

MCERA INVESTMENT RETIREMENT BOARD AGENDA
THURSDAY, MAY 14, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

Important Notice Regarding SARS-COV-2

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the SARS-COV-2 virus, MCERA's building will be closed to the public during MCERA Board meetings. Members of the MCERA Board will participate in this meeting offsite via conference call. Members of the public may listen to the meeting and offer public comment telephonically by calling into the telephone number provided above and entering the stated conference code. If you have any issues participating in the meeting telephonically or require reasonable accommodation for your participation, please contact MCERA staff at 209-726-2724.

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

CALL TO ORDER: 8:15 A.M.

- ROLL CALL.
- APPROVAL OF MINUTES – April 23, 2020.

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. DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENTS IN RECOMMENDED FUNDS, ROLL CALL VOTE REQUIRED.
(Govt. Code § 54956.81)
 1. Discussion and possible adoption of three Funds/Managers recommendations – Cliffwater.

2. DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION

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

1. Informal Hearing
 - a. Sotelo, Maria
2. Formal Hearing
 - a. None
3. Disability update and possible action:
 - a. Arroyo, Elizabeth
 - b. Cruz, Mary Kay
 - c. Elias Jr., Robert C.
 - d. Herrera, Yvonne
 - e. Leyro, Domingo
 - f. Pitts, David
 - g. Plascencia, Marcelino
 - h. Salgado, Jose

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. Salas, Ellen | H.S.A | 14 Yrs. Svc. | Eff. 05/01/2020 |
| b. O'Brien, John | H.S.A | 29 Yrs. Svc. | Eff. 04/11/2020 |
| c. Leuchner, Adam (SCD) | Sheriff | 9 Yrs. Svc. | Eff. 01/04/2020 |
| d. Contreras, Vickie | Child Sup | 20 Yrs. Svc. | Eff. 05/01/2020 |
| e. Kidd, Kathryn | Child Sup | 21 Yrs. Svc. | Eff. 05/01/2020 |
| f. Banda, Gregory | Adult Probation | 30 Yrs. Svc. | Eff. 04/25/2020 |
| g. Ramirez, Amber (SCD) | Sheriff/HSA | 11 Yrs. Svc. | Eff. 11/08/2019* |
| h. Lorenzi, Elizabeth | Hospital | 13 Yrs. Svc. | Eff. 05/01/2020 |
| i. Kayser, Esther | H.S.A. | 24 Yrs. Svc. | Eff. 05/09/2020 |

YTD fiscal year 2019/2020 retirees: 095

YTD fiscal year 2018/2019 retirees: 102*

YTD fiscal year 2017/2018 retirees: 083

*Disability count updated for fiscal year 2018/2019 due to approval of disability retirement by the MCERA Board of Retirement.

REFUND OF SERVICE PURCHASE: None

DEATH BENEFIT: None

MONTHLY BUDGET REPORT: Submitted

RETURN TO OPEN SESSION

Report on any action taken in closed session.

BOARD ACTION¹/DISCUSSION

Pursuant to Govt. Code § 31594 and MCERA's Investment Objectives & Policy Statement due diligence analysis requirement:

1. Appointment of ad hoc Board subcommittee to participate in rebranding exercises (all virtually) for MCERA's new website design with Digital Deployment. Estimated start time of exercise(s) is middle of June 2020. – Chair.
2. Discussion on MCERA Emergency Preparedness Plan as it relates to COVID-19. – Staff.
3. 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. No training or travel scheduled during this time.

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.

- May 28, 2020
- June 11, 2020

ADJOURNMENT

All supporting documentation is available for public review 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 at

www.co.merced.ca.us/retirement

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 by emailing the Merced County Employees' Association at MCERA@co.merced.ca.us, 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.

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.

**MCERA INVESTMENT RETIREMENT BOARD AGENDA
THURSDAY, APRIL 23, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839**

**Minutes from
4/23/2020**

Roll Call: 8:15 A.M

Board Members Present: Ryan Paskin, Scott Johnston, Al Peterson, David Ness, Darlene Ingersoll, Jason Goins, Kalisa Rochester (Left at 9:50 A.M), Scott Silveira, Michael Rhodes, Karen Adams and Janey Cabral (Arrived at 8:19 A.M). **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Alexis Curry, Mark Harman, Martha Sanchez, Ninebra Maryoonani, Sheri Villagrana and Brenda Mojica.

APPROVAL OF MINUTES – April 9, 2020.

Motion to approve the April 9, 2020 meeting minutes.

Ingersoll, Silveira U/A (9-0)

PUBLIC COMMENT

No Comments.

CLOSED SESSION

The meeting went into closed session.

RETURN TO OPEN SESSION

Report out from Closed Session

1. Update on MCERA alternative portfolio – Cliffwater.

No action taken.

2. Discussion and possible adoption of Funds/Managers recommendations – Cliffwater.

The MCERA board voted to approve the following investments via a roll call vote:

- **\$7mm commitment to Cerberus Real Estate Debt Fund, LP**
- **\$8mm commitment to Silver Point Specialty Credit II, LP**
- **Up to \$8mm commitment in Summit Partners Venture Capital Fund V, LP**
- **\$9mm investment in Marshall Wace Global Opportunities Fund, LP**
- **\$5mm investment in Vanguard REIT (VGSLX) as placeholder for UBS redemptions**
- **Additional \$2mm investment in Taconic Hedge Fund**

Silveira/Peterson U/A (8-0), Trustee Cabral abstained.

3. Informal Disability Hearing for Amber Ramirez - Staff.

Motion to grant a service connected disability and deny a non-service connected disability for Amber Ramirez via a roll call vote.

Ingersoll/ Peterson (8-1)

Trustee Ness - Yes

Trustee Ingersoll – Yes

Trustee Silveira - Yes

Trustee Rochester – No (voted in place of Trustee of Goins)

Trustee Goins - Abstained

Trustee Rhodes - Yes

Trustee Adams - Yes

Trustee Peterson - Yes

Chair Paskin - Yes

Trustee Cabral – Abstained.

BOARD ACTION¹/DISCUSSION

1. Presentation and discussion of Quarterly Investment Performance with update on capital markets and possible Board action on any funds or managers – Cliffwater.
No Action Taken.
2. Presentation and discussion of the 2020 March Monthly Investment Performance Report with update on capital markets and possible Board action on any item or funds/managers – Meketa.
No Action Taken.
3. 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. No training or travel scheduled during this time.**No Action Taken.**

INFORMATION SHARING

- Chair Paskin - There will be an Ad Hoc Budget Committee Meeting immediately following this meeting.
- Chair Paskin - The oral arguments for the *Alameda Case* has been scheduled for May 5 at 9:00AM via video conference. Please refer to the California Supreme Court website for information on how to watch this process.
- Trustee Ingersoll – Thanks staff and fellow Trustees for all their work during this time.
- Trustee Silveira – Thanked staff and Trustees for all their work during this time.

ADJOURNMENT

The meeting adjourned at 10:24 A.M

Respectfully submitted,

Ryan Paskin, Chair

Al Peterson, Secretary

Date

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.

| Non-Administrative Expenses | | Original Projection | Current Projection | Expended 04/2020 | Expended YTD | Bal Remaining | % Exp YTD |
|---|--|---------------------|---------------------|-------------------|---------------------|---------------------|------------|
| 21800 · Investment Expenses | | 3,400,000.00 | 3,400,000.00 | 310,037.76 | 1,889,798.88 | 1,510,201.12 | 56% |
| 4/1/2020 | Mellon LC SIF - 2019-Q4 Mgt Fee | | | 10,899.38 | | | |
| 4/1/2020 | Mellon Dynamic - 2019-Q4 Mgt Fee | | | 77,897.71 | | | |
| 4/1/2020 | Mellon Int SIF - 2019-Q4 Mgt Fee | | | 8,595.01 | | | |
| 4/7/2020 | Meketa - 2020-Q1 Consult Serv | | | 53,500.00 | | | |
| 4/9/2020 | Nossaman - 2020-02 - Accel-KKR Capital Partners VI | | | 120.60 | | | |
| 4/9/2020 | Golden Valley Engineering - Thru 2020-03-21 Due Diligence - New Building | | | 2,132.50 | | | |
| 4/14/2020 | Driehaus - 2020-Q1 Mgt Fee | | | 21,231.00 | | | |
| 4/24/2020 | Mellon LC SIF - 2020-Q1 Mgt Fee | | | 8,432.03 | | | |
| 4/24/2020 | Mellon Dynamic - 2020-Q1 Mgt Fee | | | 63,640.23 | | | |
| 4/27/2020 | Barrow Hanley - 2020-Q2 Mgt Fee | | | 45,736.00 | | | |
| 4/27/2020 | Nossaman - 2020-03 - Ardian Infrastructure Fund V | | | 1,094.40 | | | |
| 4/27/2020 | Nossaman - 2020-03 - MW Global Opportunities Fund | | | 16,758.90 | | | |
| Total 21800 · Investment Expenses | | | | 310,037.76 | | | |
| 21802 · Actuarial Services | | 250,000.00 | 250,000.00 | 22,327.50 | 108,391.25 | 141,608.75 | 43% |
| 4/9/2020 | Cheiron - 2020-Q1 Actuarial & Consulting Svcs | | | 22,327.50 | | | |
| Total 21802 · Actuarial Services | | | | 22,327.50 | | | |
| 21812 · Data Processing | | 120,000.00 | 120,000.00 | 5,074.95 | 38,141.90 | 81,858.10 | 32% |
| 4/16/2020 | 2020-03 IS Billing | | | 4,874.29 | | | |
| 4/27/2020 | Comcast - 2020-04 Wifi Chgs | | | 200.66 | | | |
| Total 21812 · Data Processing | | | | 5,074.95 | | | |
| 21834 · Legal Services | | 300,000.00 | 300,000.00 | 26,779.70 | 233,832.81 | 66,167.19 | 78% |
| 4/3/2020 | 2020-04 Cost Allocation - Co Counsel | | | 11,240.33 | | | |
| 4/7/2020 | PPC - 2020-03 Legal Svcs | | | 265.00 | | | |
| 4/16/2020 | Hanson Bridgett - 2020-02 Tax Compliance / Determination letter | | | 1,198.20 | | | |
| 4/17/2020 | Nossaman - 2020-03 - Litigation re AB 197 | | | 1,254.00 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Admin | | | 1,054.50 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 1,258.00 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 390.00 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 3,324.00 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 4,218.57 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 1,360.00 | | | |
| 4/27/2020 | Ted Cabral - 2020-03 Disab Legal Svcs | | | 1,217.10 | | | |
| Total 21834 · Legal Services | | | | 26,779.70 | | | |
| 21840 · Custodial Banking Services | | 125,000.00 | 125,000.00 | 2,293.67 | 93,059.49 | 31,940.51 | 74% |
| 4/3/2020 | 2020-03 NT STIF Income - Custodial Fee | | | 2,179.07 | | | |
| 4/7/2020 | NT Subaccount STIF Income - Custodial Fee | | | 14.60 | | | |
| 4/24/2020 | 2020-03 Wire Fees | | | 100.00 | | | |
| Total 21840 · Custodial Banking Services | | | | 2,293.67 | | | |
| 22350 · Software and Technology | | 305,000.00 | 305,000.00 | 1,320.26 | 258,779.71 | 46,220.29 | 85% |
| 4/7/2020 | Spriggs - 2020-Q2 - Bizhub Base Charge | | | 877.55 | | | |
| 4/9/2020 | LexisNexis - 2020-03 Chgs | | | 272.70 | | | |
| 4/27/2020 | Spriggs - Bizhub Lease | | | 170.01 | | | |
| Total 22350 · Software and Technology | | | | 1,320.26 | | | |
| Depreciation Expense | | 242,777.87 | 242,777.87 | | | | |
| Total Non-Administrative Items | | 4,742,777.87 | 4,742,777.87 | 367,833.84 | 2,622,004.04 | 2,120,773.83 | 55% |

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
04/30/2020

| Expense | <u>Apr 20</u> | <u>Apr 20</u> | <u>\$ Change</u> | <u>% Change</u> |
|--|----------------------|----------------------|------------------------|-----------------|
| 62025 · Non-Administrative Expenses | | | | |
| 21800 · Investment Expenses | \$ 310,037.76 | \$ 587,074.71 | \$ (277,036.95) | -47.19% |
| 21802 · Actuarial Services | 22,327.50 | - | 22,327.50 | 100.0% |
| 21812 · Data Processing | 5,074.95 | 4,681.71 | 393.24 | 8.4% |
| 21834 · Legal Services | 26,779.70 | 14,807.10 | 11,972.60 | 80.86% |
| 21840 · Custodial Banking Services | 2,293.67 | 26,664.89 | (24,371.22) | -91.4% |
| 22350 · Software and Technology | 1,320.26 | 14,519.00 | (13,198.74) | -90.91% |
| Total 62025 · Non-Administrative Expenses | <u>\$ 367,833.84</u> | <u>\$ 647,747.41</u> | <u>\$ (279,913.57)</u> | -43.21% |

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended April 30, 2020

| Administrative Budget | Adopted | Current Budget | Expended 04/2020 | Expended YTD | Bal Remaining | % Exp YTD |
|---|---------------------|-----------------------|-------------------------|---------------------|----------------------|------------------|
| 10110 · Salaries & Wages | 1,240,572.00 | 1,240,572.00 | 81,600.68 | 799,651.87 | 440,920.13 | 64% |
| 4/3/2020 Office Payroll PP 07 | | | 40,842.99 | | | |
| 4/17/2020 Office Payroll PP 08 | | | 40,757.69 | | | |
| Total 10110 · Salaries & Wages | | | 81,600.68 | | | |
| 20600 · Communications | 4,000.00 | 4,000.00 | 364.49 | 3,257.14 | 742.86 | 81% |
| 4/15/2020 AT&T - 2020-03 Comm Chgs | | | 137.52 | | | |
| 4/16/2020 2020-03 Communications Chg | | | 226.97 | | | |
| Total 20600 · Communications | | | 364.49 | | | |
| 20900 · Household Expense | 11,500.00 | 11,500.00 | 213.98 | 7,733.89 | 3,766.11 | 67% |
| 4/17/2020 ADT - 2020-03 Security Svcs | | | 86.99 | | | |
| 4/17/2020 ADT - 2020-04 Security Svcs | | | 86.99 | | | |
| 4/17/2020 Bob's Pest Control - 2020-03 Svcs | | | 40.00 | | | |
| Total 20900 · Household Expense | | | 213.98 | | | |
| 21000 · Insurance - Other | 85,500.00 | 85,500.00 | - | 79,688.00 | 5,812.00 | 93% |
| Total 21000 · Insurance - Other | | | - | | | |
| 21301 · Maintenance Structure Improvement | 19,100.00 | 19,100.00 | - | 4,534.09 | 14,565.91 | 24% |
| Total 21301 · Maintenance Structure Improvement | | | - | | | |
| 21500 · Membership | 7,200.00 | 7,200.00 | - | 5,570.00 | 1,630.00 | 77% |
| Total 21500 · Membership | | | - | | | |
| 21700 · Office Expense - General | 11,000.00 | 11,000.00 | 521.96 | 5,619.80 | 5,380.20 | 51% |
| 4/7/2020 First Choice - 2020-03 Cooler Rental | | | 7.00 | | | |
| 4/16/2020 2020-03 Office Depot Charges | | | 425.57 | | | |
| 4/16/2020 2020-03 Pacific Shredding | | | 10.00 | | | |
| 4/16/2020 Vast Conferencing - Additional Conference Line Participant Increase | | | 63.46 | | | |
| 4/20/2020 First Choice - 2020-04 Water Svc | | | 15.93 | | | |
| Total 21700 · Office Expense - General | | | 521.96 | | | |

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month Ended April 30, 2020

| Administrative Budget | Adopted | Current Budget | Expended 04/2020 | Expended YTD | Bal Remaining | % Exp YTD |
|---|------------------|-----------------------|-------------------------|---------------------|----------------------|------------------|
| 21710 · Office Expense - Postage | 15,750.00 | 15,750.00 | 3,420.83 | 13,588.16 | 2,161.84 | 86% |
| 4/16/2020 2020-03 Mailroom Chgs | | | 256.69 | | | |
| 4/16/2020 2020-03 IS Postage | | | 3,164.14 | | | |
| Total 21710 · Office Expense - Postage | | | <u>3,420.83</u> | | | |
| 21805 · Audits | 60,000.00 | 60,000.00 | - | 47,623.76 | 12,376.24 | 79% |
| Total 21805 · Audits | | | <u>-</u> | | | |
| 21808 · Board Membership | 12,000.00 | 12,000.00 | - | 7,400.00 | 4,600.00 | 62% |
| Total 21808 · Board Membership | | | <u>-</u> | | | |
| 21811 · Court Reporters | 2,000.00 | 2,000.00 | - | - | 2,000.00 | 0% |
| Total 21811 · Court Reporters | | | <u>-</u> | | | |
| 21816 · Medical Services | 80,000.00 | 80,000.00 | - | 15,542.00 | 64,458.00 | 19% |
| Total 21816 · Medical Services | | | <u>-</u> | | | |
| 21872 · Investigations | 1,000.00 | 1,000.00 | - | - | 1,000.00 | 0% |
| Total 21872 · Investigations | | | <u>-</u> | | | |
| 21900 · Publications & Legal Notices | 4,500.00 | 4,500.00 | - | 2,846.00 | 1,654.00 | 63% |
| Total 21900 · Publications & Legal Notices | | | <u>-</u> | | | |
| 22300 · Spec Dept Exp - Other | 500.00 | 500.00 | - | 52.00 | 448.00 | 10% |
| Total 22300 · Spec Dept Exp - Other | | | <u>-</u> | | | |

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended April 30, 2020

| Administrative Budget | Adopted | Current Budget | Expended 04/2020 | Expended YTD | Bal Remaining | % Exp YTD |
|---|---------------------|-----------------------|-------------------------|---------------------|----------------------|------------------|
| 22310 · Election Expense | 13,150.00 | 13,150.00 | - | 6,921.73 | 6,228.27 | 53% |
| Total 22310 · Election Expense | | | - | | | |
| 22327 · Spec Dept Exp - Cost Allocation | 175,568.00 | 175,568.00 | 3,382.89 | 33,851.25 | 141,716.75 | 19% |
| 4/3/2020 2020-04 Cost Allocation | | | 3,382.89 | | | |
| Total 22327 · Spec Dept Exp - Cost Allocation | | | 3,382.89 | | | |
| 22500 · Transportation & Travel | 400.00 | 400.00 | - | 80.91 | 319.09 | 20% |
| Total 22500 · Transportation & Travel | | | - | | | |
| 22505 · Trans & Travel - Staff Development | 10,000.00 | 10,000.00 | - | 6,284.97 | 3,715.03 | 63% |
| Total 22505 · Trans & Travel - Staff Development | | | - | | | |
| 22515 · Trans & Travel - In State | 55,000.00 | 55,000.00 | 409.98 | 26,222.12 | 28,777.88 | 48% |
| 4/16/2020 Citibank - CALAPRS APT Airfare | | | 395.98 | | | |
| 4/30/2020 CitiBank - CALAPRS APT Agency Fees | | | 14.00 | | | |
| Total 22515 · Trans & Travel - In State | | | 409.98 | | | |
| 22516 · Trans & Travel - Out of State | 15,000.00 | 15,000.00 | - | 5,496.86 | 9,503.14 | 37% |
| Total 22516 · Trans & Travel - Out of State | | | - | | | |
| 22600 · Utilities | 15,000.00 | 15,000.00 | 742.55 | 10,085.35 | 4,914.65 | 67% |
| 4/9/2020 PG&E - 2020-03 Svcs | | | 631.80 | | | |
| 4/27/2020 City of Merced - 2020-03 WS&G | | | 110.75 | | | |
| Total 22600 · Utilities | | | 742.55 | | | |
| Depreciation Expense | 14,403.15 | 14,403.15 | - | - | 14,403.15 | |
| Total Administrative Budget | 1,853,143.15 | 1,853,143.15 | 90,657.36 | 1,082,049.90 | 771,093.25 | 58% |