

**MCERA RETIREMENT BOARD MEETING AGENDA  
THURSDAY, OCTOBER 10, 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.**

**CALL TO ORDER: 8:15 A.M.**

- ROLL CALL.
- APPROVAL OF MINUTES – September 26, 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) CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

(Gov. Code section 54956.8.)

Property: 690 West 19th St. Merced, CA

Agency negotiator: Kristen Santos

Negotiating parties: Merced Designated Local Authority

Under negotiation: Property Purchase

**(2) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION**

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

1. Informal Hearing – None.
2. Formal Hearing – 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. Ramirez, Amber
  - g. Ramirez, Linda A.
  - h. Plascencia, Marcelino
  - i. Plascencia, Ramon
  - j. Salgado, Jose

k. 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. Brandon Griffith	Sheriff	31 Yrs. Svc.	Eff. 09/30/2019
b. Bridges, Sugar Ray	Work Force Invest.	24 Yrs. Svc.	Eff. 09/27/2019
c. Macias, Peggy	HSA	29 Yrs. Svc.	Eff. 09/14/2019
d. Bubenchik, Susan	DA	8 Yrs. Svc.	Eff. 08/31/2019
e. Virelas, Maria G.	Public Health	18 Yrs. Svc.	Eff. 08/24/2019
f. Chao, James	Work Force Invest.	25 Yrs. Svc.	Eff. 09/21/2019
g. Vang, Pang	Work Force Invest.	27 Yrs. Svc.	Eff. 09/28/2019

YTD fiscal year 2018/2019 retirees: 027

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 ACTION<sup>1</sup>/DISCUSSION**

1. Appointment of MCERA Board of Retirement Subcommittee regarding review and update of Board Bylaws - Chair.
2. Discussion and possible action on Quarterly Expense Report – Staff.
3. Discussion and possible action to appoint SACRS voting delegation and voting back up for November (Fall) Conference – Staff.
4. Discussion and possible action to adopt Resolution regarding the purchase of property located at 690 West 19<sup>th</sup> Street, Merced, CA – Staff.

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<sup>1</sup> “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.

5. Discussion and possible action on any legislation – Staff.
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. Trustee Roundtable, October 25, 2019, Oakland, CA.
  - b. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.
  - c. CALAPRS General Assembly, March 7-10, 2020, Rancho Mirage, CA.
  - d. SACRS Spring Conference, May 12-15, 2020, San Diego, 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.

- October 24, 2019
- November 21, 2019\*
- December 12, 2019

\*Meeting date change.

## **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](http://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, SEPTEMBER 26, 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, Karen Adams, Darlene Ingersoll, Michael Rhodes, Janey Cabral, David Ness (arrived at 8:20 am), and Al Peterson. **Counsel:** Forrest Hansen. **Staff:** Mark Harman, Adriana Valdez and Michelle Lee. **Other:** Jaime Feilder, Cliffwater; Mika Malone and Paola Nealon, Meketa Investment Group.

**Absent:** Jason Goins and Scott Silveira.

APPROVAL OF MINUTES: September 12, 2019.

**Motion to approve the September 12, 2019 meeting minutes.  
Ingersoll/Peterson U/A (6-0).**

**PUBLIC COMMENT**

No public comment.

**CLOSED SESSION**

The meeting went into closed session.

**RETURN TO OPEN SESSION**

**(1) CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

(Gov. Code section 54956.8.)

Property: 690 West 19th St. Merced, CA

Agency negotiator: Kristen Santos

Negotiating parties: City of Merced/RDA

Under negotiation: Property Purchase

**Direction given to staff.**

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

(Govt. Code § 54956.81)

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

**The MCERA Board approved the following investments pending legal review of  
all documents:**

- **\$10M commitment in the Cortec Group Fund VII, L.P.,**

**Ingersoll/Rhodes U/A (7-0).**

**Roll Call Vote:**

**Yes – Rhodes, Cabral, Adams, Peterson, Ingersoll, Ness, Paskin.**

**REGULAR CALENDAR**

**BOARD ACTION<sup>1</sup>/DISCUSSION**

1. Presentation and discussion of 2019 Quarterly Investment Performance Report – Cliffwater.  
**No action taken.**
2. Presentation and discussion of MCERA’s Government Code § 7514.7 mandated reporting on alternative funds – Cliffwater.  
**No action taken.**
3. Presentation and discussion of the 2019 Monthly Investment Performance Report with possible board action on any funds – Meketa.  
**No action taken.**
4. Discussion and possible action to move the November 14, 2019 combined administrative and investment meeting to November 21, 2019 due to Trustee and Staff attendance at the SACRS Fall Conference – Staff.  
**Motion to approve to move the November 14, 2019 combined administrative and investment meeting to November 21, 2019.**  
**Ness/Ingersoll U/A (7-0).**
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. CALAPRS Trustee Roundtable, October 25, 2019, Oakland, CA.
  - b. SACRS Fall Conference, November 12-15, 2019, Monterey, CA.
  - c. CALAPRS General Assembly, March 7-10, 2020, Rancho Mirage, CA.
  - d. SACRS Spring Conference, May 12-15, 2020, San Diego, CA.**Motion to approve Trustee Ness to attend the SACRS Spring Conference on May 12-15, 2020 in San Diego, CA.**  
**Adams/Peterson U/A (7-0).**

**INFORMATION ONLY**

Trustee Ingersoll and Adams informed the Board that they would not be attending the MCERA Retirement Board meeting on November 21, 2019.

Fiscal Manager reminded Trustees that immediately after the Board meeting will be an Investment Sub-Committee meeting.

Fiscal Manager informed the Board about Marshall Wace Eureka Fund is increasing their Gross Exposure of the Master Fund from 300% to 400% of its Net Asset Value.

<sup>1</sup> “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.

**ADJOURNMENT**

The meeting adjourned at 10:01 a.m.

Respectfully submitted,

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Ryan Paskin, Chair

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Al Peterson, Secretary

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Date

Merced County Employees' Retirement Association  
 Non-Administrative Expenditures Report (Preliminary)  
 For the Month Ended September 30, 2019

Non-Administrative Expenses	Original Projection	Current Projection	Expended 09/2019	Expended YTD	Bal Remaining	% Exp YTD
<b>21800 · Investment Expenses</b>	<b>3,400,000.00</b>	<b>3,400,000.00</b>	<b>48,514.53</b>	<b>143,111.36</b>	<b>3,256,888.64</b>	<b>4%</b>
9/11/2019 Cliffwater - 2019-08 PE & HF Consulting			33,333.33			
9/19/2019 Nossaman - 2019-07 - Taurus MFF Related Legal			442.80			
9/19/2019 Nossaman - 2019-07 - Gen PE & Inv Advice			2,410.20			
9/19/2019 Nossaman - 2019-07 - Genstar CP IX Related Legal			489.60			
9/19/2019 Nossaman - 2019-07 - Tailwater EF IV Related Legal			11,838.60			
Total 21800 · Investment Expenses			<u>48,514.53</u>			
<b>21802 · Actuarial Services</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>-</b>	<b>-</b>	<b>250,000.00</b>	<b>0%</b>
Total 21802 · Actuarial Services			<u>-</u>			
<b>21812 · Data Processing</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>5,904.22</b>	<b>9,989.95</b>	<b>110,010.05</b>	<b>8%</b>
9/12/2019 Comcast - 2019-09 Wifi Chgs			199.03			
9/19/2019 2019-08 IS Billing			5,705.19			
Total 21812 · Data Processing			<u>5,904.22</u>			
<b>21834 · Legal Services</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>29,387.80</b>	<b>53,002.36</b>	<b>246,997.64</b>	<b>18%</b>
9/10/2019 2019-09 Cost Allocation - Co Counsel			11,240.33			
9/11/2019 Hanson Bridgett - 2019-07 Tax Comp/Determ Ltr			990.00			
9/11/2019 PPC - 2019-08 Legal Svcs			265.00			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			407.00			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			222.00			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			5,753.77			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			6,282.50			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			832.50			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			180.00			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			148.00			
9/23/2019 Ted Cabral - 2019-08 Disab Legal Svcs			92.50			
9/23/2019 Nossaman - 2019-07 - Gen Adv & Couns			1,437.80			
9/23/2019 Nossaman - 2019-08 - Gen Adv & Couns			1,574.90			
9/30/2019 RLI - Abatement - Reimb for Nossaman AB 197 Related Legal			(38.50)			
Total 21834 · Legal Services			<u>29,387.80</u>			
<b>21840 · Custodial Banking Services</b>	<b>125,000.00</b>	<b>125,000.00</b>	<b>1,547.02</b>	<b>3,209.76</b>	<b>121,790.24</b>	<b>3%</b>
9/5/2019 2019-08 NT STIF Income - Custodial Fee			1,447.02			
9/19/2019 2019-08 Wire Fees			100.00			
Total 21840 · Custodial Banking Services			<u>1,547.02</u>			
<b>22350 · Software and Technology</b>	<b>305,000.00</b>	<b>305,000.00</b>	<b>1,368.09</b>	<b>62,220.61</b>	<b>242,779.39</b>	<b>20%</b>
9/4/2019 Spriggs - 2019-Q3 Bizhub Base Chg			877.55			
9/12/2019 Spriggs - Bizhub Lease			170.01			
9/12/2019 Spriggs - 2019 Merced Co Property Tax			47.83			
9/13/2019 LexisNexis - 2019-08 Chgs			272.70			
Total 22350 · Software and Technology			<u>1,368.09</u>			
<b>Depreciation Expense</b>	<b>242,777.87</b>	<b>242,777.87</b>				
<b>Total Non-Administrative Items</b>	<b>4,742,777.87</b>	<b>4,742,777.87</b>	<b>86,721.66</b>	<b>271,534.04</b>	<b>4,471,243.83</b>	<b>6%</b>

**Merced County Employees' Retirement Association  
 Non-Administrative Expenses Prev Year Comparison (Preliminary)  
 09/30/2019**

Expense	<u>Sep 19</u>	<u>Sep 18</u>	<u>\$ Change</u>	<u>% Change</u>
<b>62025 - Non-Administrative Expenses</b>				
21800 - Investment Expenses	\$ 48,514.53	\$ 21,855.15	\$ 26,659.38	121.98%
21812 - Data Processing	5,904.22	4,282.15	1,622.07	37.88%
21834 - Legal Services	29,387.80	68,018.56	(38,630.76)	-56.79%
21840 - Custodial Banking Services	1,547.02	26,105.71	(24,558.69)	-94.07%
22350 - Software and Technology	1,368.09	15,079.67	(13,711.58)	-90.93%
<b>Total 62025 - Non-Administrative Expenses</b>	<u>\$ 86,721.66</u>	<u>\$ 135,341.24</u>	<u>\$ (48,619.58)</u>	-35.92%



Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended September 30, 2019

Administrative Budget	Adopted	Current Budget	Expended 09/2019	Expended YTD	Bal Remaining	% Exp YTD
<b>10110 - Salaries &amp; Wages</b>	<b>1,240,572.00</b>	<b>1,240,572.00</b>	<b>69,574.91</b>	<b>189,350.56</b>	<b>1,051,221.44</b>	<b>15%</b>
9/6/2019 PP18 Office Payroll 10110-10360, 21001, 22527			34,704.67			
9/20/2019 PP19 Office Payroll 10110-10360, 21001, 22527			34,870.24			
Total 10110 - Salaries & Wages			<u>69,574.91</u>			
<b>20600 - Communications</b>	<b>4,000.00</b>	<b>4,000.00</b>	<b>366.60</b>	<b>721.72</b>	<b>3,278.28</b>	<b>18%</b>
9/10/2019 AT&T - 2019-08 Comm Charges			137.77			
9/19/2019 2019-08 Comm Billing			228.83			
Total 20600 - Communications			<u>366.60</u>			
<b>20900 - Household Expense</b>	<b>11,500.00</b>	<b>11,500.00</b>	<b>40.00</b>	<b>1,704.97</b>	<b>9,795.03</b>	<b>15%</b>
9/11/2019 Bob's Pest Control - 2019-08 Svcs			40.00			
Total 20900 - Household Expense			<u>40.00</u>			
<b>21000 - Insurance - Other</b>	<b>85,500.00</b>	<b>85,500.00</b>	<b>-</b>	<b>79,660.00</b>	<b>5,840.00</b>	<b>93%</b>
Total 21000 - Insurance - Other			<u>-</u>			
<b>21301 - Maintenance Structure Improvement</b>	<b>19,100.00</b>	<b>19,100.00</b>	<b>248.80</b>	<b>898.80</b>	<b>18,201.20</b>	<b>5%</b>
9/19/2019 2019-07 DPW Charges			248.80			
Total 21301 - Maintenance Structure Improvement			<u>248.80</u>			
<b>21500 - Membership</b>	<b>7,200.00</b>	<b>7,200.00</b>	<b>-</b>	<b>4,000.00</b>	<b>3,200.00</b>	<b>56%</b>
Total 21500 - Membership			<u>-</u>			
<b>21700 - Office Expense - General</b>	<b>11,000.00</b>	<b>11,000.00</b>	<b>880.51</b>	<b>2,988.23</b>	<b>8,011.77</b>	<b>27%</b>
9/11/2019 Toni's Courtyard Cafe - Breakfast Buffet for Board Education Day			254.12			
9/12/2019 First Choice - 2019-08 Cooler Rental			7.00			
9/12/2019 First Choice - 2019-08 Water Svc			34.92			
9/19/2019 2019-08 Stores Billing			359.17			
9/19/2019 2019-08 Pacific Shredding			10.00			
9/19/2019 2019-08 US Bank - Vast Conference			215.30			
Total 21700 - Office Expense - General			<u>880.51</u>			

**Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended September 30, 2019**

Administrative Budget	Adopted	Current Budget	Expended 09/2019	Expended YTD	Bal Remaining	% Exp YTD
<b>21710 · Office Expense - Postage</b>	<b>15,750.00</b>	<b>15,750.00</b>	<b>1,156.93</b>	<b>2,293.29</b>	<b>13,456.71</b>	<b>15%</b>
9/19/2019 2019-08 Mail Room Chgs			210.48			
9/19/2019 2019-08 IS Postage			946.45			
Total 21710 · Office Expense - Postage			<u>1,156.93</u>			
<b>21805 · Audits</b>	<b>60,000.00</b>	<b>60,000.00</b>	<b>1,013.30</b>	<b>12,366.57</b>	<b>47,633.43</b>	<b>21%</b>
9/19/2019 Brown Armstrong - FY 18-19 Audit Progress Through 2019-08			1,013.30			
Total 21805 · Audits			<u>1,013.30</u>			
<b>21808 · Board Membership</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>1,200.00</b>	<b>2,000.00</b>	<b>10,000.00</b>	<b>17%</b>
9/11/2019 2019-08 Bd Mtgs			200.00			
9/11/2019 2019-08 Bd Mtgs			300.00			
9/11/2019 2019-08 Bd Mtgs			100.00			
9/11/2019 2019-08 Bd Mtgs			300.00			
9/11/2019 2019-08 Bd Mtgs			200.00			
9/23/2019 2019-08 Inv Sub Comm Mtg			100.00			
Total 21808 · Board Membership			<u>1,200.00</u>			
<b>21811 · Court Reporters</b>	<b>2,000.00</b>	<b>2,000.00</b>	<b>-</b>	<b>-</b>	<b>2,000.00</b>	<b>0%</b>
Total 21811 · Court Reporters			<u>-</u>			
<b>21816 · Medical Services</b>	<b>80,000.00</b>	<b>80,000.00</b>	<b>-</b>	<b>-</b>	<b>80,000.00</b>	<b>0%</b>
Total 21816 · Medical Services			<u>-</u>			
<b>21872 · Investigations</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>1,000.00</b>	<b>0%</b>
Total 21872 · Investigations			<u>-</u>			
<b>21900 · Publications &amp; Legal Notices</b>	<b>4,500.00</b>	<b>4,500.00</b>	<b>-</b>	<b>2,846.00</b>	<b>1,654.00</b>	<b>63%</b>
Total 21900 · Publications & Legal Notices			<u>-</u>			
<b>22300 · Spec Dept Exp - Other</b>	<b>500.00</b>	<b>500.00</b>	<b>20.00</b>	<b>20.00</b>	<b>480.00</b>	<b>4%</b>
9/10/2019 2019-09 Fingerprints			20.00			
Total 22300 · Spec Dept Exp - Other			<u>20.00</u>			

Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended September 30, 2019

Consent Item

Administrative Budget	Adopted	Current Budget	Expended 09/2019	Expended YTD	Bal Remaining	% Exp YTD
<b>22310 - Election Expense</b>	<b>13,150.00</b>	<b>13,150.00</b>	-	-	<b>13,150.00</b>	<b>0%</b>
Total 22310 - Election Expense			-			
<b>22327 - Spec Dept Exp - Cost Allocation</b>	<b>175,568.00</b>	<b>175,568.00</b>	<b>3,390.34</b>	<b>10,171.02</b>	<b>165,396.98</b>	<b>6%</b>
9/10/2019 2019-09 Cost Allocation			3,390.34			
Total 22327 - Spec Dept Exp - Cost Allocation			<b>3,390.34</b>			
<b>22500 - Transportation &amp; Travel</b>	<b>400.00</b>	<b>400.00</b>	-	-	<b>400.00</b>	<b>0%</b>
Total 22500 - Transportation & Travel			-			
<b>22505 - Trans &amp; Travel - Staff Development</b>	<b>10,000.00</b>	<b>10,000.00</b>	-	<b>300.00</b>	<b>9,700.00</b>	<b>3%</b>
Total 22505 - Trans & Travel - Staff Development			-			
<b>22515 - Trans &amp; Travel - In State</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>1,156.30</b>	<b>8,391.30</b>	<b>46,608.70</b>	<b>15%</b>
9/9/2019 CALAPRS Principles of Pension Mgt - Travel Reimb			246.77			
9/11/2019 CALAPRS Principles of Pension Mgt - Travel Reimb			162.61			
9/19/2019 CitiBank - CALAPRS Dis & Ben RT - Amtrak			84.00			
9/19/2019 CitiBank - CALAPRS Pension Mgt Course - Flight			457.60			
9/24/2019 Nossaman Fiduciares' Forum - Travel Reimb			205.32			
Total 22515 - Trans & Travel - In State			<b>1,156.30</b>			
<b>22516 - Trans &amp; Travel - Out of State</b>	<b>15,000.00</b>	<b>15,000.00</b>	-	-	<b>15,000.00</b>	<b>0%</b>
Total 22516 - Trans & Travel - Out of State			-			
<b>22600 - Utilities</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>1,664.76</b>	<b>2,934.29</b>	<b>12,065.71</b>	<b>20%</b>
9/10/2019 City of Merced - 2019-08 WS&G			429.88			
9/11/2019 PG&E - 2019-08 Svcs			1,234.88			
Total 22600 - Utilities			<b>1,664.76</b>			
<b>Depreciation Expense</b>	<b>14,403.15</b>	<b>14,403.15</b>	-	-	<b>14,403.15</b>	
<b>Total Administrative Budget</b>	<b>1,853,143.15</b>	<b>1,853,143.15</b>	<b>80,712.45</b>	<b>320,646.75</b>	<b>1,532,496.40</b>	<b>17%</b>

Merced County Employees' Retirement Association  
 Quarterly Expense Report (Preliminary)  
 For the Fiscal Quarter Ended September 30, 2019

<b>Non-Administrative Projection</b>						
	<b>Current</b>			<b>Remaining</b>		
	<b>Projection</b>	<b>Q1 Expended</b>	<b>Q1 %</b>	<b>Projected</b>	<b>% Exp</b>	
21800 Investment Expenses	\$ 3,400,000.00	\$ 143,111.36	4%	\$ 3,256,888.64	4%	
21802 Actuarial Services	250,000.00	-	0%	250,000.00	0%	
21812 Data Processing	120,000.00	9,989.95	8%	110,010.05	8%	
21834 Legal Services	300,000.00	53,002.36	18%	246,997.64	18%	
21840 Custodial Banking Services	125,000.00	3,209.76	3%	121,790.24	3%	
22350 Software & Technology	305,000.00	62,220.61	20%	242,779.39	20%	
Depreciation Expense	242,777.87	-	0%	242,777.87	0%	
<b>Total Non-Administrative Items</b>	<u>\$ 4,742,777.87</u>	<u>\$ 271,534.04</u>	6%	<u>\$ 4,471,243.83</u>	6%	
<b>Administrative Budget</b>						
	<b>Current</b>			<b>Remaining</b>		
	<b>Appropriation</b>	<b>Q1 Expended</b>	<b>Q1 %</b>	<b>Appropriation</b>	<b>% Exp</b>	
10110 Salaries & Wages	\$ 1,240,572.00	\$ 189,350.56	15%	\$ 1,051,221.44	15%	
20600 Communications	4,000.00	721.72	18%	3,278.28	18%	
20900 Household Expense	11,500.00	1,704.97	15%	9,795.03	15%	
21000 Insurance-Other	85,500.00	79,660.00	93%	5,840.00	93%	
21301 Maintenance Structure Improvement	19,100.00	898.80	5%	18,201.20	5%	
21500 Membership	7,200.00	4,000.00	56%	3,200.00	56%	
21700 Office Expense-General	11,000.00	2,988.23	27%	8,011.77	27%	
21710 Office Expense-Postage	15,750.00	2,293.29	15%	13,456.71	15%	
21805 Audits	60,000.00	12,366.57	21%	47,633.43	21%	
21808 Board Membership	12,000.00	2,000.00	17%	10,000.00	17%	
21811 Court Reporters	2,000.00	-	0%	2,000.00	0%	
21816 Medical Services	80,000.00	-	0%	80,000.00	0%	
21872 Investigations	1,000.00	-	0%	1,000.00	0%	
21900 Publications & Legal Notices	4,500.00	2,846.00	63%	1,654.00	63%	
22300 Spec Dept Expense-Other	500.00	20.00	4%	480.00	4%	
22310 Election Expense	13,150.00	-	0%	13,150.00	0%	
22327 Spec Dept Exp-Cost Allocation	175,568.00	10,171.02	6%	165,396.98	6%	
22500 Transportation & Travel	400.00	-	0%	400.00	0%	
22505 Trans & Travel-Staff Development	10,000.00	300.00	3%	9,700.00	3%	
22515 Trans & Travel-In State	55,000.00	8,391.30	15%	46,608.70	15%	
22516 Trans & Travel-Out Of State	15,000.00	-	0%	15,000.00	0%	
22600 Utilities	15,000.00	2,934.29	20%	12,065.71	20%	
Depreciation Expense	14,403.15	-	0%	14,403.15	0%	
<b>Total Administrative Budget</b>	<u>\$ 1,853,143.15</u>	<u>\$ 320,646.75</u>	17%	<u>\$ 1,532,496.40</u>	17%	
<b>Total MCERA</b>	<u>\$ 6,636,921.02</u>	<u>\$ 592,180.79</u>	9%	<u>\$ 6,006,537.64</u>	9%	

Merced County Employees' Retirement Association  
 Non-Admin Expenses Prev Year Comparison (Preliminary)  
 For the Quarter Ended September 30, 2019

Expense	<u>Jul - Sep 19</u>	<u>Jul - Sep 18</u>	<u>\$ Change</u>	<u>% Change</u>
<b>62025 - Non-Administrative Expenses</b>				
<b>21800 - Investment Expenses</b>				
Barrow Hanley	\$ 42,334.00	\$ 79,092.00	\$ (36,758.00)	-46.48%
GSO EOF	3,827.00	-	3,827.00	100.0%
Graham ARTL	-	20,208.17	(20,208.17)	-100.0%
Cliffwater LLC	66,666.66	33,333.33	33,333.33	100.0%
Nossaman - Investments	15,181.20	21,855.15	(6,673.95)	-30.54%
Investment Expenses - Other	15,102.50	-	15,102.50	100.0%
<b>Total 21800 - Investment Expenses</b>	<u>143,111.36</u>	<u>154,488.65</u>	<u>(11,377.29)</u>	<u>-7.36%</u>
21812 - Data Processing	9,989.95	8,775.50	1,214.45	13.84%
21834 - Legal Services	53,002.36	95,946.39	(42,944.03)	-44.76%
21840 - Custodial Banking Services	3,209.76	27,624.47	(24,414.71)	-88.38%
22350 - Software and Technology	62,220.61	74,437.47	(12,216.86)	-16.41%
<b>Total 62025 - Non-Administrative Expenses</b>	<u>\$ 271,534.04</u>	<u>\$ 361,272.48</u>	<u>\$ (89,738.44)</u>	<u>-24.84%</u>



### SACRS VOTING PROXY FORM

The following are authorized by the \_\_\_\_\_ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

*(if you have more than one alternate, please attach the list of alternates in priority order):*

\_\_\_\_\_ Voting Delegate

\_\_\_\_\_ Alternate Voting Delegate

These delegates were approved by the Retirement Board on \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Please send your system's voting proxy by October 1, 2019 to Sulema H. Peterson, SACRS Executive Director at [Sulema@sacrs.org](mailto:Sulema@sacrs.org).

## Legislative Review of Proposed Legislation for 1937 Act Systems

September 26, 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.

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

*Re: Adds section 31720.2 of the Government Code.*

Status: In Senate, Com. on P.E. & R. Hearing canceled at request of author on June 26, 2019.

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: In Com. on L. GOV. First hearing, failed passage. Reconsideration granted.

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 Prohibits a majority of members of a legislative body, outside a meeting authorized by the act, from using a series of communications of any kind to discuss, or take action on any item of business that is within the subject matter jurisdiction of the legislative body.

This bill would provide that the prohibition described above does not apply to the participation, as defined, in an internet-based social media platform, as defined, by a majority of the members of a legislative body, provided that a majority of the members do not discuss among themselves, as defined, 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.



**AB 1184, Gloria.** Public records: writing transmitted by electronic mail: retention.

*Re: Adds section 6253.32 to the Government Code.*

Status: Amended. Enrolled and presented to the Governor on September 19, 2019.

The California Public Records Act requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure, to make that public record available in accordance with certain provisions and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified.

This bill would unless a longer retention period is required by statute or regulation, require a public agency for purposes of the California Public Records Act to retain and preserve for at least 2 years every public record, as defined in subdivision (e) section 6252, that is transmitted by electronic mail.

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

*Re: Amends section 7522.02 of the Government Code.*

Status: Com. on P.E. & R. Hearing cancelled at request of author on April 24, 2019.

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: Amended. Enrolled and presented to the Governor on September 17, 2019.

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. The bill would define a state agency for these purposes as the Department of Transportation and the Department of Water Resources.

**AB 1332, Bonta.** Sanctuary State Contracting and Investment Act.

*Re: adds Chapter 17.23 (commencing with section 7283.50) to Division 7 of Title 1 of the Government Code relating to local government.*

Status: Referred to Com. on APPR, held under submission.

The bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based upon specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified. The bill would prohibit a state or local agency from entering into a new, amended, or extended contract or agreement with any person or entity that appears on the list published by the Department of Justice unless the state or local agency has made a finding that no reasonable alternative exists, as specified. The bill would exempt certain contracts or agreements from these provisions related to the administration of retirement benefits and investment of moneys for retirement benefits, as specified. The bill would authorize the Department of Justice to initiate, and require the department to receive and investigate, all complaints regarding violations of these provisions, and would require the department to issue findings regarding any alleged violation and notify any affected state or local

agency. By increasing the duties of local officials, this bill would impose a state-mandated local program. Additionally, this bill would make a violation of these provisions subject to civil and criminal penalties, thereby imposing a state-mandated local program.

**AB 1819, Committee on Judiciary.** Inspection of public records: use of requester's reproduction equipment.

*Re: Amends section 6253 of the Government Code.*

Status: Amended. Enrolled and presented to the Governor on September 23, 2019.

Existing law, the California Public Records Act, requires state and local agencies to make public records available upon receipt of a request that reasonably describes an identifiable record not otherwise exempt from disclosure, and upon payment of fees to cover costs.

This bill would grant the requester the right to use the requester's equipment, without being charged any fees or costs, to photograph or otherwise copy or reproduce any record upon inspection and on the premises of the agency, unless the means of copy or reproduction would result in damage to the record, or unauthorized access to a computer system of the agency or secured network, as specified. The bill would authorize the agency to impose any reasonable limits on the use of the requester's equipment that are necessary to protect the safety of the records or to prevent the copying of records from being an unreasonable burden to the orderly function of the agency and its employees. The bill would authorize the agency to impose any limit that is necessary to maintain the integrity of, or ensure the long-term preservation of, historic or high-value records. By imposing additional duties and responsibilities upon local agencies in connection with requests for inspection of records, this bill constitutes a state-mandated local program.

**SB 615, Hueso.** Public records: disclosure.

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

Status: March 14, 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 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: Adds section 6254.34 to the Government Code.*

Status: In Assembly, ordered to inactive file on request of Assembly Member Calderon.

The California Public Records Act requires state and local agencies to make their records available for public inspection, unless an exemption from disclosure applies. Existing law provides that nothing in the act requires the disclosure of corporate proprietary information including trade secrets, among other things.

This bill would provide specified records of private industry employer that are prepared, owned, used, or retained by a public agency are not trade secrets and are public records, including certain records relating to employment terms and conditions of employees working for a private industry employer pursuant to a contract with a public agency, records of compliance with local, state, or federal domestic content requirements, and

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records of a private industry employer's compliance with job creation, job quality, or job retention obligations contained in a contract or agreement with a state or local agency.

**SB 783, Committee on Labor.** County Employees' Retirement Law of 1937.

*Re: Amends section 31465, 31627.1, 31627.2, and 31631.5 of the Government Code.*

Status: In Assembly. Read first time. Referred to Com. on P.E. & R.

This bill would correct several erroneous and obsolete cross-references within the CERL.

## 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
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