: None

DEATH BENEFIT: None

MONTHLY BUDGET REPORT: Submitted

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to increase licensing agreement fee with CPAS (owned by Avenu Insights & Analytics) in the amount of \$43,825 (onetime payment) to cover licensing overages and reflect room for 3% growth in MCERA membership – Staff.
2. Discussion and possible action on quarterly budget report – Staff.
3. Discussion and possible action on update of property purchase located at 690 W 19th Street, Merced, CA – Staff.
4. Review calendar of any training sessions and authorize expenditures for Trustees and

¹ "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA's Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:

- a. NCPERS Legislative Conference, January 26-28, 2020, Washington, DC.
- b. 2020 PIMCO Institute, Newport Beach, CA: February 24-27, 2020 or June 8-11, 2020 or October 19-22, 2020.
- c. Carmel Partners Annual Investors Conference, March 5-6, 2020, San Francisco, CA.
- d. CALAPRS General Assembly, March 7-10, 2020, Rancho Mirage, CA.
- e. TCV Annual Investor Meeting, March 24, 2020, San Francisco, CA.
- f. Advanced Principles of Pension Management for Trustees, March 30-April 1, 2020, Los Angeles, CA.
- g. Pension Bridge Annual Conference, April 14-15, 2020, San Francisco, CA.
- h. NCPERS Trustee Educational Seminal, May 9-10, 2020, Las Vegas, NV.
- i. NCPERS Accredited Fiduciary Program (Modules 1&2 and 3&4), May 9-10, 2020, Las Vegas, NV.
- j. NCPERS Annual Conference & Exhibition, May 10-13, 2020, Las Vegas, NV.
- k. SACRS Spring Conference, May 12-15, 2020, San Diego, CA.
- l. KKR's 2020 Global Investor Meeting, July 29 – July 1, 2020, Rancho Palos Verdes, CA.
- m. SACRS Public Pension Investment Management Program, July 26-29, 2020, Berkeley, CA.
- n. Principles of Pension Governance for Trustees, August 25-28, 2020 Malibu, CA.
- o. Nossaman Fiduciary Forum, October 1-2, 2020, Los Angeles, CA.
- p. SACRS Fall Conference, November 10-13, 2020, Indian Wells, CA.

INFORMATION ONLY

MCERA Upcoming Board Meetings:

Please note: The MCERA Board Meeting and/or Education Day times and dates may be changed in accordance with the Ralph M. Brown Act by the MCERA Board as required.

- January 23, 2020
- February 13, 2020

ADJOURNMENT

All supporting documentation is available for public review in the office of the Merced County Employees' Retirement Association, 3199 M Street, Merced, California, 95348 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

The Agenda is available online at www.co.merced.ca.us/retirement

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection in the office of the Merced County Employees' Retirement Association.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced

County Employees' Association, 3199 M Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

**MCERA RETIREMENT BOARD MEETING MINUTES
ADMINISTRATIVE AND INVESTMENT
THURSDAY, DECEMBER 12, 2019
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

ROLL CALL: 8:15 A.M.

Board Members Present: Ryan Paskin, Scott Johnston, Al Peterson, David Ness (arrived at 8:18AM), Jason Goins and Scott Silveira, Michael Rhodes, Janey Cabral. **Counsel:** Forrest Hansen. **Staff:** Kristen Santos, Alexis Curry, Mark Harman, Brenda Mojica, Ninebra Maryoonani and Martha Sanchez.

Absent: Karen Adams.

APPROVAL OF MINUTES: 11/21/2019.

Motion to approve the November 21, 2019 meeting minutes.

Silveira/Ingersoll U/A (7-0).

PUBLIC COMMENT

None.

CLOSED SESSION

The meeting went into closed session.

RETURN TO OPEN SESSION

DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

(Govt. Code §54957, 31532; Cal Const. art. I, § 1)

Motion to grant service connected disability and deny non-service connected disability for Ramon Plascencia.

Cabral/Rhodes U/A (8-0).

Report out from prior closed session:

The Board approved to fully replace Mellon International with a 50/50 allocation to GQG International Equity and First Eagle International Value Equity, respectively. As of November 30th, the value of the Mellon International investment was \$89,759,587.48. The final redemption value will be determined at the time of trade and settlement, which is expected to be before the end of December.

The Board approved to terminate Wells Fargo Berkeley Street Emerging Markets strategy with a 70/30 allocation to Artisan Developing World and RWC Emerging Markets Equity, respectively. As of November 30th, the value of the Berkeley Street Investment was \$71,880,657.78. The final redemption value will be determined at the time of trade and settlement, which is expected to be before the end of December.

CONSENT CALENDAR

RETIREMENTS: Pursuant to Govt. Code § 31663.25 or § 31672

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is

authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

- a. Norman, Lori Child Support 20 Yrs. Svc. Eff. 11/09/2019
- b. Stokes, Lilian Health Services 8.12 Yrs. Svc. Eff. 11/04/2019

YTD fiscal year 2019/2020 retirees: 036* reflects removal of SCD from prior month count
 YTD fiscal year 2018/2019 retirees: 101* reflects addition of SCD effective back to prior fiscal year count
 YTD fiscal year 2017/2018 retirees: 082

REFUND OF SERVICE PURCHASE: None
DEATH BENEFIT: None
MONTHLY BUDGET REPORT: Submitted

Motion to approve Consent Calendar.
 Ness/Ingersoll U/A (8-0).

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to adopt the draft preliminary findings from the experience study, adjust MCERA’s discount rate and adopt MCERA’s draft contribution rates – Graham Schmidt and Anne Harper, Cheiron.
The MCERA Board voted to approve the preliminary findings from the experience study and updated proposed assumptions, as presented by Cheiron and approved to lower MCERA’s discount rate to 7.0%. Ness/Peterson U/A 8-0
2. Discussion and possible action on quarterly and monthly Investment Performance Report with possible Board action on any funds or managers – Meketa.
No action taken.
3. Discussion and possible action on quarterly performance for alternative investments and any funds or managers – Cliffwater.
No action taken.
4. Discussion and possible action to adopt proposed interest crediting rates for December 31, 2019 – Staff.
Board approved interest crediting rates as of December 31, 2019. Rhodes/Cabral U/A 7-0
5. Discussion on replacing Board’s iPads and keyboards – Staff.
Information only.
6. Discussion and possible action to add half time extra help Office Assistant to MCERA – Staff.
Motion to approve Staff’s request to County for MCERA to hire an extra help Office Assistant. Ingersoll/Peterson U/A 7-0.
7. Discussion on legislative update (chaptered bills) – Staff.
No action taken.

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- 8. Discussion and possible action on update of property purchase located at 690 W. 19th Street, Merced, CA – Staff.

No action taken.

- 9. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code §31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - a. NCPERS Legislative Conference, January 26-28, 2020, Washington, DC.
 - b. CALAPRS General Assembly, March 7–10, 2020, Rancho Mirage, CA.
 - c. Advanced Principles of Pension Management for Trustees, March 30– April 1, 2020, Los Angeles, CA.
 - d. Pension Bridge Annual Conference, April 15-20-10, 2020, San Francisco, CA.
 - e. NCPERS Trustee Educational Seminal, May 9-10, 2020, Las Vegas, NV.
 - f. NCPERS Accredited Fiduciary Program (Modules 1&2 and 3&4), May 9-10, 2020, Las Vegas, NV.
 - g. NCPERS Annual Conference & Exhibition, May 10-13, 2020, Las Vegas, NV.
 - h. SACRS Spring Conference, May 12-15, 2020, San Diego, CA.
 - i. KKR’s 2020 Global Investor Meeting, July 29 – July 1, 2020, Rancho Palos Verdes, CA.
 - j. SACRS Public Pension Investment Management Program, July 26-29, 2020, Berkeley, CA.
 - k. Principles of Pension Governance for Trustees, August 25-28, 2020 Malibu, CA.
 - l. SACRS Fall Conference, November 10-13, 2020, Indian Wells, CA.

No action taken.

INFORMATION ONLY

- Plan Administrator introduced new MCERA Accountant Ninebra Maryoonani to the MCERA Board.

ADJOURNMENT

The meeting adjourned at 10:55 A.M.

Respectfully submitted,

Ryan Paskin, Chair

Al Peterson, Secretary

Date

Consent Budget Report

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended December 31, 2019

Non-Administrative Expenses	Original Projection	Current Projection	Expended 12/2019	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,400,000.00	3,400,000.00	93,333.34	896,585.37	2,503,414.63	26%
10/31/2019 Acadian - 2019-Q3 Mgmt Fees			19,469.00			
11/30/2019 SSgA - 2019-Q3 Mgmt Fees			12,459.10			
12/4/2019 Cliffwater - 2019-11 PE & HF Consulting			33,333.33			
12/4/2019 J&B Fencing - Temporary Fencing for Lot at 19th & N			1,980.00			
12/5/2019 Nossaman - 2019-10 Real Estate Purchase Related Legal			5,481.91			
12/5/2019 Nossaman - 2019-10 Cortec GF VII Related Legal			20,000.00			
12/27/2019 GFOA CAFR Cert			610.00			
Total 21800 · Investment Expenses			<u>93,333.34</u>			
21802 · Actuarial Services	250,000.00	250,000.00	-	22,363.75	227,636.25	9%
Total 21802 · Actuarial Services			<u>-</u>			
21812 · Data Processing	120,000.00	120,000.00	3,675.29	21,410.50	98,589.50	18%
12/10/2019 2019-10 IS Billing			3,668.81			
12/19/2019 Comcast - 2019-12 Wifi Chgs			199.03			
12/31/2019 2019-11 IS Billing			3,476.26			
Total 21812 · Data Processing			<u>3,675.29</u>			
21834 · Legal Services	300,000.00	300,000.00	30,874.87	125,384.27	174,615.73	42%
12/4/2019 Hanson Bridgett - 2019-10 Legal Exps			360.00			
12/10/2019 Nov 2019 Cost Allocation - County Counsel			11,240.33			
12/10/2019 Dec 2019 Cost Allocation - County Counsel			11,240.33			
12/13/2019 Ted Cabral - 2019-11 Disability Legal Svcs			499.50			
12/13/2019 Ted Cabral - 2019-11 Disability Legal Svcs			992.50			
12/13/2019 Ted Cabral - 2019-11 Disability Legal Svcs			4,495.50			
12/13/2019 Ted Cabral - 2019-11 Disability Legal Svcs			1,400.00			
12/13/2019 Ted Cabral - 2019-11 Disability Legal Svcs			116.71			
12/13/2019 PPC - 2019-11 Legal Svcs			530.00			
Total 21834 · Legal Services			<u>30,874.87</u>			
21840 · Custodial Banking Services	125,000.00	125,000.00	1,127.36	32,338.90	92,661.10	26%
12/4/2019 2019-11 NT STIF Fee			1,052.36			
12/10/2019 2019-11 Wire Fees			75.00			
Total 21840 · Custodial Banking Services			<u>1,127.36</u>			
22350 · Software and Technology	305,000.00	305,000.00	24,731.68	118,380.06	186,619.94	39%
12/12/2019 Spriggs - Bizhub Lease			170.01			
12/13/2019 CPAS - 2019-12 Support			12,600.00			
12/13/2019 CPAS - 2019-12 Maintenance			1,919.00			
12/20/2019 CDWG - iPads and Keyboard Cases			7,136.16			
12/20/2019 CDWG - Canon Document Scanners			2,906.51			
Total 22350 · Software and Technology			<u>24,731.68</u>			
Depreciation Expense	242,777.87	242,777.87				
Total Non-Administrative Items	4,742,777.87	4,742,777.87	153,742.54	1,216,462.85	3,526,315.02	26%

Merced County Employees' Retirement Association
 Non-Admin Expenses Prev Year Comparison (Preliminary)
 12/31/2019

4:20 PM
 1/02/20
 Accrual Basis

	<u>Dec 19</u>	<u>Dec 18</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$93,333.34	\$193,044.76	\$ (99,711.42)	-51.65%
21802 · Actuarial Services	-	-	-	0.00%
21812 · Data Processing	3,675.29	4,639.35	(964.06)	-20.78%
21834 · Legal Services	30,874.87	8,267.15	22,607.72	273.46%
21840 · Custodial Banking Services	1,127.36	1,046.48	80.88	7.73%
22350 · Software and Technology	24,731.68	14,519.00	10,212.68	70.34%
Total 62025 · Non-Administrative Expenses	<u>\$ 153,742.54</u>	<u>\$ 221,516.74</u>	<u>\$ (67,774.20)</u>	-30.60%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended December 31, 2019

Administrative Budget	Adopted	Current Budget	Expended 12/2019	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,240,572.00	1,240,572.00	87,721.40	475,335.16	765,236.84	38%
12/13/2019 PP25 Office Payroll 10110-10360, 21001, 22527			48,103.13			
12/27/2019 PP26 Office Payroll 10110-10360, 21001, 22527			39,618.27			
Total 10110 · Salaries & Wages			87,721.40			
20600 · Communications	4,000.00	4,000.00	588.99	1,808.22	2,191.78	45%
12/4/2019 AT&T - 2019-11 Comm Chgs			138.34			
12/10/2019 2019-10 Comm Charges			224.58			
12/31/2019 2019-11 Comm Charges			226.07			
Total 20600 · Communications			588.99			
20900 · Household Expense	11,500.00	11,500.00	126.99	3,599.94	7,900.06	31%
12/4/2019 Bob's Pest Control - 2019-11 Svcs			40.00			
12/5/2019 ADT - 2019-12 Security Svcs			86.99			
Total 20900 · Household Expense			126.99			
21000 · Insurance - Other	85,500.00	85,500.00	-	79,660.00	5,840.00	93%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	19,100.00	19,100.00	586.32	2,135.12	16,964.88	11%
12/4/2019 Yard Masters - 2019-10 Landscape Maint			325.00			
12/31/2019 2019-11 DPW Chgs			261.32			
Total 21301 · Maintenance Structure Improvement			586.32			
21500 · Membership	7,200.00	7,200.00	-	4,570.00	2,630.00	63%
Total 21500 · Membership			-			
21700 · Office Expense - General	11,000.00	11,000.00	608.92	3,659.57	7,340.43	33%
12/10/2019 2019-10 Stores Billing			244.26			
12/10/2019 2019-10 Pacific Shredding			10.00			
12/31/2019 2019-11 Stores Billing			344.66			
12/31/2019 2019-11 Pacific Shredding			10.00			
Total 21700 · Office Expense - General			608.92			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended December 31, 2019

Administrative Budget	Adopted	Current Budget	Expended 12/2019	Expended YTD	Bal Remaining	% Exp YTD
21710 · Office Expense - Postage	15,750.00	15,750.00	2,234.83	5,833.87	9,916.13	37%
12/10/2019 2019-10 IS Postage			946.53			
12/10/2019 2019-10 Mail Room Chgs			166.42			
12/31/2019 2019-11 IS Postage			945.07			
12/31/2019 2019-11 Mail Room Chgs			176.81			
Total 21710 · Office Expense - Postage			2,234.83			
21805 · Audits	60,000.00	60,000.00	4,972.00	29,131.74	30,868.26	49%
12/20/2019 Brown Armstrong - FY 18-19 Audit Progress Through 2019-11			4,972.00			
Total 21805 · Audits			4,972.00			
21808 · Board Membership	12,000.00	12,000.00	500.00	4,800.00	7,200.00	40%
12/23/2019 2019-11 Bd Mtgs			100.00			
12/23/2019 2019-11 Bd Mtgs			100.00			
12/26/2019 2019-11 Bd Mtgs			100.00			
12/26/2019 2019-11 Bd Mtgs			100.00			
12/26/2019 2019-11 Bd Mtgs			100.00			
Total 21808 · Board Membership			500.00			
21811 · Court Reporters	2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters			-			
21816 · Medical Services	80,000.00	80,000.00	-	10,450.00	69,550.00	13%
Total 21816 · Medical Services			-			
21872 · Investigations	1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations			-			
21900 · Publications & Legal Notices	4,500.00	4,500.00	-	2,846.00	1,654.00	63%
Total 21900 · Publications & Legal Notices			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended December 31, 2019

Administrative Budget	Adopted	Current Budget	Expended 12/2019	Expended YTD	Bal Remaining	% Exp YTD
22300 · Spec Dept Exp - Other	500.00	500.00	-	52.00	448.00	10%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	13,150.00	13,150.00	-	6,921.73	6,228.27	53%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	175,568.00	175,568.00	6,765.78	20,319.69	155,248.31	12%
12/10/2019 2019-10 Cost Allocation			3,382.89			
12/10/2019 2019-11 Cost Allocation			3,382.89			
Total 22327 · Spec Dept Exp - Cost Allocation			6,765.78			
22500 · Transportation & Travel	400.00	400.00	80.91	80.91	319.09	20%
12/30/2019 2019-07 - 2019-10 Mail Runs			64.79			
12/30/2019 2019-11 Mail Runs			16.12			
Total 22500 · Transportation & Travel			80.91			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	5,984.97	6,284.97	3,715.03	63%
11/18/2019 PEAI - PE Accounting Course			5,984.97			
Total 22505 · Trans & Travel - Staff Development			5,984.97			
22515 · Trans & Travel - In State	55,000.00	55,000.00	6,596.96	17,192.34	37,807.66	31%
12/12/2019 SACRS 2019 Fall Conf - Travel Reimb			213.10			
12/13/2019 SACRS 2019 Fall Conf - Travel Reimb			184.52			
12/13/2019 SACRS 2019 Fall Conf - Travel Reimb			43.00			
12/17/2019 SACRS 2019 Fall Conf - Travel Reimb			193.46			
12/20/2019 SACRS 2019 Fall Conf - Travel Reimb			217.80			
12/20/2019 CALAPRS Overview Plan Administration - Travel Reimb			155.02			
12/20/2019 CALAPRS Overview Plan Administration - Tuition			250.00			
12/30/2019 SACRS 2019 Fall Conf - Travel Reimb			228.20			
12/31/2019 Citibank - Car Rental - CALAPRS Principles of Pension Mgmt Course			171.10			
12/31/2019 Citibank - SACRS 2019 Fall Conf - Hotel Chgs			4,940.76			
Total 22515 · Trans & Travel - In State			6,596.96			

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month Ended December 31, 2019

Administrative Budget	Adopted	Current Budget	Expended 12/2019	Expended YTD	Bal Remaining	% Exp YTD
22516 · Trans & Travel - Out of State	15,000.00	15,000.00	3,684.18	4,679.18	10,320.82	31%
12/13/2019 PEAI NYC Training - Travel Reimb			289.06			
12/13/2019 PEAI NYC Training - Travel Reimb			614.91			
12/31/2019 Citibank - PEAI NYC Training - Hotel Chgs			2,325.20			
12/31/2019 Citibank - PEAI NYC Training - Airfare			441.01			
12/31/2019 Agency Flight Fee			7.00			
12/31/2019 Agency Flight Fee			7.00			
Total 22516 · Trans & Travel - Out of State			<u>3,684.18</u>			
22600 · Utilities	15,000.00	15,000.00	978.86	6,477.91	8,522.09	43%
12/4/2019 City of Merced - 2019-11 WS&G			471.98			
12/5/2019 PG&E - 2019-11 Svcs			506.88			
Total 22600 · Utilities			<u>978.86</u>			
Depreciation Expense	14,403.15	14,403.15	-	-	14,403.15	
Total Administrative Budget	<u>1,853,143.15</u>	<u>1,853,143.15</u>	<u>121,431.11</u>	<u>685,838.35</u>	<u>1,167,304.80</u>	37%

**Merced County Employees' Retirement Association (MCERA)
RETIREMENT BOARD AGENDA ITEM**

DATE: January 9, 2020
TO: MCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: CPAS Licensing Agreement Fee

ITEM NUMBER: 1

ITEM TYPE: Action

STAFF RECOMMENDATION:

Accept staff recommended Option 2 to Increase MCERA's License entitlement by our current overage (3,390) and add 3% (102, new License Limit would be 13,492).
Overage (3,390 +102) x Cost per additional member (\$12.55) = \$43,825 USD.

DISCUSSION:

CPAS has conducted its annual licensing audit. After a review of the results, it appears as if the Merced County Employees' Retirement Association (MCERA) has exceeded the agreed upon licensing threshold.

License Record Count:

Contracted License Limit = 10,000

Current Database Count = 13,390

Overage = 3,390

Please consider the following options:

Option 1:

Increase MCERA's Licence agreement/entitlement by our current overage, 3,390 (new License Limit would be 13,390).

This would bring MCERA's license into compliance for the current members in our database. Any additional members added to the database, would be subject to additional costs in future years. The cost to move forward with this option is as follows:

Overage (3,390) x Cost per additional member (\$12.55) = \$ 42,545 USD

Option 2:

Increase MCERA's Licence entitlement by our current overage (3,390) and add 3% (102, new License Limit would be 13,492).

This would bring our license into compliance for the current members and provide room on the database for growth, going forward. The cost to move forward with this option is as follows:

Merced County Employees' Retirement Association (MCERA)
RETIREMENT BOARD AGENDA ITEM

Overage (3,390 +102) x Cost per additional member (\$12.55) = \$43,825 USD

CPAS is aiming to finalize their audit process as soon as possible. Staff recommends that the Board approve Option 2 to give the system room for minimal growth.

Non-Administrative Projection									
	Current					Remaining			
	Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Total Expended	Projected	% Exp	
21800 Investment Expenses	\$ 3,400,000.00	\$ 169,424.90	5%	\$ 727,160.47	21%	\$ 896,585.37	\$ 2,503,414.63	26%	
21802 Actuarial Services	250,000.00	-	0%	22,363.75	9%	22,363.75	227,636.25	9%	
21812 Data Processing	120,000.00	9,989.95	8%	11,420.55	10%	21,410.50	98,589.50	18%	
21834 Legal Services	300,000.00	53,002.36	18%	72,381.91	24%	125,384.27	174,615.73	42%	
21840 Custodial Banking Services	125,000.00	3,209.76	3%	29,129.14	23%	32,338.90	92,661.10	26%	
22350 Software & Technology	305,000.00	62,220.61	20%	56,159.45	18%	118,380.06	186,619.94	39%	
Depreciation Expense	242,777.87	-	0%	-	0%	-	242,777.87	0%	
Total Non-Administrative Items	\$ 4,742,777.87	\$ 297,847.58	6%	\$ 918,615.27	19%	\$ 1,216,462.85	\$ 3,526,315.02	26%	
Administrative Budget									
	Current					Remaining			
	Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Total Expended	Appropriation	% Exp	
10110 Salaries & Wages	\$ 1,240,572.00	\$ 189,350.56	15%	\$ 285,984.60	23%	\$ 475,335.16	\$ 765,236.84	38%	
20600 Communications	4,000.00	721.72	18%	1,086.50	27%	1,808.22	2,191.78	45%	
20900 Household Expense	11,500.00	1,704.97	15%	1,894.97	16%	3,599.94	7,900.06	31%	
21000 Insurance-Other	85,500.00	79,660.00	93%	-	0%	79,660.00	5,840.00	93%	
21301 Maintenance Structure Improvement	19,100.00	898.80	5%	1,236.32	6%	2,135.12	16,964.88	11%	
21500 Membership	7,200.00	4,000.00	56%	570.00	8%	4,570.00	2,630.00	63%	
21700 Office Expense-General	11,000.00	2,988.23	27%	671.34	6%	3,659.57	7,340.43	33%	
21710 Office Expense-Postage	15,750.00	2,293.29	15%	3,540.58	22%	5,833.87	9,916.13	37%	
21805 Audits	60,000.00	12,366.57	21%	16,765.17	28%	29,131.74	30,868.26	49%	
21808 Board Membership	12,000.00	2,000.00	17%	2,800.00	23%	4,800.00	7,200.00	40%	
21811 Court Reporters	2,000.00	-	0%	-	0%	-	2,000.00	0%	
21816 Medical Services	80,000.00	-	0%	10,450.00	13%	10,450.00	69,550.00	13%	
21872 Investigations	1,000.00	-	0%	-	0%	-	1,000.00	0%	
21900 Publications & Legal Notices	4,500.00	2,846.00	63%	-	0%	2,846.00	1,654.00	63%	
22300 Spec Dept Expense-Other	500.00	20.00	4%	32.00	6%	52.00	448.00	10%	
22310 Election Expense	13,150.00	-	0%	6,921.73	53%	6,921.73	6,228.27	53%	
22327 Spec Dept Exp-Cost Allocation	175,568.00	10,171.02	6%	10,148.67	6%	20,319.69	155,248.31	12%	
22500 Transportation & Travel	400.00	-	0%	80.91	20%	80.91	319.09	20%	
22505 Trans & Travel-Staff Development	10,000.00	300.00	3%	5,984.97	60%	6,284.97	3,715.03	63%	
22515 Trans & Travel-In State	55,000.00	8,391.30	15%	8,801.04	16%	17,192.34	37,807.66	31%	
22516 Trans & Travel-Out Of State	15,000.00	-	0%	4,679.18	31%	4,679.18	10,320.82	31%	
22600 Utilities	15,000.00	2,934.29	20%	3,543.62	24%	6,477.91	8,522.09	43%	
Depreciation Expense	14,403.15	-	0%	-	0%	-	14,403.15	0%	
Total Administrative Budget	\$ 1,853,143.15	\$ 320,646.75	17%	\$ 365,191.60	20%	\$ 685,838.35	\$ 1,167,304.80	37%	
Total MCERA	\$ 6,636,921.02	\$ 618,494.33	9%	\$ 1,322,009.46	20%	\$ 1,902,301.20	\$ 4,696,417.23	29%	

Merced County Employees' Retirement Association
 Non-Admin Expenses Prev Year Comparison (Preliminary)
 For the Quarter Ended December 31, 2019

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 01/03/20
 Accrual Basis

	<u>Oct - Dec 19</u>	<u>Oct - Dec 18</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses				
IED0001 · PanAgora Asset Management	\$ 35,757.81	\$ 45,182.37	\$ (9,424.56)	-20.86%
IED0002 · Dimensional Fund Advisors	15,562.11	19,533.90	(3,971.79)	-20.33%
IED0003 · Mellon LC SIF	10,413.27	11,644.86	(1,231.59)	-10.58%
IED0004 · Mellon Dynamic	71,260.71	62,623.70	8,637.01	13.79%
IEE0003 · Wells Capital	152,121.76	131,985.39	20,136.37	15.26%
IEE0004 · Copper Rock Intl SC	-	48,098.40	(48,098.40)	-100.0%
IEE0005 · Mellon Int SIF	8,637.15	11,791.94	(3,154.79)	-26.75%
IEE0006 · Acadian Ex US SCF	19,469.00	-	19,469.00	100.0%
IEF0001 · Barrow Hanley	42,776.00	78,687.00	(35,911.00)	-45.64%
IEP0001 · SSgA RAS	12,459.10	24,331.45	(11,872.35)	-48.79%
IER0001 · UBS Realty Investors	87,628.33	91,395.72	(3,767.39)	-4.12%
IER0006 · Taconic CRE II	15,401.28	-	15,401.28	100.0%
IEX0015 · KKR Global Infrastructure II	18,959.00	36,653.00	(17,694.00)	-48.27%
IEX0018 · GSO EOF	30,391.00	24,286.00	6,105.00	25.14%
ISC001 · Meketa Investment Group	53,500.00	52,500.00	1,000.00	1.91%
ISC002 · Cliffwater LLC	99,999.99	133,333.32	(33,333.33)	-25.0%
ISL001 · Nossaman - Investments	36,054.21	113,477.50	(77,423.29)	-68.23%
21800 · Investment Expenses - Other	<u>16,769.75</u>	<u>(13,672.82)</u>	<u>30,442.57</u>	<u>222.65%</u>
Total 21800 · Investment Expenses	<u>727,160.47</u>	<u>871,851.73</u>	<u>(144,691.26)</u>	<u>-16.6%</u>
21802 · Actuarial Services	22,363.75	17,617.89	4,745.86	26.94%
21812 · Data Processing	11,420.55	17,904.03	(6,483.48)	-36.21%
21834 · Legal Services	72,381.91	44,032.00	28,349.91	64.39%
21840 · Custodial Banking Services	29,129.14	59,033.86	(29,904.72)	-50.66%
22350 · Software and Technology	56,159.45	56,736.62	(577.17)	-1.02%
Total 62025 · Non-Administrative Expenses	<u>\$ 918,615.27</u>	<u>\$ 1,067,176.13</u>	<u>\$ (148,560.86)</u>	<u>-13.92%</u>