

**MCERA RETIREMENT BOARD MEETING AGENDA
THURSDAY, APRIL 11, 2019
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

Please turn your cell phone or other electronic device to non-audible mode and please refrain from using them during the Board meeting.

CALL TO ORDER: 8:15 A.M.

- ROLL CALL.
- APPROVAL OF MINUTES – March 28, 2019 and Education Day

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. Barba, Alejandro
 - c. Burnett, Donald
 - d. Cruz, Mary Kay
 - e. Elias, Robert
 - f. Estep, Jason
 - g. Herrera, Yvonne
 - h. Ramirez, Linda
 - i. Plascencia, Ramon
 - j. Smith, Derrell
 - k. Valizan, Matthew
 - l. Winder, Trudy

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. Tucker, Stephan L. Jr.	Sheriff	24 Yrs. Svc.	Eff. 03/31/2019
b. Vang, Khou	H.S.A.	27 Yrs. Svc.	Eff. 03/30/2019
c. Xiong, William	H.S.A.	30 Yrs. Svc.	Eff. 03/30/2019
d. Barnes, Donna	H.S.A.	21 Yrs. Svc.	Eff. 03/30/2019
e. Arlington, Susan	H.S.A.	3 Yrs. Svc.	Eff. 04/01/2019
f. Huff, Robin	Probation	30 Yrs. Svc.	Eff. 03/30/2019
g. Watkins, Perry	Beh. Hlth.	21 Yrs. Svc.	Eff. 03/19/2019
h. Hintenach, Mary	MCMC	10 Yrs. Svc.	Eff. 03/31/2019
i. Pope, John	Admin/I.S.	6 Yrs. Svc.	Eff. 04/01/2019
j. Simmons, Rodney L.	Admin/I.S.	27 Yrs. Svc.	Eff. 03/30/2019
k. Chavez, Freddie	H.S.A.	33 Yrs. Svc.	Eff. 03/30/2019
l. Cloud, Michelle	Courts	38 Yrs. Svc.	Eff. 03/30/2019
m. Carroll, Robert	D.A.	25 Yrs. Svc.	Eff. 03/06/2019
n. Carvajal, Arnie	Risk Mgt	28 Yrs. Svc.	Eff. 03/03/2019
o. Craig, Meredith	Health	28 Yrs. Svc.	Eff. 03/30/2019
p. Michaelis, Fred	Ag Comm	29 Yrs. Svc.	Eff. 03/30/2019
q. Saechao, Cheng	H.S.A.	28 Yrs. Svc.	Eff. 03/30/2019
r. Saechao, Chio	Beh. Hlth	29 Yrs. Svc.	Eff. 03/30/2019
s. Yanez, Kim	Probation	33 Yrs. Svc.	Eff. 03/30/2019
t. Contreras, John	Chld Supt	9 Yrs. Svc.	Eff. 04/01/2019
u. Bryan, Victoria	BOS	33 Yrs. Svc.	Eff. 03/30/2019
v. Carrera, Michael	Envir Hlth	1 Yrs. Svc.	Eff. 03/30/2019
w. Mackenzie, Thomas	Sheriff	16 Yrs. Svc.	Eff. 03/16/2019
x. Perez, Rosemarie	Beh. Hlth	37 Yrs. Svc.	Eff. 03/30/2019
y. Janssen, Linda	D.A.	33 Yrs. Svc.	Eff. 03/30/2019
z. Glusing, Marlene	D.A.	36 Yrs. Svc.	Eff. 03/30/2019
aa. Arroyo, Elizabeth	H.S.A.	21 Yrs. Svc.	Eff. 03/30/2019
bb. Amezcua, Rhonda	D.A.	15 Yrs. Svc.	Eff. 04/05/2019

YTD fiscal year 2018/2019 retirees: 085

YTD fiscal year 2017/2018 retirees: 082

YTD fiscal year 2016/2017 retirees: 065

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

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action on quarterly budget report for MCERA – Staff.
2. Discussion and possible action to (1) extend current contract by amendment of MCERA’s current actuarial consultants with Cheiron, Inc. and (2) enter into a new agreement with Segal Consulting for actuarial auditing – Staff.
3. Discussion and possible action to delegate Plan Administrator as voting delegate for NCPERS Annual Conference May 19 – 22, 2019 - Staff.
4. Discussion and possible update on Legislative Update – Staff.
5. Discussion and possible action on Staff Service Resolution for Angelo Lamas – Chair.
6. 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. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
 - b. NCPERS Annual Conference & Exhibition, May 19-22, 2019, Austin, TX.
 - c. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
 - d. SACRS Fall Conference, November 12-15, 2019, Monterey, 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.

- April 25, 2019
- May 9, 2019
- May 23, 2019

ADJOURNMENT

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.

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
THURSDAY, MARCH 28, 2018
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

ROLL CALL: 8:15 A.M.

Board Members Present: Darlene Ingersoll, Ryan Paskin, David Ness, Karen Adams, Al Peterson, Jason Goins, Michael Rhodes, Janey Cabral, Scott Silveira, Scott Johnston. **Counsel:** Forrest Hansen. **Staff:** Kristie Santos, Angelo Lamas, Mark Harman, Michelle Lee, Adriana Valdez. **Other:** Ashley Dunning, Nossaman (by telephone); Leo Festino and Paola Nealon, Meketa Investment Group; Jaime Fiedler, Cliffwater.

Absent: None.

APPROVAL OF MINUTES: March 14, 2019.

**Motion to approve the March 14, 2019 meeting minutes.
Silveira /Cabral U/A (9-0).**

PUBLIC COMMENT

No public comment.

CLOSED SESSION

Reorder of Items: Closed Session Item 2 was moved to Closed Session Item 1.

The meeting went into closed session.

RETURN TO OPEN SESSION

(1) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

(Govt Code § 54956.9(a))

Alameda County Deputy Sheriff's Assn. et al v. Alameda County Employees' Retirement Assn., et al., Cal. Supreme Court Case No. S247095 (review granted March 28, 2018)

Direction given to counsel.

(2) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.

(Govt. Code § 54956.81)

Discussion and possible adoption of private equity fund recommendation – Cliffwater.

The MCERA Board approved an \$8M commitment in the Accel-KKR Capital Partners, VI, L.P, pending legal review of all documents.

Adams/Paskin U/A (9-0).

Roll Call Vote:

Yes –Peterson, Adams, Cabral, Goins, Rhodes, Silveira, Ness, Paskin, Ingersoll.

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action of the 2019 Monthly Investment Performance Report with possible board action on any funds – Meketa Investment Group.
No action taken.
2. Discussion and possible action to adopt Opportunistic Fixed Income Manager Recommendations – Meketa Investment Group.
Motion to adopt the Opportunistic Fixed Income Manager Recommendations of GoldenTree and PIMCO Income Fund. To be funded with the 2.5% from Mellon Fund(s) and 2.5% from Barrow, Hanley, Mewhinney & Strauss, LLC, pending legal review.
Rhodes/Peterson U/A (9-0).
3. Discussion and possible action to reduce MCERA’s Barrow, Hanley, Mewhinney & Strauss, LLC allocation by half and put funds in Vanguard (VBTIX) – Meketa Investment Group.
Motion to approve the reduction of Barrow, Hanley, Mewhinney & Strauss, LLC by half (50%) and allocate funds to Vanguard (VBTIX).
Paskin/ Adams U/A (9-0).
4. Reminder - that MCERA Board Education Half Day will begin immediately after the adjournment of this meeting.
No action taken.
5. 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. Meketa Investment Group Conference, April 9, 2019, San Diego, CA.
 - b. Pension Bridge Annual Conference, April 9-10, 2019, San Francisco, CA.
 - c. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
 - d. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.
 - e. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.**Motion to approve Trustee Adams to attend the Pension Bridge Annual conference on April 9-10, 2019 in San Francisco, CA and to approve Trustees Paskin, Peterson, Cabral, and Johnston to attend the SACRS Fall Conference on November 12-15, 2019 in Monterey, CA**
Paskin/Silveira U/A (9-0).

INFORMATION ONLY

Plan Administrator announced the retirement of MCERA’s Retirement Officer Angelo Lamas, effective April 19th.

The Board was informed that the Plan Administrator will not be in attendance of the April 11, 2019 Board meeting and that Mark Harman, Fiscal Manager, will be running the meeting.

A reminder that Form 700 is due by April 2, 2019.

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Fiscal Manager noted that he is attending the SACRS Fall Conference on November 12-15, 2019 in Monterey, CA.

ADJOURNMENT

The meeting adjourned at 9:58 a.m.

Respectfully submitted,

Darlene Ingersoll, Chair

Al Peterson, Secretary

Date

**MCERA RETIREMENT BOARD EDUCATION DAY MINUTES
THURSDAY, MARCH 28, 2018
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M Street, Merced, CA 95348**

ROLL CALL: 10:14 A.M.

Board Members Present: Darlene Ingersoll, Karen Adams, David Ness, Al Peterson, Michael Rhodes, Ryan Paskin, Jason Goins, Janey Cabral, Scott Silveira, Scott Johnston. ***Counsel:*** Forrest Hansen. ***Staff:*** Kristie Santos, Mark Harman, Michelle Lee, Adriana Valdez. ***Presenters:*** Leo Festino and Paola Nealon, Meketa; Jaime Fiedler, Cliffwater.

Absent: None.

PUBLIC COMMENT

No public comment.

REGULAR CALENDAR

BOARD ACTION/DISCUSSION

Discussion and possible action on the following presentations:

- Benchmarking and active v. passive management – Meketa Investment Group.
- Private opportunistic credit – Cliffwater, LLC.

No action taken.

INFORMATION ONLY

ADJOURNMENT

The meeting adjourned at 11:54 a.m.

Respectfully submitted,

Darlene Ingersoll, Chair

Al Peterson, Secretary

Date

Professional Service Budget	Adopted	Current Budget	Expended 03/2019	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
21800 · Professional & Special Services - Consultant and Management Fees	3,400,000.00	3,400,000.00	177,455.59	1,723,223.81	-	1,676,776.19	51%
12/27/2018 GSO EOF - Mgt Fees - 2018-Q3			16,548.00				
12/27/2018 GSO EOF - Operating Exps			7,738.00				
2/28/2019 Copper Rock - 2018-Q4 Mgt Fees			42,363.40				
3/6/2019 KKR Gil II - Mgt Fees - 2018-Q4			5,509.00				
3/15/2019 Cliffwater - 2019-02 PE & HF Consulting			33,333.33				
3/18/2019 Jennifer Padilla - 2018-02-20 - Notary Svcs			30.00				
3/18/2019 SSgA - Mgt Fees - 2018-Q4			23,164.06				
3/25/2019 Nossaman - 2019-01 - Carmel PIF VII Related Legal			1,227.60				
3/25/2019 Nossaman - 2019-01 - Summit GPE Fund X Related Legal			2,779.20				
3/25/2019 Nossaman - 2019-02 - Rockpoint RE Fund VI Related Legal			10,000.00				
3/25/2019 Nossaman - 2019-02 - Genstar CP IX Related Legal			12,000.00				
3/25/2019 GFOA - CAFR 2017 Cert of Achievement			75.00				
3/28/2019 GSO EOF - Mgt Fees - 2018-Q4			15,375.00				
3/28/2019 GSO EOF - Operating Exps			7,313.00				
Total 21800 · Professional & Special Services - Consultant and Management Fees			177,455.59				
21802 · Professional & Special Services - Actuarial Service	175,000.00	175,000.00	-	37,443.04	-	137,556.96	21%
Total 21802 · Professional & Special Services - Actuarial Service			-				
21812 · Prof & Spec - Data Processing	120,000.00	120,000.00	5,213.74	41,559.35	-	78,440.65	35%
3/13/2019 2019-02 IS Billing			4,815.82				
3/28/2019 Comcast - WIFI Install			397.92				
Total 21812 · Prof & Spec - Data Processing			5,213.74				
21840 · Prof & Spec Sv - Administrative Serv	115,000.00	115,000.00	2,166.54	61,300.31	-	53,699.69	53%
3/4/2019 2019-01 Wire Fees			100.00				
3/5/2019 2019-02 NT STIF Income - Custodial Fee			989.93				
3/6/2019 Dole Food Co - Class Action - Custodial Fee			779.71				
3/6/2019 Indymac - Class Action - Custodial Fee			31.27				
3/7/2019 Indymac - Class Action - Custodial Fee			33.75				
3/19/2019 OSI Systems Inc - Class Action - Custodial Fee			60.02				
3/20/2019 2019-02 Wire Fees			100.00				
3/26/2019 Amedsys, Inc - Class Action - Custodial Fee			71.86				
Total 21840 · Prof & Spec Sv - Administrative Serv			2,166.54				
22350 · Spec Dept Exp - Software	250,000.00	327,838.60	77,838.60	238,050.69	-	89,787.91	73%
3/20/2019 CPAS - 2017-2018 Extra Support Hrs			77,838.60				
Total 22350 · Spec Dept Exp - Software			77,838.60				
Depreciation Expense	242,777.87	242,777.87					
Total Professional Service Budget	4,302,777.87	4,380,616.47	262,674.47	2,101,577.20	-	2,279,039.27	48%
Capital Asset Budget							
84170 - Retirement Carpet	41,000.00	41,000.00	-	38,202.59	-	2,797.41	93%
Total 84170 - Retirement Carpet			-				
Total Capital Asset Budget Budget	41,000.00	41,000.00	-	38,202.59	-	2,797.41	93%
Administrative Service Budget							
10110 · Salaries & Wages	1,178,153.89	1,178,153.89	77,134.22	712,992.78	-	465,161.11	61%
3/8/2019 Office Payroll 5			38,505.37				
3/22/2019 Office Payroll 6			38,628.85				
Total 10110 · Salaries & Wages			77,134.22				
20600 · Communications	5,050.00	5,050.00	345.59	2,787.62	-	2,262.38	55%
3/13/2019 2019-02 Comm Billing			209.41				
3/18/2019 AT&T - 2019-02 Comm Chgs			136.18				
Total 20600 · Communications			345.59				
20900 · Household Expense	10,600.00	10,600.00	1,022.33	7,120.57	-	3,479.43	67%
3/15/2019 Geil - 2019-02 Janitorial			682.00				
3/18/2019 Bob's Pest Control - 2019-02 Svcs			40.00				
3/22/2019 Cyclone Pressure Washing - 2019-02 Window Cleaning			150.00				
3/28/2019 ADT - 2019-Q2 Security Svcs			150.33				
Total 20900 · Household Expense			1,022.33				

Administrative Service Budget (Cont'd)	Adopted	Current Budget	Expended 03/2019	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
21000 · Insurance - Other	85,000.00	85,000.00	-	79,292.00	-	5,708.00	93%
Total 21000 · Insurance - Other			<u>-</u>				
21001 · Insurance - General Liability	3,072.00	3,072.00	240.32	2,210.60	-	861.40	72%
3/8/2019 PP 5 - General Liability			119.83				
3/22/2019 PP 6 - General Liability			120.49				
Total 21001 · Insurance - General Liability			<u>240.32</u>				
21200 · Maintenance - Equipment	5,000.00	6,800.00	1,137.79	5,089.77	-	1,710.23	75%
3/15/2019 Spriggs - 2019-Q1 Bizhub Base Chg			797.77				
3/18/2019 Spriggs - Bizhub Lease			170.01				
3/28/2019 Spriggs - Bizhub Lease			170.01				
Total 21200 · Maintenance - Equipment			<u>1,137.79</u>				
21301 · Maintenance Structure Improvement	19,100.00	19,100.00	1,065.83	11,969.45	-	7,130.55	63%
3/13/2019 2019-02 DPW Charges			311.18				
3/15/2019 Yard Masters - 2019-02 Landscape Maint			300.00				
3/20/2019 CED - LED 24W Lamps			454.65				
Total 21301 · Maintenance Structure Improvement			<u>1,065.83</u>				
21500 · Membership	6,500.00	6,500.00	-	5,860.00	-	640.00	90%
Total 21500 · Membership			<u>-</u>				
21700 · Office Expense - General	21,000.00	21,000.00	309.50	18,541.60	-	2,458.40	88%
3/13/2019 2019-01 Stores Billing			265.33				
3/13/2019 2019-01 Pacific Shredding			10.00				
3/15/2019 First Choice - 2019-02 Water Svc			27.17				
3/15/2019 First Choice - 2019-02 Cooler Rental			7.00				
Total 21700 · Office Expense - General			<u>309.50</u>				
21710 · Office Expense - Postage	15,750.00	15,750.00	1,085.14	10,929.18	-	4,820.82	69%
3/13/2019 2019-02 Mail Room Chgs			119.62				
3/13/2019 2019-02 IS Postage			931.08				
3/18/2019 FedEx - 2019-02 - Delivery Chgs			34.44				
Total 21710 · Office Expense - Postage			<u>1,085.14</u>				
21805 · Prof & Spec Service - Audits	55,000.00	55,000.00	-	43,275.58	-	11,724.42	79%
Total 21805 · Prof & Spec Service - Audits			<u>-</u>				
21808 · Prof & Spec - BD Membership	12,000.00	12,000.00	800.00	6,900.00	-	5,100.00	58%
3/5/2019 Bd Mtgs - Stale Dated Check			(300.00)				
3/28/2019 2019-02 Bd Mtgs			300.00				
3/28/2019 2019-02 Bd Mtgs			200.00				
3/28/2019 2019-02 Bd Mtgs			300.00				
3/28/2019 2019-02 Bd Mtgs			200.00				
3/28/2019 2019-02 Bd Mtgs			100.00				
Total 21808 · Prof & Spec - BD Membership Fee			<u>800.00</u>				
21811 · Prof & Spec - Court Reporters	2,000.00	2,000.00	-	-	-	2,000.00	0%
Total 21811 · Prof & Spec - Court Reporters			<u>-</u>				
21816 · Prof & Spec - Medical Services	80,000.00	80,000.00	-	3,730.80	-	76,269.20	5%
Total 21816 · Prof & Spec - Medical Services			<u>-</u>				

Administrative Service Budget (Cont'd)	Adopted	Current Budget	Expended 03/2019	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
21834 · Prof & Spec - Legal Services	300,000.00	298,200.00	19,134.54	141,656.23	-	156,543.77	48%
3/15/2019 PPC - 2019-02 Legal Svcs			265.00				
3/25/2019 Hansen Bridgett - Tax Comp/Determ Ltr			582.30				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			1,175.29				
3/25/2019 Ted Cabral - 2019-02 Admin			277.50				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			13,000.50				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			2,072.00				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			55.00				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			129.50				
3/25/2019 Ted Cabral - 2019-02 Disab Legal Svcs			416.15				
3/25/2019 Nossaman - 2019-01 - Gen Adv & Couns			1,161.30				
Total 21834 · Prof & Spec - Legal Services			<u>19,134.54</u>				
21872 · Prof & Spec Sv - Investigations	1,000.00	1,000.00	-	-	-	1,000.00	0%
Total 21872 · Prof & Spec Sv - Investigations			<u>-</u>				
21900 · Publications & Legal Notices	4,500.00	4,500.00	-	2,494.43	-	2,005.57	55%
Total 21900 · Publications & Legal Notices			<u>-</u>				
22300 · Spec Dept Exp - Other	500.00	500.00	-	57.00	-	443.00	11%
Total 22300 · Spec Dept Exp - Other			<u>-</u>				
22310 · Spec Dept Exp - Election Expense	5,000.00	5,000.00	-	-	-	5,000.00	0%
Total 22310 · Spec Dept Exp - Election Expense			<u>-</u>				
22327 · Spec Dept Exp - Cost Allocation	151,282.00	151,282.00	12,606.83	113,461.47	-	37,820.53	75%
3/5/2019 2019-03 Cost Allocation			12,606.83				
Total 22327 · Spec Dept Exp - Cost Allocation			<u>12,606.83</u>				
22500 · Transportation & Travel	800.00	800.00	-	128.46	-	671.54	16%
Total 22500 · Transportation & Travel			<u>-</u>				
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	120.00	-	3,880.00	3%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>				
22515 · Trans & Travel - In State	55,000.00	55,000.00	1,899.53	16,459.06	-	38,540.94	30%
3/15/2019 SACRS - Spring 2019 Conference			120.00				
3/15/2019 StanCERA Interview Panel - Travel Reimb			90.48				
3/18/2019 Flight Agency Fee			7.00				
3/18/2019 Travel - Flight			958.58				
3/18/2019 Travel - Hotel			457.31				
3/29/2019 CALAPRS - Travel Reimb			266.16				
Total 22515 · Trans & Travel - In State			<u>1,899.53</u>				
22516 · Trans & Travel - Out of State	9,000.00	9,000.00	815.00	2,694.59	-	6,305.41	30%
3/18/2019 NCPERS - 2019 Annual Conf			815.00				
Total 22516 · Trans & Travel - Out of State			<u>815.00</u>				
22527 · Trans & Travel - Car Allowance	14,000.00	14,000.00	923.10	8,538.67	-	5,461.33	61%
3/8/2019 PP 5 - Car Allowance			461.55				
3/22/2019 PP 6 - Car Allowance			461.55				
Total 22527 · Trans & Travel - Car Allowance			<u>923.10</u>				
22600 · Utilities	12,500.00	12,500.00	825.64	8,362.86	-	4,137.14	67%
3/7/2019 PG&E - 2019-02 Svcs			677.65				
3/7/2019 City of Merced - 2019-02 WS&G			147.99				
Total 22600 · Utilities			<u>825.64</u>				
Depreciation Expense	13,130.08	13,130.08	-	-	-	13,130.08	
Total Administrative Service Budget	2,068,937.97	2,068,937.97	119,345.36	1,204,672.72	-	864,265.25	58%
Total MCERA	6,412,715.84	6,490,554.44	382,019.83	3,344,452.51	-	3,146,101.93	52%

Merced County Employees' Retirement Association
 Quarterly Budget Report (Preliminary)
 For the Fiscal Quarter Ended March 31, 2019

Professional Service Budget													
	Current									Remaining		Current	Available/
	Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3%	Total Expended		Appropriation	% Exp	Encumbrances	Unrealized
21800 Professional & Special Services	\$ 3,400,000.00	\$ 154,488.65	5%	\$ 871,851.73	26%	\$ 696,883.43	20%	\$ 1,723,223.81		\$ 1,676,776.19	51%	-	\$ 1,676,776.19
21802 Prof & Spec Serv-Actuarial Service	175,000.00	-	0%	17,617.89	10%	19,825.15	11%	37,443.04		137,556.96	21%	-	137,556.96
21812 Prof & Spec Serv-Data Processing	120,000.00	8,775.50	7%	17,904.03	15%	14,879.82	12%	41,559.35		78,440.65	35%	-	78,440.65
21840 Prof & Spec Sv-Administrative Serv	115,000.00	27,624.47	24%	3,460.28	3%	30,215.56	26%	61,300.31		53,699.69	53%	-	53,699.69
22350 Spec Dept Exp-Software	327,838.60	74,437.47	23%	56,736.62	17%	106,876.60	33%	238,050.69		89,787.91	73%	-	89,787.91
Depreciation Expense	242,777.87	-	0%	-	0%	-	0%	-		242,777.87	0%	-	242,777.87
Total Professional Service Budget	\$ 4,380,616.47	\$ 265,326.09	6%	\$ 967,570.55	22%	\$ 868,680.56	20%	\$ 2,101,577.20		\$ 2,279,039.27	48%	\$ -	\$ 2,036,261.40
Capital Asset Budget													
	Current									Remaining		Current	Available/
	Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3%	Total Expended		Appropriation	% Exp	Encumbrances	Unrealized
84170 Retirement Carpet	\$ 41,000.00	\$ -	0%	\$ 38,202.59	93%	\$ -	0%	\$ 38,202.59		\$ 2,797.41	93%	-	\$ 2,797.41
Total Capital Asset Budget	\$ 41,000.00	\$ -	0%	\$ 38,202.59	93%	\$ -	0%	\$ 38,202.59		\$ 2,797.41	93%	\$ -	\$ 2,797.41
Administrative Service Budget													
	Current									Remaining		Current	Available/
	Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3%	Total Expended		Appropriation	% Exp	Encumbrances	Unrealized
10110 Salaries And Wages	\$ 1,178,153.89	\$ 198,941.62	17%	\$ 282,599.01	24%	\$ 231,452.15	20%	\$ 712,992.78		\$ 465,161.11	61%	-	\$ 465,161.11
20600 Communications	5,050.00	702.09	14%	1,043.77	21%	1,041.76	21%	2,787.62		2,262.38	55%	-	2,262.38
20900 Household Expense	10,600.00	1,797.66	17%	2,902.58	27%	2,420.33	23%	7,120.57		3,479.43	67%	-	3,479.43
21000 Insurance-Other	85,000.00	79,292.00	93%	-	0%	-	0%	79,292.00		5,708.00	93%	-	5,708.00
21001 Insurance-General Liability	3,072.00	608.90	20%	880.53	29%	721.17	23%	2,210.60		861.40	72%	-	861.40
21200 Maintenance-Equipment	6,800.00	1,572.36	23%	2,193.05	32%	1,324.36	19%	5,089.77		1,710.23	75%	-	1,710.23
21301 Maint Struct Improvements & Gr	19,100.00	3,402.00	18%	5,865.31	31%	2,702.14	14%	11,969.45		7,130.55	63%	-	7,130.55
21500 Membership	6,500.00	4,000.00	62%	1,860.00	29%	-	0%	5,860.00		640.00	90%	-	640.00
21700 Office Expense-General	21,000.00	15,570.33	74%	2,146.35	10%	824.92	4%	18,541.60		2,458.40	88%	-	2,458.40
21710 Office Expense-Postage	15,750.00	2,364.82	15%	3,091.59	20%	5,472.77	35%	10,929.18		4,820.82	69%	-	4,820.82
21805 Prof & Spec Serv-Audits	55,000.00	16,504.13	30%	32,170.49	58%	(5,399.04)	-10%	43,275.58		11,724.42	79%	-	11,724.42
21808 Prof & Spec Serv-Bd Membership	12,000.00	2,100.00	18%	2,600.00	22%	2,200.00	18%	6,900.00		5,100.00	58%	-	5,100.00
21811 Prof & Spec Serv-Court Reporters	2,000.00	-	0%	-	0%	-	0%	-		2,000.00	0%	-	2,000.00
21816 Prof & Spec Serv-Medical Services	80,000.00	3,000.00	4%	730.80	1%	-	0%	3,730.80		76,269.20	5%	-	76,269.20
21834 Prof & Spec Serv-Legal Services	298,200.00	67,837.40	23%	33,368.70	11%	40,450.13	14%	141,656.23		156,543.77	48%	-	156,543.77
21872 Prof & Spec Serv-Investigations	1,000.00	-	0%	-	0%	-	0%	-		1,000.00	0%	-	1,000.00
21900 Publications & Legal Notices	4,500.00	2,400.00	53%	-	0%	94.43	2%	2,494.43		2,005.57	55%	-	2,005.57
22300 Spec Dept Expense-Other	500.00	57.00	11%	-	0%	-	0%	57.00		443.00	11%	-	443.00
22310 Spec Dept Expense-Election Expense	5,000.00	-	0%	-	0%	-	0%	-		5,000.00	0%	-	5,000.00
22327 Spec Dept Exp-Cost Allocation Plan	151,282.00	37,820.49	25%	37,820.49	25%	37,820.49	25%	113,461.47		37,820.53	75%	-	37,820.53
22500 Transportation & Travel	800.00	30.47	4%	83.60	10%	14.39	2%	128.46		671.54	16%	-	671.54
22505 Trans & Travel-Staff Development	4,000.00	-	0%	120.00	3%	-	0%	120.00		3,880.00	3%	-	3,880.00
22515 Trans & Travel-In State Overnight	55,000.00	12,355.16	22%	2,002.30	4%	2,101.60	4%	16,459.06		38,540.94	30%	-	38,540.94
22516 Trans & Travel-Out Of State	9,000.00	-	0%	-	0%	2,694.59	30%	2,694.59		6,305.41	30%	-	6,305.41
22527 Trans & Travel-Expense/Car Allow	14,000.00	2,538.52	18%	3,230.85	23%	2,769.30	20%	8,538.67		5,461.33	61%	-	5,461.33
22600 Utilities	12,500.00	2,929.65	23%	2,807.74	22%	2,625.47	21%	8,362.86		4,137.14	67%	-	4,137.14
Depreciation Expense	13,130.08	-	0%	-	0%	-	0%	-		13,130.08	0%	-	13,130.08
Total Administrative Service Budget	\$ 2,068,937.97	\$ 455,824.60	22%	\$ 417,517.16	20%	\$ 331,330.96	16%	\$ 1,204,672.72		\$ 864,265.25	58%	-	\$ 864,265.25
Total MCERA	\$ 6,490,554.44	\$ 721,150.69	11%	\$ 1,423,290.30	22%	\$ 1,200,011.52	18%	\$ 3,344,452.51		\$ 3,146,101.93	52%	\$ -	\$ 2,903,324.06

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

DATE: April 11, 2019

TO: MCERA Board of Retirement
FROM: Mark Harman, Fiscal Manager

SUBJECT: Contract approval for actuary and actuarial auditing firm

ITEM NUMBER: 2

ITEM TYPE: Action

STAFF RECOMMENDATION:

Approve contract amendment for actuarial firm Cheiron, Inc. and new contract for Segal Consulting (Auditing Actuarial Contract).

DISCUSSION:

In 2016, MCERA conducted a Request for Proposal (RFP) for actuarial and auditing actuarial services. The RFP evaluation committee (with ultimate action from the full Retirement Board) selected Cheiron Inc. as MCERA's primary actuary and Segal Consulting as MCERA's auditing actuary.

Staff would like to amend the current contract with Cheiron, Inc. so there is no disruption of work between annual valuations and an upcoming experience study estimated to begin 2019. Cheiron's current contract is due to end October 31, 2019.

Because an experience study is due to begin in late 2019, Staff is proposing that we re-contract with Segal Consulting to perform the scheduled audit of the annual valuation and any work needed to audit the experience study results produced by Cheiron for MCERA. By syncing the contracts between Cheiron and Segal Consulting, the contract expiration on both Cheiron's amendment and Segal's new contract will allow MCERA to be covered for actuarial services (including audit actuarial services) for the next two experience study/auditing cycles.

Staff would like to re-contract with Segal consulting so there is no disruption of work between auditing and experience study cycles. Segal's contract expired June 30, 2017.

**AMENDMENT
TO
AGREEMENT FOR ACTUARIAL SERVICES
CHEIRON**

THIS Amendment to Agreement for Actuarial Services, Cheiron ("Amendment"), is executed by and between the Merced County Employees' Retirement Association (hereinafter called "MCERA"), and Cheiron Incorporated, located at 1750 Tyson Boulevard, Suite 1100, McLean Virginia (hereinafter called "Contractor" or "Cheiron").

This Amendment is hereby annexed to and made a part of the Agreement to which it modifies. In each instance in which the provisions of this Amendment shall contradict or be inconsistent with the provisions of the printed portion of the original Agreement and any previous amendments, the provision of this Amendment shall govern and the contradicted or inconsistent provisions shall be deemed amended accordingly. Both parties agree that there is new and adequate consideration for this Amendment.

This Amendment shall be deemed to have been duly approved when executed by both parties to the original Agreement. Once duly approved, this Amendment shall become effective as of the date signed by the Board Chairperson of MCERA.

MODIFICATIONS:

- 1. Section 2, "Term" is modified as follows:

The term of the Agreement shall be extended commencing November 1, 2019 and continue until April 30, 2024, with two possible one-year extensions, unless sooner terminated in accordance with the sections entitled "TERMINATION FOR CONVENIENCE" or "TERMINATION FOR CAUSE", as set forth elsewhere in the Agreement.

- 2. Exhibit C, Costs for Services, shall be deleted in its entirety and replaced with the Exhibit C, Costs for Services, attached hereto.

Except as herein modified, all terms and conditions in said Agreement as heretofore approved remain unchanged and in full force and effect.

MCERA

Cheiron

By: _____
Signature

By: _____
Signature

Name

Name

Title

Title

APPROVED AS TO LEGAL FORM
MERCED COUNTY COUNSEL

BY: _____

EXHIBIT C

COSTS FOR SERVICES

Actuarial Consulting Services

- *Annual valuations to determine funding status and recommend employer and employee contribution rates. Such valuations shall consider the actual changes of economic and non-- economic experience since the prior valuation.*

The fee for the first annual actuarial valuation covered under the contract shall be \$52,000 which will include attendance at up to two Board meetings to present the preliminary and final results. The fee for future actuarial valuations shall be increased by the change in CPI between valuation dates, not to exceed 3% annually.

- *Triennial investigations to consider economic and non-economic experience, assess appropriateness of assumptions, and assess and recommend potential changes in experience and contribution rate tables.*

The fee for the first triennial experience study covered under the contract shall be \$35,000, which will include attendance at one Board meeting to present the results of the study. The fee for future actuarial valuations shall be increased by the change in CPI between experience study dates, not to exceed 3% annually.

- *Provide actuarial consulting services under a basic retainer for administration consultation, unusual benefit calculations, board meetings, auditor requests, and actuarial project cost estimates.*

The basic retainer for the services described above shall be \$2,000 per calendar quarter. If the hourly charges for services provided during the quarter exceed 125% of the quarterly rate, the amount of hourly charges in excess of 125% of the quarterly fee will be billed in addition to the quarterly fee. If the hourly charges for services provided during the quarter are less than 75% of the quarterly rate, the number of hours less than 75% of the quarterly rate shall be carried forward to the next quarter, for purposes of determining the 125% threshold above.

- *Provide special actuarial calculations required by auditors in connection with GASB Statement 25, 67, and 68, including the calculation of the funding progress of the fond based on the funding method used to develop the system's contribution requirements.*

The fee for the first GASB 67 / 68 valuation covered under the contract shall be \$12,500. The fee for future accounting reports shall be increased by the change in CPI between fiscal years, not to exceed 3% annually.

- *Provide special actuarial calculations for all new GASB Statements required to pension systems.*

The fee for providing special actuarial calculations for new GASB Statements shall be included in the \$12,500 fee indicated above, unless there are significant changes to the current standards - such as the issuance of a new GASB Statement - at which time Cheiron will provide a fee estimate for complying with the new Statement

For services - such as special projects - not included under the valuation and retainer services described above, Cheiron shall submit invoices based on our time charges and standard hourly rates. Reasonable travel expenses shall be billed for on-site meetings, except for those meetings associated with the actuarial valuation and experience studies as indicated above. Travel time will not ordinarily be compensable.

Hourly Rate:

Category/Consultant	2019 Hourly Rate*
Principal Consulting Actuaries	\$366-\$507
Consulting Actuaries	\$275-\$437
Associate Actuaries	\$185-\$285
Senior Actuarial Analysts	\$175-\$219
Actuarial Analysts	\$150-\$190
Administrative Staff	\$104-\$114

** Hourly billing rates will be subject to inflationary increases*

**AGREEMENT FOR ACTUARIAL AUDIT
SERVICES THE SEGAL COMPANY (WESTERN
STATES), INC.**

THIS AGREEMENT, is made and entered into by and between the Merced County Employees' Retirement Association, (hereinafter referred to as "MCERA"), and The Segal Company (Western States), Inc., located at 180 Howard Street, Suite 1100, San Francisco, California (hereinafter referred to as "Contractor").

WHEREAS, MCERA was created by and operates pursuant to the County Employees' Retirement Law of 1937 (the '37 Act), and MCERA is administered by the Board of Retirement ("Board"); and

WHEREAS, MCERA desires to engage Contractor to perform actuarial audit services which consist of performing a full actuarial audit of assumptions, methods, calculations and experience used for MCERA's actuarial report and the Experience Study in order to verify that the results presented are actuarially sound, reasonable and consistent with industry standards; and

WHEREAS, Contractor is specially trained, experienced, and competent to perform such services in connection with actuarial services that would include actuarial valuation, experience investigations, actuarial audits, and pension consulting services; and

WHEREAS, the parties desire to set forth herein the terms and conditions under which said services shall be furnished.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereby agree as follows:

1. SCOPE OF SERVICES

Contractor shall provide actuarial audit services in accordance with the terms and conditions stated herein, and any specifically referenced attachments hereto. Contractor's services include, but are not limited to, the following:

A. Audit of Annual Valuation:

Contractor shall conduct a parallel valuation (independent reproduction of the detailed valuation results) of MCERA's Annual Valuation Report. Contractor shall consult with MCERA's consulting actuary and staff in the course of the engagement. MCERA's consulting actuary will supply both "scrubbed" and raw data to the Contractor from the current valuation period. Such audit shall include but not be limited to:

1. Evaluation of the available data for the performance of such valuation, the degree to which such data is sufficient to support the conclusions of the valuation and the use and appropriateness of any assumptions made regarding such data.
2. Evaluation of recommended economic and non-economic assumptions as presented in MCERA's consulting actuary's Review of Economic Actuarial Assumptions.
3. Perform parallel valuation using the assumptions, methodologies and funding method used by MCERA's consulting actuary in their performance of the annual valuation. Contractor shall reproduce all

- work and not rely on the work of MCERA's consulting actuary.
4. Evaluation of the parallel valuation results and reconciliations of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the Contractor and MCERA's consulting actuary.

B. Actuarial Experience Study

Contractor shall perform an actuarial audit of the Actuarial Experience Study. Actuaries shall consult with MCERA's consulting actuary and staff in the course of the audit. The data used in the last three actuarial valuations will be supplied to the Contractor by MCERA's consulting actuary. Such audit shall include but not be limited to:

1. Evaluation of the available data for the performance of the experience study, the degree to which such data is sufficient to support the conclusions of the study, and the use and appropriateness of any assumptions made regarding such data.
2. Evaluation of the results and reconciliation of any discrepancies between the findings, assumptions, methodology, rates, and or adjustments of the Contractor and MCERA's consulting actuary.

C. Delivery of Actuarial Audit Results

Contractor understands and agrees that the valuation audit and investigation of experience audit reports will be completed within eight months following the valuation date of the actuarial valuation to be audited. Results of the parallel valuation and experience study audit shall be presented to the Board in summary format at a scheduled meeting, including a level of detail sufficient for the decision-making needs of the Board.

D. Report

Contractor agrees to furnish to the Board eighteen (18) copies of Contractor's final written report prepared upon completion of studies described in Sections 1.A. and B. of this Agreement. Any final report shall be presented in a format which clearly communicates its contents to the Board.

E. Attendance at Meetings.

Consultant shall personally meet with the Board or any committee thereof at the request of the Retirement Plan Administrator at such times and places are designated by MCERA. Contractor agrees to attend at least four (4) meetings, in person, over the term of this Agreement as requested by the Board or Retirement Plan Administrator as part of this standard service and shall not receive any additional compensation therefore. If required to attend more than four (4) meetings over the term of this Agreement, Contractor shall be entitled to additional compensation of a time and expense basis, not to exceed Two Thousand Dollars (\$2,000) (including travel expenses) per meeting attended. Contractor shall not be entitled to additional compensation for meetings held by conference call, regardless of number.

2. TERM

The term of this Agreement shall commence on the 11th day of April, 2019, and continue until the 30th day of April, 2024, with two possible one-year extensions, unless sooner terminated in accordance with the sections entitled "TERMINATION FOR CONVENIENCE" or "TERMINATION FOR CAUSE", as set forth elsewhere in this Agreement.

3. COMPENSATION

MCERA agrees to pay the Contractor the following:

Estimated Year	Duties to be performed	Cost
2019/2020	Actuarial Audit and Experience Study Audit	\$85,000
2022/2023	Actuarial Audit and Experience Study Audit	\$85,000

Total contract amount to be paid over the life of the contract is \$170,000 for all of Contractor's services to be provided herein, as are more specifically set forth under Section "SCOPE OF SERVICES". The Total Contract Price shall include all of MCERA's compensation to Contractor, including reimbursement for all expenses incurred by Contractor in the performance of this Agreement. No other fees or expenses of any kind shall be paid to Contractor in addition to the Total Contract Price. In no event shall the total services to be provided hereunder exceed the Total Contract Price. This fee may be subject to withholding for State of California income tax.

Any and/or all payments made under this Agreement shall be paid by check, payable to the order of the Contractor and be mailed or delivered to Contractor at:

Name: The Segal Company (Western States), Inc.
Address: 180 Howard Street, Suite 1100
City/State/Zip: San Francisco, CA 94105-6147

Contractor may request that MCERA mail the check to Contractor, to such other address as Contractor may from time to time designate to MCERA. Such request must be made in writing in accordance with the procedures as outlined under Section "NOTICES".

4. PRICING CONDITIONS:

MCERA agrees to pay Contractor for all services required herein as prescribed, fixed at the submitted pricing, which shall include reimbursement for all expenses incurred. No other expenses shall be paid to Contractor without formal approval of the MCERA's Board of Retirement or its authorized agent. In no event shall the total services to be performed hereunder exceed \$170,000 for all years, unless, at the direction or request of the Retirement Plan Administrator, Contractor attends more than four (4) meetings, in person, as set forth in Section 1E.

MCERA shall not be responsible for any charges or expenses incurred by Contractor, his/her agents, employees or independent Contractors, other than those listed herein, in connection with the performance of services hereunder unless authorized in advance in writing by MCERA.

5. TERMS OF PAYMENT

Payment shall be only for full, complete satisfactory performance of the services required to be provided herein and as set forth under Section "SCOPE OF SERVICES." Payment shall be made in the following manner:

Upon completion of the required services as set forth under Section "SCOPE OF SERVICES," Contractor shall submit an invoice **within 30 calendar days of each invoice period**, detailing the services it has provided and the amount owed under this Agreement. In addition to the invoice submitted by the Contractor for payment, Contractor must complete and submit to the MCERA, Form W-9, "A Request for Taxpayer Identification Number and Certification", located at (www.irs.gov/pub/irs-pdf/fw9.pdf). Both the invoice and W-9 form shall be forwarded to the MCERA at the MCERA address shown under Section "NOTICES" of this Agreement, **not later than thirty (30) calendar days after completion and acceptance by the MCERA of all tasks identified on the invoice**. Upon approval by MCERA, the fee due hereunder shall be paid to Contractor within thirty (30) days following receipt of a complete and correct invoice.

Each invoice or approved alternate documentation must:

- A. Detail by task the service performed by Contractor.
- B. Detail the labor cost (number of hours) attributed to each task.
- C. Show the cumulative cost for all tasks performed to date.
- D. Provide any additional information and data requested by MCERA as deemed necessary by MCERA to properly evaluate or process Contractors claim.

In no event shall MCERA be liable for the payment of any invoice not submitted within thirty (30) calendar days following termination of the Agreement.

6. NO PAYMENT FOR SERVICE PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against MCERA for payment of any kind whatsoever for any services provided by Contractor which were provided after the expiration or termination of this Agreement.

7. NOTICES

All notices, requests, demands or other communications under this Agreement shall be in writing. Notice shall be sufficiently given for all purposes as follows:

- A. Personal Delivery. When personally delivered to the recipient, notice is effective upon delivery.
- B. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.

- C. Certified Mail. When mailed by certified mail, return receipt requested, notice is effective upon receipt, if delivery is confirmed by a return receipt.
- D. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on delivery, if delivery is confirmed by the delivery service.
- E. Facsimile Transmission. When sent by fax to the last fax number of the recipient known to the party giving notice, notice is effective upon receipt, provided that: a) a duplicate copy of the notice is promptly given by first class mail or certified mail or by overnight delivery, or b) the receiving party delivers a written confirmation of receipt. Any notice given by fax shall be deemed received on the next business day if received after 5:00 P.M. (recipient's time) or on a non-business day.

Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messengers or overnight delivery service.

Information for notice to the parties to this Agreement at the time of endorsement of this Agreement is as follows:

MCERA c/o
Plan Administrator
3199 M Street
Merced, CA 95348

Contractor John Monroe
180 Howard Street, Suite 1100
San Francisco, CA 94105-6147

Any party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

8. CONDITION SUBSEQUENT/NON-APPROPRIATION OF FUNDING

The compensation paid to Contractor pursuant to this Agreement is based on MCERA's continued appropriation of funding for the purpose of this Agreement, as well as the receipt of local, county, state and/or federal funding for this purpose. The parties acknowledge that the nature of government finance is unpredictable, and that the rights and obligations set forth in this Agreement are therefore contingent upon the receipt and/or appropriation of the necessary funds. In the event that funding is terminated, in whole or in part, for any reason, at any time, this Agreement and all obligations of the MCERA arising from this Agreement shall be immediately discharged. MCERA agrees to inform CONTRACTOR no later than ten (10) calendar days after the MCERA determines, in its sole judgment, that funding will be terminated and the final date for which funding will be available. Under these circumstances, all billing or other claims for compensation or reimbursement by CONTRACTOR arising out of performance of this Agreement must be submitted to MCERA prior to the final date for which funding is

available. In the alternative, MCERA and CONTRACTOR may agree, in such circumstance, to a suspension or modification of both party's rights and obligations under this Agreement. Such a modification, if the parties agree thereto, may permit a restoration of previous contract terms in the event funding is reinstated. Also in the alternative, the MCERA may, if funding is provided to the MCERA in the form of promises to pay at a later date, whether referred to as "government warrants," "IOUs," or by any other name, the MCERA may, in its sole discretion, provide similar promises to pay to the CONTRACTOR, which the CONTRACTOR hereby agrees to accept as sufficient payment until cash funding becomes available.

9. TERMINATION FOR CONVENIENCE

This Agreement, notwithstanding anything to the contrary herein above or hereinafter set forth, may be terminated by MCERA at any time without cause or legal excuse by providing the other party with thirty (30) calendar days' written notice of such termination.

Upon effective date of termination, MCERA shall have no further liability to Contractor except for payment for actual services incurred during the performance hereunder. Such liability is limited to the time specified in said notice and for services not previously reimbursed by MCERA. Such liability is further limited to the extent such costs are actual, necessary, reasonable, and verifiable costs and have been incurred by Contractor prior to, and in connection with, discontinuing the work hereunder.

10. TERMINATION FOR CAUSE

Either party may terminate this Agreement if the other violates a material term of the Agreement, provided that the non-breaching party shall provide the breaching party with no less than thirty (30) calendar days' advance written notice in which to cure such violation prior to the termination becoming effective. However, if the non-breaching party reasonably and in good faith determines that the violation is not curable, it may terminate this Agreement immediately upon written notice to the breaching party. Termination of this Agreement under such circumstances shall not limit any other rights or remedies that either party may have by the terms of the agreement or by law.

11. MODIFICATION OF THE AGREEMENT

Notwithstanding any of the provisions of this Agreement, the parties may agree to amend this Agreement. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

12. INSURANCE

A Prior to the commencement of work, and as a precondition to this contract, Contractor shall purchase and maintain the following types of insurance for the stated minimum limits indicated during the term of this Agreement. Contractor shall provide a certificate of insurance and endorsements naming MCERA as an additional insured on each policy. The Contractor shall be required to give MCERA notice of termination at least 10 days prior to the intended termination of any specified policy.

1. Commercial General Liability: \$1,000,000 per occurrence and \$2,000,000 annual aggregate covering bodily injury, personal injury and property damage. The MCERA and its officers, employees and agents shall be endorsed to above policies as additional insured, using ISO form CG2026 or an alternate form that is at least as broad as form CG2026, as to any liability arising from the performance of this Agreement.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage, or alternatively split limits of \$500,000 per person and \$1,000,000 per accident for bodily injury with \$250,000 per accident for property damage.
3. Workers Compensation: Statutory coverage, if and as required according to the California Labor Code, including Employers' Liability limits of \$1,000,000 per accident. This limit may be met using an Excess Liability or Umbrella policy. The policy shall be endorsed to waive the insurer's subrogation rights against the MCERA.
4. If the successful bidder elects to deliver products to the MCERA using a common carrier that is not related to the bidder's business entity. The bidder may request waiver of the automobile and workers' compensation insurance requirements.
5. Professional Liability: \$5,000,000 annual aggregate limit covering Contractors wrongful acts, errors and omissions.

B. Insurance Conditions

1. Insurance is to be placed with admitted insurers rated by AM. Best Co. as A: VII or higher. Lower rated, or approved but not admitted insurers, may be accepted if prior approval is given MCERA.
2. Contractor agrees to provide MCERA with 30 days' prior written notice of cancellation. MCERA is not liable for the payment of premiums or assessments on the required policies. For avoidance of doubt, Contractor will be solely responsible for payment of premiums and assessments regarding the specified policies and for satisfying any self-insured retention amounts applicable to such policies. No cancellation provisions in the insurance policy shall be construed in derogation of the continuing duty of Contractor to furnish insurance during the term of this Agreement.

13. INDEMNIFICATION

Contractor has the contracted duty (hereinafter "the duty") to indemnify, defend and hold harmless, MCERA, its Board of Retirement, officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, reasonable attorney's fees, costs, experts' fees and reasonable and documented expenses of whatsoever kind or nature, at any time resulting from the willful misconduct or negligence of Contractor in its performance of this Agreement, whether in tort, contract or otherwise. This duty shall include, but not be limited to, claims for bodily injury, property damage, personal injury, and contractual damages or otherwise alleged to be caused to any person or entity including, but not limited to employees, agents and officers of Contractor.

Contractor's liability for indemnity under this Agreement shall apply to any willful misconduct or negligent conduct, acts or omissions of any kind, on the part of the Contractor, its agents, sub-Contractors and employees. The duty shall extend to any allegation or claim of liability except in circumstances found by a jury or judge to be the result of the willful misconduct of MCERA. This duty shall arise at the first claim or allegation of liability against MCERA. Contractor will on request and at its expense defend any action suit or proceeding arising hereunder. This clause for indemnification shall be interpreted to the broadest extent permitted by law.

14. PATENT INDEMNITY

The awarded Bidder shall hold the MCERA, its officers, agents, and employees, harmless from liability of any nature in kind, including costs and expenses, resulting from any willful or intentional infringement or use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article, or appliance furnished or used in connection with this proposal.

15. INDEPENDENT CONTRACTOR

It is mutually understood and agreed that Contractor is an independent contractor in the performance of the work duties and obligations devolving upon Contractor under this Agreement. MCERA shall neither have, nor exercise any control or direction over the methods by which Contractor shall perform the assigned work and functions. The contractual interest of MCERA is to assure that the services covered by this Agreement shall be performed and rendered in a competent, efficient and satisfactory manner.

It is agreed that no employer-employee relationship is created and Contractor shall hold MCERA harmless and be solely responsible for withholding, reporting and payment of any federal, state or local taxes; any contributions or premiums imposed or required by workers' compensation; any unemployment insurance; any social security or income tax; and any other obligations from statutes or codes applying to Contractor, or its sub-Contractors and employees, if any.

It is mutually agreed and understood that Contractor, its sub-Contractors and employees, if any, shall have no claim under this Agreement or otherwise against the MCERA for vacation pay, sick leave, retirement or social security benefits, occupational or non-occupational injury, disability or illness, or loss of life or income, by whatever cause.

Contractor shall insure that all its personnel and employees, sub-Contractors and their employees, and any other individuals used to perform the contracted services are aware and expressly agree that MCERA is not responsible for any benefits, coverage or payment for their efforts.

16. RECORDS, INFORMATION AND REPORTS

Contractor shall maintain full and accurate records with respect to all matters covered under this Agreement. Subject to any applicable privileges or other legally binding obligations of confidentiality and upon advance written request, and to the extent permitted by law, MCERA shall have free access at all proper times or until the expiration of four (4) years after the furnishing of services to such records, and the right to examine and audit the same and to make transcripts there from, and to inspect all data, documents, proceedings, and activities directly related to this Agreement. Any audit conducted under this paragraph shall be performed at the Contractor's place of business and during Contractor's normal business hours.

To the extent permitted by law, Contractor shall furnish MCERA such periodic reports as MCERA may request pertaining to the work or services undertaken pursuant to this Agreement. The costs and obligations incurred or to be incurred in connection therewith shall be borne by the Contractor.

17. OWNERSHIP OF DOCUMENTS

To the extent permitted by law except to the extent that they incorporate Contractor's proprietary software, know-how, techniques, methodologies and report formats (collectively, "Contractor's Proprietary Information" all technical data, evaluations, plans, specifications, reports, documents, or other work products developed by Contractor hereunder (the "Deliverables") are the exclusive property of MCERA once paid for by MCERA and upon request of MCERA shall be delivered to MCERA upon completion of the services authorized hereunder. To the extent Contractor's Proprietary Information is incorporated into such Deliverables, MCERA shall have a perpetual, nonexclusive, worldwide, royalty-free license to use, copy, and modify Contractor's Proprietary Information as part of the Deliverables internally and for their intended purpose. In the event of termination, all finished or unfinished documents and other materials, if any, at the option of MCERA, and to the extent permitted by law, shall become the property of the MCERA. Contractor may retain copies thereof for its files and internal use.

Any publication of information directly derived from work performed or data obtained in connection with services rendered under this Agreement must be first approved by MCERA.

18. QUALITY OF SERVICE

Contractor shall perform its services with care, skill, and diligence, in accordance with the applicable professional standards currently recognized by such profession, and shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, designs, drawings, plans, information, specifications, and/or other items and services furnished under this Agreement.

Contractor shall, without additional compensation, correct or revise any errors or deficiencies immediately upon discovery in its reports, drawings, specifications, designs,

and/or other related items or services.

19. PERSONAL SATISFACTION AS A CONDITION PRECEDENT

The obligations of MCERA as provided in this Agreement are expressly conditioned upon Contractor's compliance with the provisions of this Agreement to the personal satisfaction of the MCERA. MCERA shall determine compliance in good faith as a reasonable person would under the circumstances.

20. PUBLIC AGENCY PARTICIPATION

Any public agency, i.e., city, district, public authority, public agency, municipality and other political subdivision or a public corporation of California (hereinafter referred to as Public Agency) located in the State of California shall have the option of participating in this agreement at the same prices and terms and conditions. The MCERA is not an agent, partner, or representative of the Public Agency, and is not obligated or liable for any financial responsibility in connection with purchase orders issued by any Public Agency. The Public Agency shall accept sole responsibility for placing orders or payments to the successful Bidder.

21. ENTIRE AGREEMENT

This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other contracts, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

22. MCERA NOT OBLIGATED TO THIRD PARTIES

MCERA shall not be obligated or liable hereunder to any party other than Contractor.

23. LAWS, LICENSES, PERMITS AND REGULATIONS

Contractor and MCERA agree to comply with all applicable State laws and regulations that pertain to construction, health and safety, labor, minimum wage, fair employment practice, equal opportunity, and all other matters applicable to Contractor and MCERA, their sub-grantees, Contractors, or sub-Contractor, and their work.

Contractor shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Merced and all other appropriate governmental agencies, including any certification and credentials required by MCERA. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by MCERA.

24. LIMITED AFFECT OF WAIVER OR PAYMENT

In no event shall the making, by MCERA, of any payment to Contractor constitute, or be construed as, a waiver by MCERA of any breach of covenant, or any default which may then exist, on the part of Contractor. The making of any such payment by MCERA while any such breach or default shall exist, shall not be construed as acceptance of substandard or careless work or as relieving Contractor from its full responsibility under

this Agreement.

No waiver by either party of any default, breach or condition precedent shall be valid unless made in writing and signed by the parties hereto. No oral waiver of any default, breach or condition precedent shall be binding on any of the parties hereto. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder.

25. PERSONNEL

Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. All of the services required hereunder will be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

26. SUBCONTRACTS - ASSIGNMENT

Contractor shall not subcontract or assign this Agreement, or any part thereof, or interest therein, directly or indirectly, voluntarily or involuntarily, to any person without obtaining the prior written consent by MCERA. Contractor remains legally responsible for the performance of all contract terms including work performed by third parties under subcontracts. Any subcontracting will be subject to all applicable provisions of this Agreement. Contractor shall be held responsible by MCERA for the performance of any subcontractor whether approved by MCERA or not.

27. APPLICABLE LAW; VENUE

All parties agree that this Agreement and all documents issued or executed pursuant to this Agreement as well as the rights and obligations of the parties hereunder are subject to and governed by the laws of the State of California in all respects as to interpretation, construction, operation, effect and performance. No interpretation of any provision of this Agreement shall be binding upon MCERA unless agreed in writing by MCERA and counsel for MCERA.

Notwithstanding any other provision of this Agreement, any disputes concerning any question of fact or law arising under this Agreement or any litigation or arbitration arising out of this Agreement, shall be tried in Merced County, unless the parties agree otherwise or are otherwise required by law.

28. BREACH OF CONTRACT

Upon breach of this Agreement by Contractor, MCERA shall have all remedies available to it both in equity and/or at law.

29. REMEDY FOR BREACH AND RIGHT TO CURE

Notwithstanding anything else in this Agreement to the contrary, if Contractor fails to perform any obligation of this Agreement, the MCERA may itself perform, or cause the performance of, such agreement or obligation. In that event, Contractor will, on demand, fully reimburse MCERA for all such expenditures. Alternatively, MCERA, at its option, may deduct from any funds owed to Contractor the amount necessary to cover any expenditures under this provision. This is in addition to any other remedies available to the MCERA by law or as otherwise stated in this Agreement.

30. SUCCESSORS IN INTEREST

All the terms, covenant, and conditions of this Agreement shall be binding and in full force and effect upon any successors in interest and assigns of the parties hereto. This paragraph shall not be deemed as a waiver of any of the conditions against assignment set forth herein.

31. CONFLICT OF INTEREST

Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. Contractor shall ensure that no conflict of interest exists between its officers, employees, or sub-Contractors, and the MCERA. Contractor shall ensure that no MCERA officer or employee in a position that enables them to influence this Agreement will have any direct or indirect financial interest resulting from this Agreement. Contractor shall ensure that no MCERA employee shall have any relationship to the Contractor or officer or employee of the Contractor, nor that any such person will be employed by Contractor in the performance of this Agreement without immediate divulgence of such fact to the MCERA.

32. NONDISCRIMINATION IN EMPLOYMENT, SERVICES, BENEFITS AND FACILITIES

Contractor and any sub-Contractors shall comply with all applicable federal, state, and local Anti-discrimination laws, regulations, and ordinances and shall not unlawfully discriminate, deny family care leave, harass, or allow harassment against any employee, applicant for employment, employee or agent of MCERA, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. Contractor shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of MCERA employees and agents, and recipients of services are free from such discrimination and harassment.

Contractor represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code §§ 12900 et seq.), and ensure a workplace free of sexual harassment pursuant to Government Code 12950; and regulations and guidelines issued pursuant thereto.

Contractor agrees to compile data, maintain records and submit reports to permit effective enforcement of all applicable antidiscrimination laws and this provision.

Contractor shall include this nondiscrimination provision in all subcontracts related to this Agreement and when applicable give notice of these obligations to labor organizations with which they have Agreements.

33. CAPTIONS

The captions of each paragraph in this Agreement are inserted as a matter of convenience and reference only, and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect it.

34. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portion of them, will not be affected. Compensation due to Contractor from the MCERA may, however, be adjusted in proportion to the benefit received despite the removal of the effected provision.

35. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original. The Agreement shall be deemed executed when it has been signed by both parties.

Merced County Employees' Retirement Association

The Segal Company (Western States), Inc.

By: _____

By: _____

Title: _____

Title: _____

—

—

Date: _____

Date: _____

—

—

Approved As To Legal Form
MCERA Counsel

Date: _____

—

DRAFT

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

DATE: April 11, 2019

TO: MCERA Board of Retirement
FROM: Mark Harman, Fiscal Manager

SUBJECT: Voting Delegate for NCPERS

ITEM NUMBER: 3

ITEM TYPE: Action

STAFF RECOMMENDATION:

Approve Plan Administrator as Voting Delegate for NCPERS Conference May 19-22, 2019.

DISCUSSION:

The Merced County Employees' Retirement Association (MCERA) recently joined NCPERS to increase the association's awareness of national and state pension issues. The Plan Administrator will be attending the NCPERS conference May 19-22, 2019 and there will be a business meeting with items for the MCERA Board to vote on - similar to other pension affiliates that MCERA is a member, such as SACRS. However, the packet that the MCERA Board will be voting on for NCPERS has not been released at the time of this agenda item.

Staff recommends that MCERA Board of Retirement delegate the Plan Administrator as a voting delegate for the NCPERS Conference May 19-22, 2019.

CERTIFICATION OF DELEGATES FORM

NCPERS 2019 Annual Conference and Exhibition

May 19 – May 22 • Austin, TX

Main Contact Name: _____

Organization Name: _____

Address: _____

City, State, Zip: _____

This form must be received no later than April 15, 2019 to qualify your organization for all voting procedures at the Annual Conference. No exceptions will be made for late filings.

Your organization is entitled to send: An unlimited number of attendees to the conference. 2 individuals can be voting delegates and 2 individuals can be alternates.

NCPERS Official Voting Rules

Official delegates to the Annual Conference are required to file their credentials with the Secretary of the Conference no later than 15 days prior to the Annual Conference. This document shall serve as proper notice in accordance with the bylaws Article 3, Section 2.

1. Only delegates or their assigned alternates are eligible to vote on matters before the Conference. Alternate delegates are authorized to vote only if the registered delegate is unable to attend the Conference. No person shall be a delegate for more than one member group or organization.
2. All registration fees and membership dues must be paid in full prior to the conference. Delegates may not participate in the National Committee Election on Monday, May 20, 2019, if fees are not paid in full.
3. Complete and return this certification no later than April 15, 2019. **KEEP A COPY FOR YOUR FILES.**
4. Once the list of delegates has been filed, any changes must be received in writing no later than April 15, 2019.
5. The authorized names submitted will be selected in numerical order from the official delegate list until your voting entitlement is exhausted. Other persons listed WILL NOT have a vote unless the persons listed previously are not registered at the Annual Conference.

Official Delegates

Alternate Delegates

1. _____

1. _____

2. _____

2. _____

Authorized Signature _____ Title _____
 (Signature and title of person with authority to certify delegates and alternates delegated for the above organization)

FOR CREDENTIALS COMMITTEE USE ONLY – DO NOT WRITE IN THIS SPACE

Above affiliated organization is entitled to _____ delegates and a like number of alternates.

 Tina Fazendine, NCPERS, Secretary

 Date

MAIL TO: NCPERS, 444 N. Capitol St., NW, Suite 630, Washington, DC 20001

FAX TO: 202-624-1439

EMAIL TO: registration@ncpers.org

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Tel: (719) 999-5941, E-mail: Lance@kjeldgaard-ppc.com

Legislative Review of Proposed Legislation for 1937 Act Systems

March 27, 2019

State Legislation

AB 287, Voepel. Public employees' retirement: annual audits.

Re: Amends section 7512 of the Government Code.

Status: Referred to Com. on P.E. & R. on February 7, 2019.

Existing law creates state and local public pension and retirement systems that provide pension benefits based on age at retirement, service credit, and final compensation. Existing law requires each state and local public pension or retirement system, on and after the 90th day following the completion of the annual audit of the system, to provide a concise annual report on the investments and earnings of the system, as specified, to any member who makes a request and pays a fee, if required, for the costs incurred in preparation and dissemination of that report.

This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's internet website no later than the 90th day following the audit's completion.

AB 472, Voepel. Public employees' retirement.

Re: Amends section 7522.56 of the Government Code.

Status: Introduced February 11, 2019.

The bill would make non-substantive changes to this code section. Appears to be a placeholder.

AB 510, Cooley. Local government records: destruction of records.

Re: Amends sections 26202.6, 34090.6, and 53160 of the Government Code.

Status: Referred to Com. on L. Gov. on February 21, 2019.

This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

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AB 664, Cooper. County employees' retirement: permanent incapacity.

Re: Adds section 31720.2 of the Government Code.

Status: Amended by author and re-referred to Com. on P.E. & R.

This bill would require, for purposes of determining permanent incapacity of certain members employed as officers in the County of Sacramento, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer, as specified. The bill would apply to members who file applications for disability on or after the effective date of the act, except for cases on appeal at that time. The bill would require the board of retirement to develop a method of tracking the costs of providing permanent disability retirement to the members who become eligible for disability retirement pursuant to the bill's provisions. The bill would repeal these provisions on December 31, 2024.

AB 992, Mullin. Relating to local government.

Re: Amends section 54952.2 of the Government Code.

Status: Introduced February 21, 2019. Referred to Com. on L. GOV.

The Ralph M. Brown Act generally requires that the meetings of legislative bodies of local agencies be conducted openly. That act defines "meeting" for purposes of the act and expressly excludes certain activities from the application of the act.

This bill would provide that the act does not apply to the posting, commenting, liking, interaction with, or participation in, internet-based social media platforms that are ephemeral, live, or static, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body of the local agency.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

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AB 1198, Stone. Public employees' retirement: pension reform: transit workers.

Re: Amends section 7522.02 of the Government Code.

Status: Amended by author and re-referred to Com. on P.E. & R.

The California Public Employees' Pension Reform Act of 2013 (PEPRA), among other things, establishes new retirement formulas, which are generally applicable to employees first employed on or after January 1, 2013, and which a public employer offering a defined benefit pension plan is prohibited from exceeding. PEPRA excepts certain public employees from its provisions, including certain transit workers whose interests are protected by specified federal law until a federal district court ruled that a United States Department of Labor determination that the application of PEPRA to these workers violated federal law was in error, or until January 1, 2016, as specified. A district court ruling to this effect occurred on December 31, 2014. This bill would except transit workers hired before January 1, 2016, from PEPRA by removing the federal district court contingency language from the provision excepting certain transit workers from PEPRA.

AB 1212, Levine. Public employees' retirement: pension fund management: in-state infrastructure.

Re: Amends section 7514.2 of the Government Code.

Status: Introduced February 21, 2019. Referred to Com. on P.E. & R.

The California Constitution confers upon the retirement boards of public retirement systems plenary authority and fiduciary responsibility for the investment of moneys of those systems. Existing law authorizes the Board of Administration of the Public Employees' Retirement System, the Teachers' Retirement Board of the State Teachers' Retirement System, and the board of retirement or the board of investments of a retirement system established pursuant to the County Employees Retirement Law of 1937, consistent with their fiduciary duties and investment standards, to prioritize investment in an in-state infrastructure project over a comparable out-of-state infrastructure project.

This bill would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by the retirement boards, as described above, and to provide it to them. The bill would require a state agency also to provide further project information to a board upon request.

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SB 518, Wieckowski. Public records: disclosure; court costs and attorney's fees.

Re: Amends section 6259 of the Government Code.

Status: Introduced February 21, 2019. Referred to Coms. on JUD. and APPR.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why that officer or person should not do so. The act requires the court to award court costs and reasonable attorney's fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the plaintiff's case is clearly frivolous.

This bill, for purposes of the award of court costs and reasonable attorney's fees pursuant to the above provisions, would specifically not withstand a provision of existing law that prescribes the withholding or augmentation of costs if an offer is made before judgment or award in a trial or arbitration.

SB 615, Hueso. Public records: disclosure.

Re: Amends sections 6258 and 6259 of the Government Code.

Status: Introduced February 22, 2019. Referred to Com. on JUD.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

Existing law permits any person to institute proceedings for injunctive or declarative relief or a writ of mandate in any court of competent jurisdiction to enforce their right to inspect or to receive a copy of any public record or class of public records covered by the act. The act, when it appears to a superior court that certain public records are

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being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why they should not do so. The act requires the court to award court costs and reasonable attorney's fees to the requester if the requester prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the requestor's case is clearly frivolous.

This bill would require a person to meet and confer in good faith with the agency in an attempt to informally resolve each issue before instituting any proceeding for injunctive or declarative relief or writ of mandate. The bill would require the person or their attorney to file a declaration stating that this has occurred at the time that proceedings are instituted. Because the declaration would be made under penalty of perjury, the bill would expand the definition of a crime and impose a state-mandated local program.

The bill would define "improperly withheld" for purposes of the act to mean a refusal by a public agency or public official to disclose a public record or some part thereof. The bill would require that in order for a requester to prevail in litigation related to the act, the trial court must find by a preponderance of the evidence that an agency knowingly, willfully, and without substantial justification failed to respond to a request for records, improperly withheld from a member of the public records that were clearly subject to public disclosure, unreasonably delayed providing the contents of a record subject to disclosure in part or in whole, improperly assessed a fee upon a requester that exceeded the direct cost of duplication, or otherwise did not act in good faith to comply with these provisions. The bill would make other non-substantive changes.

SB 749, Durazo. California Public Records Act..

Re: An act relating to public records.

Status: Introduced February 22, 2019. Referred to Com. on RLS.

This bill would declare the intent of the Legislature to enact legislation relating to the California Public Records Act. This bill appears to be a placeholder.

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CALIFORNIA LEGISLATIVE CALENDAR:

2019:

- Jan. 1 Statutes take effect
- Jan. 7 Legislature reconvenes
- Jan. 10 Budget must be submitted by Governor
- Jan. 25 Last day to submit bill requests to the Office of Legislative Counsel
- Feb. 22 Last day for bills to be introduced
- Apr. 22 Spring Recess begins upon adjournment Apr. 1
Legislature reconvenes from Spring Recess
- Apr. 26 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 3 Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house
- May 10 Last day for policy committees to meet prior to June 3
- May 17 Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 3
- May 28 – May 31 Floor session only. No committee may meet for any purpose except for Rules Committee and Conference Committees
- May 31 Last day for each house to pass bills introduced in that house
- June 15 Budget Bill must be passed by midnight
- July 10 Last day for policy committees to hear and report fiscal bills to fiscal committees
- July 12 Last day for policy committees to meet and report bills Summer Recess begins on adjournment, provided Budget Bill has been passed
- Aug. 12 Legislature reconvenes from Summer Recess
- Aug. 30 Last day for fiscal committees to meet and report bills
- Sep. 3- 13 Floor session only. No committee may meet for any purpose except Rules Committee, and Conference Committees
- Sep. 6 Last day to amend bills on the Floor
- Sep. 13 Last day for each house to pass bills Final Recess begins on adjournment
- Sept. 13 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 13 and in the Governor's possession on or after Sept. 13 noon

2020:

- Jan. 1 Statutes take effect

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION NO. 2019-01

Staff Service Appreciation Mr. Angelo Lamas

WHEREAS, Mr. Angelo Lamas was hired to serve as the Retirement Officer of the Merced County Employees' Retirement Association from January 27, 2014 through April 20, 2019; and

WHEREAS, Mr. Angelo Lamas contributed to the success of MCERA by lending his retirement and administrative expertise to the issues before MCERA; and

WHEREAS, Mr. Angelo Lamas displayed commitment and worked for the interests of all members of the Retirement System throughout his tenure at MCERA; and

NOW, THEREFORE, BE IT RESOLVED that the Retirement Board expresses its sincere appreciation for Mr. Lamas' dedicated service to the members of Merced County Employee's Retirement Association and to the citizens of Merced County.

Ayes:

Noes:

Abstain:

Absent:

Darlene Ingersoll, Chair

Alfonse Peterson, Secretary

I hereby certify that on the 11th day of April, 2019, the Retirement Board of Merced County Employees' Retirement Association made and adopted this Resolution.

Kristen Santos, Plan Administrator