

AMENDED MCERA RETIREMENT BOARD MEETING AGENDA
THURSDAY, APRIL 09, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TELEPHONE NUMBER: 1-310-372-7549, Conference Code: 975839

Important Notice Regarding COVID-19

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 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 – March 12, 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.

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. Sayaovang, Hoyu	HSA	14 Yrs. Svc.	Eff. 03/14/2020
b. Xiong, Wangki	HSA	30 Yrs. Svc.	Eff. 03/14/2020
c. Smith, Lizabeth	Health-Adm.	21 Yrs. Svc.	Eff. 03/14/2020
d. Thao, May Lee	HSA	30 Yrs. Svc.	Eff. 03/28/2020
e. Mcmillan, Robert	Animal Control	29 Yrs. Svc.	Eff. 03/28/2020
f. Fincher, James	County Counsel	18 Yrs. Svc.	Eff. 03/28/2020
g. Lerma, Colleen	HSA	10 Yrs. Svc.	Eff. 03/28/2020
h. Sziraki, Leslie	Sheriff	23 Yrs. Svc.	Eff. 03/14/2020
i. Campanella, Tina	HSA	19 Yrs. Svc.	Eff. 03/14/2020
j. Simmers-Tilma, Carol	Health	24 Yrs. Svc.	Eff. 03/31/2020

k. Flores, Martha	HSA	32 Yrs. Svc.	Eff. 03/28/2020
l. Koumarianos, Corinne	Child Support	25 Yrs. Svc.	Eff. 03/28/2020
m. Ramirez, Linda (NSCD)	HSA	22 Yrs. Svc.	Eff. 10/10/2017
n. Pitcock, Elizabeth	District Attorney	12 Yrs. Svc.	Eff. 03/21/2020
o. Valizan, Stephen	DPW	22 Yrs. Svc.	Eff. 03/28/2020
p. Taylor, Mark	HSA	26 Yrs. Svc.	Eff. 03/28/2020
q. Kettering, Jefferey	Probation	29 Yrs. Svc.	Eff. 03/28/2020
r. Keyes, Mark	DPW	15 Yrs. Svc.	Eff. 03/17/2020
s. Gallagher, Vince	Sheriff	27 Yrs. Svc.	Eff. 03/28/2020
t. Richardson, Terry	DPW	28 Yrs. Svc.	Eff. 03/28/2020
u. Lima, Larry	Agricultural Bio.	31 Yrs. Svc.	Eff. 03/28/2020
v. Presol, Kelley	Child Support	32 Yrs. Svc.	Eff. 03/28/2020
w. Salas, Sherrilynn	Mental Health	13 Yrs. Svc.	Eff. 04/01/2020
x. Ortiz, Kim	District Attorney	12 Yrs. Svc.	Eff. 04/01/2020

YTD fiscal year 2019/2020 retirees: 086

YTD fiscal year 2018/2019 retirees: 101

YTD fiscal year 2017/2018 retirees: 083*

*Count for FY 2017/2018 increased by one for retro approved disability in 2020.

REFUND OF SERVICE PURCHASE: None

DEATH BENEFIT: None

QUARTERLY & MONTHLY BUDGET REPORT: Submitted

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. Discussion and possible action to approve updated Delegation of Authority Policy to allow Plan Administrator to rebalance MCERA's portfolio when needed – Staff.
2. Discussion and possible action on Meketa Group's overview of the markets and possible recommendation to rebalance – Meketa.
3. Discussion and possible action to approve new pay codes as requested by the Superior Courts of Merced and Merced County – Staff.
4. Discussion and update to Board on MCERA Emergency Preparedness – Staff.
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:
 - No travel at 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.

- April 23,2020
- May 14,2020

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.

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

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**MCERA RETIREMENT BOARD MEETING AGENDA
THURSDAY, MARCH 12, 2020
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
3199 M STREET, MERCED, CA 95348**

ROLL CALL: 8:15 A.M

Board Members Present: Ryan Paskin, Scott Johnston, Al Peterson, David Ness (Arrived at 8:48 A.M) Darlene Ingersoll, Jason Goins, Kalisa Rochester, Scott Silveira, Michael Rhodes and Janey Cabral. **Counsel:** Jeff Grant and Forrest Hansen. **Staff:** Kristen Santos, Alexis Curry, Mark Harman, Ninebra Maryoonani, Brenda Mojica and Sheri Villagrana. **Absent:** Karen Adams

APPROVAL OF MINUTES – February 27, 2020

Motion to approve the February 27,2020 meeting minutes.

Silveira, Ingersoll U/A (7-0)

PUBLIC COMMENT

None.

CLOSED SESSION

The meeting went into closed session.

(1) CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION (Govt. Code § 54956.9(d))

This closed session is authorized under Govt. Code § 54956.9(d), (2 and 3) 8 cases.

The MCERA Board voted to continue this discussion in closed session.

No action taken, staff given direction.

Silveira, Ingersoll U/A (7-0)

RETURN TO OPEN SESSION

(1) DISABILITY RETIREMENT APPLICATIONS: PERSONNEL EXCEPTION (Govt. Code § § 54957, 31532; Cal Const. art. I, § 1)

-Motion to grant a non-service connected disability and deny a service connected disability for Donald Burnett.

Goins, Cabral U/A (7-0)

-Motion to grant a service connected disability and deny a non-service connected disability for Adam Leuchner.

Ingersoll, Silveira U/A (7-0)

CONSENT CALENDAR

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

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

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

a. Cummings, Richard	H.S.A	24 Yrs. Svc.	Eff. 2/15/2020
b. Malta, Scott	Castle	18 Yrs. Svc.	Eff. 2/15/2020
c. Tan, Doris	H.S.A	4 Yrs. Svc.	Eff. 2/27/2020
d. Pitts, David	DPW	10 Yrs. Svc.	Eff. 2/18/2020
e. Honeycutt, James	H.S.A	12 Yrs. Svc.	Eff. 2/15/2020
f. Deanda, John	Sheriff	26 Yrs. Svc.	Eff. 2/21/2020

YTD fiscal year 2019/2020 retirees: 063

YTD fiscal year 2018/2019 retirees: 101

YTD fiscal year 2017/2018 retirees: 082

REFUND OF SERVICE PURCHASE: None

DEATH BENEFIT: None

MONTHLY BUDGET REPORT: Moved to March 26, 2020 Meeting

Motion to approve Consent Calendar.

Rhodes, Ingersoll U/A (7-0)

REGULAR CALENDAR

BOARD ACTION¹/DISCUSSION

1. The MCERA board voted to add agenda item to discuss possible rebalancing of portfolio per Meketa's Memo - Chair.
Silveira, Cabral (7-1)
2. Discussion and possible action on presentation of bid and demo for new MCERA website from Digital Deployment – Rocky Martin, Digital Deployment.
The MCERA Board voted to approve staff to enter contact negotiations with Digital Deployment. Goins, Peterson U/A (8-0)
3. Discussion and possible action on Segal's audit of MCERA Actuarial Valuation Report and experience study as of June 30, 2019 –Segal Consulting.
The MCERA board voted to accept Segal's audit of MCERA'S Actuarial Valuation Report and experience study as of June 30,2019.
Ingersoll, Cabral U/A (8-0)
4. Discussion and possible action to adopt proposed recommendations from MCERA's Investment Committee – Staff.
The MCERA board voted to approve recommendations from MCERA investment committee other than 3V.
Ingersoll, Silveira U/A (8-0)
5. Appointment of ad hoc budget committee to work with staff on FY 2020/2021 budget – Chair.
The MCERA board appointed Scott Johnston, Janey Cabral and Michael Rhodes as the ad hoc committee.

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6. Discussion and possible action on upcoming Trustee election(s) for the MCERA Board of Retirement – Staff.
The MCERA Board approved to authorize the October 06,2020 trustee election and start to explore paid postage for voters.
Goins, Ingersoll U/A (8-0)
7. Discussion and possible action on proposed draft building plans to determine feasibility for a single tenant building located at the vacant lot at 690 W. 19th Street, in Merced – Staff.
Pulled from agenda.
8. Discussion and possible action on MCERA and emergency preparedness – Staff.
No Action taken.
9. 9. Discussion and possible action to adopt Maketa’s Memo.
The MCERA board voted to not take action and staff given direction to bring back policy to the board.
Ingersoll, Peterson U/A (8-0)
10. Discussion and possible action on March Legislative Report from SACRS – Staff.
No Action Taken.
11. 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. TCV Annual Investor Meeting, March 24, 2020, San Francisco, CA.
 - b. Advanced Principles of Pension Management for Trustees, March 30–April 1, 2020, Los Angeles, CA.
 - c. Pension Bridge Annual Conference, April 14-15, 2020, San Francisco, CA.
 - d. NCPERS Trustee Educational Seminar, May 9-10, 2020, Las Vegas, NV.
 - e. NCPERS Accredited Fiduciary Program (Modules 1&2 and 3&4), May 9-10, 2020, Las Vegas, NV.
 - f. NCPERS Annual Conference & Exhibition, May 10-13, 2020, Las Vegas, NV.
 - g. SACRS Spring Conference, May 12-15, 2020, San Diego, CA.
 - h. 2020 PIMCO Institute, Newport Beach, CA: June 8-11, 2020 or October 19-22, 2020.
 - i. KKR’s 2020 Global Investor Meeting, July 29 – July 1, 2020, Rancho Palos Verdes, CA.
 - j. SACRS Public Pension Investment Management Program, July 26-29, 2020, Berkeley, CA.
 - k. Principles of Pension Governance for Trustees, August 25-28, 2020 Malibu, CA.
 - l. Nossaman Fiduciary Forum, October 1-2, 2020, Los Angeles, CA.
 - m. SACRS Fall Conference, November 10-13, 2020, Indian Wells, CA.

The following conferences have been canceled:
A-G

ADJOURNMENT

The meeting adjourned at 11:24 A.M

Respectfully submitted,

Ryan Paskin, Chair

Al Peterson, Secretary

Date

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.

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Consent Monthly Expenditure Report as of February 29, 2020

Non-Administrative Expenses	Original Projection	Current Projection	Expended 02/2020	Expended YTD	Bal Remaining	% Exp YTD
21800 - Investment Expenses	3,400,000.00	3,400,000.00	154,863.09	1,542,098.39	1,857,901.61	45%
1/31/2020 Acadian - 2019-Q4 Mgmt Fee			20,385.00			
2/4/2020 2019-12 Notary Services			15.00			
2/7/2020 PanAgora - 2019-Q4 Mgt Fees			39,213.35			
2/7/2020 DFA - 2019-Q4 Mgt Fees			16,834.91			
2/7/2020 Cliffwater - 2020-01 PE & HF Consulting			33,333.33			
2/7/2020 Golden Valley Engineering - Thru 2020-01-25 Due Diligence - New Building			432.50			
2/11/2020 Yard Masters - 2020-01 - New Building Weed Abatement			250.00			
2/20/2020 KKR GII II - Mgt Fees - 2019-Q4			24,727.00			
2/24/2020 Golden Valley Engineering - Thru 2020-02-08 Due Diligence - New Building			1,140.00			
2/25/2020 GSO EOF - Mgmt Fee & Operating Fund Exps			18,532.00			
Total 21800 - Investment Expenses			<u>154,863.09</u>			
21802 - Actuarial Services	250,000.00	250,000.00	-	92,313.75	157,686.25	37%
Total 21802 - Actuarial Services			<u>-</u>			
21812 - Data Processing	120,000.00	120,000.00	4,788.60	29,694.04	90,305.96	25%
2/14/2020 2020-01 IS Billing			4,587.94			
2/24/2020 Comcast - 2020-02 Wifi Chgs			200.66			
Total 21812 - Data Processing			<u>4,788.60</u>			
21834 - Legal Services	300,000.00	300,000.00	39,911.48	179,821.48	120,178.52	60%
2/7/2020 Ted Cabral - 2020-01 Admin			1,591.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			5,135.50			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			3,367.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			180.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			120.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			300.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			200.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			1,660.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			5,513.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			420.00			
2/7/2020 Ted Cabral - 2020-01 Disab Legal Svcs			6,670.65			
2/7/2020 PPC - 2020-01 Legal Svcs			265.00			
2/10/2020 2020-02 Cost Allocation - Co Counsel			11,240.33			
2/24/2020 Nossaman - 2020-01 - Litigation re AB 197			3,249.00			
Total 21834 - Legal Services			<u>39,911.48</u>			
21840 - Custodial Banking Services	125,000.00	125,000.00	27,761.56	63,639.03	61,360.97	51%
2/6/2020 Northern Trust - 2019-Q4 Custody Fees			25,115.00			
2/10/2020 2020-01 Wire Fees			75.00			
2/14/2020 2020-01 NT STIF Income - Custodial Fee			2,571.56			
Total 21840 - Custodial Banking Services			<u>27,761.56</u>			
22350 - Software and Technology	305,000.00	305,000.00	94,088.46	213,192.14	91,807.86	70%
2/10/2020 Spriggs - 2020-Q1 - Bizhub Base Charge			877.55			
2/10/2020 Spriggs - Bizhub Lease			170.01			
2/13/2020 LexisNexis - 2020-01 Chgs			292.90			
2/14/2020 CPAS - 2020 Annual Support - FY 19-20 Q3 & Q4 Portion			81,000.00			
2/14/2020 CPAS - 2020 Annual Maint - FY 19-20 Q3 & Q4 Portion			11,748.00			
Total 22350 - Software and Technology			<u>94,088.46</u>			
Depreciation Expense	242,777.87	242,777.87				
Total Non-Administrative Items	<u>4,742,777.87</u>	<u>4,742,777.87</u>	<u>321,413.19</u>	<u>2,120,758.83</u>	<u>2,622,019.04</u>	45%

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
2/29/2020

Expense	<u>Feb 20</u>	<u>Feb 19</u>	<u>\$ Change</u>	<u>% Change</u>
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 134,478.09	\$ 205,949.78	\$ (71,471.69)	-34.7%
21802 · Actuarial Services	-	(12,738.51)	12,738.51	100.0%
21812 · Data Processing	4,788.60	5,295.05	(506.45)	-9.57%
21834 · Legal Services	39,911.48	11,977.39	27,934.09	233.22%
21840 · Custodial Banking Services	27,761.56	26,173.03	1,588.53	6.07%
22350 · Software and Technology	94,088.46	14,519.00	79,569.46	548.04%
Total 62025 · Non-Administrative Expenses	<u>\$ 301,028.19</u>	<u>\$ 251,175.74</u>	<u>\$ 49,852.45</u>	19.85%

Note: Amount in 21800 does not reflect prior month value reported in Non-Administrative Expenditures Report. \$20,385.00 difference.

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended February 29, 2020

Administrative Budget	Adopted	Current Budget	Expended 02/2020	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,240,572.00	1,240,572.00	80,134.94	637,195.01	603,376.99	51%
2/7/2020 Office Payroll 3			40,067.47			
2/21/2020 Office Payroll 4			40,067.47			
Total 10110 · Salaries & Wages			80,134.94			
20600 · Communications	4,000.00	4,000.00	367.23	2,532.40	1,467.60	63%
2/10/2020 AT&T- 2020-01 Comm Chgs			136.49			
2/14/2020 2020-01 Communications Chg			230.74			
Total 20600 · Communications			367.23			
20900 · Household Expense	11,500.00	11,500.00	765.00	6,580.93	4,919.07	57%
2/7/2020 Bob's Pest Control - 2020 -01 Svcs			40.00			
2/21/2020 Geil - 2020-02 Janitorial			725.00			
Total 20900 · Household Expense			765.00			
21000 · Insurance - Other	85,500.00	85,500.00	28.00	79,688.00	5,812.00	93%
2/3/2020 The Hartford - 2020-01-16 - Endorsement # 1			28.00			
Total 21000 · Insurance - Other			28.00			
21301 · Maintenance Structure Improvement	19,100.00	19,100.00	650.00	3,549.21	15,550.79	19%
2/3/2020 Yard Masters - 2020-01 Landscape Maint			325.00			
2/28/2020 Yard Masters - 2020-02 Landscape Maint			325.00			
Total 21301 · Maintenance Structure Improvement			650.00			
21500 · Membership	7,200.00	7,200.00	-	5,570.00	1,630.00	77%
Total 21500 · Membership			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended February 29, 2020

Administrative Budget	Adopted	Current Budget	Expended 02/2020	Expended YTD	Bal Remaining	% Exp YTD
21700 · Office Expense - General	11,000.00	11,000.00	598.96	4,408.68	6,591.32	40%
2/3/2020 First Choice - 2019-12 Water Svc			21.82			
2/3/2020 First Choice - 2019-12 Cooler Rental			7.00			
2/3/2020 First Choice - 2020-01 Water Svc			28.37			
2/3/2020 First Choice - 2020-01 Cooler Rental			7.00			
2/3/2020 First Choice - 2020-02 Water Svc			34.92			
2/3/2020 First Choice - 2020-02 Cooler Rental			7.00			
2/18/2020 2020-01 Office Depot Charges			506.03			
2/18/2020 2020-01 Pacific Shredding			10.00			
2/25/2020 First Choice - 2020-02 Water Svc			21.82			
2/28/2020 REMCO - Abatement for REMCO 2020-Q1 Newsletter Labels/Data			(45.00)			
Total 21700 · Office Expense - General			598.96			
21710 · Office Expense - Postage	15,750.00	15,750.00	2,141.50	9,065.93	6,684.07	58%
2/14/2020 2020-01 IS Postage			1,995.62			
2/18/2020 2020-01 Mailroom Chgs			145.88			
Total 21710 · Office Expense - Postage			2,141.50			
21805 · Audits	60,000.00	60,000.00	6,860.51	52,823.76	7,176.24	88%
2/14/2020 Brown Armstrong - FY 18-19 Audit Progress Through 2020-01			6,860.51			
Total 21805 · Audits			6,860.51			
21808 · Board Membership	12,000.00	12,000.00	1,500.00	6,300.00	5,700.00	53%
2/18/2020 2019-12 Bd Mtgs			100.00			
2/18/2020 2020-01 Bd Mtgs			100.00			
2/18/2020 2020-01 SubComm Mtg			100.00			
2/19/2020 2019-12 Bd Mtgs			100.00			
2/19/2020 2019-12 Bd Mtgs			100.00			
2/19/2020 2019-12 Bd Mtgs			100.00			
2/19/2020 2019-12 Bd Mtgs			100.00			
2/19/2020 2020-01 Bd Mtgs			200.00			
2/19/2020 2020-01 Bd Mtgs			200.00			
2/19/2020 2020-01 Bd Mtgs			200.00			
2/19/2020 2020-01 Bd Mtgs			200.00			
Total 21808 · Board Membership			1,500.00			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended February 29, 2020

Administrative Budget	Adopted	Current Budget	Expended 02/2020	Expended YTD	Bal Remaining	% Exp YTD
21811 · Court Reporters	2,000.00	2,000.00	-	-	2,000.00	0%
Total 21811 · Court Reporters			-			
21816 · Medical Services	80,000.00	80,000.00	4,800.00	15,250.00	64,750.00	19%
2/7/2020 ExamWorks - Record Review & Prep			4,800.00			
Total 21816 · Medical Services			4,800.00			
21872 · Investigations	1,000.00	1,000.00	-	-	1,000.00	0%
Total 21872 · Investigations			-			
21900 · Publications & Legal Notices	4,500.00	4,500.00	-	2,846.00	1,654.00	63%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	500.00	500.00	-	52.00	448.00	10%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	13,150.00	13,150.00	-	6,921.73	6,228.27	53%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	175,568.00	175,568.00	3,382.89	27,085.47	148,482.53	15%
2/10/2020 2020-02 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	5,984.97	6,284.97	3,715.03	63%
Total 22505 · Trans & Travel - Staff Development			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended February 29, 2020

Administrative Budget	Adopted	Current Budget	Expended 02/2020	Expended YTD	Bal Remaining	% Exp YTD
22515 · Trans & Travel - In State	55,000.00	55,000.00	6,200.00	25,812.14	29,187.86	47%
2/28/2020 CALAPRS - Adv Principles of Pension Mgmt for Trustees 2019			6,200.00			
Total 22515 · Trans & Travel - In State			<u>6,200.00</u>			
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			<u>-</u>			
22600 · Utilities	15,000.00	15,000.00	994.89	8,499.41	6,500.59	57%
2/10/2020 PG&E - 2020-01 Svcs			884.14			
2/11/2020 City of Merced - 2020-01 WS&G			110.75			
Total 22600 · Utilities			<u>994.89</u>			
Depreciation Expense	14,403.15	14,403.15	-	-	14,403.15	
Total Administrative Budget	<u>1,853,143.15</u>	<u>1,853,143.15</u>	<u>108,423.92</u>	<u>906,043.41</u>	<u>947,099.74</u>	<u>49%</u>

Consent Monthly Expenditure Report
 as of March 31, 2020

Non-Administrative Expenses	Original Projection	Current Projection	Expended 03/2020	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,400,000.00	3,400,000.00	37,662.73	1,579,761.12	1,820,238.88	46%
3/10/2020 Golden Valley Engineering - Thru 2020-02-22 Due Diligence - New Building			1,165.00			
3/20/2020 Cliffwater- 2020-02 PE & HF Consulting			33,333.33			
3/20/2020 Nossaman - 2020-02 - Accel-KKR Capital Partners VI			2,822.40			
3/20/2020 Nossaman - 2020-02 - Ardian Infrastructure Fund V			342.00			
Total 21800 · Investment Expenses			37,662.73			
21802 · Actuarial Services	250,000.00	250,000.00	(6,250.00)	86,063.75	163,936.25	34%
3/5/2020 Reimb from County for 2019 GASB 68 Report			(5,872.60)			
3/18/2020 Reimb from Court for 2019 GASB 68 Report			(377.40)			
Total 21802 · Actuarial Services			(6,250.00)			
21812 · Data Processing	120,000.00	120,000.00	3,372.91	33,066.95	86,933.05	28%
3/16/2020 2020-02 IS Billing			3,172.25			
3/20/2020 Comcast - 2020-03 Wifi Chgs			200.66			
Total 21812 · Data Processing			3,372.91			
21834 · Legal Services	300,000.00	300,000.00	27,231.63	207,053.11	92,946.89	69%
3/9/2020 Hanson Bridgett - 2020-01 - Tax Compliance / Determination Ltr			132.30			
3/16/2020 2020-02 Cost Allocation - Co Counsel			11,240.33			
3/18/2020 Nossaman - 2020-01 - Litigation re AB 197			497.70			
3/18/2020 Ted Cabral - 2020-02 Admin			666.00			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			534.80			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			795.50			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			2,997.00			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			7,636.00			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			1,498.50			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			118.50			
3/18/2020 Ted Cabral - 2020-02 Disab Legal Svcs			850.00			
3/20/2020 PPC - 2020-01 Legal Svcs			265.00			
Total 21834 · Legal Services			27,231.63			
21840 · Custodial Banking Services	125,000.00	125,000.00	27,027.51	90,666.54	34,333.46	73%
3/4/2020 2020-02 NT STIF Income - Custodial Fee			1,802.51			
3/6/2020 2020-02 Wire Fees			100.00			
3/31/2020 Northern Trust- 2020-Q1 Custody Fees			25,125.00			
Total 21840 · Custodial Banking Services			27,027.51			
22350 · Software and Technology	305,000.00	305,000.00	44,267.31	257,459.45	47,540.55	84%
3/17/2020 Spriggs - Bizhub Lease			170.01			
3/20/2020 LexisNexis - 2020-01 Chgs			272.70			
3/30/2020 CPAS - Additional Licenses			43,824.60			
Total 22350 · Software and Technology			44,267.31			
Depreciation Expense	242,777.87	242,777.87				
Total Non-Administrative Items	4,742,777.87	4,742,777.87	133,312.09	2,254,070.92	2,488,706.95	48%

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
3/31/2020

	Mar 20	Mar 19	\$ Change	% Change
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 37,662.73	\$ 110,806.19	\$ (73,143.46)	-66.01%
21802 · Actuarial Services	(6,250.00)	-	(6,250.00)	-100.00%
21812 · Data Processing	3,372.91	5,213.74	(1,840.83)	-35.31%
21834 · Legal Services	27,231.63	19,134.54	8,097.09	42.32%
21840 · Custodial Banking Services	27,027.51	2,166.54	24,860.97	1147.50%
22350 · Software and Technology	44,267.31	77,838.60	(33,571.29)	-43.13%
Total 62025 · Non-Administrative Expenses	\$ 133,312.09	\$ 215,159.61	\$ (81,847.52)	-38.04%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2020

Administrative Budget	Adopted	Current Budget	Expended 03/2020	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,240,572.00	1,240,572.00	80,856.18	718,051.19	522,520.81	58%
3/6/2020 Office Payroll 5			40,067.47			
3/20/2020 Office Payroll 6			40,788.71			
Total 10110 · Salaries & Wages			80,856.18			
20600 · Communications	4,000.00	4,000.00	360.25	2,892.65	1,107.35	72%
3/13/2020 2020-02 Communications Chg			223.72			
3/17/2020 AT&T- 2020-02 Comm Chgs			136.53			
Total 20600 · Communications			360.25			
20900 · Household Expense	11,500.00	11,500.00	938.98	7,519.91	3,980.09	65%
3/6/2020 ADT - 2020-03 Security Svcs			86.99			
3/9/2020 ADT - 2020-02 Security Svcs			86.99			
3/9/2020 Bob's Pest Control - 2020-02 Svcs			40.00			
3/20/2020 Geil - 2020-03 Janitorial			725.00			
Total 20900 · Household Expense			938.98			
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	984.88	4,534.09	14,565.91	24%
3/6/2020 2020-01 DPW Charges			336.19			
3/23/2020 2020-02 DPW Charges			323.69			
3/30/2020 Yard Masters - 2020-03 Landscape Maint			325.00			
Total 21301 · Maintenance Structure Improvement			984.88			
21500 · Membership	7,200.00	7,200.00	-	5,570.00	1,630.00	77%
Total 21500 · Membership			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2020

Administrative Budget	Adopted	Current Budget	Expended 03/2020	Expended YTD	Bal Remaining	% Exp YTD
21700 · Office Expense - General	11,000.00	11,000.00	689.16	5,097.84	5,902.16	46%
3/16/2020 2020-02 Office Depot Charges			541.29			
3/16/2020 2020-02 Pacific Shredding			10.00			
3/20/2020 First Choice - 2020-03 Water Svc			28.37			
3/20/2020 First Choice - 2020-02 Cooler Rental			7.00			
3/25/2020 Annual PO Box Exp reimbursement			102.50			
Total 21700 · Office Expense - General			689.16			
21710 · Office Expense - Postage	15,750.00	15,750.00	1,101.40	10,167.33	5,582.67	65%
3/16/2020 2020-02 Mailroom Chgs			127.85			
3/16/2020 2020-02 IS Postage			973.55			
Total 21710 · Office Expense - Postage			1,101.40			
21805 · Audits	60,000.00	60,000.00	(5,200.00)	47,623.76	12,376.24	79%
3/5/2020 Reimb from County for 2019 GASB 68 Report			(4,886.00)			
3/18/2020 Reimb from Court for 2019 GASB 68 Report			(314.00)			
Total 21805 · Audits			(5,200.00)			
21808 · Board Membership	12,000.00	12,000.00	1,100.00	7,400.00	4,600.00	62%
3/30/2020 2020-02 Bd Mtgs			200.00			
3/30/2020 2020-02 Bd Mtgs			300.00			
3/30/2020 2020-02 Bd Mtgs			100.00			
3/30/2020 2020-02 Bd Mtgs			200.00			
3/30/2020 2020-02 Bd Mtgs			300.00			
Total 21808 · Board Membership			1,100.00			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended March 31, 2020

Administrative Budget	Adopted	Current Budget	Expended 03/2020	Expended YTD	Bal Remaining	% Exp YTD
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	292.00	15,542.00	64,458.00	19%
3/11/2020 Examworks - Line Item Review			100.00			
3/11/2020 Examworks - Line Item Review			132.00			
3/11/2020 Examworks - Line Item Review			60.00			
Total 21816 · Medical Services			<u>292.00</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>			
22310 · Election Expense	13,150.00	13,150.00	-	6,921.73	6,228.27	53%
Total 22310 · Election Expense			<u>-</u>			
22327 · Spec Dept Exp - Cost Allocation	175,568.00	175,568.00	3,382.89	30,468.36	145,099.64	17%
3/16/2020 2020-03 Cost Allocation			3,382.89			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>3,382.89</u>			
22500 · Transportation & Travel	400.00	400.00	-	80.91	319.09	20%
Total 22500 · Transportation & Travel			<u>-</u>			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	6,284.97	3,715.03	63%
Total 22505 · Trans & Travel - Staff Development			<u>-</u>			

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month Ended March 31, 2020

Administrative Budget	Adopted	Current Budget	Expended 03/2020	Expended YTD	Bal Remaining	% Exp YTD
22515 · Trans & Travel - In State	55,000.00	55,000.00	-	25,812.14	29,187.86	47%
Total 22515 · Trans & Travel - In State			-			
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	843.39	9,342.80	5,657.20	62%
3/6/2020 PG&E - 2020-02 Svcs			729.10			
3/17/2020 City of Merced - 2020-02 WS&G			114.29			
Total 22600 · Utilities			843.39			
Depreciation Expense	14,403.15	14,403.15	-	-	14,403.15	
Total Administrative Budget	1,853,143.15	1,853,143.15	85,349.13	991,392.54	861,750.61	53%

**Consent Quarterly Expenditure
 Report ending March 31, 2020**

Non-Administrative Projection											
	Current									Remaining	
	Projection	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended		Projected	% Exp
21800 Investment Expenses	\$ 3,400,000.00	\$ 169,424.90	5%	\$ 727,160.47	21%	\$ 683,175.75	20%	\$ 1,579,761.12		\$ 1,820,238.88	46%
21802 Actuarial Services	250,000.00	-	0%	22,363.75	9%	63,700.00	25%	86,063.75		163,936.25	34%
21812 Data Processing	120,000.00	9,989.95	8%	11,221.52	9%	11,855.48	10%	33,066.95		86,933.05	28%
21834 Legal Services	300,000.00	53,002.36	18%	72,381.91	24%	81,668.84	27%	207,053.11		92,946.89	69%
21840 Custodial Banking Services	125,000.00	3,209.76	3%	29,129.14	23%	58,327.64	47%	90,666.54		34,333.46	73%
22350 Software & Technology	305,000.00	62,220.61	20%	56,159.45	18%	139,079.39	46%	257,459.45		47,540.55	84%
Depreciation Expense	242,777.87	-	0%	-	0%	-	0%	-		242,777.87	0%
Total Non-Administrative Items	\$ 4,742,777.87	\$ 297,847.58	6%	\$ 918,416.24	19%	\$ 1,037,807.10	22%	\$ 2,254,070.92		\$ 2,488,706.95	48%
Administrative Budget											
	Current									Remaining	
	Appropriation	Q1 Expended	Q1 %	Q2 Expended	Q2 %	Q3 Expended	Q3 %	Total Expended		Appropriation	% Exp
10110 Salaries & Wages	\$ 1,240,572.00	\$ 189,350.56	15%	\$ 285,984.60	23%	\$ 242,716.03	20%	\$ 718,051.19		\$ 522,520.81	58%
20600 Communications	4,000.00	721.72	18%	1,086.50	27%	1,084.43	27%	2,892.65		1,107.35	72%
20900 Household Expense	11,500.00	1,704.97	15%	1,894.97	16%	3,919.97	34%	7,519.91		3,980.09	65%
21000 Insurance-Other	85,500.00	79,660.00	93%	-	0%	28.00	0%	79,688.00		5,812.00	93%
21301 Maintenance Structure Improvement	19,100.00	898.80	5%	1,236.32	6%	2,398.97	13%	4,534.09		14,565.91	24%
21500 Membership	7,200.00	4,000.00	56%	570.00	8%	1,000.00	14%	5,570.00		1,630.00	77%
21700 Office Expense-General	11,000.00	2,988.23	27%	671.34	6%	1,438.27	13%	5,097.84		5,902.16	46%
21710 Office Expense-Postage	15,750.00	2,293.29	15%	3,540.58	22%	4,333.46	28%	10,167.33		5,582.67	65%
21805 Audits	60,000.00	12,366.57	21%	16,765.17	28%	18,492.02	31%	47,623.76		12,376.24	79%
21808 Board Membership	12,000.00	2,000.00	17%	2,800.00	23%	2,600.00	22%	7,400.00		4,600.00	62%
21811 Court Reporters	2,000.00	-	0%	-	0%	-	0%	-		2,000.00	0%
21816 Medical Services	80,000.00	-	0%	10,450.00	13%	5,092.00	6%	15,542.00		64,458.00	19%
21872 Investigations	1,000.00	-	0%	-	0%	-	0%	-		1,000.00	0%
21900 Publications & Legal Notices	4,500.00	2,846.00	63%	-	0%	-	0%	2,846.00		1,654.00	63%
22300 Spec Dept Expense-Other	500.00	20.00	4%	32.00	6%	-	0%	52.00		448.00	10%
22310 Election Expense	13,150.00	-	0%	6,921.73	53%	-	0%	6,921.73		6,228.27	53%
22327 Spec Dept Exp-Cost Allocation	175,568.00	10,171.02	6%	10,148.67	6%	10,148.67	6%	30,468.36		145,099.64	17%
22500 Transportation & Travel	400.00	-	0%	80.91	20%	-	0%	80.91		319.09	20%
22505 Trans & Travel-Staff Development	10,000.00	300.00	3%	5,984.97	60%	-	0%	6,284.97		3,715.03	63%
22515 Trans & Travel-In State	55,000.00	8,391.30	15%	8,583.24	16%	8,837.60	16%	25,812.14		29,187.86	47%
22516 Trans & Travel-Out Of State	15,000.00	-	0%	4,679.18	31%	817.68	5%	5,496.86		9,503.14	37%
22600 Utilities	15,000.00	2,934.29	20%	3,543.62	24%	2,864.89	19%	9,342.80		5,657.20	62%
Depreciation Expense	14,403.15	-	0%	-	0%	-	0%	-		14,403.15	0%
Total Administrative Budget	\$ 1,853,143.15	\$ 320,646.75	17%	\$ 364,973.80	20%	\$ 305,771.99	17%	\$ 991,392.54		\$ 861,750.61	53%
Total MCERA	\$ 6,636,921.02	\$ 618,494.33	9%	\$ 1,321,592.63	20%	\$ 1,343,579.09	20%	\$ 3,245,463.46		\$ 3,353,254.97	49%

Merced County Employees' Retirement Association
Non-Admin Expenses Prev Year Comparison (Preliminary)
For The Quarter Ended March 31, 2020

	<u>Jan - Mar 20</u>	<u>Jan - Mar 19</u>	<u>\$ Change</u>	<u>% Change</u>
Expense				
62025 · Non-Administrative Expenses				
21800 · Investment Expenses				
IED0001 · PanAgora Asset Management	\$ 39,213.35	\$ 34,089.79	\$ 5,123.56	15.03%
IED0002 · Dimensional Fund Advisors	16,834.91	15,205.88	1,629.03	10.71%
IED0003 · Mellon LC SIF	-	10,538.38	(10,538.38)	-100.00%
IED0004 · Mellon Dynamic	-	52,891.15	(52,891.15)	-100.00%
IEE0003 · Wells Capital	151,269.29	123,251.99	28,017.30	22.73%
IEE0004 · Copper Rock Intl SC	-	42,363.40	(42,363.40)	-100.00%
IEE0005 · Mellon Int SIF	-	10,211.75	(10,211.75)	-100.00%
IEE0006 · Acadian Ex US SCF	20,385.00	-	20,385.00	100.00%
IEE0007 · Driehaus ISCG	43,130.00	-	43,130.00	100.00%
IEF0001 · Barrow Hanley	42,680.00	79,171.00	(36,491.00)	-46.09%
IEP0001 · SSgA RAS	-	23,164.06	(23,164.06)	-100.00%
IER0001 · UBS Realty Investors	87,080.19	91,871.14	(4,790.95)	-5.22%
IEX0015 · KKR Global Infrastructure II	24,727.00	5,509.00	19,218.00	348.85%
IEX0018 · GSO EOF	18,532.00	22,688.00	(4,156.00)	-18.32%
IEZ0004 · Graham ARTL	-	-	-	0.00%
ISC001 · Meketa Investment Group	53,500.00	52,500.00	1,000.00	1.91%
ISC002 · Cliffwater LLC	99,999.99	99,999.99	-	0.00%
ISL001 · Nossaman - Investments	73,756.52	33,322.90	40,433.62	121.34%
21800 · Investment Expenses - Other	12,067.50	105.00	11,962.50	11392.86%
Total 21800 · Investment Expenses	683,175.75	696,883.43	(13,707.68)	-1.97%
21802 · Actuarial Services	63,700.00	19,825.15	43,874.85	221.31%
21812 · Data Processing	11,855.48	14,879.82	(3,024.34)	-20.33%
21834 · Legal Services	81,668.84	40,450.13	41,218.71	101.90%
21840 · Custodial Banking Services	58,327.64	30,215.56	28,112.08	93.04%
22350 · Software and Technology	139,079.39	106,876.60	32,202.79	30.13%
Total 62025 · Non-Administrative Expenses	\$ 1,037,807.10	\$ 909,130.69	\$ 128,676.41	14.15%

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

DATE: April 9, 2020
TO: MCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: Update of Delegation of Authority Policy.

ITEM NUMBER: 1

ITEM TYPE: Action

STAFF RECOMMENDATION:

Approve the updated Delegation of Authority Policy.

DISCUSSION:

The Board approved a Delegation of Authority Policy on July 28, 2018 which delegates limited investment authority to the Plan Administrator. The current policy gives permission to the Plan Administrator to sign legal contracts and documents for investments approved by the Board of Retirement, as well as rebalancing because of capital calls or liquidity needs. Recently, there is a need to allow the Plan Administrator to rebalance the portfolio to target or approved allocation ranges due to current market conditions as stated in the Merced County Employees' Retirement Association (MCERA) Investment Policy Statement.

The updated policy does the following:

- Gives explicit permission to the Plan Administrator to work with MCERA investment consultants to rebalance the portfolio due to current market conditions up to 2.5% of the fund's total assets without formal action by the MCERA Board of Retirement,
- Establishes a policy of notifying the Investment Sub Committee and or the Chair and Vice Chair when rebalancing occurs.

Staff recommends the approval of the updated Delegation Authority Policy.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT POLICY
INVESTMENT DELEGATION OF AUTHORITY FOR THE PLAN
ADMINISTRATOR**

Purpose and Scope

The Merced County Employees' Retirement Association (MCERA) exists for the purposes of providing accurate, timely benefits to its members and their beneficiaries.

The Board of Retirement (the Board), having exclusive authority and fiduciary responsibility for the investment and administration of the fund, hereby establishes the following "Investment Delegation of Authority for the Plan Administrator" (the Policy) for the investment and administration of the assets and funds of MCERA. The Board reserves the right to amend, supplement, or rescind this Policy at any time.

Authority of the Board of Retirement

Article XVI, §17 of the Constitution of the State of California vests the Board with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system". Government Code §31596.1 authorizes the Board to retain investment managers "in connection with the administration of the Board's investment program".

Policy Statements

- The Board's Investment Consultant(s) shall bring investment opportunities to the Board for its determination through the Plan Administrator.
- After the Board has made a determination to invest MCERA funds with an investment manager(s) and or fund(s), or to increase, decrease or otherwise change the amount of such investments, there is certain documentation that must be executed on behalf of the Board in order to effectuate the Board's decision and respond to the demands of the day to day operations of the investment(s).
- Once the Board has determined that the investment is in the best interest of the Fund, the Plan Administrator has the delegated authority by the Board to execute all and any documentation with the investment manager on behalf of the Board.
- The Board also authorizes the Plan Administrator to consult with legal counsel and consultant(s) to implement the best terms for MCERA which may include but is not limited to; fees and fee structures, side letter terms, Limited Partner Agreements, Subscription documents and amendments to such documents, liquidation terms and individually managed account terms and conditions.
- After consulting with legal counsel, the Chair and/or the Vice Chair of the Board, and after attempting to negotiate terms with a fund or manager, the Plan Administrator shall have the authority to rescind a decision to invest if, in the Plan Administrator's discretion, it is in the best interest of MCERA.
- The delegation of authority set forth includes execution, negotiation and renegotiation of financial contracts including but not limited to custodial

bank contracts and existing manager or consultant contracts to implement the best terms for MCERA. The Plan Administrator does not have the authority to terminate a manager without Board Action.

- The Plan Administrator shall consult with MCERA investment consultant(s) to for recommendations for rebalancing the asset class or allocation of the portfolio back to the target weights and or ranges as specified in the Investment Policy Statement (IPS).
- The Plan Administrator is hereby authorized to rebalance the portfolio, if applicable, after capital calls, cash distributions and or redemptions up to 2.5% of the value of the portfolio. The Plan Administrator shall notify the Investment Committee and or the Chair and Vice Chair when rebalancing is needed.
- Any significant actions of the Plan Administrator authorized by this Policy shall be reported to the Board at a subsequent regularly scheduled meeting.

This Policy is adopted by the Merced County Employees' Retirement Association Board of Retirement on April 9, 2020.

Ryan Paskin, Chair

Alfonse Peterson, Secretary

Kristen Santos, Plan Administrator

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT POLICY
INVESTMENT DELEGATION OF AUTHORITY FOR THE PLAN
ADMINISTRATOR TO EXECUTE INVESTMENT DOCUMENTATION AS
REQUIRED

Purpose and Scope

The Merced County Employees' Retirement Association (MCERA) exists for the purposes of providing accurate, timely benefits to its members and their beneficiaries.

The Board of Retirement (the Board), having exclusive authority and ~~exclusive~~ fiduciary responsibility for the investment and administration of the fund, hereby establishes the following "Investment Delegation of Authority for ~~the~~ Plan Administrator ~~to Execute Investment Documentation as Required~~" (the Policy) for the investment and administration of the assets and funds of MCERA ~~assets~~. The Board reserves the right to amend, supplement, or rescind this Policy at any time.

Authority of the Board of Retirement

Article XVI, §17 of the Constitution of the State of California vests the Board with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system". Government Code §31596.1 authorizes the Board to retain investment managers "in connection with the administration of the Board's investment program".

Policy Statements

- The Board's Investment Consultant(s) shall bring investment opportunities to the Board for its determination through the Plan Administrator.
- After the Board has made a determination to invest MCERA funds with an investment manager(s) and or fund(s), or to increase, decrease or otherwise change the amount of such investments, there is certain documentation that must be executed on behalf of the Board in order to effectuate the Board's decision and respond to the demands of the day to day operations of the investment(s).
- Once the Board has determined that the investment is in the best interest of the Fund, the Plan Administrator has the delegated authority by the Board to execute all and any documentation with the investment manager on behalf of the Board.
- The Board also authorizes the Plan Administrator to consult with legal counsel and consultant(s) to implement the best terms for MCERA which may include but is not limited to; fees and fee structures, side letter terms, Limited Partner Agreements, Subscription documents and amendments to such documents, liquidation terms and individually managed account terms and conditions.
- After consulting with legal counsel, the Chair and/or the Vice Chair of the Board, and after attempting to negotiate terms with a fund or manager, the Plan Administrator shall have the authority to rescind a decision to invest if, in the Plan Administrator's discretion, it is in the best interest of ~~the~~ MCERA.

- The delegation of authority set forth ~~above, is extended to execution~~ includes execution, negotiation and renegotiation of financial contracts including but not limited to custodial bank contracts and existing manager or consultant contracts ~~in order to~~ to implement the best terms for MCERA. The Plan Administrator does not have the authority to terminate a manager without Board Action, ~~extend the term, or increase the amount of an existing contract without Board action.~~
- ~~The Board authorizes the~~ Plan Administrator ~~to shall~~ consult with MCERA investment consultant(s) to for recommendations for rebalancing the asset class or allocation of the portfolio back to the target weights and or ranges as specified in the Investment Policy Statement (IPS).
- The Plan Administrator is hereby authorized to rebalance the portfolio, if applicable, fund capital calls and commitments from existing custodial accounts and rebalance of the portfolio, if applicable after capital calls, cash distributions and or redemptions up to 2.5% of the value of the portfolio. The Plan Administrator shall notify the Investment Committee and or the Chair and Vice Chair when rebalancing is needed.
- Any significant actions of the Plan Administrator authorized by this Policy shall be reported to the Board at a subsequent regularly scheduled meeting.

This Policy is adopted by the Merced County Employees' Retirement Association Board of Retirement on ~~July 26, 2018~~ April 9, 2020.

~~Darlene Ingersoll~~ Ryan Paskin, Chair

Alfonse Peterson, Secretary

Kristen Santos, Plan Administrator



Merced County
Employees' Retirement Association

April 2, 2020

Market Update and
Rebalancing Recommendation

Overview of the Markets

- Risk assets experienced significant volatility during the course of Q1, principally driven by the anticipated impact from the COVID-19 virus and the general closing of the global economy.
- The S&P 500 was down nearly 31 percent before fiscal and monetary policy measure stemmed the decline with record setting interventions.
- Safe-haven assets like US Treasury securities saw fear-driven demand drive yields to record lows.
- Given all the uncertainty, US stocks declined from their recent peak into bear market (-20%) territory at the fastest pace in history.
- From the February 19 peak, the S&P 500 declined 29%, or 976 points, in a matter of 22 trading days.
- The index has recovered recently from its lows likely due to the unprecedented monetary and fiscal stimulus announced in the US. Last week, a historic \$2T package was approved in the US, representing close to 10% of GDP.
- As investors continue to process the impacts of COVID-19 and the effectiveness of the policy response, it is likely that volatility will remain elevated.
- As COVID-19 spreads and restrictions increase, economic data is expected to significantly deteriorate.

As of March 31, 2020, based on a combination of manager-reported estimates, and benchmark returns for public asset classes, the Fund's estimated value was approximately \$816 million, a significant decrease from the previous month ending February 28, 2020.

- Meketa estimates that the fund returned -7.5% in March; YTD estimates are -10.2%. However, it is important to note that private market investments, which represents roughly 19% of the portfolio, have been kept at their last reported valuations, and some manager returns, especially in the hedge fund space, are estimated using benchmark returns where actual data was not yet available.
- Global equity strategies (US, Developed International, Emerging Markets) returned between -10% to -14%. During the quarter, as news about the COVID-19 disease spread and investors fled to safe-haven assets. Returns for the US and Developed International segments appear roughly in-line with their respective indices. The Emerging Market asset class returned -10.40% in the quarter, outperforming the EM Index return of -15.40% by roughly 5% driven by Artisan Developing's strong positive relative contribution (-7.48%).
- Total fixed income returned -0.30% in the quarter-to-date, outperforming the Bloomberg Barclays U.S. Aggregate return of -0.59%. Fixed Income contributed positively to relative performance as investors sold out of riskier asset classes and flocked to the relative safety of bonds. However, bond prices (and therefore yields) were very volatile during the period, as liquidity tightened even among treasury securities, and then Fed injected significant liquidity to try to ease those markets.

Recommended Rebalancing

	Estimated Market Value	Allocation	Policy	Difference	Policy Range
US Equity	\$188,677,782	23%	21%	2%	15%-26%
International Equity	\$90,550,100	11%	10%	1%	5%-15%
Emerging Markets Equity	\$66,302,975	8%	8%	0%	4%-12%
Private Real Estate	\$56,369,997	7%	8%	-1%	6%-10%
Private Equity	\$46,661,538	6%	15%	-9%	5%-20%
US Fixed Income	\$184,497,267	23%	18%	5%	13%-23%
Opportunistic Credit	\$42,291,215	5%	5%	0%	3%-7%
Hedge Funds	\$71,773,137	9%	10%	-1%	5%-15%
Real Assets	\$50,661,604	6%	5%	1%	3%-7%
Cash	\$18,225,474	2%	0%	2%	0%-5%
TOTAL	\$816,011,089	100%			

- The Plan is within policy targets in all of its asset classes. However, US Fixed Income is close to exceeding its upper bound range of 23%, with an overweight to Policy target of 5%. As such, we recommend the following trades out of fixed income and into US Equity: Recall that U.S Equity also “houses” the underweight to private equity, so a “neutral” weight would be 30%.
 - Redeem \$20M out of Vanguard Total Bond Market
 - Purchase \$10M of DFA Small Cap
 - Purchase \$10M of Mellon Dynamic

The result of these rebalancing trades would reduce US Fixed Income to a roughly 20% Plan allocation and increase US Equity to just under 26%.

Action Item: Approve recommended rebalancing as described above. Given market volatility, Meketa recommends this be done in two tranches over a 2-week period.

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

DATE: April 9, 2020

TO: MCERA Board of Retirement

FROM: Kristie Santos, Plan Administrator

SUBJECT: Adoption of Pay Codes for Superior Courts of Merced County and Merced County.

ITEM NUMBER: 3

ITEM TYPE: Action

STAFF RECOMMENDATION:

1. Adoption of pay code EPA (Emergency Paid Admin) as pensionable pay code for Superior Courts.
2. Adoption of pay codes ESF (Emergency Sick Leave Full Pay) and ESP (Emergency Sick Leave Partial Pay) as pensionable pay codes for Superior Courts.
3. Adoption of pay code EFL (Emergency Family Leave) as pensionable pay code for Superior Courts.
4. Adoption of pay code ERO (Emergency Half Time OT) and ERC (Emergency Half Comp Time) as non-pensionable pay codes for Superior Courts.
5. Adoption of pay codes 3060 (Emergency Sick Leave-Employee) and 3061 (Emergency Sick Leave-Child) for Merced County.
6. Adoption of pay code 3062 (FMLA Public Health Emergency Leave) for Merced County.

DISCUSSION:

The Superior Courts of Merced County and Merced County, like all other state, county and local systems, are needing to create tracking mechanisms for the costs being incurred due to the COVID-19 pandemic. The EPA (Emergency Paid Admin) code would validate such related court costs. This code functions in the same manner as does Paid Administrative Leave and is pensionable.

The Families First Coronavirus Response Act (FFCA) was signed into law on March 18, 2020 and took effect on April 1, 2020. The law requires for the courts to provide an additional 80 hours of emergency paid sick leave for specified reasons. Depending on the reason, an employee may be eligible to use full hours or 2/3 hours. Therefore Superior Courts of Merced County are needing to establish pay codes ESF (Emergency Sick Leave Full Pay) and ESP (Emergency Sick Leave Partial Pay). Both of these pay codes are pensionable. As with the courts, Merced County is also needing to adhere to FFCA. They are needing to establish pay codes 3060 (Emergency Sick Leave-Employee) and 3061 (Emergency Sick Leave-Child). Both of these codes are pensionable.

An additional provision to the Families First Coronavirus Response Act is the ability for an eligible employee to receive up to 10 weeks of additional paid sick leave at 2/3 their

Merced County Employees' Retirement Association (MCERA)

RETIREMENT BOARD AGENDA ITEM

pay rate. The Superior Courts pay code EFL (Emergency Expanded FMLA) will account for such time. Merced County has established pay code 3062 (FMLA Public Health Emergency Leave) for the same reason. Both of these codes are also pensionable.

As many other public agencies, the courts have had to establish emergency staffing plans and in turn, decreased their services to those identified as essential functions. For such reason they have created pay codes ERO (Emergency Half Time Overtime) and ERC (Emergency Half Comp Time). These codes are not pensionable.

Staff recommends the following:

1. Adoption of pay code EPA (Emergency Paid Admin) as pensionable pay code for Superior Courts.
2. Adoption of pay codes ESF (Emergency Sick Leave Full Pay) and ESP (Emergency Sick Leave Partial Pay) as pensionable pay codes for Superior Courts.
3. Adoption of pay code EFL (Emergency Family Leave) as pensionable pay code for Superior Courts.
4. Adoption of pay codes ERO (Emergency Half Time OT) and ERC (Emergency Half Comp Time) as non-pensionable pay codes for Superior Courts.
5. Adoption of pay codes 3060 (Emergency Sick Leave-Employee) and 3061 (Emergency Sick Leave-Child) for Merced County.
6. Adoption of pay code 3062 (FMLA Public Health Emergency Leave) for Merced County.

MCERA Pay Codes

Updated: April 9, 2020

Pay Codes [5]	Description	Legacy (Tiers 1 - 3)	PEPRA (Tier 4)
		Included (Pensionable)	
001	Scheduled Regular Hours	N	N
002/RG	Reg Hrs Worked	Y	Y
020/VAC/1AV	Vacation	Y	Y
021/SLE/1AS	Sick Leave Employee	Y	Y
022/SLF	Sick Leave Family	Y	Y
023/HOL	Holiday Schedule	Y	Y
024/PH	Holiday Personal	Y	Y
025/CTO/1AC	Comp Time off Regular	Y	Y
026	Furlough Bank	Y	Y
027/MTO/1AM	Management Leave	Y	Y
028/ADM	Administrative Leave	Y	Y
029/JUR	Jury Duty	Y	Y
030/BER	Bereavement Leave	Y	Y
031	Furlough Day	Y	Y
032/MIL	Military Leave	Y	Y
033	Sheriff Administrative Leave	Y	Y
034/CAO	CAO Administrative Leave	Y	Y
035	Education Leave	Y	Y
036	Unit Holiday CTO	Y	Y
037	Witness Duty	Y	Y
038	MCMC Orientation	Y	Y
039	MCMC Training Time	Y	Y
040	Paid Non-Worked Mgt Hours	N	N
041/CLD	Catastrophic Leave Donated	N	N
042/CLU	Catastrophic Leave Used	Y	Y
043	Management Leave - Ineligible	N	N
044	Involuntary Furlough (Court)	Y	Y
045	Holiday Comp Time Off	Y	Y
046/AIP	Attendance Incentive Program (Court)	Y	Y
59	Election Day Leave	Y	Y
099	B/R Retirement	Y	Y
101/WC	Workers Comp	Y	Y
102/SDI	State Disability Insurance	N	N
103/FCL	Family Care Leave	N	N
104/LAM	Approved LOA Medical	N	N
105/LAP	Approved LOA Personal	N	N
106/LAU	Unauthorized LOA	N	N
107/SUS	Suspension	N	N
108/MLD	Management LTD	N	N
109/MSD	Management STD	N	N
110/MLA	Approved Military LOA	N	N
111	LOA Military - Seniority	N	N
112/MSL	Voluntary Furlough (Court)	N	N
198	Converted Hours Adjustments	Y	Y
199/WCN	Workers Comp - No Cont Deducted	N	N
201/CTE	Time & One Half Rate O/T CTE	N	N
202/OT	Time & One Half Rate O/T PMT	N	N
203/CBC	Callback CTE	N	N
204/CBO	Callback Payment	N	N
205/HCE	Holiday CTE	N	N
206/SOC	Straight Time OT CTE	N	N
207/SOT	Straight Time OT PMT	N	N
208	Sheriff Outside Police Protect	N	N
209	Sheriff Qtr Shift Change CTE	N	N
210	Sheriff Qtr Shift Change PMT	N	N
211	Sheriff Mandatory Training CTE	N	N
212	Sheriff Mandatory Training PMT	N	N
213	Traffic Night Court O/T	N	N
214	MCMC OR Double Time CTE	N	N
215	MCMC OR Double Time PMT	N	N
216	MCMC Registry Pay	N	N
217/CPO	CTE Payoff After 7 Pay Periods	N[4]	N
218	Special Dist Time & One Half	N	N
219	Special Dist Straight Time OT	N	N
220/PPT	Prior Pay Period Overtime	N	N
221	Budget Reduction Hours CTE	N	N
222	MCMC O/C Callback CTE	N	N
223	MCMC O/C Callback PMT	N	N
224	Physician O/T	N	N
225	MCMC Unit 6	N	N
226	Sheriff K-9 Time 1/2 of PMT	N	N
227	Social Worker Phone/Doc PMT	N	N
228	Call Back Payment-Rounds	N	N
229	Special Day Remembrance CTE	N	N
230	Call Back Court CTE	N	N
231	Call Back Court Payment	N	N
301	On Call Standard Rate	N[4]	N
302	On Call Subpoena	N[4]	N
303	On Call MCMC RN Surg/OR/Rec	Y	N
304	On Call MCMC RN Other Areas	Y	N
305	On Call MCMC Non RN Lic/Cert	Y	N
306	On Call Physician Weekdays	N[4]	N
307	On Call Physician Weekends	N[4]	N
308	On Call Home Health RN	Y	N
309/BIL	Bilingual Pay	Y	Y
310	Evening Shift Differential	Y	Y
311	Night Shift Differential	Y	Y
312	Appraisers Differential	Y	Y
313	Auditors Differential	Y	Y
314	MCMC ICU/TCU/CCU Differential	Y	N

315	MCMC Charge Nurse Differential	Y	N
316	MCMC Relief Cook Differential	Y	N
317	MCMC Medical Records Dir Diff	Y	N
318	Mental Health BRITE Differential	Y	Y
319	Mental Health Supervisor Differential	Y	Y
320	Mental Health Mentor Differential	Y	Y
321	Group Counselor Lead Differential	Y	Y
322	DPW Licensed Engineer Differential	Y	Y
323	DPW Spraying Differential	Y	Y
324	DPW S/W Lead Worker Differential	Y	Y
325	Tool Replacement Allowance	Y	N
327	HSA Fair Hearing Duty Differential	Y	Y
329	HSA Underfill SW III Differential	Y	Y
330	HSA Los Banos Supervisor Differential	Y	Y
331	HSA Social Worker Mentor Differential	Y	Y
332	Risk Management Director Differential	Y	Y
333	Uniform Allowance	Y	N
334	Medical Transcriptionist Differential	Y	Y
335	Sheriff Investigator Pay	Y	Y
336	S.W.A.T. Pay	Y	Y
337	Sheriff Deputy Field Training Officer Pay	Y	Y
338	Sheriff Sergeant FTO Pay	Y	Y
339	Sheriff Jail Training Officer Pay	Y	Y
340	Intermediate POST Certificate	Y	Y
341	Advanced POST Certificate	Y	Y
342/TPR	Temporary Promotion	Y	N
343	Confidential Pay	Y	Y
344	Dept. Head Expense Allowance	Y	N
345	Dept. Head Car Allowance	Y	N
346/NHR	No Extra Help Work Hours	N	N
347	Intermediate POST Certificate	Y	Y
348	Transferred to B/U	N	N
349	One-Way Vehicle Commute	N	N
350/VPO	Vacation Payoff	Y[1] [4]	N
351/SSR	S/L Payoff Service Retirement	N[1]	N
352/SDR	S/L Payoff Disable Ret/Death	N[1]	N
353	MCMC Physician Unit of Service	Y	Y
354/SBS	Sick Leave Sell-back (25 th Pay Period)	Y	N
355	New Hire Error	N	N
356	Budget Unit Transfer Error	N	N
357/NOP	New Hire Hours Not On Payroll	N	N
358/TNP	Terminate Hours Not On Payroll	N	N
359/CPT	CTE Termination Pay	N[4]	N
360	Car Allowance Adjustment	Y	Y
361	Expense Allowance Adjustment	Y	Y
362	Uniform Allowance Adjustment	Y	Y
363	Tool Allowance Adjustment	Y	Y
364	Special District Pay	N	N
365	HSA CWS Recruitment and Retention Diff	Y	Y
366	HSA CWS Recruitment and Retention Diff (2)	Y	Y
367/RSI	Retroactive Merit Increase	Y	Y
368	Retroactive Temporary Promotion	Y	N
369	Retroactive Permanent Promotion	Y	Y
370	Retroactive Demotion	Y	Y
371	Retroactive Suspension	Y	Y
372	Retroactive Reclassification	Y	Y
373	Retroactive Overpay Adjustment	Y	Y
374	Retroactive Underpay Adjustment	Y	Y
375	Recruitment and Retention	Y	N
376	Extra Help Phy Therapy Differential 10%	Y	Y
377	Residents Pay Other Departments	Y	Y
378	MH Temporary Duty Differential	Y	N
379	DPW Tree Trimming Differential	Y	Y
380	Health Dept. Jail Differential	Y	Y
381	Acting Treasurer Differential	Y	Y
382	Court Room Differential	Y	Y
383	Asst CAO Metal Health Int HR	Y	Y
384	Health Dept. Jail Incentive	Y	Y
385	Advanced POST Certificate	Y	Y
386	Correctional Sergeant FTO Differential	Y	Y
387	Special Enforcement Reaction Team	Y	Y
388	W&M Insp Computer Differential	Y	Y
389	Special Duty Prosecution Pay	Y	Y
390	Retro Pay with Retirement	Y	Y
391	Retro Pay Without Retirement	N	N
392	DPW Bldg Inspector/Plan Check Differential	Y	Y
393/AVS	Vacation Sell-back (Mgmt 25 th Pay Period)	Y[3]	N
394	LCSW, MFT or MFCC Differential	Y	Y
395	Court Interpreter Coordinator Differential	Y	Y
396	Coroner Differential	Y	Y
397	Castle Differential	Y	Y
398	Litter Control Worker Differential	Y	Y
399	Extra Help M/H LCSW or MFCC Lic Diff	Y	Y
400	Temp Promotion Unrep Management	Y	N
401	Sheriff 8 Hr Evening Shift Differential	Y	Y
402	Customer Care Unit Differential	Y	Y
403	HSA C-IV Project Differential	Y	Y
404	Loyalty Bonus	Y	N
405	Successor Pay 5%	Y	Y
406	HSA Satellite Facility Differential	Y	Y
407	CPA Differential	Y	Y
408	On Call Physician Holiday Pay	N[4]	N
409	MH Fellowship Differential	Y	Y
410	Public Defender Three Strikes Differential	Y	Y

411	Dept Head Comm Allowance	Y	N
412	Cty Counsel Family Violence Prevention Pay	Y	Y
413/JCA	Judicial Cell Phone Allowance	Y	N
414	Full Day Differential	N	N
415	Correctional Sergeant Bonus	N	N
416	Juvenile Institutions Officer Prep Time	Y	Y
417	Dispatch Trainer Differential	Y	Y
419	Corrections Certificate Pay	Y	Y
420	Attorney Specialization	Y	Y
421	Officer in Charge Differential	Y	Y
422/JAD	Judicial Assistant Conf Diff	Y	Y
423/LSP	Court Lump Sum Payout	N	N
424	Fire Dept Driver/Operator Diff	N/A	N/A
425	Court One-Time Bonus	N	N
426/RTC	CRR Certification	Y	Y
427/RTN	Non CRR Certification	Y	Y
428	Court Exp/Comm Allowance	Y	Y
429	DPW Lead Worker Differential	Y	Y
430	Meal Reimbursement	N	N
431/CRT	Courtroom Training Differential	Y	Y
432	On Call 24 Hours Period	N	N
433	Call Back Staff Psych	N	N
434	Educational Reimbursement	N	N
435	On Call 24 Hr Pr Dr Ilano	N	N
436	Call Back Dr. Ilano	N	N
437	Court Testimony	N	N
438	Psych Therapy and Admin of Meds	Y	Y
439	Court Child Custody Coordinator	Y	Y
440/CCA	Court CEO Cell Phone Allowance	Y	N
441/11H/12H/13H	Court 4 Hour Interpreter Shift	N	N
442/11F/12F/13F	Court 8 Hour Interpreter Shift	N	N
443	Temp Transitional Pay Differential	Y	N
444/PHP	Courts - Personal Holiday Payout	N	N
445/VSJ	Voluntary Separation Incentive	N	N
450/VPN	Vacation Payoff In Excess Of Eligible Amount	N	N
453 PPLMPDEN	Prior Pay Period Lump-Sum Payout-Pensionable	Y	Y
453 PPLMPNON	Prior Pay Period Lump-Sum Payout- Non-Pensionable	N	N
501	Board of Supervisors Chair Differential	Y	N
901/EHR	Extra-Help Regular Hours	N	N
902/EHO	Extra-Help Overtime Hours	N	N
903/EHS	Extra-Help Special Pays	N	N
921/EXS	County Extra Help Sick Leave Employee	N	N
3060	LV-Emergency Paid Sick-Employee	Y	Y
3061	LV-Emergency Paid Sick-Child/Dependant	Y	Y
3062	LV-Emergency Family and Medical	Y	Y
CRF	Court Reporter - Full Day	Y	Y
CRH	Court Reporter - Half Day	Y	Y
DCS	Courts - FSA Dependent Care Spending	N	N
ECA	Court Cell Phone Allowance	Y	N
EFL	Emergency Expanded FMLA	Y	Y
EHT	Court Extra Help Temporary Assignment	N	N
EPA	Emergency Pay Administrative Leave	Y	Y
ERC	Emergency Half Compt Time	N	N
ERO	Emergency Half Time OT	N	N
ESF	Emergency Paid Sick Leave Full Pay	Y	Y
ESP	Emergency Sick Leave Partial Pay	Y	Y
EXS	Court Extra Help Sick Leave Employee	N	N
HCS	Courts - FSA Health Care Spending	N	N
HIL	Court Holiday Payout for Interpreter	N	N
LPF	Interpreter Language Pair - Full Day	Y	N
LPH	Interpreter Language Pair - Half Day	Y	N
LSP	Lump Sum Payout	N	N
OBL	OT Bilingual	N	N
ORC	OT RT Cert	N	N
ORN	OT RT Non Cert	N	N
OTP	Overtime Temp. Promotion - Superior Courts	N	N
TAP	Courts - Temporary Assignment Pay	Y	Y
VRF	Interpreter Virtual Remote - Full Day	Y	N
VRH	Interpreter Virtual Remote- Half Day	Y	N
No Code (¶ 8(K)(1-3) of Salary Reso.)	Bar Association Dues	N	N
No Code(¶8(I) of Salary Reso.)	Corrections Certificate - REFER TO 419	Y	Y

- [1] This item may be includable to the limited extent that such pay was earned and payable during the member final compensation period, but was not taken during that period.
- [2] The differentials provided for in Pay Codes 365 and 366 apply to the same duties, but vary according to the date the employee began receiving it, with those started before January 10, 1994 receiving 1.5 ranges and others receiving 1.0 range.
- [3] The pensionable portion of the vacation sell back for any member may not exceed the limit that applies to any group or class or most comparable class if only one member of a class.
- [4] Exclusion of these paycodes was stayed until July 12, 2014. Effective July 12, 2014 items were not compensation earnable (awaiting final resolve concerning Merced Superior Court case #CV003073, also known as AFSCME v. MCERA litigation). January 8, 2018 court decision made some of these compensation earnable for Tier 1 through 3 members (specifically vacation payout earnings), except for those reciprocal members (Tier 2R and 3R) starting with MCERA system on February 8, 2018, or after.
- [5] Numeric Wage codes represent pay codes for County, Cemetery, & Solid Waste. Alpha Wage Codes represent pay codes for Courts.