

**MercedCERA RETIREMENT BOARD AGENDA
THURSDAY, MAY 12, 2022 – 8:15 A.M.
MERCED COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION**

**MERCED COUNTY ADMINISTRATION BUILDING
2222 M STREET, MERCED
LOS BANOS AND LIVINGSTON CONFERENCE ROOMS, BASEMENT
ZOOM CONFERENCE**

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTlsK2JGWE83TVFvdz09>
DIAL IN NUMBER: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484
(FOR USE ONLY IF ZOOM CONNECTION MALFUNCTIONS)
TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

CALL TO ORDER - 8:15 A.M.

Important Notice Regarding SARS-COV-2

In order to minimize the spread of COVID-19, the Board of Retirement is meeting at the County of Merced Administration Building conference center to provide for sufficient social distancing for the Board and members of the public. Additionally, members of the MercedCERA Board as well as members of the public may elect to participate in this meeting offsite via conference call. Members of the public may attend the meeting in person or 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 MercedCERA staff at 209-726-2724. Please turn your cell phone or other electronic device to non-audible mode.

ROLL CALL

APPROVAL OF MINUTES – April 28, 2022

PUBLIC COMMENT

Members of the public may comment on any item under the Board’s jurisdiction including items on the Board’s agenda. Matters presented under this item will not be discussed or acted upon by the Board at this time. 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. Lovell, Roger | Information Systems | 2 Yrs. Svc. | Eff: 03/12/2022 |
| b. Nadeau, Dwight | Administrative Services | 9 Yrs. Svc. | Eff: 04/20/2022 |

c. Clark, James	Public Health	8 Yrs. Svc.	Eff: 04/23/2022
d. Tramp, Jarrad	DPW	16 Yrs. Svc.	Eff: 05/07/2022
e. Kobashigawa, Kenneth	Administrative Services	23 Yrs. Svc.	Eff: 04/16/2022
f. Anastos, Kathleen	Animal Services	7 Yrs. Svc.	Eff: 04/11/2022
g. Garcia, Juana	Environmental Health	9 Yrs. Svc.	Eff: 04/15/2022

YTD fiscal year 2021/2022 retirees: 88
YTD fiscal year 2020/2021 retirees: 88
YTD fiscal year 2019/2020 retirees: 105

MONTHLY BUDGET REPORT: Submitted

VIRTUAL MEETINGS: Reaffirm the adoption of Merced County Employee’s Retirement Association Resolution No. 2021-02, and its findings that the Governor’s proclaimed state of emergency related to the COVID-19 pandemic remains active, that the state of emergency impacts the ability of the Trustees and public to safely meet in person, and state or local officials continue to impose or recommend measures to promote social distancing.

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) PUBLIC EMPLOYEE APPOINTMENT, TITLE: INVESTMENT OFFICER.
(Govt. Code § 54957)

1. It is the intention of the Board to discuss matters concerning the appointment of the position of Investment Officer.

RETURN TO OPEN SESSION

Report on any action taken in closed session.

BOARD ACTION/DISCUSSION

1. Discussion and possible action to adopt the updated delegated spending authority policy and resolution – Staff.
2. Discussion and possible action to approve elections for Seat 2 (general member), Seat 7 (safety) and Seat 7A (safety alternate) on October 4, 2022 by the Registrar of Voters – Staff.
3. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - CALAPRS Principles of Pension Governance for Trustees, August 29-September 1, 2022 (location TBD).
 - SACRS Fall Conference, November 8-11, 2022, Long Beach, CA. (registration not open).

INFORMATION ONLY

MercedCERA UPCOMING BOARD MEETINGS

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

- May 26, 2022 (please note: ‘Merced Conference Room’ location for this meeting)

- June 9, 2022

ADJOURNMENT

The Agenda and supporting documentation, including any material that was submitted to the Merced County Employees' Retirement Association Board after the distribution of the Agenda, are available online at www.co.merced.ca.us/retirement.

All supporting documentation for Agenda items, including any material that was submitted to the retirement board after the distribution of the Agenda, is also available for public inspection Monday through Friday from 8:00 a.m. to 5:00 p.m. at the administrative office for the Merced County Employees' Retirement Association located at 3199 M Street, Merced, California 95348.

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.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation 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. Please address your written request 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.

Spanish and Hmong interpreters are available.

Interpretes de espanol y hmong estan disponibles.

Peb muaj tug paab txhais lug Mev hab Hmoob

**MercedCERA RETIREMENT BOARD MINUTES
THURSDAY, APRIL 28, 2022 – 8:15 A.M.
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**MERCED COUNTY ADMINISTRATION BUILDING
2222 M STREET, MERCED
'MERCED' CONFERENCE ROOM, BASEMENT
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TELEPHONE NUMBER: 1-310-372-7549, CONFERENCE CODE: 975839

CALL TO ORDER - 8:17 A.M.

Board members present: Ryan Paskin, David Ness, Janey Cabral, Karen Adams, Alfonse Peterson, Aaron Rosenberg, Mike Harris and Scott Johnston. **Absent:** Wendy Alvares and Scott Silveira. **Counsel:** Jeff Grant. **Staff:** Kristen Santos, Martha Sanchez, Mark Harman, Sheri Villagrana, Monica Gallegos, Kenter Ludlow, Wendy Calderon and Emma McWatters.

ROLL CALL

APPROVAL OF MINUTES – April 14, 2022

**The MercedCERA Board voted unanimously via roll call vote to approve the April 14, 2022 meeting minutes.
Johnston/Peterson U/A (7/0)**

PUBLIC COMMENT

No comment.

BOARD ACTION/DISCUSSION

1. Discussion on investment performance with discussion of current market conditions and possible action on any funds or managers – Meketa Group.

No action taken.

2. Discussion and possible action to approve Benchmark changes for the following private market asset classes at the portfolio level: private equity, private natural resources and private infrastructure and approve corresponding changes to the Investment Policy Statement (IPS) – Meketa Group.

The MercedCERA Board voted unanimously via roll call vote to approve Benchmark changes for the following private market asset classes at the portfolio level: private equity, private natural resources and private infrastructure and approve corresponding changes to the Investment Policy Statement (IPS).

Adams/Johnston U/A (7/0)

3. Discussion and possible action to adopt non-pensionable pay code for double overtime for Spring Fair Workers – Staff.

The MercedCERA Board voted unanimously via roll call vote to approve Staff recommendation to adopt non-pensionable pay code for double overtime for Spring Fair Workers.

Cabral/Adams U/A (7/0)

4. Discussion and possible action to nominate Kenter Ludlow as the designated voter for the MercedCERA Board at the SACRS Spring Conference – Staff.

The MercedCERA Board voted unanimously via roll call vote to approve the nomination of Kenter Ludlow as the designated voter for the MercedCERA Board at the SACRS Spring Conference.

Johnston/Peterson U/A (7/0)

5. Discussion and possible action to approve the SCARS business packet for the Spring Conference and instruct voting delegate – Staff.
 - Receive and accept the minutes,
 - Receive and accept the treasurers report,
 - Vote on the elections,
 - Vote to accept the audit.

The MercedCERA Board voted unanimously via roll call vote to approve the SACRS business packet for the Spring Conference with instructions to our voting delegate.

Johnston/Cabral U/A (7/0)

6. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MercedCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
 - SACRS Spring Conference, May 10-13, 2022, Rancho Las Palmas, CA.
 - CALAPRS Principles of Pension Governance for Trustees, August 29-September 1, 2022 (location TBD).
 - SACRS Fall Conference, November 8-11, 2022, Long Beach, CA. (registration not open).

No action taken.

INFORMATION ONLY

No Comment.

MercedCERA UPCOMING BOARD MEETINGS

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

- May 12, 2022
- May 26, 2022 (room location will be changed)

ADJOURNMENT

The meeting adjourned at 9:19 A.M.

Accepted By,

Trustee Name/Position	Signature	Date
Ryan Paskin/ Chair		
Al Peterson/Secretary		

Non-Administrative Expenses	Original Projection	Current Projection	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,250,000.00	3,250,000.00	426,583.88	2,145,071.01	1,104,928.99	66%
4/1/2022 Cliffwater - 2022-01 Consulting Svcs			33,333.33			
4/1/2022 Cliffwater - 2022-02 Consulting Svcs			33,333.33			
4/1/2022 Cliffwater - 2022-03 Consulting Svcs			33,333.33			
4/4/2022 Nossaman - 2022-02 Carmel Partners VIII			15,517.35			
4/4/2022 Nossaman - 2022-02 Carnelian EC IV			18,162.90			
4/4/2022 Nossaman - 2022-02 AG Annex Fund			6,140.25			
4/5/2022 Meketa - 2022-Q1 Consulting Svcs			55,500.00			
4/12/2022 Taconic CRE III - 2021 Mgt Fees			27,896.34			
4/13/2022 Driehaus - 2022-Q1 Mgt Fees			30,422.00			
4/18/2022 Mellon Dynamic - 2022-Q1 Mgt Fee			107,741.97			
4/20/2022 Mellon LC - 2022-Q1 Mgt Fees			10,970.08			
4/29/2022 Barrow Hanley - 2022-Q2 Mgt Fee			54,233.00			
Total 21800 · Investment Expenses			426,583.88			
21802 · Actuarial Services	150,000.00	150,000.00	6,048.75	107,629.35	42,370.65	72%
4/27/2022 Cheiron - Inv 43412 - 2022-Q1 Actuarial Svcs			6,048.75			
Total 21802 · Actuarial Services			6,048.75			
21812 · Data Processing	90,000.00	90,000.00	5,316.42	43,925.92	46,074.08	49%
4/20/2022 Comcast - 2022-04 Wifi Chgs			257.92			
4/29/2022 2021-03 IS Billing			4,794.50			
4/29/2022 2022-03 Cradlepoint Data Chgs			264.00			
Total 21812 · Data Processing			5,316.42			
21834 · Legal Services	365,000.00	365,000.00	31,071.49	262,269.82	102,730.18	72%
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			205.24			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			2,267.50			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			5,313.50			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			2,313.00			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			1,576.00			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			1,443.00			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			4,976.50			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			2,615.00			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			2,702.47			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			10.00			
4/14/2022 Ted Cabral - 2022-03 Disab Legal Svcs			1,690.00			
4/26/2022 Nossaman - 2022-03 Gen Adv & Couns			604.00			
4/27/2022 Hanson Bridgett - 2022-03 Legal Svcs			88.20			
4/29/2022 2022-04 - Cost Allocation - Co Couns			5,267.08			
Total 21834 · Legal Services			31,071.49			

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended April 30, 2022

Non-Administrative Expenses	Original Projection	Current Projection	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
21840 · Custodial Banking Services	135,000.00	135,000.00	1,131.76	58,821.80	76,178.20	44%
4/5/2022 2022-04 Northern Trust STIF Custodial Fee			966.76			
4/29/2022 2022-03 Wire Fees			165.00			
Total 21840 · Custodial Banking Services			<u>1,131.76</u>			
22350 · Software and Technology	425,000.00	425,000.00	2,835.48	329,481.55	95,518.45	78%
4/5/2022 PensionX - 2022-04 SLA			900.00			
4/14/2022 LexisNexis - 2022-02 Svcs			873.65			
4/14/2022 Spriggs - 2022-Q2 Bizhub Base Rate			1,061.83			
Total 22350 · Software and Technology			<u>2,835.48</u>			
Depreciation Expense	250,000.00	250,000.00	-	-	250,000.00	
Total Non-Administrative Items	<u>4,665,000.00</u>	<u>4,665,000.00</u>	<u>472,987.78</u>	<u>2,947,199.45</u>	<u>1,717,800.55</u>	63%

Merced County Employees' Retirement Association
Non-Administrative Expenses Prev Year Comparison (Preliminary)
4/30/2022

Expense	<u>April 2022</u>	<u>April 2021</u>	<u>\$ Change</u>	<u>% Change</u>
62025 · Non-Administrative Expenses				
21800 · Investment Expenses	\$ 426,583.88	\$ 462,640.52	\$ (36,056.64)	-7.79%
21802 · Actuarial Services	6,048.75	11,770.00	(5,721.25)	-48.61%
21812 · Data Processing	5,316.42	4,148.45	1,167.97	28.15%
21834 · Legal Services	31,071.49	35,991.60	(4,920.11)	-13.67%
21840 · Custodial Banking Services	1,131.76	26,136.92	(25,005.16)	-95.67%
22350 · Software and Technology	2,835.48	7,344.99	(4,509.51)	-61.40%
Total 62025 · Non-Administrative Expenses	<u>\$ 472,987.78</u>	<u>\$ 548,032.48</u>	<u>\$ (75,044.70)</u>	-13.69%

Merced County Employees' Retirement Association
 Capital Asset Expenditures Report (Preliminary)
 For the Month Ended April 30, 2022

Capital Assets Expenditures	Adopted	Current Budget	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
81386 - Cubicle Expansion	18,500.00	18,500.00	-	16,836.78	1,663.22	91%
Total 81386 - Cubicle Expansion			-			
81453 - HVAC Replacement Units	-	39,408.78	-	39,408.78	-	100%
Total 81453 - HVAC Replacement Units			-			
Total Capital Assets Expenditures	18,500.00	57,908.78	-	56,245.56	1,663.22	97%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended April 30, 2022

Administrative Budget	Adopted	Current Budget	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,650,000.00	1,650,000.00	148,684.73	960,500.51	689,499.49	58%
4/1/2022 Office Payroll 2022 PP 07			49,564.37			
4/15/2022 Office Payroll 2022 PP 08			49,548.09			
4/19/2022 2022-02 PARS			7.90			
4/29/2022 Office Payroll 2022 PP 09			49,564.37			
Total 10110 · Salaries & Wages			148,684.73			
20600 · Communications	7,100.00	7,100.00	519.74	4,628.31	2,471.69	65%
4/5/2022 AT&T - 2022-03 CALNET			144.69			
4/29/2022 2022-03 iPhone Chgs			132.00			
4/29/2022 2022-03 Comm Chgs			243.05			
Total 20600 · Communications			519.74			
20900 · Household Expense	13,500.00	13,500.00	970.57	9,771.31	3,728.69	72%
4/14/2022 Bob's Pest Control - 2022-03 Svcs			40.00			
4/20/2022 Geil Enterprises - 2022-04 Custodial Svcs			831.00			
4/20/2022 ADT - 2022-05 Security Svc			99.57			
Total 20900 · Household Expense			970.57			
21000 · Insurance - Other	90,000.00	96,000.00	-	95,796.00	204.00	100%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	19,000.00	19,000.00	340.00	8,421.13	10,578.87	44%
4/27/2022 Yard Masters - 2022-04 Landscape Maint			340.00			
Total 21301 · Maintenance Structure Improvement			340.00			
21500 · Membership	7,500.00	7,500.00	-	4,435.00	3,065.00	59%
Total 21500 · Membership			-			
21700 · Office Expense - General	18,000.00	18,000.00	3,562.59	12,052.73	5,947.27	67%
4/11/2022 First Choice - 2022-02 Water Cooler Rental			7.00			
4/12/2022 First Choice - 2022-03 Water Svc			24.67			
4/21/2022 Valley Business Center - 4 New Chairs			2,648.53			
4/29/2022 2022-03 Stores Billing			882.39			
Total 21700 · Office Expense - General			3,562.59			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended April 30, 2022

Administrative Budget	Adopted	Current Budget	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
21710 · Office Expense - Postage	16,500.00	16,500.00	116.84	13,366.31	3,133.69	81%
4/29/2022 2022-03 Mailroom Chgs			116.84			
Total 21710 · Office Expense - Postage			<u>116.84</u>			
21805 · Audits	90,000.00	90,000.00	16,418.60	64,686.80	25,313.20	72%
4/1/2022 MGO - 2021-05 Consulting Svcs			2,210.00			
4/1/2022 MGO - 2021-06 Consulting Svcs			5,640.60			
4/1/2022 MGO - 2021-09 Consulting Svcs			5,000.00			
4/1/2022 MGO - 2022-02 Consulting Svcs			3,568.00			
Total 21805 · Audits			<u>16,418.60</u>			
21808 · Board Membership	18,000.00	18,000.00	-	6,400.00	11,600.00	36%
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	25,000.00	19,000.00	-	-	19,000.00	0%
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	-	3,504.29	995.71	78%
Total 21900 · Publications & Legal Notices			<u>-</u>			
22300 · Spec Dept Exp - Other	500.00	500.00	-	6.31	493.69	1%
Total 22300 · Spec Dept Exp - Other			<u>-</u>			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended April 30, 2022

Administrative Budget	Adopted	Current Budget	Expended 04/2022	Expended YTD	Bal Remaining	% Exp YTD
22310 · Election Expense	20,000.00	20,000.00	-	-	20,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	27,000.00	27,000.00	2,233.50	22,335.00	4,665.00	83%
4/7/2022 2022-04 - Cost Allocation			2,233.50			
Total 22327 · Spec Dept Exp - Cost Allocation			2,233.50			
22500 · Transportation & Travel	400.00	400.00	-	46.18	353.82	12%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	4,000.00	4,000.00	-	-	4,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	35,000.00	35,000.00	220.00	4,323.53	30,676.47	12%
4/5/2022 CALAPRS - Accountants Round Table Registration (2)			100.00			
4/20/2022 SACRS - Spring 2022 Conference Registration			120.00			
Total 22515 · Trans & Travel - In State			220.00			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	17,000.00	17,000.00	879.75	12,936.12	4,063.88	76%
4/11/2022 PG&E - 2022-03 Svcs			686.02			
4/20/2022 City of Merced - 2022-03 WS&G			193.73			
Total 22600 · Utilities			879.75			
Depreciation Expense	23,000.00	23,000.00	-	-	23,000.00	
Total Administrative Budget	2,096,500.00	2,096,500.00	173,946.32	1,223,209.53	873,290.47	58%

Date: May 12, 2022

To: MercedCERA Board of Retirement

From: Kristie Santos, Plan Administrator

Subject: Spending Authority of Plan Administrator

Item Number: 1

Item Type: Action

Staff Recommendation:

1. Approve the updated Spending Authority Policy and Resolution of the Plan Administrator, which rescinds 2008-03, 2016-04.

Discussion:

The MercedCERA Board of Retirement asked the Plan Administrator to bring a policy to the Board with delegated authority to spend up to a certain amount without Board approval in an emergency. The need for this policy arose when the MercedCERA Headquarters Building located at 3199 M Street had HVAC issues, which resulted in water damage to the building over a weekend. Staff hurried to bring an item to the Board to repair the HVAC units and repair damage to the interior of the building.

A policy and resolution was brought to the Board on April 12, 2022 and staff was given direction to clarify and update the policy with feedback given.

Current spending authority for the Plan Administrator is very low; with Resolution 2008-03 designating spending authority limits on services by the Plan Administrator of \$10,000 and \$5,000 for goods. Resolution 2016-04 reiterates the spending authority of Resolution 2008-03 and states the Board Chair must also sign contracts that exceed \$25,000 per year. Resolution 2016-04 was approved when an interim Plan Administrator was hired to oversee the organization prior to the current Plan Administrator being hired. These amounts are extremely low and outdated considering the complexity of MercedCERA. Most, if not all contracts today exceed \$25,000. Both 2008-03 and 2016-04 are attached for informational purposes.

Most expenditures come through the MercedCERA Budget each year (which requires Board approval), with thoughtful planning. This includes contracts and projected expenditures such a legal fees related to investments and disabilities. Staff spend many hours to insure the budget process is comprehensive and complete.

The current Plan Administrator brought a delegated authority policy to the Board to address investments and investment related expenses (also includes contracts). The investment delegated authority policy is attached for informational purposes.

This proposed policy and resolution is to clean up outdated spending authority resolutions and address emergency situations that are more administrative in nature, such as HVAC replacement or security issues.

Recommendation:

Approve the updated Spending Authority Policy and Resolution of the Plan Administrator, which rescinds 2008-03, 2016-04.



Merced County Employees' Retirement Association

POLICY FOR THE DELEGATION OF PROCUREMENT AUTHORITY TO THE PLAN ADMINISTRATOR

PURPOSE

The purpose of this Policy is to provide for the efficient and effective management of the Merced County Employees' Retirement Association (MercedCERA) by delegating contracting authority to the MercedCERA Plan Administrator.

BACKGROUND

The Plan Administrator has been appointed by the Board in accordance with Government Code Sections 31522.1 and 31522.2 and is responsible for the management of MercedCERA including the retirement fund, operating budget, appointment and management of personnel, and the other day-to-day activities of the retirement system.

POLICY

The MercedCERA Retirement Board (Board) hereby delegates and/or confirms its delegation of authority to the Plan Administrator, on behalf of and in the name of MercedCERA, to negotiate and execute contracts and other agreements that are consistent with this Policy and directly implement programs and policy established by the Board. An established Board program or policy shall be evidenced by a specific Board order or resolution, through the Board's budget process as provided in sections A and B of this Policy, or as otherwise established in this Policy.

The Plan Administrator shall utilize a competitive process in procuring goods and services under this Policy if a competitive process is practicable and would result in a substantial benefit to MercedCERA. The decision of whether a competitive process is practicable and beneficial and the actual process used is delegated to the Plan Administrator's reasonable discretion. The Board's General Counsel shall review and countersign proposed agreements with a contract value of ten thousand dollars (\$10,000.00) or more for consistency with this Policy.

A. Board Programs and Policies Approved Through the MercedCERA Annual Budget Process

The Board's approval of MercedCERA's Annual Budget for a given fiscal year is the primary method for the Board to approve potential contracts, expenditures and procurements. The Annual Budget is comprised of three distinct components that are subject to the Board's approval; The Administrative Budget, the Non-Administrative Projection (or "Annual Projection"), and the Capital Budget. The delegation of the Board's authority in this Policy applies to the Administrative Budget and Annual Projection portions of the Annual Budget. The Administrative Budget covers the expense of administration of the retirement system excluding specified costs identified in the County Employees Retirement Law of 1937 (the "CERL"). The Annual Projection

consists of those costs the CERL excludes from the Administrative Budget cap and includes software and technology costs, investment-related costs, and non-investment-related legal costs.

In the Administrative Budget, proposed goods or services for the administration of MercedCERA shall be identified and explained in sufficient detail to allow the Board to make an informed decision on the proposed goods and services. The Board's approval of an Administrative Budget shall be considered a delegation of authority to the Plan Administrator to negotiate and execute agreements, subject to budgeted amounts, necessary to procure the goods and services identified in the Administrative Budget.

Likewise, proposed goods or services in the Annual Projection shall be identified and explained in sufficient detail to allow the Board to make an informed decision on the proposed goods and services. The Board's approval of an Annual Projection shall be considered a delegation of authority to the Plan Administrator to negotiate and execute agreements, subject to budgeted amounts, necessary to procure the goods and services identified in the Annual Projection.

B. Amendments to the MercedCERA Annual Budget

For goods and services not previously approved in either an Administrative Budget or Annual Projection, a Board Agenda Item to amend the applicable portion of the Annual Budget shall be brought to the Board for its consideration. The Board Agenda Item shall request the amendment and shall describe the requested goods or services in sufficient detail to allow the Board to make an informed decision on the proposed goods or services. The Board's approval of an amended Administrative Budget or Annual Projection shall be considered a delegation of authority to the Plan Administrator to negotiate and execute agreements, subject to budgeted amounts, necessary to procure the goods and services identified in the amended Administrative Budget or Annual Projection.

C. Delegated Emergency Procurement Authority

The Plan Administrator has the authority to negotiate and execute contracts for goods or services, with a total contract amount that does not exceed two hundred fifty thousand dollars (\$250,000.00), required to address an urgent or emergency need that, if not addressed, would compromise the efficient administration of MercedCERA. Such goods or services may include expenditures to secure the integrity of MercedCERA's administrative building or ensure workplace and employee safety. Examples of such work may include emergency repair to or replacement of HVAC system(s), resolving plumbing emergencies, repair or replacement of broken window(s) and doors, repair or replacement of nonfunctioning equipment, mitigation of fire or flood damage, expenses related to public health measures, restoring building security, and ensuring staff security.

The Plan Administrator's authority under this section is subject to the Plan Administrator using best efforts to obtain the concurrence of either the Chair and/or Vice-Chair of the Board that the contemplated good or service is necessary to address the identified urgent or emergency need. Such concurrence may be provided in person, telephonically, or through email. In the event the Chair and Vice-Chair are unreachable, the Plan Administrator may proceed with the procurement.

At the earliest possible regular Board meeting, the Plan Administrator shall report to the Board any action taken under this section. The Plan Administrator's report shall include a description of: the reason action was necessary; how the Chair or Vice-Chair's concurrence was obtained; attempts to obtain Chair or Vice-Chair's concurrence if not obtained; the good or service obtained; and, the cost of the good or service. Additionally, the Plan Administrator shall request authority from the Board to continue to address the identified urgent or emergency need if further action is required. In consultation with the Board's General Counsel, an emergency meeting or special meeting can be called, if needed.

This Policy is adopted by the Merced County Employees' Retirement Association Board of Retirement on May 12, 2022.

Ryan Paskin, Chair

Kristen Santos, Plan Administrator

**RESOLUTION OF THE BOARD OF RETIREMENT OF
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION 2022-02
REGARDING DELEGATED SPENDING AUTHORITY OF THE
PLAN ADMINISTRATOR**

WHEREAS, the Board of Retirement ("Board") of the Merced County Employees' Retirement Association ("MercedCERA") is the governing board of MercedCERA with plenary authority for administration of MercedCERA; and

WHEREAS, the MercedCERA By Laws provides that the day to day operation of the Retirement system is delegated to the Plan Administrator; and

WHEREAS, the Retirement system has the need to engage independent contractors and vendors to perform services for the system and its members or to purchase goods; and

WHEREAS, Resolution 2008-03 was adopted by the Board on June 12, 2008, delegating spending authority to the Plan Administrator of up to \$10,000 for services and up to \$5,000 for goods; and

WHEREAS, Resolution 2016-04 adopted by the Board on July 16, 2016, rescinded Resolution 2008-03 and delegated spending authority to the Plan Administrator of up to \$10,000 for services and up to \$5,000 for goods and required the Board Chair to sign contracts exceeding \$25,000; and

WHEREAS, the Board finds it necessary to increase the spending limits delegated to the Plan Administrator to provide for the efficient and effective management of MercedCERA.

NOW THEREFORE, BE IT RESOLVED, that the Board rescinds Resolution 2016-04 and delegates authority to the Plan Administrator to approve transactions and contract for goods and services as provided and subject to the limits in the "Delegation of Spending Authority for Plan Administrator Policy," attached to this Resolution as Attachment A. The Board also recognizes the previously adopted Investment Delegation of Authority Policy approved on April 9, 2020, and attached to this Resolution as Attachment B, which details investment authority delegated to the Plan Administrator. This Resolution supersedes and rescinds any previous resolution to the extent the previous resolution is inconsistent with it.

ADOPTED: May 12, 2022

Aye:

Nay:

Abstain:

Absent:

Chair, Ryan Paskin

ATTEST:

Kristen Santos, Plan Administrator

RESOLUTION 2008-03
RESOLUTION OF THE MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION

THE BOARD OF RETIREMENT DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, the Board of Retirement of the Merced County Employees Retirement Association ("MCERA") is the governing board of MCERA with plenary authority for administration of MCERA; and

WHEREAS, Article I of the Board's By Laws provides that the day to day operation of the Retirement system is delegated to the Plan Administrator, and

WHEREAS, the Retirement system periodically has the need to engage independent contractors to perform services for the system and its members or to purchase goods,

NOW, THEREFORE, BE IT RESOLVED that the Retirement Board delegates authority to the Plan Administrator to enter into contracts and the Board Chair to sign contracts for services or goods where the aggregate annual cost does not exceed twenty five thousand dollars (\$25,000). This limit is further defined by the Merced County Board of Retirement to be established at the following limits:

Award without prior Board of Retirement approval:

Services: \$10,000 and under
Goods: \$5,000 and under

RESOLVED, that this Resolution is PASSED AND APPROVED by Board of Retirement of the Merced County Employees' Retirement Association at its regular Board meeting held on the 12th day of June , 2008. .

AYES:

NOES:

ABSTAIN:

ABSENT

Ralph Busby, Secretary

Jim Lindsey, Board Chair

I hereby certify that on the 12th day of June 2008, the Board of Retirement of Merced County Employees' Retirement Association made and adopted this Resolution.

Maria L. Arevalo, MCERA Plan Administrator

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**RESOLUTION NO. 2016-04
PERTAINING TO: RETIREMENT PLAN ADMINISTRATOR CONTRACT
AUTHORITY**

WHEREAS, the Board of Retirement ("Board") of the Merced County Employees' Retirement Association ("MCERA") is the governing board of MCERA with plenary authority for administration of MCERA; and

WHEREAS, Article I of the MCERA By Laws provides that the day to day operation of the Retirement system is delegated to the Plan Administrator; and

WHEREAS, the Retirement system periodically has the need to engage independent contractors to perform services for the system and its members or to purchase goods; and

WHEREAS, Resolution 2008-03 was adopted by the Board on June 12, 2008, designating authority limits for the Retirement Plan Administrator of \$10,000 and under for services and \$5,000 and under for goods.

THEREFORE, BE IT RESOLVED that the MCERA Board of Retirement rescinds Resolution 2008-03 and at present delegates authority to the Retirement Plan Administrator to enter into agreements and the Board Chair to sign contracts for services or goods where the aggregate annual cost does not exceed twenty five thousand dollars (\$25,000). This limit is further defined by the Board to be established at the following limits, without prior Board of Retirement approval:

Services: \$10,000 and under
Goods: \$5,000 and under

Ayes: Rhodes, Kinchloe, Ness, Paskin, Pacheco and Peterson.

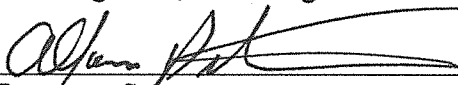
Noes: None.

Abstain: None

Absent: Adams, Ingersoll and Kelsey.



Darlene Ingersoll, Board Chair



Al Peterson, Secretary

I hereby certify that on the 14th day of July 2016, the Board of Retirement of Merced County Employees' Retirement Association made and adopted this Resolution.



Thomas W. Watson, MCERA Interim Plan Administrator

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) 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.

Original Signed on April 9, 2020

Ryan Paskin, Chair

Original Signed on April 9, 2020

Alfonse Peterson, Secretary

Original Signed on April 9, 2020

Kristen Santos, Plan Administrator

DATE: May 12, 2022
TO: MercedCERA Board of Retirement
FROM: Kristie Santos, Plan Administrator
SUBJECT: MercedCERA Trustee Elections on October 4, 2022
ITEM NUMBER: 2
ITEM TYPE: Action

Staff Recommendation:

1. Authorize the Plan Administrator to work with the Registrar of Voters of Merced County to run elections for Seat 7 (Safety Member), Seat 7A (Safety Alternate) and Seat 2 (General Member) on October 4, 2022.

DISCUSSION:

The Plan Administrator is requesting authorization to work with the Registrar of Voters of Merced County to run elections for Seat 7 (Safety Member), Seat 7A (Safety Alternate) and Seat 2 (General Member). The incumbents currently seated in those seats were elected midterm due to Trustee resignations and therefore new elections must be run. The above Seat termination dates expire December 31, 2022 with the elections occurring October 4, 2022. The Plan Administrator is requesting authorization to allow the Registrar of Voters to perform the election on October 4, 2022.

Staff Recommendation:

1. Authorize the Plan Administrator to work with the Registrar of Voters of Merced County to run elections for Seat 7 (Safety Member), Seat 7A (Safety Alternate) and Seat 2 (General Member) on October 4, 2022.



Merced County Employees' Retirement Association

Election Calendar

General, Safety and Alternate Safety Member Elections*

Notices	
July 29, 2022	Notice of Election Distributed
Candidate Filing	
August 17, 2022 – September 7, 2022	Candidate filing period
September 8, 2022	Random Alphabet Drawing at 9:00 am
General Information	
September 13, 2022	Distribution of Election Ballots
October 4, 2022	Last day to return Election Ballots to Election's Department
Canvass	
October 5, 2022	Official Canvass (Counting of Ballots)

**Seat #2- Active General Membership; Seat #7 and Seat #7A- Active Safety Membership*