



Merced County Employees' Retirement Association

**AGENDA  
RETIREMENT BOARD MEETING**

Thursday, May 28, 2026, 8:30 A.M.

Location: Merced County Employees' Retirement Association  
690 W 19th Street, Merced, CA  
2<sup>nd</sup> Floor, Board Room

Zoom Conference Information:

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTIsK2JGWE83TVFydz09>

Dial In Number: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484

**1. Call to Order- 8:30 A.M.**

The Retirement Board may discuss and take action on the following:

**2. Roll Call**

**3. Teleconference Request**

Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).

**4. Approval of Minutes** – April 23, 2026, Board Meeting and May 7, 2026, Board Education Meeting.

**5. 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.

**6. 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 Open Session as appropriate:

a. Retirements: Pursuant to Govt. Code § 31663.25 or § 31672.

<b>Name</b>	<b>Years of Service</b>	<b>Department</b>	<b>Effective Date</b>
Cervantes, Julissa - NSCD*	25	DCSS	04/03/2024
Jones, Charlene	20	HSA	05/02/2026
Maldonado, Maria E. - NSCD	16	HSA	04/23/2024
Potter, Rachel	21	Probation	04/29/2026
Segura, Carmen - NSCD	9	BHRS	12/18/2024
Strong, Carolyn	27	Sheriff	05/23/2026
Vergara Jr., Mario	23	Sheriff	05/16/2026

\*Non-Service-Connected Disability

b. Monthly Expenditures Report submitted.

c. Meketa Monthly Investment Performance Report submitted.

d. Approval of non-pensionable pay codes IPH-

Interpreter Intermittent Part-Time-Half Day, IPF-Interpreter Intermittent Part-Time-Full Day, RBO-Retro Bilingual Overtime, ROT-Retro Overtime, RSO-Retro Straight Overtime, and UAL-Unpaid Administrative Leave for Merced Superior Court.

e. SACRS Legislative Update – May 2026.



Merced County Employees' Retirement Association

**7. 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:

- a. Discussion and possible action regarding investment (Govt. Code § 54956.81) in funds recommended by Cliffwater LLC.
- b. Public Employment (Govt. Code §54957).  
Title: Specialty Investment Consultant

**8. Report Out of Closed Session**

**9. Open Session**

- a. Discussion on market summary and investment performance updates – Staff.
- b. Discussion and possible action regarding Watch status and possible manager recommendation – Meketa.
- c. Discussion on private market investment fees & expenses – Staff.
- d. Discussion and possible action to approve a 4-year extension of the Northern Trust contract for custodial banking services pending satisfactory legal negotiations – Staff.
- e. Discussion and possible action to approve the MercedCERA Budget for Fiscal Year 2026/2027 – Staff.
- f. Discussion and possible action to approve the ad hoc subcommittee's recommendations and approve the revised MercedCERA Trustees Education and Training Policy, Resolution 2026-01 – Staff.
- g. Discussion and possible action to approve the ad hoc subcommittee's recommendations and approve the MercedCERA Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings – Staff.
- h. Discussion and possible action to approve the adoption of pensionable pay code RBI – Retro Bilingual Pay for the Merced Superior Court – Staff.

**10. Information Sharing & Agenda Item Requests**

- a. MercedCERA Investment Portfolio Reference Guide – Staff.

**11. 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.mercedcera.com](http://www.mercedcera.com).

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 690 W 19th Street, Merced, California 95340.

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, 690 W 19th Street, Merced, CA 95340 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.



Merced County Employees' Retirement Association

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' Retirement Association, 690 W 19th Street, Merced, CA 95340 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.



Merced County Employees' Retirement Association

**MINUTES  
RETIREMENT BOARD MEETING**

Thursday, April 23, 2026, 8:30 A.M.

Location: Merced County Employees' Retirement Association  
690 W 19th Street, Merced, CA  
2<sup>nd</sup> Floor, Board Room

Zoom Conference Information:

<https://us06web.zoom.us/j/93030195748?pwd=NGhFeGltSVhaSTIsK2JGWE83TVFydz09>

Dial In Number: 669-900-6833, MEETING ID: 930 3019 5748, PASSCODE: 095484

**1. Call to Order- 8:30 A.M.**

The Retirement Board may discuss and take action on the following:

**2. Roll Call**

**Board Members Present:** Corrina Brown, Bayani Manilay, Scott Johnston, Scott Silveira, Michael Harris and Alfonse Peterson. **Absent:** Aaron Rosenberg, Janey Cabral, Karen Adams, and Moses Nelson. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Pete Madrid, Monica Gallegos, Alex Lovato, Maria Luisa Rodriguez, Khue Xiong and Patrick Armendarez.

**3. Teleconference Request**

Trustee Teleconference Request (Govt. Code §54953(f)(2)(A)(i)).

**None**

**4. Approval of Minutes – March 26, 2026.**

**Board voted unanimously to approve March 26, 2026, Board meeting minutes.**

**1<sup>st</sup> – Peterson/2<sup>nd</sup> – Harris, passes 6/0**

**5. 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.

**None**

**6. 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 Open Session as appropriate:

- a. Retirements: Pursuant to Govt. Code § 31663.25 or § 31672.

<u>Name</u>	<u>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Ash, Carol	4	Superior Court	03/31/2026
Coburn, Jeffrey	30	Sheriff	04/01/2026
Glaze, Barbara	22	Probation	04/04/2026
Her, Yang	30	Workforce Investment	04/04/2026
Howard Jr., Jerry	3	Probation	04/15/2026
Wilson, Michael	1	BHRS	03/31/2026

- b. Monthly and Quarterly Budget Report submitted.
- c. Quarterly Membership Status Report submitted.
- d. Meketa Monthly Investment Report submitted.



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e. SACRS Legislative Update – April 2026.

**Board voted unanimously to approve the consent agenda as presented.**

**1<sup>st</sup> – Silveira/2<sup>nd</sup> – Manilay, passes 6/0**

## **7. 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:

- a. Disability Retirement Applications: Personnel Exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
  1. Initial Disability Application Recommendation – Julissa Cervantes
  2. Initial Disability Application Recommendation – Maria E. Maldonado
  3. Initial Disability Application Recommendation – Carmen A. Segura
- b. Public Employment (Govt. Code §54957).  
Title: Specialty Investment Consultant
- c. Public Employee Annual Review and Labor Negotiations (Govt. Code § 54957; Govt. Code §54957.6).  
Title: Assistant Plan Administrator – Benefits and Administration

## **8. Report Out of Closed Session – 9:44 A.M.**

- a. Disability Retirement Applications: Personnel Exceptions (Govt. Code § 54957, 31532; Cal Const. art I § 1).
  1. Initial Disability Application Recommendation – Julissa Cervantes  
**Board voted unanimously to approve a non-service-connected disability and to deny a service-connected disability to Julissa Cervantes.**  
**1<sup>st</sup>- Johnston/2<sup>nd</sup>- Harris, passes 6/0**
  2. Initial Disability Application Recommendation – Maria E. Maldonado  
**Board voted unanimously to approve a non-service-connected disability and to deny a service-connected disability to Maria E. Maldonado.**  
**1<sup>st</sup>- Silveira/2<sup>nd</sup>- Manilay, passes 6/0**
  3. Initial Disability Application Recommendation – Carmen A. Segura  
**Board voted unanimously to approve a non-service-connected disability and to deny a service-connected disability to Carmen A. Segura.**  
**1<sup>st</sup>- Harris/2<sup>nd</sup>- Manilay, passes 6/0**
- b. Public Employment (Govt. Code §54957).  
Title: Specialty Investment Consultant  
**Staff given direction.**
- c. Public Employee Annual Review and Labor Negotiations (Govt. Code § 54957; Govt. Code §54957.6).  
Title: Assistant Plan Administrator – Benefits and Administration  
**Staff given direction.**

## **9. Open Session**

- a. Discussion on market summary and investment performance updates – Staff.  
**No action taken.**
- b. Discussion on New Quarterly Investment Report – Staff.  
**No action taken.**
- c. Discussion and possible action to approve the actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and MercedCERA's experience study as of June 30, 2025, by Segal – Staff.



Merced County Employees' Retirement Association

**Board voted unanimously to approve the actuarial audit of MercedCERA's annual valuation as of June 30, 2025, and MercedCERA's experience study as of June 30, 2025, by Segal.**

**1<sup>st</sup> – Manilay/2<sup>nd</sup> – Johnston, passes 6/0**

- d. Discussion and possible action to approve the adoptions of pensionable pay codes SRP – Steward Representation Pay, UNL – Union Leave Pay, and STT – Steward Training Pay for the Merced Superior Court – Staff.

**Board voted unanimously to approve the adoptions of pensionable pay codes SRP – Steward Representation Pay, UNL – Union Leave Pay, and STT – Steward Training Pay for the Merced Superior Court.**

**1<sup>st</sup> – Harris/2<sup>nd</sup> – Peterson, passes 6/0**

- e. Discussion and possible action to approve employment contract amendment for Monica Gallegos changing salary to \$137,970.56 effective pay period 13, 2026 (first day of pay period is June 1, 2026) – Staff.

**Board voted unanimously to approve employment contract amendment for Monica Gallegos changing salary to \$137,970.56 effective pay period 13, 2026.**

**1<sup>st</sup> – Peterson/2<sup>nd</sup> – Johnston, passes 6/0**

- f. Discussion on the SACRS Board of Director Elections 2026-2027 - Elections Notice and possible action to delegate Martha Sanchez Barboa as the delegated voter at the SACRS Business Meeting and Janey Cabral and Bayani “Jol” Manilay as alternate delegates – Staff.

**Board voted unanimously to delegate Martha Sanchez Barboa as the delegated voter at the SACRS Business Meeting and Janey Cabral and Bayani “Jol” Manilay as alternate delegates.**

**1<sup>st</sup> – Silveira/2<sup>nd</sup> – Harris, passes 6/0**

**10. Information Sharing & Agenda Item Requests**

-Plan Administrator, Martha Sanchez Barboa, announced she would be out of the office April 27<sup>th</sup> through May 1<sup>st</sup>, but available by phone.

-Martha thanked the following staff; Monica Gallegos, Terri Sanders, Alex Lovato, and Maria Luisa Rodriguez for the successful implementation of our alternate emergency retiree pension benefit payment plan.

-Martha notified the Board the California Supreme Court will hear oral arguments on May 6<sup>th</sup> regarding the LACERA v. County of LA case regarding LACERA's fiduciary authority to make staffing decisions and determine compensation for their system employees.

**11. Adjournment at 10:18 A.M.**

Trustee Name/Position	Signature	Date
Corrina Brown/Chair		
Al Peterson/Secretary		



Merced County Employees' Retirement Association

**MINUTES**  
**Retirement Board Education Meeting**

Thursday, May 7, 2026, 1:15 P.M. – 4:30 P.M.

Location: Merced County Employees' Retirement Association  
690 W 19th Street, Merced, CA  
2<sup>nd</sup> Floor, Training Room

**1. Call to Order- 1:15 P.M.**

The Retirement Board may discuss and take action on the following:

**2. Roll Call**

**Board Members Present:** Scott Silveira (arrived at 1:29 P.M.), Janey Cabral, Alfonse Peterson, Karen Adams, Scott Johnston, Moses Nelson (arrived at 1:27 P.M. and left at 4:20 P.M.), Bayani “Jol” Manilay and Corrina Brown (left at 3:33 P.M.). **Absent:** Aaron Rosenberg and Michael Harris. **Counsel:** Tom Ebersole. **Staff:** Martha Sanchez Barboa, Pete Madrid and Alex Lovato.

**3. 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.

**None**

**4. Meeting**

Board Education

Discussion on the following presentations:

- a. Investment Approach & Alternative Investing – Meketa

**No action taken.**

- b. Functional Allocation Framework – Meketa

**No action taken.**

**5. Information Sharing**

Several trustees shared they appreciated the meeting discussion and found it beneficial.

**6. Adjournment at 4:34 P.M.**

Trustee Name/Position	Signature	Date
Corrina Brown/Chair		
Al Peterson/Secretary		

**Merced County Employees' Retirement Association**  
**Administrative Expenditures Report (Preliminary)**  
**For the Month Ended April 30, 2026**

<b>Administrative Budget</b>	<b>Adopted</b>	<b>Current Budget</b>	<b>Expended 2026-04</b>	<b>Expended YTD</b>	<b>Bal Remaining</b>	<b>% Exp YTD</b>
<b>10110 · Salaries &amp; Wages</b>	<b>1,975,000.00</b>	<b>1,975,000.00</b>	<b>130,493.28</b>	<b>1,374,580.95</b>	<b>600,419.05</b>	<b>69.60%</b>
4/10/2026 Office Payroll 2026 PP08			94,435.22			
4/10/2026 2026 PP 08 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
4/10/2026 2026 PP 08 Staff Salary Allocated to Investments (see Account #21800)			(16,656.77)			
4/10/2026 2026 PP 08 Board Member Stipends (see Account #21808)			(645.90)			
4/24/2026 Office Payroll 2026 PP 09			93,789.32			
4/24/2026 2026 PP 09 Retirement Investment Staff Cost Reclass (see Account #21800)			(11,885.91)			
4/24/2026 2026 PP 09 Staff Salary Allocated to Investments (see Account #21800)			(16,656.77)			
Total 10110 · Salaries & Wages			<b>130,493.28</b>			
<b>20600 · Communications*</b>	<b>16,000.00</b>	<b>16,000.00</b>	<b>10,242.66</b>	<b>19,267.55</b>	<b>(3,267.55)</b>	<b>120.42%</b>
4/22/2026 2026-03 Administrative Services - Cellphone Charges			422.00			
4/22/2026 2026-03 Administrative Services - Desk Phone Charges			493.00			
4/22/2026 2026-03 Administrative Services- AT&T ASE Charge			9,327.66			
Total 20600 · Communications			<b>10,242.66</b>			
<b>21000 · Insurance - Other</b>	<b>118,000.00</b>	<b>118,000.00</b>	<b>889.17</b>	<b>104,178.18</b>	<b>13,821.82</b>	<b>88.29%</b>
4/9/2026 Nationwide 2025-04 Building Insurance			889.17			
Total 21000 · Insurance - Other			<b>889.17</b>			
<b>21301 · Maintenance Structure Improvement &amp; Grounds</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>3,071.00</b>	<b>46,674.07</b>	<b>53,325.93</b>	<b>46.67%</b>
4/8/2026 Crites, Robert 2026-03 Pest Control			40.00			
4/20/2026 Geil Enterprises 2026-04 Janitorial Svcs			1,846.00			
4/24/2026 Yard Masters 2026-04 Landscaping Svcs			400.00			
4/24/2026 Hoffman 2026-05 Alarm System			285.00			
4/24/2026 Hoffman 2026-05 CCTV Cameras			260.00			
4/24/2026 Hoffman 2026-05 Fire System			60.00			
4/28/2026 Yard Masters 4/23/2026 Landscaping Svcs - Replace Wood Stakes			180.00			
Total 21301 · Maintenance Structure Improvement			<b>3,071.00</b>			
<b>21500 · Membership</b>	<b>7,000.00</b>	<b>7,000.00</b>	<b>-</b>	<b>7,500.00</b>	<b>(500.00)</b>	<b>107.14%</b>
Total 21500 · Membership			<b>-</b>			
<b>21700 · Office Expense - General</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>1,315.59</b>	<b>9,352.16</b>	<b>10,647.84</b>	<b>46.76%</b>
4/1/2026 ODP 2026-04 Office Supplies			723.51			
4/1/2026 ODP 2026-04 Office Supplies			19.47			
4/1/2026 First Choice 3/24/26 Water Service			55.92			
4/14/2026 First Choice 4/07/26 Water Service			46.60			
4/16/2026 Ingraham - Name Plates (Staff & Board)			97.43			
4/22/2026 2026-03 Administrative Services Charges - Pacific Shredding			93.00			
4/22/2026 ODP 2026-04 Office Supplies			171.80			
4/27/2026 First Choice 4/21/26 Water Service			46.60			
4/28/2026 ODP 2026-04 Office Supplies			61.26			
Total 21700 · Office Expense - General			<b>1,315.59</b>			
<b>21710 · Office Expense - Postage</b>	<b>54,000.00</b>	<b>54,000.00</b>	<b>6,763.91</b>	<b>34,724.88</b>	<b>19,275.12</b>	<b>64.31%</b>
4/22/2026 2026-03 Administrative Services Charges - Mail/Print Charges			1,385.01			
4/22/2026 2026-03 Administrative Services Charges - Forms Processing Charges			712.50			
4/22/2026 2026-03 Administrative Services Charges - Mail Room Charges			4,666.40			
Total 21710 · Office Expense - Postage			<b>6,763.91</b>			
<b>21805 · Audits</b>	<b>72,000.00</b>	<b>72,000.00</b>	<b>-</b>	<b>55,000.00</b>	<b>17,000.00</b>	<b>76.39%</b>

Merced County Employees' Retirement Association  
Administrative Expenditures Report (Preliminary)  
For the Month Ended April 30, 2026

Total 21805 · Audits			-			
<b>21808 · Board Membership</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>645.90</b>	<b>5,920.75</b>	<b>9,079.25</b>	<b>39.47%</b>
4/10/2026 Board Member Stipends			645.90			
Total 21808 · Board Membership			645.90			
<b>21900 · Publications &amp; Legal Notices</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>-</b>	<b>4,917.28</b>	<b>82.72</b>	<b>98.35%</b>
Total 21900 · Publications & Legal Notices			-			
<b>22300 · Spec Dept Exp - Other</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>5,151.00</b>	<b>4,849.00</b>	<b>51.51%</b>
Total 22300 · Spec Dept Exp - Other			-			
<b>22310 · Election Expense</b>	<b>30,000.00</b>	<b>30,000.00</b>	<b>-</b>	<b>-</b>	<b>30,000.00</b>	<b>0.00%</b>
Total 22310 · Election Expense			-			
<b>22327 · Spec Dept Exp - Cost Allocation Plan</b>	<b>35,000.00</b>	<b>35,000.00</b>	<b>2,877.45</b>	<b>28,774.50</b>	<b>6,225.50</b>	<b>82.21%</b>
4/10/2026 2026-04 Auditor-Controller Admin CAP Charge			1,785.83			
4/10/2026 2026-04 External Audit CAP Charge			61.83			
4/10/2026 2026-04 Admin Service CAP Charge			13.83			
4/10/2026 2026-04 Human Resources CAP Charge			1,005.44			
4/10/2026 2026-04 Risk Management CAP Charge			10.52			
Total 22327 · Spec Dept Exp - Cost Allocation			2,877.45			
<b>22500 · Transportation &amp; Travel</b>	<b>200.00</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>200.00</b>	<b>0.00%</b>
Total 22500 · Transportation & Travel			-			
<b>22505 · Trans &amp; Travel - Staff &amp; Board Development</b>	<b>70,000.00</b>	<b>70,000.00</b>	<b>9,230.00</b>	<b>22,566.67</b>	<b>47,433.33</b>	<b>32.24%</b>
4/8/2026 CALAPRS Virtual Roundtable (Staff)			100.00			
4/14/2026 Public Pension Financial Forum Conference (Staff)			350.00			
4/22/2026 NCPERS Conference (Staff)			2,060.00			
4/28/2026 UC Merced Staff Development Training			6,720.00			
Total 22505 · Trans & Travel - Staff Development & Board Development			9,230.00			
<b>22515 · Trans &amp; Travel - In State (Staff &amp; Board)</b>	<b>45,000.00</b>	<b>45,000.00</b>	<b>-</b>	<b>15,716.73</b>	<b>29,283.27</b>	<b>34.93%</b>
Total 22515 · Trans & Travel - In State (Staff & Board)			-			
<b>22516 · Trans &amp; Travel - Out of State (Staff &amp; Board)</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>4,169.29</b>	<b>5,830.71</b>	<b>41.69%</b>
Total 22516 · Trans & Travel - Out of State (Staff & Board)			-			
<b>22600 · Utilities</b>	<b>68,000.00</b>	<b>68,000.00</b>	<b>1,404.61</b>	<b>25,918.46</b>	<b>42,081.54</b>	<b>38.12%</b>
4/2/2026 City of Merced 2026-04 Utilities			639.14			
4/24/2026 Merced Irrigation District (MID) 2026-03 Utilities			765.47			
Total 22600 · Utilities			1,404.61			
<b>Administrative Depreciation Expense</b>	<b>364,400.00</b>	<b>364,400.00</b>	<b>30,262.33</b>	<b>302,623.30</b>	<b>61,776.70</b>	<b>83.05%</b>
<b>Total Administrative Budget</b>	<b>3,014,600.00</b>	<b>3,014,600.00</b>	<b>197,195.90</b>	<b>2,067,035.77</b>	<b>947,564.23</b>	<b>68.57%</b>

\* Account 20600 (Pending credit of \$4,564.75 from Admin Svcs due to AT&T ASE overcharge).

**Merced County Employees' Retirement Association**  
**Non-Administrative Expenditures Report (Preliminary)**  
**For the Month Ended April 30, 2026**

<b>Non-Administrative Expenses</b>		<b>Original Projection</b>	<b>Current Projection</b>	<b>Expended 2026-04</b>	<b>Expended YTD</b>	<b>Bal Remaining</b>	<b>% Exp YTD</b>
<b>21800 · Investment Expenses</b>		<b>8,998,000.00</b>	<b>8,998,000.00</b>	<b>1,273,078.22</b>	<b>12,024,924.64</b>	<b>(3,026,924.64)</b>	<b>133.64%</b>
4/30/2026	Investment Management Fees			776,147.99			
4/30/2026	Investment Partnership Expenses			347,761.54			
4/10/2026	2026 PP 08 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
4/24/2026	2026 PP 09 Retirement Investment Staff Reclass (from Account #10110)			11,885.91			
4/10/2026	2026 PP 08 Staff Salary Allocated to Investments (from Account #10110)			16,656.77			
4/24/2026	2026 PP 09 Staff Salary Allocated to Investments (from Account #10110)			16,656.77			
4/2/2026	Investment Consultants Cliffwater 2026-03 Consulting Svcs			33,333.33			
4/2/2026	Investment Consultants Meketa 2026-Q1 Services			58,750.00			
Total 21800 · Investment Expenses				<b>1,273,078.22</b>			
<b>21802 · Actuarial Services**</b>		<b>220,000.00</b>	<b>220,000.00</b>	<b>151,298.00</b>	<b>258,049.19</b>	<b>(38,049.19)</b>	<b>117.30%</b>
4/22/2026	Cheiron Q1 - 2026 Actuarial Services			46,298.00			
4/30/2026	Segal Company - Actuarial Services			105,000.00			
Total 21802 · Actuarial Services				<b>151,298.00</b>			
<b>21812 · Data Processing</b>		<b>135,000.00</b>	<b>135,000.00</b>	<b>10,299.51</b>	<b>71,567.47</b>	<b>63,432.53</b>	<b>53.01%</b>
4/10/2026	2026-04 IS CAP Charge			446.46			
4/20/2026	AT&T 2026-04 Services & Wi-Fi Charges			1,347.05			
4/22/2026	2026-03 Administrative Service Charges - Cradlepoint Charges			800.00			
4/22/2026	2026-03 Administrative Service Charges - Application Charges			732.00			
4/22/2026	2026-03 Administrative Service Charges - Network Device Charges			6,974.00			
Total 21812 · Data Processing				<b>10,299.51</b>			
<b>21834 · Legal Services</b>		<b>442,000.00</b>	<b>442,000.00</b>	<b>55,899.22</b>	<b>378,205.43</b>	<b>63,794.57</b>	<b>85.57%</b>
4/2/2026	Hanson Bridgett 2026-02 Legal Svcs			2,604.60			
4/3/2026	Mileage Reimbursement - Disability Member (Legal Svcs)			101.17			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			5,544.80			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			5,418.00			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			3,097.90			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			141.90			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			17,803.23			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			2,410.60			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			4,566.80			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			2,741.30			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			464.40			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			38.70			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			4,525.80			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			1,195.00			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			64.50			
4/8/2026	Ted Cabral 2026-03 Legal Svcs			932.10			
4/10/2026	2026-04 County Counsel CAP Charge			3,678.42			
4/29/2026	Hanson Bridgett 2026-03 Legal Svcs			570.00			
Total 21834 · Legal Services				<b>55,899.22</b>			
<b>21840 · Custodial Banking Services</b>		<b>260,000.00</b>	<b>260,000.00</b>	<b>3,511.87</b>	<b>133,793.75</b>	<b>126,206.25</b>	<b>51.46%</b>
4/6/2026	2026-03 Northern Trust STIF Fees			3,181.87			
4/24/2026	2026-02 Wire Fees			165.00			
4/24/2026	2026-03 Wire Fees			165.00			
Total 21840 · Custodial Banking Services				<b>3,511.87</b>			
<b>22350 · Software &amp; Technology</b>		<b>559,000.00</b>	<b>559,000.00</b>	<b>43,426.29</b>	<b>467,429.07</b>	<b>91,570.93</b>	<b>83.62%</b>
4/1/2026	IBM Corporation - Cognos			21,559.40			
4/3/2026	CPAS System 2026-04 Hosting			9,763.52			
4/8/2026	Spriggs Inc - Copier Services			2,166.81			
4/16/2026	Digital Deployment - Retirement Calculator			9,000.00			
4/30/2026	Lexis Nexis - 2026-03 Services			936.56			

**Merced County Employees' Retirement Association**  
**Non-Administrative Expenditures Report (Preliminary)**  
**For the Month Ended April 30, 2026**

Total 22350 - Software and Technology			<u>43,426.29</u>		
<b>Non-Administrative Depreciation Expense</b>	-	-	-	-	-
<b>Total Non-Administrative Items</b>	<u>10,614,000.00</u>	<u>10,614,000.00</u>	1,537,513.11	13,333,969.55	(2,719,969.55) 125.63%

\*\* Account 21802 (overage due to additional costs incurred with experience study).

## Merced County Employees' Retirement Association

May 28, 2026

April Flash Report (Preliminary)

- 1. Executive Summary as of April 30, 2026**
- 2. Performance Update as of April 30, 2026**
- 3. Disclaimer, Glossary, and Notes**

## **Executive Summary as of April 30, 2026**

### **Portfolio Preliminary Performance Highlights**

- April saw a sharp rebound across equity markets as strong earnings and renewed enthusiasm for AI related stocks served as major tailwinds. Emerging Markets lead both International Developed and US equities. US Equities (Russell 3000) returned 10.2%, Developed International equities (MSCI EAFE) returned 7.5% and Emerging Markets (MSCI EM) returned 14.7% over the month. Bonds saw positive, albeit relatively muted gains over the month with the broad Bloomberg US Aggregate Index returning 0.1%.
- For April, Merced CERA reported a monthly return (w/o Alternatives) of 5.4% net of fees. US Equities returned 10.1%, trailing the Russell 3000 Index. International Equities return of 6.2% trailed both the MSCI AC World ex USA IMI Index as well as the secondary blended asset class benchmark, which returned 9.7% and 8.0% respectively. The Emerging Markets sleeve returned 8.3%, trailing the MSCI EM index return of 14.7%. US Fixed Income returned 0.2%, outpacing the benchmark return of 0.1%. Opportunistic Credit posted 0.9% for the month, trailing the blended benchmark return of 1.2%.

## **Manager Highlights**

**Manager Highlights (Year to Date)**

- **BNY Mellon Newton Dynamic US Equity**, the portfolio's active large cap manager, returned 5.4% through April, trailing the S&P 500 Index return of 5.7%. The manager is expected to perform well under normal market conditions (fundamentals drive investment returns) and bull markets.
- **Champlain Small Cap**, through April, the portfolio's active small cap manager, returned -0.4%, trailing the Russell 2000 Index return of 13.2%.
- **First Eagle**, through April, returned 7.5% versus the MSCI EAFE Index return of 6.1% and MSCI AC World ex US Value Index return of 10.5%. Fund exhibits high turnover relative to peers and uses gold as a hedge. The fund performs well in down cycles, as the strategy focuses on capital preservation in lieu of some upside potential.
- **GQG** returned 7.6% through April, trailing the MSCI AC World ex US return of 8.9%.
- **Acadian** returned 8.8% through April, trailing the MSCI ACWI ex US Small Cap Index return of 9.3%.
- **Driehaus**, through April, returned 6.9%, trailing the MSCI ACWI ex US Small Cap Growth Index return of 10.5%.

### Manager Highlights (Year to Date)

- **Artisan Developing World** returned -11.5% through April vs MSCI EM index return of 14.5%. The fund is a high conviction, concentrated strategy that is benchmark agnostic and has large deviations regionally, with meaningful weights in US equities. Note that tracking error for this strategy is expected to be high (5-10% annually) and has recently exceeded this, which has been driven by exposure to non-benchmark names, particularly in the US. Meketa continues to evaluate the performance of this strategy in the EM space, and believes it is best utilized with a complementary strategy.
- **RWC** returned 9.5% vs MSCI EM index return of 14.5% through April. Tracking error for the strategy has always been expected to be high (6-10% annually) and has fallen within that range.

**Manager Highlights (Year to Date)****US Fixed Income**

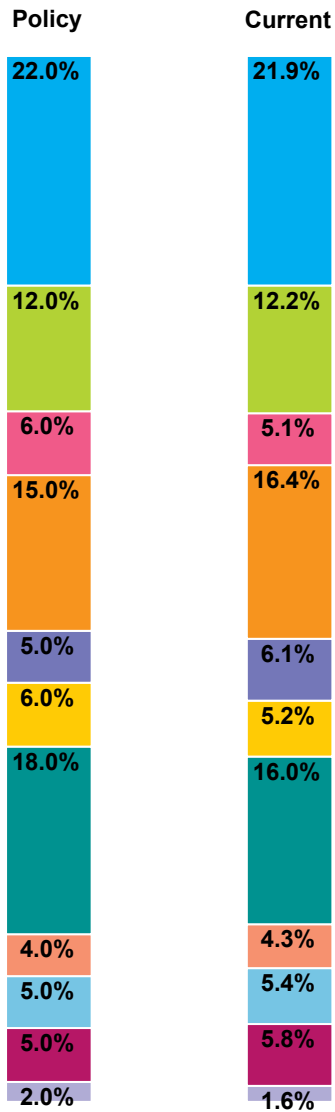
- Brandywine returned 0.6% through April, outpacing the Bloomberg US Aggregate Index return of 0.1%.
- Wellington Core Bond returned 0.1%, mirroring the Bloomberg US Aggregate Index.
- Payden & Rygel Low Duration returned 0.5%, mirroring the Bloomberg US Treasury 1-3 Year Index.

**Opportunistic Credit**

- PIMCO Income Fund returned 0.3%, outpacing the Bloomberg US Aggregate Index return of 0.1%.
- GoldenTree Multi-Sector returned 1.4%, outpacing the blended benchmark (50% Bloomberg US High Yield/50% S&P UBS Leveraged Loans) return of 1.0%. The strategy is benchmark agnostic and tends to have lower duration positioning.

## **Performance Update as of April 30, 2026**

Total Fund | As of April 30, 2026



Allocation vs. Targets and Policy						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
US Equity	318,091,568	21.9	22.0	-0.1	16.0 - 27.0	Yes
Developed International Equity	177,121,789	12.2	12.0	0.2	7.0 - 17.0	Yes
Emerging Markets Equity	74,202,570	5.1	6.0	-0.9	3.0 - 9.0	Yes
Private Equity	238,816,104	16.4	15.0	1.4	5.0 - 20.0	Yes
Direct Lending	88,312,624	6.1	5.0	1.1	0.0 - 10.0	Yes
Real Estate	75,566,659	5.2	6.0	-0.8	4.0 - 8.0	Yes
US Fixed Income	232,734,864	16.0	18.0	-2.0	13.0 - 23.0	Yes
Opportunistic Credit	62,169,409	4.3	4.0	0.3	2.0 - 6.0	Yes
Hedge Funds	78,702,962	5.4	5.0	0.4	2.5 - 7.5	Yes
Real Assets	83,562,276	5.8	5.0	0.8	3.0 - 7.0	Yes
Cash	23,497,228	1.6	2.0	-0.4	0.0 - 4.0	Yes
<b>Total</b>	<b>1,452,778,053</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

## Trailing Net Performance | As of April 30, 2026

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,452,778,053</b>	<b>100.0</b>	<b>3.3</b>	<b>2.1</b>	<b>13.4</b>	<b>11.3</b>	<b>6.7</b>	<b>9.0</b>	<b>8.2</b>	<b>Jan-95</b>
<i>Policy Index</i>			<i>5.2</i>	<i>5.7</i>	<i>21.2</i>	<i>14.1</i>	<i>9.0</i>	<i>9.9</i>	<i>6.9</i>	
<b>Total Fund w/o Alternatives</b>	<b>864,320,200</b>	<b>59.5</b>	<b>5.4</b>	<b>3.2</b>	<b>17.6</b>	<b>14.3</b>	<b>6.5</b>	<b>9.6</b>	<b>--</b>	<b>Jan-08</b>
<i>Policy Index w/o AI</i>			<i>7.1</i>	<i>5.7</i>	<i>23.5</i>	<i>14.6</i>	<i>7.0</i>	<i>9.1</i>	<i>--</i>	
<b>Public Equity</b>	<b>569,415,927</b>	<b>39.2</b>	<b>8.3</b>	<b>4.5</b>	<b>23.9</b>	<b>18.2</b>	<b>8.3</b>	<b>--</b>	<b>11.4</b>	<b>Apr-18</b>
<i>MSCI AC World IMI Index (Net)</i>			<i>10.1</i>	<i>7.1</i>	<i>31.6</i>	<i>19.5</i>	<i>10.2</i>	<i>--</i>	<i>11.3</i>	
<b>US Equity</b>	<b>318,091,568</b>	<b>21.9</b>	<b>10.1</b>	<b>5.1</b>	<b>28.0</b>	<b>19.8</b>	<b>11.0</b>	<b>14.2</b>	<b>10.9</b>	<b>Jan-95</b>
<i>Russell 3000</i>			<i>10.2</i>	<i>5.8</i>	<i>31.0</i>	<i>21.3</i>	<i>11.9</i>	<i>14.7</i>	<i>11.0</i>	
<b>International Equity</b>	<b>251,324,358</b>	<b>17.3</b>	<b>6.2</b>	<b>3.8</b>	<b>19.3</b>	<b>16.2</b>	<b>5.1</b>	<b>9.9</b>	<b>6.6</b>	<b>Jan-99</b>
<i>Primary Blended International Equity Benchmark</i>			<i>9.7</i>	<i>8.9</i>	<i>32.5</i>	<i>17.7</i>	<i>7.9</i>	<i>9.3</i>	<i>6.3</i>	
<i>Secondary Blended International Equity Benchmark</i>			<i>8.0</i>	<i>7.0</i>	<i>27.8</i>	<i>16.3</i>	<i>7.1</i>	<i>8.9</i>	<i>6.2</i>	
<b>Emerging Markets Equity</b>	<b>74,202,570</b>	<b>5.1</b>	<b>8.3</b>	<b>-4.6</b>	<b>5.2</b>	<b>13.5</b>	<b>-1.8</b>	<b>9.4</b>	<b>6.1</b>	<b>May-12</b>
<i>MSCI EM</i>			<i>14.7</i>	<i>14.5</i>	<i>46.7</i>	<i>20.7</i>	<i>6.1</i>	<i>9.4</i>	<i>6.0</i>	
<b>US Fixed Income</b>	<b>232,734,864</b>	<b>16.0</b>	<b>0.2</b>	<b>0.3</b>	<b>4.4</b>	<b>3.7</b>	<b>0.1</b>	<b>1.8</b>	<b>4.4</b>	<b>Jan-95</b>
<i>US Fixed Income Custom Benchmark</i>			<i>0.1</i>	<i>0.1</i>	<i>4.0</i>	<i>3.5</i>	<i>0.4</i>	<i>1.9</i>	<i>4.5</i>	
<b>Opportunistic Credit</b>	<b>62,169,409</b>	<b>4.3</b>	<b>0.9</b>	<b>1.7</b>	<b>7.9</b>	<b>9.2</b>	<b>5.6</b>	<b>--</b>	<b>6.1</b>	<b>May-19</b>
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>1.2</i>	<i>0.8</i>	<i>6.1</i>	<i>6.1</i>	<i>2.8</i>	<i>--</i>	<i>3.5</i>	
<b>Real Estate</b>	<b>75,566,659</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>1.2</b>	<b>2.9</b>	<b>3.9</b>	<b>5.9</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.9</i>	<i>3.8</i>	<i>-3.4</i>	<i>2.3</i>	<i>3.8</i>	<i>6.9</i>	
<i>CPI +5% (Seasonally Adjusted)</i>			<i>1.1</i>	<i>3.6</i>	<i>8.9</i>	<i>8.3</i>	<i>9.7</i>	<i>8.5</i>	<i>7.9</i>	

Data Prior to March 2018 provided by prior consultant.

The Secondary Blended International Equity Benchmark consists of 80% MSCI EAFE and 20% MSCI ACWI ex US Small Cap Index as of July 2025.

## Trailing Net Performance | As of April 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate</b>	75,566,659	5.2	0.0	0.0	0.4	-0.2	3.7	3.9	5.9	Dec-10
<i>Custom Blended Real Estate Benchmark</i>			0.0	0.9	3.8	-3.4	3.4	4.4	7.3	
<b>Private Equity</b>	241,101,131	16.6	0.0	0.0	8.6	7.8	13.0	13.4	10.1	Jul-05
<i>Custom Private Equity Benchmark</i>			3.1	7.2	24.6	22.7	17.3	18.8	--	
<b>Direct Lending</b>	86,027,597	5.9	0.0	0.0	8.1	10.0	8.2	--	9.7	Jul-20
<i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>			1.5	1.0	7.5	8.5	5.3	--	6.5	
<b>Hedge Funds</b>	78,702,962	5.4	2.7	3.0	9.5	8.3	6.1	6.7	5.5	Jul-14
<i>Custom Blended Hedge Funds Benchmark</i>			3.9	4.6	15.8	9.8	5.2	5.7	--	
<b>Real Assets</b>	83,562,276	5.8	0.0	0.0	9.8	11.6	12.8	10.2	10.1	Dec-10
<i>Custom Blended Real Assets Benchmark</i>			1.5	15.7	37.5	15.3	13.3	10.1	--	
<i>CPI +5% (Seasonally Adjusted)</i>			1.1	3.6	8.9	8.3	9.7	8.5	7.9	
<b>Private Infrastructure</b>	51,597,911	3.6	0.0	0.0	8.0	10.9	11.1	11.4	10.2	Jan-15
<i>S&amp;P Global Infrastructure</i>			2.8	11.3	25.8	16.3	11.9	9.4	8.1	
<b>Private Natural Resources</b>	31,964,365	2.2	0.0	0.0	12.4	14.4	20.9	15.0	15.5	Oct-15
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			0.2	20.1	49.9	14.0	12.0	11.0	12.4	
<b>Cash</b>	23,497,228	1.6	0.2	1.5	4.9	4.6	2.9	--	--	Dec-10

Real Assets includes State Street Real Assets NL Fund.

Trailing Net Performance | As of April 30, 2026

Trailing Period Performance										
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,452,778,053</b>	<b>100.0</b>	<b>3.3</b>	<b>2.1</b>	<b>13.4</b>	<b>11.3</b>	<b>6.7</b>	<b>9.0</b>	<b>8.2</b>	<b>Jan-95</b>
<i>Policy Index</i>			<i>5.2</i>	<i>5.7</i>	<i>21.2</i>	<i>14.1</i>	<i>9.0</i>	<i>9.9</i>	<i>6.9</i>	
<b>Total Fund w/o Alternatives</b>	<b>864,320,200</b>	<b>59.5</b>	<b>5.4</b>	<b>3.2</b>	<b>17.6</b>	<b>14.3</b>	<b>6.5</b>	<b>9.6</b>	<b>--</b>	<b>Jan-08</b>
<i>Policy Index w/o AI</i>			<i>7.1</i>	<i>5.7</i>	<i>23.5</i>	<i>14.6</i>	<i>7.0</i>	<i>9.1</i>	<i>--</i>	
<b>Public Equity</b>	<b>569,415,927</b>	<b>39.2</b>	<b>8.3</b>	<b>4.5</b>	<b>23.9</b>	<b>18.2</b>	<b>8.3</b>	<b>--</b>	<b>11.4</b>	<b>Apr-18</b>
<i>MSCI AC World IMI Index (Net)</i>			<i>10.1</i>	<i>7.1</i>	<i>31.6</i>	<i>19.5</i>	<i>10.2</i>	<i>--</i>	<i>11.3</i>	
<b>US Equity</b>	<b>318,091,568</b>	<b>21.9</b>	<b>10.1</b>	<b>5.1</b>	<b>28.0</b>	<b>19.8</b>	<b>11.0</b>	<b>14.2</b>	<b>10.9</b>	<b>Jan-95</b>
<i>Russell 3000</i>			<i>10.2</i>	<i>5.8</i>	<i>31.0</i>	<i>21.3</i>	<i>11.9</i>	<i>14.7</i>	<i>11.0</i>	
BNY Mellon Newton Dynamic US Equity	71,044,073	4.9	10.5	5.4	29.6	20.2	11.5	15.5	16.1	Jan-13
<i>S&amp;P 500 Index</i>			<i>10.5</i>	<i>5.7</i>	<i>31.1</i>	<i>21.7</i>	<i>13.1</i>	<i>15.3</i>	<i>15.0</i>	
BNY Mellon Large Cap	227,419,608	15.7	10.1	5.5	30.4	21.5	12.3	15.0	14.9	Apr-16
<i>Russell 1000 Index</i>			<i>10.1</i>	<i>5.5</i>	<i>30.4</i>	<i>21.5</i>	<i>12.3</i>	<i>15.0</i>	<i>14.9</i>	
Champlain Small Cap	19,627,887	1.4	7.9	-0.4	2.8	6.2	0.1	--	5.9	Nov-20
<i>Russell 2000 Index</i>			<i>12.2</i>	<i>13.2</i>	<i>44.4</i>	<i>18.2</i>	<i>5.7</i>	<i>--</i>	<i>13.0</i>	

Historical returns for the US Equity Composite prior to January 2012 are gross only.

## Trailing Net Performance | As of April 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>International Equity</b>	<b>251,324,358</b>	<b>17.3</b>	<b>6.2</b>	<b>3.8</b>	<b>19.3</b>	<b>16.2</b>	<b>5.1</b>	<b>9.9</b>	<b>6.6</b>	<b>Jan-99</b>
<i>Primary Blended International Equity Benchmark</i>			9.7	8.9	32.5	17.7	7.9	9.3	6.3	
<i>Secondary Blended International Equity Benchmark</i>			8.0	7.0	27.8	16.3	7.1	8.9	5.5	
Acadian ACWI ex U.S. Small Cap Equity	22,742,015	1.6	9.4	8.8	33.2	19.8	9.6	--	13.1	May-19
<i>MSCI AC World ex USA Small Cap (Net)</i>			9.9	9.3	34.1	16.7	6.7	--	9.6	
Driehaus International Small Cap Growth	21,662,302	1.5	10.0	6.9	29.5	15.5	4.5	--	10.8	May-19
<i>MSCI AC World ex USA Small Growth Index (Net)</i>			11.5	10.5	34.9	15.5	4.6	--	8.9	
GQG International Equity	66,851,573	4.6	3.1	7.6	17.7	15.9	9.1	--	10.8	Dec-19
<i>MSCI AC World ex USA (Net)</i>			9.7	8.9	32.2	17.4	8.4	--	10.0	
First Eagle International Value Fund	65,865,899	4.5	4.7	7.5	30.3	17.4	10.4	--	9.8	Dec-19
<i>MSCI EAFE (Net)</i>			7.5	6.1	24.6	15.3	8.8	--	9.7	
<i>MSCI AC World ex USA Value (Net)</i>			8.3	10.5	37.7	21.2	12.1	--	11.5	
<b>Emerging Markets Equity</b>	<b>74,202,570</b>	<b>5.1</b>	<b>8.3</b>	<b>-4.6</b>	<b>5.2</b>	<b>13.5</b>	<b>-1.8</b>	<b>9.4</b>	<b>6.1</b>	<b>May-12</b>
<i>MSCI EM</i>			14.7	14.5	46.7	20.7	6.1	9.4	6.0	
Artisan Developing World TR	46,330,580	3.2	7.9	-11.5	-10.3	10.6	-3.9	--	6.9	Dec-19
<i>MSCI Emerging Markets (Net)</i>			14.7	14.5	46.7	20.7	6.1	--	9.5	
RWC	27,871,990	1.9	9.1	9.5	44.6	18.0	1.9	--	7.4	Dec-19
<i>MSCI Emerging Markets (Net)</i>			14.7	14.5	46.7	20.7	6.1	--	9.5	

Historical returns for the International Equity Composite prior to December 2010 are gross only.

International Equity Primary/Secondary benchmarks share the same benchmark history through June 30, 2025, as noted in the Benchmark History section. From July 1, 2025 onwards, the Primary Blended International Equity Benchmark consists of the MSCI AC World ex USA IMI, whereas the Secondary Blended International Equity Benchmark consists of 80% MSCI EAFE / 20% MSCI AC World ex USA Small Cap.

## Trailing Net Performance | As of April 30, 2026

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>US Fixed Income</b>	<b>232,734,864</b>	<b>16.0</b>	<b>0.2</b>	<b>0.3</b>	<b>4.4</b>	<b>3.7</b>	<b>0.1</b>	<b>1.8</b>	<b>4.4</b>	<b>Jan-95</b>
<i>US Fixed Income Custom Benchmark</i>			<i>0.1</i>	<i>0.1</i>	<i>4.0</i>	<i>3.5</i>	<i>0.4</i>	<i>1.9</i>	<i>4.5</i>	
Vanguard Total Bond Market Index Fund <i>Blmbg. U.S. Aggregate Index</i>	32,137,573	2.2	0.1 <i>0.1</i>	0.2 <i>0.1</i>	4.0 <i>4.1</i>	3.5 <i>3.5</i>	0.2 <i>0.2</i>	-- <i>--</i>	1.6 <i>1.6</i>	May-19
Payden & Rygel Low Duration Fund <i>Blmbg. U.S. Treasury: 1-3 Year</i>	22,746,219	1.6	0.3 <i>0.2</i>	0.5 <i>0.5</i>	3.9 <i>3.1</i>	4.9 <i>4.0</i>	-- <i>--</i>	-- <i>--</i>	5.2 <i>4.2</i>	Nov-22
Brandywine US Fixed Income <i>Blmbg. U.S. Aggregate Index</i>	68,306,393	4.7	0.3 <i>0.1</i>	0.6 <i>0.1</i>	4.7 <i>4.1</i>	3.1 <i>3.5</i>	-- <i>--</i>	-- <i>--</i>	3.3 <i>4.9</i>	Nov-22
Wellington Core Bond <i>Blmbg. U.S. Aggregate Index</i>	109,544,679	7.5	0.1 <i>0.1</i>	0.1 <i>0.1</i>	4.4 <i>4.1</i>	3.9 <i>3.5</i>	-- <i>--</i>	-- <i>--</i>	4.8 <i>4.9</i>	Nov-22
<b>Opportunistic Credit</b>	<b>62,169,409</b>	<b>4.3</b>	<b>0.9</b>	<b>1.7</b>	<b>7.9</b>	<b>9.2</b>	<b>5.6</b>	<b>--</b>	<b>6.1</b>	<b>May-19</b>
<i>Custom Blended Opportunistic Credit Benchmark</i>			<i>1.2</i>	<i>0.8</i>	<i>6.1</i>	<i>6.1</i>	<i>2.8</i>	<i>--</i>	<i>3.5</i>	
PIMCO Income Fund <i>Blmbg. U.S. Aggregate Index</i>	5,670,326	0.4	0.8 <i>0.1</i>	0.3 <i>0.1</i>	7.5 <i>4.1</i>	7.6 <i>3.5</i>	3.8 <i>0.2</i>	-- <i>--</i>	4.2 <i>1.6</i>	May-19
GoldenTree Multi-Sector Credit <i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>	31,320,273	2.2	1.1 <i>1.5</i>	1.4 <i>1.0</i>	8.2 <i>7.5</i>	9.7 <i>8.5</i>	6.0 <i>5.3</i>	-- <i>--</i>	6.4 <i>5.5</i>	Jun-19
OWS Credit Opportunity Fund LP <i>50% Bloomberg US High Yield / 50% Morningstar LSTA US Lev Loans</i>	25,178,810	1.7	0.7 <i>1.5</i>	2.5 <i>1.0</i>	7.6 <i>7.5</i>	-- <i>--</i>	-- <i>--</i>	-- <i>--</i>	8.6 <i>8.5</i>	Oct-23

Historical returns for the US Fixed Income Composite prior to December 2010 are gross only.

The market values of GoldenTree Multi-Sector Credit and OWS Credit Opportunity Fund LP are based on manager provided estimates, due to data availability

## Trailing Net Performance | As of April 30, 2026

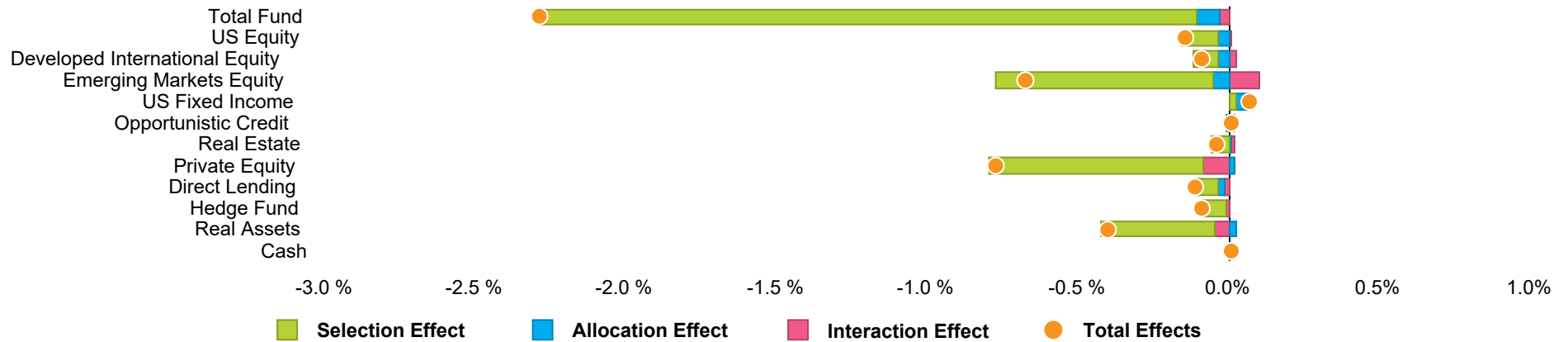
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Real Estate</b>	<b>75,566,659</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>-0.2</b>	<b>3.7</b>	<b>3.9</b>	<b>5.9</b>	<b>Dec-10</b>
<i>Custom Blended Real Estate Benchmark</i>			<i>0.0</i>	<i>0.9</i>	<i>3.8</i>	<i>-3.4</i>	<i>3.4</i>	<i>4.4</i>	<i>7.3</i>	
<b>Private Equity</b>	<b>241,101,131</b>	<b>16.6</b>	<b>0.0</b>	<b>0.0</b>	<b>8.6</b>	<b>7.8</b>	<b>13.0</b>	<b>13.4</b>	<b>10.1</b>	<b>Jul-05</b>
<i>Custom Private Equity Benchmark</i>			<i>3.1</i>	<i>7.2</i>	<i>24.6</i>	<i>22.7</i>	<i>17.3</i>	<i>18.8</i>	<i>--</i>	
<b>Direct Lending</b>	<b>86,027,597</b>	<b>5.9</b>	<b>0.0</b>	<b>0.0</b>	<b>8.1</b>	<b>10.0</b>	<b>8.2</b>	<b>--</b>	<b>9.7</b>	<b>Jul-20</b>
<i>Morningstar LSTA Leveraged Loans +2%</i>			<i>1.5</i>	<i>1.4</i>	<i>8.3</i>	<i>10.2</i>	<i>8.2</i>	<i>--</i>	<i>9.2</i>	
<b>Hedge Funds</b>	<b>78,702,962</b>	<b>5.4</b>	<b>2.7</b>	<b>3.0</b>	<b>9.5</b>	<b>8.3</b>	<b>6.1</b>	<b>6.7</b>	<b>5.5</b>	<b>Jul-14</b>
<i>Custom Blended Hedge Funds Benchmark</i>			<i>3.9</i>	<i>4.6</i>	<i>15.8</i>	<i>9.8</i>	<i>5.2</i>	<i>5.7</i>	<i>--</i>	
<b>Private Infrastructure</b>	<b>51,597,911</b>	<b>3.6</b>	<b>0.0</b>	<b>0.0</b>	<b>8.0</b>	<b>10.9</b>	<b>11.1</b>	<b>11.4</b>	<b>10.2</b>	<b>Jan-15</b>
<i>S&amp;P Global Infrastructure</i>			<i>2.8</i>	<i>11.3</i>	<i>25.8</i>	<i>16.3</i>	<i>11.9</i>	<i>9.4</i>	<i>8.1</i>	
<b>Private Natural Resources</b>	<b>31,964,365</b>	<b>2.2</b>	<b>0.0</b>	<b>0.0</b>	<b>12.4</b>	<b>14.4</b>	<b>20.9</b>	<b>15.0</b>	<b>15.5</b>	<b>Oct-15</b>
<i>S&amp;P Global Natural Resources Sector Index (TR)</i>			<i>0.2</i>	<i>20.1</i>	<i>49.9</i>	<i>14.0</i>	<i>12.0</i>	<i>11.0</i>	<i>12.4</i>	
<b>Cash</b>	<b>23,497,228</b>	<b>1.6</b>	<b>0.2</b>	<b>1.5</b>	<b>4.9</b>	<b>4.6</b>	<b>2.9</b>	<b>--</b>	<b>--</b>	<b>Dec-10</b>
Cash	18,578,671	1.3	0.3	1.4	4.3	4.7	3.0	2.1	-0.4	Dec-10
Treasury Cash	4,918,557	0.3	0.0	3.9	24.4	8.2	4.8	--	2.8	Sep-17

All private markets performance and market values reflect a 09/30/25 capital account balance (as of 02/28/2026) unless otherwise noted.

Private Real Estate results prior to 1/1/2019 were included in the Real Assets composite. All results for the Private Real Estate composite that include the period prior to 1/1/2019 will reflect only the latest lineup of managers that Meketa received information for, therefore it may not reflect the entire Private Real Estate composite at that given time.

Cash market value is subject to change pending final reconciliation of private markets data.

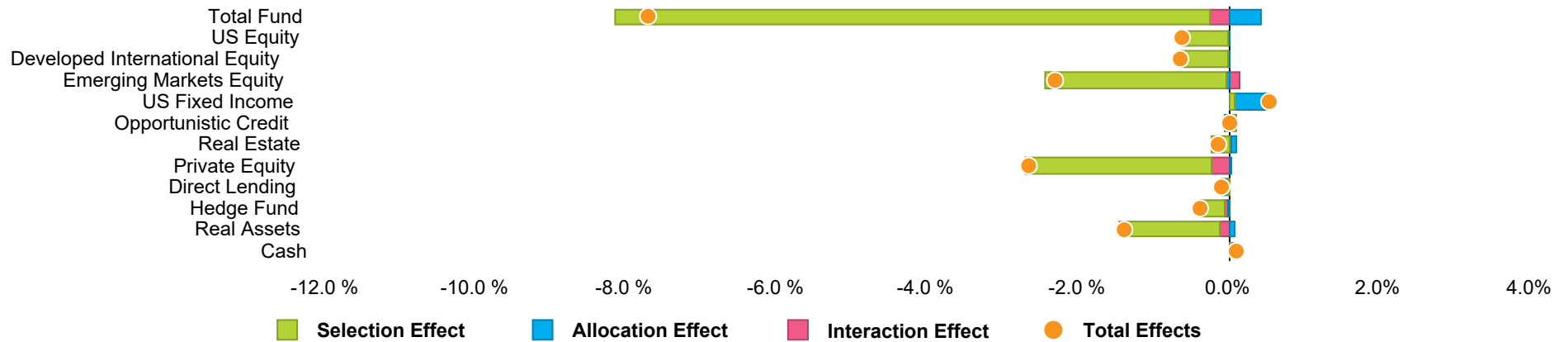
#### Attribution Effects 3 Months Ending April 30, 2026



#### Attribution Summary 3 Months Ending April 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	3.7	4.2	-0.5	-0.1	0.0	0.0	-0.1
Developed International Equity	2.3	2.7	-0.4	-0.1	0.0	0.0	-0.1
Emerging Markets Equity	-5.9	5.2	-11.1	-0.7	-0.1	0.1	-0.7
US Fixed Income	0.1	0.0	0.1	0.0	0.0	0.0	0.1
Opportunistic Credit	1.1	0.7	0.4	0.0	0.0	0.0	0.0
Real Estate	0.0	0.9	-0.9	-0.1	0.0	0.0	0.0
Private Equity	0.0	4.7	-4.7	-0.7	0.0	-0.1	-0.8
Direct Lending	0.0	1.5	-1.5	-0.1	0.0	0.0	-0.1
Hedge Fund	1.2	2.8	-1.7	-0.1	0.0	0.0	-0.1
Real Assets	0.0	7.4	-7.4	-0.4	0.0	-0.1	-0.4
Cash	1.1	0.9	0.3	0.0	0.0	0.0	0.0
<b>Total Fund</b>	<b>0.9</b>	<b>3.2</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-0.1</b>	<b>0.0</b>	<b>-2.3</b>

#### Attribution Effects 1 Year Ending April 30, 2026



#### Attribution Summary 1 Year Ending April 30, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction (%)	Total Effect (%)
US Equity	28.0	31.0	-3.0	-0.6	0.0	0.0	-0.6
Developed International Equity	26.0	31.5	-5.5	-0.6	0.0	0.0	-0.7
Emerging Markets Equity	5.2	46.7	-41.5	-2.4	-0.1	0.1	-2.3
US Fixed Income	4.4	4.0	0.3	0.1	0.5	0.0	0.5
Opportunistic Credit	7.9	6.1	1.7	0.1	-0.1	0.0	0.0
Real Estate	0.4	3.8	-3.4	-0.2	0.1	0.0	-0.1
Private Equity	8.6	24.6	-16.0	-2.5	0.0	-0.2	-2.7
Direct Lending	8.1	8.3	-0.2	0.0	-0.1	0.0	-0.1
Hedge Fund	9.5	15.8	-6.3	-0.3	0.0	0.0	-0.4
Real Assets	9.8	37.5	-27.6	-1.3	0.1	-0.1	-1.4
Cash	4.9	4.1	0.8	0.0	0.1	0.0	0.1
<b>Total Fund</b>	<b>13.4</b>	<b>21.2</b>	<b>-7.7</b>	<b>-7.9</b>	<b>0.4</b>	<b>-0.3</b>	<b>-7.7</b>

Benchmark History		
From Date	To Date	Benchmark
<b>Total Fund</b>		
01/01/2026	Present	22.0% Russell 3000, 12.0% Merced - Primary Blended International Equity Benchmark, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Morningstar LSTA Leverage Loans +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% Custom Blended Opportunistic Credit Benchmark, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
07/01/2025	12/31/2025	22.0% Russell 3000, 12.0% Merced - Primary Blended International Equity Benchmark, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% Custom Blended Opportunistic Credit Benchmark, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
07/01/2024	06/30/2025	22.0% Russell 3000, 12.0% Custom Blended Developed International Equity BM, 6.0% MSCI EM, 18.0% US Fixed Income Custom Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 6.0% Custom Blended Real Estate Benchmark, 4.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans, 2.0% Blmbg. U.S. Treasury Bills: 1-3 Months
01/01/2022	06/30/2024	22.0% Russell 3000, 11.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 11.0% US Fixed Income Custom Benchmark, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% S&P LSTA Leveraged Loan +2%, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2020	12/31/2021	21.0% Russell 3000, 10.0% Custom Blended Developed International Equity BM, 8.0% MSCI EM, 18.0% BBgBarc US Aggregate TR, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Custom Private Equity Benchmark, 5.0% Custom Blended Real Assets Benchmark, 8.0% Custom Blended Real Estate Benchmark, 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
07/01/2019	12/31/2019	21.0% US Equity Custom, 18.0% Secondary Blended International Equity Benchmark, 18.0% US Fixed Custom, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net), 5.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans
01/01/2019	06/30/2019	21.0% US Equity Custom, 23.0% US Fixed Custom, 18.0% Secondary Blended International Equity Benchmark, 10.0% Custom Blended Hedge Funds Benchmark, 15.0% Thomson Reuters Cambridge Private Equity Index, 5.0% Real Asset Custom, 8.0% NCREIF ODCE (Net)
01/01/2017	12/31/2018	27.0% US Equity Custom, 22.0% US Fixed Custom, 23.0% Secondary Blended International Equity Benchmark, 5.0% Custom Blended Hedge Funds Benchmark, 9.0% Thomson Reuters Cambridge Private Equity Index, 14.0% Real Asset Custom
07/01/2014	12/31/2016	22.7% Russell 1000 Index, 5.7% Russell 2000 Index, 23.6% Secondary Blended International Equity Benchmark, 28.5% US Fixed Custom, 4.5% Custom Blended Hedge Fund Benchmark, 8.0% NCREIF ODCE (Net), 7.0% Thomson Reuters Cambridge Private Equity Index

From Date	To Date	Benchmark
<b>US Equity</b>		
01/01/2020	Present	100.0% Russell 3000 Index
12/01/1994	12/31/2019	100.0% Russell 3000
<b>International Equity</b>		
07/01/2025	Present	100.0% MSCI AC World ex USA IMI (Net)
01/01/2019	06/30/2025	56.0% MSCI EAFE Index, 44.0% MSCI Emerging Markets Index
01/01/2017	12/31/2018	69.6% MSCI EAFE Index, 30.4% MSCI Emerging Markets Index
01/01/1999	12/31/2016	100.0% MSCI AC World ex USA Index
<b>US Fixed Income</b>		
07/01/2025	Present	100.0% Blmbg. U.S. Aggregate Index
12/01/1994	06/30/2025	10.0% Blmbg. U.S. Treasury: 1-3 Year, 90.0% BBgBarc US Aggregate TR
<b>Hedge Funds</b>		
07/01/2017	Present	100.0% HFRI Fund of Funds Composite Index
01/01/2015	06/30/2017	50.0% HFRI Fund of Funds Composite Index, 50.0% HFRI RV: Multi-Strategy Index
<b>Real Assets</b>		
01/01/2022	Present	50.0% S&P Global Infrastructure, 50.0% S&P Global Natural Resources Sector Index (TR)
01/01/2020	12/31/2021	50.0% Cambridge Energy Upstream & Royalties & Private Energy (1 Quarter Lagged), 50.0% Cambridge Infrastructure (1 Quarter Lagged)
03/01/1999	12/31/2019	100.0% Real Asset Custom
<b>Private Real Estate</b>		
01/01/2020	Present	100.0% NCREIF ODCE 1Q Lagged
03/01/1999	12/31/2019	100.0% NCREIF Fund Index-Open End Diversified Core Equity (VW) (Net)
<b>Private Equity</b>		
01/01/2022	Present	100.0% 70% Russell 3000/ 30% MSCI AC World ex USA + 300bps (1 Quarter Lagged)
01/01/2020	12/31/2021	100.0% Cambridge Global Private Equity & VC (1 Quarter Lagged)
12/31/1994	12/31/2019	100.0% Thomson Reuters Cambridge Private Equity Index
<b>Opportunistic Credit</b>		
01/01/2026	Present	20.0% Blmbg. U.S. Aggregate Index, 40.0% Blmbg. U.S. Corp: High Yield Index, 40.0% Morningstar LSTA U.S. Leveraged Loan
07/01/2025	12/31/2025	20.0% Blmbg. U.S. Aggregate Index, 40.0% Blmbg. U.S. Corp: High Yield Index, 40.0% S&P UBS Leveraged Loan Index
05/01/2019	06/30/2025	100.0% 50% Barclays US Aggregate / 25% Barclays US High Yield / 25% S&P UBS Lev Loans

Annual Investment Expense Analysis				
	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Total Fund</b>		<b>1,452,778,053</b>		
<b>Total Fund w/o Alternatives</b>		<b>864,320,200</b>		
<b>Public Equity</b>		<b>569,415,927</b>		
<b>US Equity</b>		<b>318,091,568</b>		
BNY Mellon Newton Dynamic US Equity	0.30 % of Assets	71,044,073	0.30	213,132
BNY Mellon Large Cap	0.04 % of First \$100 M 0.02 % Thereafter	227,419,608	0.03	65,484
Champlain Small Cap	1.00 % of Assets	19,627,887	1.00	196,279
<b>International Equity</b>		<b>251,324,358</b>		
Acadian ACWI ex U.S. Small Cap Equity	0.85 % of First \$50 M 0.75 % Thereafter	22,742,015	0.85	193,307
Driehaus International Small Cap Growth	0.90 % of Assets	21,662,302	0.90	194,961
GQG International Equity	0.50 % of Assets	66,851,573	0.50	334,258
First Eagle International Value Fund	0.79 % of Assets	65,865,899	0.79	520,341
<b>Emerging Markets Equity</b>		<b>74,202,570</b>		
Artisan Developing World TR	1.05 % of Assets	46,330,580	1.05	486,471
RWC	0.87 % of Assets	27,871,990	0.87	242,486
<b>MCERA US FIXED+OPP CREDIT</b>		<b>294,904,273</b>		
<b>US Fixed Income</b>		<b>232,734,864</b>		
Vanguard Total Bond Market Index Fund	0.03 % of Assets	32,137,573	0.03	8,034
Payden & Rygel Low Duration Fund	0.43 % of Assets	22,746,219	0.43	122,830
Brandywine US Fixed Income	0.29 % of First \$50 M 0.22 % of Next \$50 M 0.18 % of Next \$400 M 0.12 % Thereafter	68,306,393	0.27	185,274
Wellington Core Bond	0.12 % of Assets	109,544,679	0.12	131,454
<b>Opportunistic Credit</b>		<b>62,169,409</b>		
PIMCO Income Fund	0.51 % of Assets	5,670,326	0.51	30,620
GoldenTree Multi-Sector Credit	0.70 % of Assets	31,320,273	0.70	219,242
OWS Credit Opportunity Fund LP		25,178,810	-	-

Fee Schedule | As of April 30, 2026

	Fee Schedule	Market Value (\$)	Estimated Annual Fee (%)	Estimated Expense (\$)
<b>Hedge Funds</b>		<b>78,702,962</b>		
Marshall Wace Eureka	Performance Based 2.00 % and 20.00 %	5,611,832	2.00	112,237
Marshall Wace Global Opportunities	Performance Based 2.00 % and 20.00 %	7,100,412	2.00	142,008
Taconic Opportunity Fund	Performance Based 1.40 % and 20.00 %	715,062	1.40	10,011
Silver Point Capital	Performance Based 1.50 % and 20.00 %	16,352,126	1.50	245,282
Graham Absolute Return	Performance Based 1.75 % and 20.00 %	5,421,643	1.75	94,879
Laurion Capital	Performance Based 2.00 % and 20.00 %	8,065,286	2.00	161,306
Wellington Global Equity Long/Short Fund	Performance Based 1.00 % and 20.00 %	11,685,046	1.00	116,850
Hudson Bay Fund		16,192,928	-	-
Caxton Global Investments	Performance Based 1.95 % and 22.50 %	7,558,627	1.95	147,393
<b>Cash</b>		<b>23,497,228</b>		
Cash		18,578,671	-	-
Treasury Cash		4,918,557	-	-

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

**Credit Risk:** Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security).

**Duration:** Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

**Information Ratio:** This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

**Jensen's Alpha:** A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta\*(market return-Risk Free Rate)].

**Market Capitalization:** For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

**Market Weighted:** Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

**Maturity:** The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

**Prepayment Risk:** The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

**Price-Book Value (P/B) Ratio:** The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

**Price-Earnings (P/E) Ratio:** A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

**Quality Rating:** The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

**Sharpe Ratio:** A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

**STIF Account:** Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

**Standard Deviation:** A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

**Style:** The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

**Tracking Error:** A divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark, as defined by the difference in standard deviation.

**Yield to Maturity:** The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

**Yield to Worst:** The lowest potential yield that can be received on a bond without the issuer actually defaulting. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call, or sinking fund, are used by the issuer.

**NCREIF Property Index (NPI):** Measures unleveraged investment performance of a very large pool of individual commercial real estate properties acquired in the private market by tax-exempt institutional investors for investment purposes only. The NPI index is capitalization-weighted for a quarterly time series composite total rate of return.

**NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE):** Measures the investment performance of 28 open-end commingled funds pursuing a core investment strategy that reflects funds' leverage and cash positions. The NFI-ODCE index is equal-weighted and is reported gross and net of fees for a quarterly time series composite total rate of return.

Sources: [Investment Terminology](#), International Foundation of Employee Benefit Plans, 1999.  
[The Handbook of Fixed Income Securities](#), Fabozzi, Frank J., 1991

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.



Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Monica Gallegos, Assistant Plan Administrator – Benefits & Administration

**SUBJECT:** Adoption of Non-Pensionable Pay Codes for Merced Superior Court

**ITEM NUMBER:** Consent Item d

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Adoption of pay codes IPH-Interpreter Intermittent Part-Time-Half Day, IPF-Interpreter Intermittent Part-Time-Full Day, RBO-Retro Bilingual Overtime, ROT-Retro Overtime, RSO-Retro Straight Overtime, and UAL-Unpaid Administrative Leave as non-pensionable pay codes for Merced Superior Court.

**DISCUSSION:**

Merced Superior Court has established wage codes IPH-Interpreter Intermittent Part-Time-Half Day, IPF-Interpreter Intermittent Part-Time-Full Day, RBO-Retro Bilingual Overtime, ROT-Retro Overtime, RSO-Retro Straight Overtime, and UAL-Unpaid Administrative Leave to comply with the CA wage statement reporting laws.

Merced Superior Court is requesting the adoption of the following six new pay codes:

Pay code IPH – Interpreter Intermittent Part-Time-Half Day

To be aligned with the position title for part-time interpreters, the IPH pay code has been created to replace the I1H, I2H, and I3H Merced Superior Court pay codes.

Pay Code IPF – Interpreter Intermittent Part-Time-Full Day

To be aligned with the position title for part-time interpreters, the IPF pay code has been created to replace the I1F, I2F, and I3F Merced Superior Court pay codes.

Pay Code RBO – Retro Bilingual Overtime

In accordance with California (CA) wage statement reporting laws, retro-pay must appear on an employee's wage statement with a description of the wages and the pay period it applies to.

Pay Code ROT – Retro Overtime

In accordance with CA wage statement reporting laws, retro-pay must appear on an employee's wage statement with a description of the wages and the pay period it applies to.

Pay Code RSO – Retro Straight Overtime

In accordance with CA wage statement reporting laws, retro-pay must appear on an employee's wage statement with a description of the wages and the pay period it applies to.

Pay Code UAL – Unpaid Administrative Leave

This pay code is implemented effective pay date May 8, 2026, for employees that are placed on unpaid administrative leave.

**Staff Recommendation:**

Staff recommend the Board adopt pay codes IPH-Interpreter Intermittent Part-Time-Half Day, IPF-Interpreter Intermittent Part-Time-Full Day, RBO-Retro Bilingual Overtime, ROT-Retro Overtime, RSO-Retro Straight Overtime, and UAL-Unpaid Administrative Leave as non-pensionable pay codes for Merced Superior Court.

# MercedCERA Pay Codes

Updated: May 28, 2026

Pay Codes [5]	Description	Legacy (Tiers 1 - 3)		PEPRA (Tier 4)
		Included	Pensionable	
001	Scheduled Regular Hours	N	N	N
002/RG	Reg Hrs Worked	Y	Y	Y
020/VAC/1AV	Vacation	Y	Y	Y
021/SLE/1AS	Sick Leave Employee	Y	Y	Y
022/SLF	Sick Leave Family	Y	Y	Y
023/HOL	Holiday Schedule	Y	Y	Y
024/PH	Holiday Personal	Y	Y	Y
025/CTO/1AC	Comp Time off Regular	Y	Y	Y
026	Furlough Bank	Y	Y	Y
027/MTO/1AM	Management Leave	Y	Y	Y
028/ADM	Administrative Leave	Y	Y	Y
029/JUR	Jury Duty	Y	Y	Y
030/BER	Bereavement Leave	Y	Y	Y
031	Furlough Day	Y	Y	Y
032/MIL	Military Leave	Y	Y	Y
033	Sheriff Administrative Leave	Y	Y	Y
034/CAO	CAO Administrative Leave	Y	Y	Y
035	Education Leave	Y	Y	Y
036	Unit Holiday CTO	Y	Y	Y
037	Witness Duty	Y	Y	Y
038	MCMC Orientation	Y	Y	Y
039	MCMC Training Time	Y	Y	Y
040	Paid Non-Worked Mgt Hours	N	N	N
041/CLD	Catastrophic Leave Donated	N	N	N
042/CLU	Catastrophic Leave Used	Y	Y	Y
043	Management Leave - Ineligible	N	N	N
044	Involuntary Furlough (Court)	Y	Y	Y
045	Holiday Comp Time Off	Y	Y	Y
046/AIP	Attendance Incentive Program (Court)	Y	Y	Y
059	Election Day Leave	Y	Y	Y
060	LV-Emergency Paid Sick-Employee	Y	Y	Y
061	LV-Emergency Paid Sick-Child/Dependant	Y	Y	Y
062	LV-Emergency Family and Medical	Y	Y	Y
063	CEO Admin-Lv DSWCTO	Y	Y	Y
064	CSPSL (COVID Sup Pd Sick Lv)	Y	Y	Y
099	B/R Retirement	Y	Y	Y
101/WC	Workers Comp	Y	Y	Y
102/SDI	State Disability Insurance	N	N	N
103/FCL	Family Care Leave	N	N	N
104/LAM	Approved LOA Medical	N	N	N
105/LAP	Approved LOA Personal	N	N	N
106/LAU	Unauthorized LOA	N	N	N
107/SUS	Suspension	N	N	N
108/MLD	Management LTD	N	N	N
109/MSD	Management STD	N	N	N
110/MLA	Approved Military LOA	N	N	N
111	LOA Military - Seniority	N	N	N
112/MSL	Voluntary Furlough (Court)	N	N	N
199/WCN	Workers Comp - No Cont Deducted	N	N	N
201/CTE	Time & One Half Rate O/T CTE	N	N	N
202/OT	Time & One Half Rate O/T PMT	N	N	N
203/CBC	Callback CTE	N	N	N
204/CBO	Callback Payment	N	N	N
205/HCE	Holiday CTE	N	N	N
206/SOC	Straight Time OT CTE	N	N	N
207/SOT	Straight Time OT PMT	N	N	N
208	Sheriff Outside Police Protect	N	N	N
209	Sheriff Qtr Shift Change CTE	N	N	N
210	Sheriff Qtr Shift Change PMT	N	N	N
211	Sheriff Mandatory Training CTE	N	N	N
212	Sheriff Mandatory Training PMT	N	N	N
213	Traffic Night Court O/T	N	N	N
214	MCMC OR Double Time CTE	N	N	N
215	MCMC OR Double Time PMT	N	N	N
216	MCMC Registry Pay	N	N	N
217/CPO	CTE Payoff After 7 Pay Periods	N[4]	N	N
218	Special Dist Time & One Half	N	N	N
219	Special Dist Straight Time OT	N	N	N
220/PPT	Prior Pay Period Overtime	N	N	N
221	Budget Reduction Hours CTE	N	N	N
222	MCMC O/C Callback CTE	N	N	N
223	MCMC O/C Callback PMT	N	N	N
224	Physician O/T	N	N	N
225	MCMC Unit 6	N	N	N
226	Sheriff K-9 Time 1/2 of PMT	N	N	N
227	Social Worker Phone/Doc PMT	N	N	N
228	Call Back Payment-Rounds	N	N	N
229	Special Day Remembrance CTE	N	N	N
230	Call Back Court CTE	N	N	N
231	Call Back Court Payment	N	N	N
235	Double Time OT Pay (Spring Fair)	N	N	N
301	On Call Standard Rate	N[4]	N	N
302	On Call Subpoena	N[4]	N	N
303	On Call MCMC RN Surg/OR/Rec	N	N	N
304	On Call MCMC RN Other Areas	N	N	N
305	On Call MCMC Non RN Lic/Cert	N	N	N
306	On Call Physician Weekdays	N[4]	N	N
307	On Call Physician Weekends	N[4]	N	N
308	On Call Home Health RN	N	N	N
309/BIL	Bilingual Pay	Y	Y	Y
310	Evening Shift Differential	Y	Y	Y
311	Night Shift Differential	Y	Y	Y
312	Appraisers Differential	Y	Y	Y
313	Auditors Differential	Y	Y	Y
314	MCMC ICU/TCU/CCU Differential	Y	N	N
315	MCMC Charge Nurse Differential	Y	N	N
316	MCMC Relief Cook Differential	Y	N	N
317	MCMC Medical Records Dir Diff	Y	N	N
318	Mental Health BRITE Differential	Y	Y	Y
319	Mental Health Supervisor Differential	Y	Y	Y
320	Mental Health Mentor Differential	Y	Y	Y
321	Group Counselor Lead Differential	Y	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
328	HSA Child Welfare Deputy Recruitment Differential 5%	N	N
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	N	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 <sup>th</sup> 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	N
361	Expense Allowance Adjustment	Y	N
362	Uniform Allowance Adjustment	Y	N
363	Tool Allowance Adjustment	Y	N
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%	N	N
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 <sup>th</sup> 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	N	N
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	N
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/VSI	Voluntary Separation Incentive	N	N
450/VPN	Vacation Payoff In Excess Of Eligible Amount	N	N
453 PPLMPEN	Prior Pay Period Lump-Sum Payout-Pensionable	Y	Y
454 PPLMPNON	Prior Pay Period Lump-Sum Payout- Non-Pensionable	N	N
455	Extra Help Paid Call Firefighters Strike Team-Diff	N	N
457 ONCALLEH	On Call Enhanced Pay	N	N
458	HSA Social Worker Mentor Pay	N	N
459	Homicide DA Differential	Y	Y
462	TRAINDIFF - Training Differential - Sheriff	Y	Y
463	CDSADIFF - Training Differential - Sheriff	Y	Y
464	STAKDIFF - Stacking Differential - Sheriff	Y	Y
465	DIVEDIFF - Dive Team Differential - Sheriff	Y	Y
466	SRODIFF - School Resource Officer Differential - Sheriff	Y	Y
467	SAFESADF - Safe Special Assignment Differential	Y	Y
501	Board of Supervisors Chair Differential	Y	N
502 PANPAY1	Pandemic Pay 1	N	N
503 PANPAY2	Pandemic Pay 2	N	N
504 SUPPOCRT	Supervisor P.O.S.T. Differential	Y	Y
505 DAINVCRT	D.A. Investigator Certificate Pay	Y	Y
506 HIREINCT	Hiring Incentive-Hard to Recruit	N	N
507 REFFINCT	Referral Incentive-For Hard to Recruit	N	N
508 ADVPO7.5%	Advanced POST Certificate 7.5%	Y	Y
509 ADVPO10%	Advanced POST Certificate 10%	Y	Y
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
BRN	Bereavement Leave Unpaid	N	N
CAP	Cross-Assignment Pay	N	N
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
1FA (EFL)	FF FMLA (Emergency Expanded FMLA)	Y	Y
EHT	Court Extra Help Temporary Assignment	N	N
EPA	Emergency Pay Administrative Leave	Y	Y
ERC	Emergency Half Comp Time	N	N
ERO	Emergency Half Time OT	N	N
1FE (ESF)	FF PSL EE (Emergency Paid Sick Leave Full Pay)	Y	Y
1FF (ESP)	FF PSL FAM (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
HIN	Hiring Incentive	N	N
IPF	Interpreter Intermittent Part-Time Full Day	N	N
IPH	Interpreter Intermittent Part-Time Half Day	N	N
LNG	Longevity Pay	N	N
LPF	Interpreter Language Pair - Full Day	Y	N
LPH	Interpreter Language Pair - Half Day	Y	N
LSP	Lump Sum Payout	N	N
MTP	Management Time 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
RBI	Retro Bilingual Pay	Y	Y
RBO	Retro Bilingual Overtime	N	N
RIN	Referral Incentive	N	N
ROT	Retro Overtime	N	N
RSO	Retro Straight Overtime	N	N
RTI	RETIN INCNTV- Retention Incentive	N	N
SPS/1XQ	Supplemental Paid Sick Leave	Y	Y
SRP	Courts-Steward Representation Pay	Y	Y
STT	Courts-Steward Training Pay	Y	Y
TAP	Courts - Temporary Assignment Pay	Y	Y
TST	Tech STPND	N	N
UAL	Unpaid Administrative Leave	N	N
UNL	Courts-Union Leave 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(l) 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) **Supreme Court ruling 7/80/2020 excludes codes as pensionable.** Prior to ruling, exclusion of these paycodes was stayed until July 12, 2014. Effective July 12, 2014 items were not compensation earnable. 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. Numeric Wage codes representing pay codes for County and Cemetery are four digit codes, all preceded with a number "3". However, CPAS pension administration system allows three digit codes.



TO: State Association of County Retirement Systems  
FROM: Cara Martinson, Capitol Advocacy  
Laurie Johnson, LJ Consulting & Advocacy  
DATE: May 4, 2026  
  
**RE: Legislative Update – May**

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The Legislature is approaching the midpoint of the legislative session, having just passed key policy committee deadlines. As a result, bills are now advancing to the fiscal committees for consideration through the Appropriations process. Measures with a fiscal impact will face heightened scrutiny in both the Assembly and Senate, particularly as lawmakers weigh ongoing cost pressures alongside broader state budget considerations. Attention is increasingly shifting toward the state budget, with the Governor expected to release the May Revision of his January proposal in mid-May. This updated budget will reflect the latest revenue data, including April tax receipts, and will serve as the foundation for negotiations between the Administration and legislative leaders in the weeks ahead.

The Legislature is constitutionally required to pass a balanced budget by June 15, followed by the Governor's signature by July 1. In the interim, budget subcommittees and leadership will work to reconcile differences and identify potential adjustments. According to the Department of Finance, April tax receipts are currently trending above projections, offering some near-term optimism. However, the Governor has already signaled that the May Revision will likely include additional cuts to address persistent structural deficits in the out-years. As a result, the budget process is expected to remain challenging, with ongoing discussions around program reductions, funding delays, and other cost containment strategies.

The following is an update on bills that SACRS is actively following:

## II. Legislative Update:

- **AB 1054 (Gipson)** - This bill would establish the Deferred Retirement Option Program (DROP) as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill states that the DROP becomes effective and applicable only after: 1) the applicable Bargaining Unit has entered into a MOU with the employer to implement the program; 2) The program has been certified via an actuarial analysis that it is cost neutral by the



CalPERS Board of Administration; and 2) CalPERS has adopted regulations to implement and administer the program.

- Status: This bill passed out the Assembly and is awaiting action in the Senate.
- Position: No Position/Watch
  
- **AB 1383 (McKinnor)** – The bill was heard in the Assembly PERS Committee and advanced out of the Appropriations Committee in January after taking several amendments. The bill includes the following provisions:
  - Adjust, on and after January 1, 2027, the pensionable compensation limit to the Social Security compensation limit. The prior version of the bill would have increased the pensionable compensation limit to the higher IRC 415(b) threshold.
  - Lower the retirement age on a prospective basis from age 57 to 55 for three existing safety DB retirement formulas, and
  - Authorize a public employer to create a fourth PEPRA safety DB retirement formula of three percent (3%) at age 55, to be applied prospectively.
  - Amendments this year removed a provision that would have permitted collective bargaining over the 50-50 normal cost sharing requirement.
  - Status: This bill advanced out of the Assembly and is now awaiting action in the Senate
  - Position: Neutral
  
- **AB 1439 (Garcia)** - The bill would have required labor protection standards on pension system investments in development projections. The bill was amended coming out of the Assembly to now require CalPERS and CalSTRS to contract with the University of California Labor Centers to conduct an independent study to determine the impacts on public employee retirement funds of prohibiting the boards from investing in California development projects that do not provide labor standards protections for workers. The bill no longer applies to the CERL systems and removes SACRS' opposition.
  - Status: The bill passed out of the Assembly and is awaiting action in the Senate.
  - Position: No position/watch
  
- **AB 1601 (Rogers)** – This bill would permit the county Board of Supervisors for Sonoma County to authorize a cost-of-living adjustment to the retirement allowances, optional death allowances, or annual death allowances payable by the retirement system.



- Status: This bill passed out of the Assembly and is awaiting action in the Senate.
  - Position: Neutral
- **AB 1619 (Valencia)** – This bill allows county Boards of Supervisors to authorize an increase in the Board of Retirement trustee per diem from \$100 to \$320. The bill would then require action by the Board of Retirement to establish the increased compensation rate. This bill was amended to apply the same increase in compensation to CalPERS and CalSTRs Board Members.
  - Status: This bill passed out of the Assembly PERS Committee and is awaiting action in the Appropriations Committee.
  - Position: Neutral
- **AB 1660 (Schiavo)** – This bill was amended to now permit as opposed to require a court to award sanctions of no less than \$1,000 per violation if a financial institution, private agency, retirement fund administrator, insurance company, or other person fails to comply with existing requirements to provide information or surrender property of a decedent, minor, or conservatee to a public administrator or public guardian that is authorized to take possession and control of such property.
  - Status: This bill is awaiting action on the Assembly floor.
  - Position: No position/watch
- **AB 1762 (Gonzalez)** – This bill extends Public Employees’ Medical and Hospital Care Act (PEMHCA) authorization contract for health benefits to the City of Indio for employees hired from January 1, 2025, onward. It sets conditions such as collective bargaining agreements and requires at least five years of service for any benefit eligibility. The bill applies only to retirees after the approval of the memorandum of understanding and mandates that the City of Indio provide necessary notifications and information.
  - Status: This bill did not receive a policy committee hearing and is now dead.
  - Position: No position/watch
- **AB 1844 (Pacheco)** – This bill modifies the Judges’ Retirement System II, to give judges more flexibility in designating beneficiaries for their retirement benefits. This bill would authorize a judge who elects one of the optional retirement payment plans in lieu of receiving the maximum retirement allowance to designate a beneficiary other than their spouse to receive the payment or allowance after the judge’s death, subject to the community



- property rights of the judge's spouse. Additionally, the bill extends existing survivor benefits to non-spouse beneficiaries, removing the stipulation that the judge must have served a minimum of 20 years if they die in office.
- Status: This bill passed out the Assembly and is awaiting action in the Senate.
  - Position: No position/watch
- **AB 2336 (Macedo)** – This bill would, for taxable years beginning on or after January 1, 2026, and before January 1, 2031, exclude from gross income the first \$25,000 of overtime pay received by a taxpayer during the taxable year. The bill would also exclude from gross income the first \$25,000 received by a taxpayer as proceeds from a defined benefit plan.
    - Status: This bill was held the Assembly PERS Committee.
    - Position: No position/watch
  - **AB 2519 (McKinnor)** – The bill expands who must be included in the State Teachers' Retirement System (STRS) membership. Under current law STRS administers a defined-benefit retirement program funded by employer and employee contributions and applies to positions that generally require a valid credential or license; charter school positions were excluded. This bill adds permitholders and comparable positions at charter schools that receive state apportionment and perform specified directing, coordinating, supervising, or administrative functions to the definition of "position subject to membership." It also removes a board-triggered timing requirement and makes the new definition operative on July 1, 2027.
    - Status: This bill is awaiting action in the Assembly Appropriations Committee.
    - Position: No position/watch
  - **AB 2780 (Assembly Committee on Public Employment and Retirement) – Public Retirement Systems: Omnibus Bill** - This bill includes the SACRS-sponsored legislative package in the Legislature's annual omnibus bill for technical changes to laws affecting CalSTRS, CalPERS, and the CERL systems. The proposed changes in the CERL include the following:
    - Clarifying that deferred members cannot run for or vote in active member Miscellaneous and Safety trustee elections.
    - Establishing a 10-year statute of limitations for recovery of overpayments due to fraudulent reports of overpaid death benefits.
    - Formalizing the practice of the majority of CERL systems that only the last system pays a lump-sum burial allowance for reciprocal members.



- Defining “concurrent retirement” to allow reciprocal members to retire on different dates with 30 days of each retirement date, as long as there is not overlapping service.
  - Status: This bill is awaiting action in the Assembly Appropriations Committee.
  - Position: Support
  
- **SB 1187 (Durazo)** – This bill would define “majority” in the Brown Act to mean the number of members of the legislative body equaling more than half of the total number of seats on the legislative body. The bill would specify that if a seat on the legislative body is vacant, that seat is to still be counted as a seat on the legislative body.
  - Status: This bill is on the Senate Floor consent calendar.
  - No position/watch
  
- **SB 1207 (Laird)** – This bill authorizes CalPERS members to buy back not more than three years of service credit for their prior service in the California Conservation Corps (CCC). The bill also makes changes to CCC’s statutes to clarify the scope of authorized projects and to specifically permit CCC to contract with corps established by California Native American tribes
  - Status: This bill is awaiting action in the Senate Appropriations Committee.
  - No position/watch
  
- **SB 1319 (Durazo)** – This bill expands requirements for public disclosure of alternative investment information, including the name of each general partner or manager of each alternative investment vehicle and of each person with a direct or indirect interest in the general partner or manager. The bill also requires disclosure of the identity of the enterprise or activity in which the investment is made, the geographic locations where the enterprise or activity takes place, and the number and classifications of employees at each such location.
  - Status: This bill passed out of the Senate PERS Committee and is awaiting action in the Senate Appropriations Committee.
  - Position: Oppose
  
- **SB 1407 (Archuletta)** – Current law allows up to \$20,000 of federal military retirement pay and certain Survivor Benefit Plan annuity payments to be excluded from taxable income for qualifying taxpayers between 2025 and 2030. This bill would increase the income limits to 820,000 cap, extend the exclusion through 2037, and require reporting on the tax expenditure.
  - Status: This bill is awaiting action in the Senate Appropriations Committee.



- Position: No position/watch

Contact:

If you have any questions, contact Cara Martinson at [cmartinson@capitoladvocacy.com](mailto:cmartinson@capitoladvocacy.com), or Laurie Johnson at [lauriejconsult@gmail.com](mailto:lauriejconsult@gmail.com).



Merced County Employees' Retirement Association

**DATE:** May 28, 2026  
**TO:** MercedCERA Board of Retirement  
**FROM:** Pete Madrid, Assistant Plan Administrator - Investments  
**SUBJECT:** Staff Market Summary and Investment Performance Update  
**ITEM NUMBER:** Open Session Item a  
**ITEM TYPE:** Information Only

**DISCUSSION:**

**Capital Markets & Economic Summary**

The U.S. labor market showed resilience in April despite an uncertain economic climate, adding 115,000 nonfarm payroll jobs, a figure that notably outperformed investors' expectations. The unemployment rate remained steady at 4.3%, with the total number of unemployed individuals holding at roughly 7.4 million. Job growth was concentrated in the service sector, particularly in health care (+37,000), transportation and warehousing (+38,000), and retail trade (+22,000), while federal government staffing continued its downward trend with a loss of 9,000 positions. Additionally, a surge of 445,000 people working part-time for economic reasons signaled some underlying tension in the quality of available employment.

The U.S. Consumer Price Index rose 0.6% on a seasonally adjusted basis, bringing the annual inflation rate to 3.8%, its highest level since May 2023. This uptick was largely fueled by a significant surge in energy costs, which increased 3.8% during the month and 17.9% over the past year, reflecting the global impact of the conflict in Iran on oil supplies. Core inflation, which excludes volatile food and energy components, also climbed more than expected, rising 0.4% for the month and 2.8% annually. Beyond energy, households faced increased pressure from rising costs in shelter (+0.6%), food (+0.5%), and airline fares (+2.8%). This inflationary jump had a tangible impact on purchasing power, as real average hourly earnings fell in April, effectively erasing recent wage gains and signaling a period of renewed financial strain for many American families.

As of mid-May, the Federal Reserve continues to maintain a cautious "wait and see" stance, holding the federal funds rate steady in the 3.5% to 3.75% range while closely monitoring a complex mix of persistent inflation and geopolitical energy shocks. Former Fed Chair Jerome Powell restated the need for patience, indicating that the central bank is in no rush to pivot until it is clear that price pressures are not broadly reaccelerating.



Merced County Employees' Retirement Association

The 10-year and 30-year U.S. Treasury yields surged significantly in the first three weeks of May, with the 10-year hitting 4.6% and the 30-year climbing past 5.1%. This sharp bond market sell-off was driven by a combination of hotter-than-expected April CPI data and spiking oil prices fueled by geopolitical tensions. The sudden rise in yields reflects heightened inflation fears and a shifting federal interest rate outlook under newly confirmed Fed Chair Kevin Warsh, as investors prepare for rates to stay higher for longer.

U.S. equity markets experienced a powerful and broad-based recovery in April, rebounding sharply from the volatility seen earlier in the year. The S&P 500 Index surged 10.5% for the month, marking its second-best April performance since 1950 and reaching new all-time highs fueled by a strong start to the first-quarter earnings season and continued enthusiasm for artificial intelligence. Small-cap stocks outperformed their larger counterparts, with the Russell 2000 Index rising 12.2% as investors responded favorably to resilient economic data and robust fundamental support. This rally occurred despite significant headwinds, including global oil supply disruptions and a spike in 30-year Treasury yields toward 5%, as double-digit corporate earnings growth and investor optimism outweighed concerns over a less accommodative interest rate environment.

International and emerging markets mirrored the strong recovery seen in the U.S., benefiting from a global shift in investor sentiment and a robust corporate earnings outlook. The MSCI EAFE Index, which tracks developed international markets, posted a substantial monthly gain of 7.5%. Broader international equities, as measured by the MSCI ACWI ex US Index, also performed strongly with a 9.7% return for the month. Emerging markets led the charge in relative year-to-date strength; the MSCI Emerging Markets Index continued its outperformance with a 14.7% gain in April. This momentum was largely propelled by a surge in Taiwanese equities, up nearly 40% year-to-date due to the artificial intelligence boom, which effectively offset localized weakness in the Chinese and Indian markets.

U.S. fixed income experienced a widening spread between short- and long-term yields as persistent inflation concerns and heavy Treasury supply weighed on the long end of the curve. Despite these headwinds, the Bloomberg US Aggregate Bond Index managed a positive return of approximately 0.1% for the month, bolstered by strong performance in the corporate sector.



Merced County Employees' Retirement Association

### **April Portfolio Performance Update**

The Total Fund excluding alternatives gained 5.4% in April, largely recovering losses from the -5.1% return in March. The strong monthly return was driven by a recovery in US equity and to a lesser extent international equity. After falling 5% in March following an escalation of the conflict in the Middle East, the US equity portfolio climbed more than 10% in April.

International equity partially recovered in April. Total international equity, which includes emerging markets equity, gained 6.2% for the month after falling 9.3% in March – however, the portfolio trailed its benchmark by 3.5% with underperformance from each manager. The emerging markets portfolio returned 8.3%, offsetting some of the -10.8% return in March. However, Artisan and Redwheel returned 7.9% and 9.1%, respectively, versus 14.7% for the MSCI Emerging Markets Index.

US fixed income rose 0.2% in April, roughly in line with the Bloomberg US Aggregate Bond Index. The three core fixed income managers as well as the low duration strategy returned between 0.1% and 0.3% for the month. Opportunistic credit did better, returning 0.9% in April but slightly underperforming its custom benchmark. PIMCO Income outperformed 0.8% to 0.1%, but One William Street and GoldenTree underperformed their custom high-yield and bank loan index.

## Merced County Employees' Retirement Association

May 28, 2026

Watch List Update and  
Recommendation

Manager Watch List Update — May 2026

Manager	Opinion	Observations	Recommendation
Artisan Developing World	Favorable	<ul style="list-style-type: none"> <li>→ Differentiated, benchmark-agnostic EM strategy that invests heavily in DM-listed "passport companies" with EM revenue exposure; pure EM weight regularly falls below 50%.</li> <li>→ Strong long-term absolute track record with annualized returns of 11.4% since inception (1st percentile) versus the MSCI EM benchmark return of 6.1% as of 3/31/2026. Performance is highly bimodal, ranking in the top or bottom decile in each of the last six calendar years.</li> <li>→ Key-person risk is a persistent concern with Portfolio Manager Lewis Kaufman.</li> </ul>	<ul style="list-style-type: none"> <li>→ Retain.</li> <li>→ We maintain our conviction in this strategy. Mr. Kaufman is a strong lead investor with unique perspectives in emerging markets.</li> <li>→ MCERA's allocation to Redwheel, a pure emerging markets manager with much lower tracking error, nicely complements the allocation to Artisan.</li> </ul>
Champlain Small Cap Core	Unfavorable	<ul style="list-style-type: none"> <li>→ Significant AUM decline at the firm and strategy level. As of 3/31/2026, firm AUM is at \$8.2B, down \$2B from the prior quarter as well as from the 2021 peak of \$22.5B. AUM decline has been due to both performance and client outflows.</li> <li>→ Personnel departures including Partners Corey Bronner (Deputy Co-CIO and PM) and Andrew Hanson (Senior Analyst) as well as eight non-investment employees. The departure of Mr. Bronner increases the key-person risk with CIO Scott Brayman.</li> <li>→ Significant underperformance in 2025 (-17.1% vs Russell 2000 index) was a combination of stock selection issues as well as sector allocation and factor headwinds with quality materially underperforming. Trailing period returns for the strategy now rank in the bottom decile over all periods, with the exception of since inception.</li> </ul>	<ul style="list-style-type: none"> <li>→ Due to these issues, Meketa no longer has high conviction in this strategy. We recommend terminating exposures and identifying potential replacement options. We recommend moving the assets into a Russell 2000 index fund, pending further discussion during the US Equity review and Active/Passive review at an upcoming meeting.</li> <li>→ A detailed memo highlighting our concerns was sent to Staff and is included here as an appendix.</li> </ul>

Watch List Update and Recommendation

Manager	Opinion	Observations	Recommendation
GQG International Equity	Neutral	<ul style="list-style-type: none"> <li>→ Strong long-term track record, ranking in the 1st percentile of the ACWI ex-US Large Cap Growth peer universe over the 10-year period and outperforming the MSCI ACWI ex-US Index in 97% of rolling three-year periods since inception as of 3/31/2026.</li> <li>→ 2025 was a difficult year, with the strategy trailing the benchmark by 10.76%, driven by the firm's deliberate underweight to AI-linked technology and overweight to consumer staples.</li> <li>→ While the thesis is intellectually rigorous and the fieldwork is compelling, the anti-AI bet is large and the performance cost has been significant.</li> <li>→ Firm and strategy assets remain stable. Key-person risk continues to exist with founder/CIO Rajiv Jain.</li> </ul>	<ul style="list-style-type: none"> <li>→ Retain, and continue to monitor closely.</li> <li>→ We remain patient but cautious considering recent underperformance. We recommend closely monitoring the anti-AI bet and ensuring diversification at the portfolio level.</li> </ul>

**Recommendation**

- Direct Staff to terminate Champlain at the next available liquidation date (likely end of June).
- Direct Staff to transition Champlain assets to a small cap index fund, pending further discussion in the Equity Review, and Active/Passive conversations upcoming
  - Utilize Fidelity's FSSNX index, at 2.5 basis points, which is available on the Northern Trust custody platform

# Appendix

## INTERNAL MEMORANDUM

**TO:** Consultants  
**FROM:** Equity Manager Research  
**DATE:** May 8, 2026  
**RE:** Champlain Small Cap Core and Mid Cap Core Termination Recommendations

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The Manager Research team recommends that clients invested in Champlain Small Cap Core and Champlain Mid Cap Core consider terminating their exposures and identify potential replacement options. Our recommendation to terminate client exposure to these strategies is driven primarily by growing concerns around firm stability and growing business viability risk. Persistent underperformance has triggered severe asset outflows, which in turn have destabilized the business, led to key personnel departures, disrupted succession planning, and weakened organizational resilience. While performance issues are material, they are now inseparable from broader business risk. Taken together, these issues outweigh any remaining positives.

- The firm's business profile has weakened meaningfully due to performance-driven outflows. Firmwide AUM declined from \$22.5 billion dollars in 2021 to \$8.2 billion dollars as of March 31, 2026. Small Cap Core assets have fallen to \$2.2 billion, while Mid Cap Core assets have declined to \$5.9 billion in 2026Q1. Outflows have been persistent and accelerating while underperformance remains unabated. The magnitude and speed of asset erosion raise concerns regarding the firm's long-term business stability and ability to retain talent and resources.
- Recent personnel departures further undermine our confidence. The firm terminated Deputy CIO Corey Bronner and senior technology analyst Andrew Hanson, both long-tenured partners. These departures represent a significant loss of institutional knowledge at a time when the firm is already under stress. The exits occurred alongside broader cost-cutting efforts and have negatively impacted team stability and morale.
- Succession planning has become increasingly uncertain. The departure of the designated Deputy CIO disrupted the firm's multi-year succession progress, and management has not articulated a revised plan or timeline. This heightened uncertainty is particularly concerning in a founder-led organization where leadership continuity is critical, adding structural risk at a time when the firm is already managing performance challenges and declining assets.
- Performance has both reflected and reinforced these business challenges. The Small Cap Core strategy trailed the Russell 2000 Index by 8.5% in the first quarter of 2026 and by 31.1% over the trailing one-year period, placing the strategy in the bottom decile of its peer group. The Mid Cap Core strategy similarly lagged, underperforming the Russell MidCap Index by 10.0% in the first quarter of 2026 and by 16.9% over the trailing year, also ranking in the bottom decile. Underperformance has persisted over multiple periods and has not been isolated to a single market environment. Results have been driven by negative stock selection and sector allocation, with notable weaknesses in technology, healthcare, and energy exposure.
- We are also concerned by the investment team's response to recent results which indicated that, in hindsight, there was little that could have been done differently to improve performance given their investment philosophy. While we respect the team's commitment to a quality-focused discipline, this response suggests limited willingness to adapt, learn from recent outcomes, or meaningfully adjust positioning. The emphasis on maintaining the same approach and waiting for mean reversion does not provide sufficient confidence in the prospects for improved relative performance.



In conclusion, the central issue for Champlain Small Cap Core and Mid Cap Core is no longer solely performance, but whether the firm can remain a stable, investable platform for client capital. Severe asset erosion, personnel losses, succession uncertainty, and an unconvincing path forward materially weaken their outlook as a business. We believe stronger and more stable alternatives exist within both asset classes and recommend clients terminate their exposure to Champlain and consider replacement options.



Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Pete Madrid, Assistant Plan Administrator – Investments

**SUBJECT:** Private Market Investment Fees & Expenses

**ITEM NUMBER:** **Open Session Item c**

**ITEM TYPE:** **Information Only**

**DISCUSSION:**

Periodic reviews of the overall expenses associated with MercedCERA's private market investments portfolio are critical to fulfilling the Board's fiduciary duty of care and maximizing long-term net returns. Private market investments inherently feature highly complex, layered fee structures, including management fees, performance-based carried interest, and partnership expenses, in addition to legal, accounting, and operational management costs. By periodically reviewing these total organizational expenses against actual net performance, the Board can objectively assess if the complex private markets portfolio continues to justify its operational costs, ensuring the asset allocation remains aligned with the Plan's long-term funding goals and fiduciary standards. Ultimately, these reviews provide the necessary operational transparency to safeguard the Plan's assets and maintain public trust through robust fiscal stewardship.



# PRIVATE MARKET INVESTMENTS REVIEW

ANALYSIS OF TOTAL FEES & EXPENSES



# TYPES OF INVESTMENT FEES AND EXPENSES PAID

- Investment management fees
- Partnership expenses (organizational expenses passed from GP to LP per limited partnership agreement)
- Legal reviews (e.g., limited partnership agreements, side letters, revised agreements)
- Investment consultant fees
- Accounting and reporting expenses (internal accounting staff)
- Investment operations and capital call services

# TOTAL PRIVATE MARKETS FEE & EXPENSE DETAIL

Fee & Expense Type	Fee & Expense Description	12- Month Period
<b>Fees &amp; expenses paid to private market investment managers</b>		<b>Amount FY '26 (Est.)</b>
Investment management fees	Investment fees paid to private markets managers for managing the fund	\$6,200,000
Partnership expenses	Organizational, operational, and other expenses passed on from the GP to LPs per the limited partnership agreement	\$3,800,000
<b>Subtotal for fees &amp; expenses paid to private market investment managers</b>		<b>\$10,000,000</b>
<b>Fees &amp; expenses incurred related to private market investment portfolio</b>		<b>Amount CY '25</b>
Legal services	Reviewing and negotiating limited partnership agreements (LPAs), reviewing proposed LPA amendments, and drafting side letters for new investments	\$80,000
Investment consultant fees	Fees paid to investment consulting firms advising the Board and Staff on the alternatives and private market investment portfolio	\$400,000
Accounting staff salaries	Accounting staff salary and benefits for time dedicated to private markets investments (60% of Accountant III's workload)	\$72,000
Custodial fees	Approximate costs for custodial services related to the private market investments portfolio	\$50,000
Capital call services	Northern Trust service for managing and executing capital call wires	\$32,000
Other	Miscellaneous expenses related to the private market investment portfolio	\$3,000
<b>Subtotal for fees &amp; expenses incurred related to private market investment portfolio</b>		<b>\$637,000</b>
<b>Total fees &amp; expenses</b>		<b>\$10,637,000</b>

# TOTAL PRIVATE MARKETS FEE & EXPENSE SUMMARY

- MercedCERA has a private market investments portfolio with \$482 million in total assets as of March 31<sup>st</sup>.
- While MercedCERA pays approximately \$637,000 per year of indirect costs associated with the administration and operational needs of the private market investments - this cost (totaling 0.13% of assets) is not prohibitive for a nearly \$500 million private markets portfolio.

## Fees & expenses on \$482 million portfolio (As of March 31, 2026)

Fee & Expense Type	Amount (\$)	Amount (%)
Investment management fees	\$6,200,000	1.29%
Partnership expenses	\$3,800,000	0.79%
<b>Total fees &amp; expenses paid to private market investment managers</b>	<b>\$10,000,000</b>	<b>2.08%</b>
Legal services	\$80,000	0.02%
Investment consultant fees	\$400,000	0.08%
Accounting staff salaries	\$72,000	0.01%
Custodial fees	\$50,000	0.01%
Capital call services	\$32,000	0.01%
Other	\$3,000	0.00%
<b>Total fees &amp; expenses incurred related to private market investment portfolio</b>	<b>\$637,000</b>	<b>0.13%</b>
<b>Total Fees &amp; Expenses</b>	<b>\$10,637,000</b>	<b>2.21%</b>



Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Alex Lovato, Fiscal Manager

**SUBJECT:** Administrative Budget and Non-Administrative Cost Projection for Fiscal Year 2026-2027.

**ITEM NUMBER:** Open Session Item e

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Approve the proposed MercedCERA Administrative Budget for Fiscal Year 2026-2027, including an additional Staff Services Analyst I/II position.
2. Approve the proposed MercedCERA Non-Administrative Projection for Fiscal Year 2026-2027.

**Discussion:**

***Budget and Projection:***

Staff met and conferred with the budget ad hoc subcommittee on May 4<sup>th</sup>, 2026, to review the upcoming Fiscal Year 2026-2027 (FY26-27) budget. Staff compared the current year's budget and year-to-date expenditures against projected expenditures for Fiscal Year 2025-2026 (FY25-26). The proposed budget and projection requests for FY26-27 are detailed in the attached budget and projection spreadsheets along with the prior year's numbers. Total FY25-26 Administrative Expenditures to date are \$1,869,840 (as of April 1, 2026). We estimate costs will fall below the final Administrative Budget as approved by the Board of Retirement for FY25-26.

Government Code Section 31580.2 within the County Employees Retirement Law of 1937 (CERL) allows for expenditures of administrative services to be the greater of 21 basis points (bps) (0.21%) of the actuarial accrued liability (AAL) of MercedCERA or a flat dollar amount of \$2,000,000, adjusted yearly by a specified cost of living adjustment (\$3,102,683) as of this year. MercedCERA's AAL as of the June 30<sup>th</sup>, 2025, actuarial valuation was \$1.659B, of which 21 bps (0.21%) is \$3,485,065. Being the greater amount, \$3,485,065 will be MercedCERA's FY26-27 administrative budget cap.

***Budgeting, Projection, and Reporting Methodology***

MercedCERA's Fiscal Staff utilize a three-pronged approach when finalizing its annual budget and projection:

1. Recognize certain expenses as administrative under §31580.2 of the CERL. These are formally budgeted and fall under the aforementioned cap.

2. Recognize non-administrative costs: software and technology costs (§31580.2(b)); investment-related costs (§31596.1); and non-investment-related legal costs (§31529.9). The CERL requires no formal budget cap for non-administrative costs. We instead rely on projecting costs, subject to periodic adjustments. This provides the Board with an idea of potential expenses without Staff experiencing the burden of budgeting costs that are difficult to estimate.
3. Recognize planned capital items, which are also subject to future depreciation expense, if necessary, in a separate Capital Assets Budget set aside for this purpose. Resultant depreciation expenses are either administrative or non-administrative depending on the nature of the asset itself.

MercedCERA Staff rely on multiple variables to develop the estimates for the budgets and projection, including historical costs, known planned spending, contracted amounts, investment fee rates, current market conditions, and prior years' actual costs.

For transparency and prudence, the staff provides a separate Non-Administrative Projection in addition to its administrative budget and reports these expenses at MercedCERA Board meetings. MercedCERA Staff also provides monthly year-over-year non-administrative expenditure comparison reporting to provide greater transparency for the non-budgeted items.

## ***Administrative Budget:***

### ***Fiscal Year 2026/2027 Proposed Budget Request***

MercedCERA Staff requests a total of \$3,116,000 for administrative expenses in FY26-27. The largest increase is from Salaries/Benefits (Account#10110). Increases in other budget line items resulted from anticipated cost inflation, industry wage increases, and other related factors. Additionally; reductions in costs/line items were made where appropriate. Below are the budget items that had the largest increase compared to FY 25-26:

### ***Salaries/Benefits***

Staff recommend the appropriation of an additional Staff Services Analyst I/II position.

The Fiscal Manager currently reviews and analyzes a significant amount of member-related data, such as retiree disbursement data and data related to active payroll for current employees. These duties are not financial-related responsibilities that normally lie with a Fiscal Manager. However, the skills necessary to complete these important reviews and analyses have been held by our current and previous Fiscal Managers and so the responsibility was assigned to them. This has added a significant burden to the Fiscal Manager's workload that is unsustainable. Therefore, Staff is recommending that these duties be transitioned to a new Staff Services Analyst I/II position who can "bridge" the data needs between member specific identifiers (e.g., retiree deaths, active reciprocal members, deferred member specific reserves) and provide insights on the fiscal impact

to the retirement system. For reference, attached to this agenda item are the current and proposed MercedCERA organizational charts.

The additional Staff Services Analyst I/II position would be responsible for member reconciliations, retiree payment processing, member and financial analytics essential to the completion of MercedCERA's annual actuarial valuation, annual financial reporting and the annual audit. In addition, this position would be responsible for taking the lead role in finalizing our CPAS pension system data cleanup and be a lead on MercedCERA's review of potential upgrades to, or the replacement of, the pension administration system.

Currently, our four (4) MercedCERA Staff Services Analysts provide direct services to our active, deferred and retired members and their beneficiaries and have been fully emersed in a strategic succession plan approved by the MercedCERA Board. This team does not perform financial functions related to member services and so this work has recently been assigned to our Accountant III position. Our Accountant III has the skills to assist the Fiscal Manager in the completion of this work, but this takes time and focus from the high-stakes investment-related accounting work required of managing over 130 investment funds and continuously growing investment assets. Again, shifting this member and financial analytics work to the Fiscal Manager and the Account III is not sustainable.

The approval of the additional Staff Services Analyst I/II position would allow the Fiscal Manager and Accountant III to focus on the core of their responsibilities while adding the resources needed for managing and analyzing member-related data. The responsibility of this work would be shared with both the Fiscal and Benefits teams, but this individual would report directly to the Fiscal Manager.

As stated previously, and summarized further below, the addition of a Staff Services Analyst I/II would result in a net increase of \$101,400, while ensuring our overall administrative budget remains below the limit established in the CERL.

### ***Membership***

Cost of overall association membership fees are increasing in FY 26-27.

### ***Cost Allocation Plan***

Cost Allocation Plan (CAP) charges are received annually from the Auditor-Controller's Office detailing the County's departmental charges for the upcoming fiscal year. These charges resulted in an overall increase of \$11,600 for FY26-27.

### ***Staff & Board Transportation & Travel – Out of State***

Several conference and training sessions that were held in State in FY 25-26 are being held out of state in the upcoming fiscal year. This is the primary factor which caused an increase of \$16,200 for FY 26-27.

### ***MercedCERA's Administrative Budget per the CERL***

For FY26-27, Staff continues to exercise prudence in budgeting for administrative expenses by submitting a budget that is 18.8 basis points (0.188%) of MercedCERA's

AAL and 2.2 basis points below the legal limit of 21 bps. The proposed administrative budget for FY26-27 is \$3,116,000 versus \$3,014,600 for FY25-26, a net increase of \$101,400 due to the addition of a new Staff Services Analyst I/II position.

## ***Non-Administrative Projection:***

### ***Fiscal Year 2026/2027 Proposed Projection***

We project \$18,538,000 in non-administrative expenses for FY26-27, a net increase of \$7,924,000 versus the prior fiscal year. The following are details of this increase.

### ***Investment Fees & Expenses***

Investment Management Fees and Partnership Expenses reported will increase \$7,792,000 from FY25-26:

- Investment Management Fees and Partnership Expenses make up the largest increase in the Investment Expense category. Staff has worked to increase the level of detail in accounting for these costs and the detail in which we report them. During last year's budget presentation, we presented to the Board what we anticipated Management Fees & Partnership Expenses to be based on the data we had at the time of projection. Now that a full year's worth of costs have been encumbered, we can provide a more accurate estimate of what the associations' overall Management/Partnership fees are. It is important to note that MercedCERA has been paying a similar level of management fees and partnership expenses, however these costs were not fully reported for projection-related purposes.

### ***Investment Staff***

Management Staff has held our allocated Extra Help/Student Intern position vacant for the last couple of years while we transitioned our new finance team, but Staff are now prepared to fill this part-time temporary position. The investment student intern, "Investment Intern", will be part of the Investment and Fiscal Team. Supervised by senior staff, the Investment Intern will play an active role in investment operations. Specifically, this role will assist the team with portfolio rebalances, cash management, and investment reporting.

The Investment Intern will participate and take notes in regular meetings with external investment managers, where they will observe how we evaluate strategy, performance, and risk across a diverse array of asset classes.

### ***Non-Investment Legal Services***

Non-Investment Legal Services projection will increase by \$189,500 for FY26-27 to adjust for expected hourly rate increases and the increase in disability related cases the association is facing. Costs in this line item include: County Counsel, Disability Counsel and associated providers (hearing officers and court reporters), and other legal counsel (tax, etc.). Note: most of these costs are charged on an hourly basis.

***Custodial Banking Services***

Custodial banking fees and related costs projection will increase by \$25,000 for FY26-27 due to contractual fee increases from our custodial vendor Northern Trust.

***Capital Assets Budget:***

We currently plan no Capital Assets spending for FY26-27.

Acct#	Account Name and Description	Adopted FY 2025/2026	Expended as of 4/01/2026	% Expended As of 4/01/2026	Balance	Proposed Budget FY 2026/2027	Line Item Changes from FY 2025/2026	% Change From Last Year	Note #
10110	SALARIES/BENEFITS - <i>Staff Compensation and Benefits</i>	\$ 1,975,000	\$ 1,244,088	63%	\$ 730,912	\$ 2,095,000	\$ 120,000	6%	A1
20600	COMMUNICATIONS - <i>Cell Phone Charges, IS Communication Charges</i>	\$ 16,000	\$ 9,025	56%	\$ 6,975	\$ 14,200	\$ (1,800)	-11%	A2
21000	INSURANCE - <i>Fiduciary/Building (Alliant Ins., PRISM Ins., Nationwide)</i>	\$ 118,000	\$ 103,289	88%	\$ 14,711	\$ 118,000	\$ -	0%	
21301	MAINT STRUCT IMPROVEMENT & GROUNDS - <i>Pest Control, Janitorial, Landscaping, etc.</i>	\$ 100,000	\$ 43,603	44%	\$ 56,397	\$ 100,000	\$ -	0%	
21500	MEMBERSHIP - <i>SACRS, CALAPRS, NCPERS, GFOA, P2F2, IFEBP</i>	\$ 7,000	\$ 7,500	107%	\$ (500)	\$ 11,300	\$ 4,300	61%	A3
21700	OFFICE EXPENSE - GENERAL - <i>Office Depot, First Choice Water, Petty cash, Supplies</i>	\$ 20,000	\$ 8,036	40%	\$ 11,964	\$ 20,000	\$ -	0%	
21710	OFFICE EXPENSE - POSTAGE - <i>FedEx, Mail Room Charges, Election Postage Charges</i>	\$ 54,000	\$ 27,961	52%	\$ 26,039	\$ 51,700	\$ (2,300)	-4%	
21805	AUDITS - <i>Outside Auditor (UHY LLP)</i>	\$ 72,000	\$ 55,000	76%	\$ 17,000	\$ 63,500	\$ (8,500)	-12%	A4
21808	BOARD MEMBERSHIP - <i>Board Members</i>	\$ 15,000	\$ 5,275	35%	\$ 9,725	\$ 15,000	\$ -	0%	
21900	PUBLICATIONS & LEGAL NOTICES - <i>Merced Sun Star, WSJ (Dow Jones), GASB Updates</i>	\$ 5,000	\$ 4,917	98%	\$ 83	\$ 5,700	\$ 700	14%	A5
22300	SPEC DEPT EXPENSE - <i>OTHER</i>	\$ 10,000	\$ 5,151	52%	\$ 4,849	\$ 4,000	\$ (6,000)	-60%	A6
22310	SPEC DEPT EXPENSE - <i>Election Expense</i>	\$ 30,000	\$ -	0%	\$ 30,000	\$ 30,000	\$ -	0%	
22327	SPEC DEPT EXP - <i>COST ALLOCATION PLAN - Use of County Departments</i>	\$ 35,000	\$ 25,897	74%	\$ 9,103	\$ 46,600	\$ 11,600	33%	A7
22500	TRANSPORTATION & TRAVEL - <i>Mail Run (Staff mileage reimbursement)</i>	\$ 200	\$ -	0%	\$ 200	\$ 200	\$ -	0%	
22505	STAFF & BOARD DEVELOPMENT - <i>Staff &amp; Board Training and Education</i>	\$ 70,000	\$ 13,337	19%	\$ 56,663	\$ 59,000	\$ (11,000)	-16%	A8
22515	STAFF & BOARD TRANS & TRAVEL - <i>INSTATE OVERNIGHT - Conferences &amp; Trainings</i>	\$ 45,000	\$ 15,717	35%	\$ 29,283	\$ 46,700	\$ 1,700	4%	
22516	STAFF & BOARD TRANS & TRAVEL - <i>OUT OF STATE - Conferences &amp; Trainings</i>	\$ 10,000	\$ 4,169	42%	\$ 5,831	\$ 26,200	\$ 16,200	162%	A9
22600	UTILITIES - <i>MID and City of Merced</i>	\$ 68,000	\$ 24,514	36%	\$ 43,486	\$ 44,500	\$ (23,500)	-35%	A10
	<b>MercedCERA Administrative Budget (excluding depreciation expense)</b>	<b>\$ 2,650,200</b>	<b>\$ 1,597,479</b>	<b>60%</b>	<b>\$ 1,052,721</b>	<b>\$ 2,751,600</b>	<b>\$ 101,400</b>	<b>4%</b>	
	ADMINISTRATIVE DEPRECIATION EXPENSE	\$ 364,400	\$ 272,361	75%	\$ 92,039	\$ 364,400	\$ -	0%	
	<b>Total MercedCERA Administrative Budget (including depreciation expense)</b>	<b>\$ 3,014,600</b>	<b>\$ 1,869,840</b>	<b>62%</b>	<b>\$ 1,144,760</b>	<b>\$ 3,116,000</b>	<b>\$ 101,400</b>	<b>3%</b>	

**Notes to Administrative Budget:**

**Account Note**

- A1 10110 Appropriation includes one additional Staff Services Analyst position.
- A2 20600 Decrease due to more accurate cost estimate of communication charges.
- A3 21500 Association membership fee increase & addition of International Foundation of Employee Benefit Plan Membership (new for FY 2026-27).
- A4 21805 Decrease due to more accurate cost estimate of Audit charges.
- A5 21900 Merced Sun-Star & WSJ subscription increase.
- A6 22300 No Association events planned in FY 2026-27.
- A7 22327 Increase in Merced County Cost Allocation Plan (CAP) charges.
- A8 22505 Appropriation includes \$12,500 of carryover costs for UC Merced (Staff Development Training) which was approved by the Board in August 2025.
- A9 22516 NCPERS, P2F2 & International Foundation of Employee Benefit Plan will be held outside of California in FY 2026-2027.
- A10 22600 Decrease due to more accurate cost estimate of utility charges.

Budget Information, at a Glance		
Total Admin budget increase due to salaries	\$	120,000
Admin salary percentage increase		6%
Net (decrease), excluding Admin salaries	\$	(18,600)
Percentage (decrease), excluding Admin salaries		-2.75%
Percentage of Admin salaries to total budget		76.14%
% change of Admin salaries to change of budget		118.34%
Percentage of all others to total budget		23.86%
% change of all others to % change of budget		-18.34%

**Administrative Budget Governance Notes:**

- A. AB 609 amended §31580.2 and repealed §31580.3 of the California Government Code, relating to county employees' retirement. Approved September 30, 2010. This Bill prohibits expenses for the costs of administration of the retirement system incurred in any year from exceeding the greater of 21/100 of 1% of the accrued actuarial liability (AAL) of the retirement system or \$2,000,000, as adjusted annually by a specified annual cost-of-living adjustment not to exceed 3%. Refer to table to the right for information related to the cap.
- B. The Administrative Budget is governed by §31580.2 of the Government Code.
- C. Changes to Methodology and Presentation from Prior Years Projection: None

Administrative Budget Cap Information		
Actuarial Accrued Liability (AAL)	\$	1,659,554,554
Administrative Cap %		0.21%
Administrative Cap	\$	3,485,065
FY 26-27 Administrative Budget	\$	3,116,000
% of FY 26-27 Budget to Cap		89.41%
% of FY 26-27 Budget to AAL		0.1878%
Alternate Administrative Budget Cap, as Calculated (provided for information only)		
Alternate Cap Base Amount	\$	2,000,000
Alternate Cap, Adjusted for Cost of Living	\$	3,102,683

## Non-Administrative Projection

Acct#	Account Name and Description	Original Projection FY 2025/2026	Expended as of 04/01/2026	% Expended As of 04/01/2026	Balance	Projected FY 2026/2027	Line Item Changes from FY 2025/2026	% Change From Last Year	Note #
21800	INVESTMENT EXPENSES --Fund Managers/Consulting/Investment Legal								
	Investment Management Fees	\$ 4,500,000	\$ 6,742,210	150%	\$ (2,242,210)	\$ 11,000,000	\$ 6,500,000	144%	P1
	Investment Partnership Expenses	\$ 2,300,000	\$ 2,867,349	125%	\$ (567,349)	\$ 4,000,000	\$ 1,700,000	74%	P2
	Investment Legal (Nossaman)	\$ 408,000	\$ 84,336	21%	\$ 323,664	\$ 160,000	\$ (248,000)	-61%	P3
	Retirement Investment Staff (Assistant Plan Administrator-Investments)	\$ 368,000	\$ 212,005	58%	\$ 155,995	\$ 360,000	\$ (8,000)	-2%	
	Staff Costs Allocated to Investments (Plan Administrator, Fiscal MGR- ATG, Accounting Staff, Extra-Help)	\$ 532,000	\$ 322,662	61%	\$ 209,338	\$ 480,000	\$ (52,000)	-10%	P4
	Investment Consultants (Meketa, Cliffwater) - Added Cliffwater for budget purposes only	\$ 640,000	\$ 379,655	59%	\$ 260,345	\$ 640,000	\$ (0)	0%	
	Investment Technology Costs - Software (Investment Research and Analytics)	\$ 200,000	\$ -	0%	\$ 200,000	\$ 100,000	\$ (100,000)	-50%	P5
	Investment Due Diligence Travel & Related Expenses	\$ 50,000	\$ -	0%	\$ 50,000	\$ 50,000	\$ -	0%	
	<b>Total Investment Expenses</b>	<b>\$ 8,998,000</b>	<b>\$ 10,608,217</b>	<b>118%</b>	<b>\$ (1,610,217)</b>	<b>\$ 16,790,000</b>	<b>\$ 7,792,000</b>	<b>87%</b>	
21802	ACTUARIAL SERVICES -- Cheiron, Segal	\$ 220,000	\$ 106,751	49%	\$ 113,249	\$ 131,500	\$ (88,500)	-40%	P6
21812	DATA PROCESSING -- County Information Services, Internet Services	\$ 135,000	\$ 61,268	45%	\$ 73,732	\$ 141,000	\$ 6,000	4%	
21834	LEGAL SERVICES -- General and Disability Counsel and Associated Costs	\$ 442,000	\$ 322,306	73%	\$ 119,694	\$ 631,500	\$ 189,500	43%	P7
21840	CUSTODIAL BANKING SERVICES -- Northern Trust, County Wire Fees	\$ 260,000	\$ 130,282	50%	\$ 129,718	\$ 285,000	\$ 25,000	10%	P8
22350	SOFTWARE & TECHNOLOGY -- CPAS/Payroll/Acct Program/Lexis Nexis/ Sytech	\$ 559,000	\$ 424,003	76%	\$ 134,997	\$ 559,000	\$ -	0%	
	NON-ADMINISTRATIVE DEPRECIATION EXPENSE (CPAS, etc.)	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
	<b>Total Non Investment Expenses</b>	<b>\$ 1,616,000</b>	<b>\$ 1,044,610</b>	<b>65%</b>	<b>\$ 571,390</b>	<b>\$ 1,748,000</b>	<b>\$ 132,000</b>	<b>8%</b>	
	<b>Total Non-Administrative Projection</b>	<b>\$ 10,614,000</b>	<b>\$ 11,652,827</b>	<b>110%</b>	<b>\$ (1,038,827)</b>	<b>\$ 18,538,000</b>	<b>\$ 7,924,000</b>	<b>75%</b>	
	<b>Total Non-Administrative Projection (Excluding MGMT Fees &amp; Partnership Fees)</b>	<b>\$ 3,814,000</b>	<b>\$ 2,043,268</b>	<b>54%</b>	<b>\$ 1,770,732</b>	<b>\$ 3,538,000</b>	<b>\$ (276,000)</b>	<b>-7%</b>	

### Notes to Non-Administrative Projection:

#### Account Note

- P1 21800 Increase due to change in methodology of accounting for Investment Management Fees (as noted during the May 2025 Board meeting).
- P2 21800 Increase due to change in methodology of accounting for Investment Partnership Fees (as noted during the May 2025 Board meeting).
- P3 21800 Decrease due to more accurate projection of Investment Legal Fees- Nossaman.
- P4 21800 Decrease due to more accurate projection of Staff Salaries allocated to Investments.
- P5 21800 Potential investment related software for staff to conduct internal research and analysis. Staff has reduced the maximum amount by \$100,000.
- P6 21802 Actuarial Services- Decrease due to Segal actuarial audit of actuarial experience study that took place in the prior fiscal year.
- P7 21834 Legal Services- Increase projected in hourly rate costs for legal services provided & disability application processing.
- P8 21840 Northern Trust quarterly fees paid in prior year & increase in Northern Trust Custodial Fees.

### Non-Administrative Projection Governance Notes:

- A. Non-Administrative Expenses are items that are not subject to the Administrative budget and cap requirements under the CERA.
- B. Investment Expenses, Actuarial Services, and Custodial Banking Services are non-administrative expenses under §31596.1.
- C. Data Processing, Software, and Technology are non-administrative expenses under §31580.2(b).
- D. Non-Investment Legal Services are non-administrative expenses under §31529.9.

### Changes to Methodology and Presentation from Prior Years Projection

- A. No changes noted.

### Capital Budget:

No projected capital spending for FY 2026-2027.

## Retirement Board

## Current Organizational Chart

### Plan Administrator

Ensure MercedCERA mission is met  
Board coordination  
Organizational strategic planning  
County and community relations

### Assistant Plan Administrator- Investments

Oversee investment program  
Coordinate investment consultant  
actions  
Manage financial division  
Assist with Board management

### Fiscal Manager

Oversee accounting team  
Oversee tax and govt requirements  
Manage audit and ACFR process

### Accountant III

Investment accounting

### Accountant I

Accounts payable

### Extra Help-Student Intern

Vacant

### Assistant Plan Administrator- Benefits and Administration

Manage benefits division  
Assist with Board management  
Manage facilities and operations  
Oversee cybersecurity & technology  
office needs

### Benefits Manager

Oversee benefits team  
Manage benefits regulations  
Manage member communications  
Coordinate stakeholder  
communications

### Office Assistant II

### Support Analyst II

### Support Analyst II

### Staff Services Analyst II

### Staff Services Analyst II

### Staff Services Analyst II

### Staff Services Analyst II

## Retirement Board

## Proposed Organizational Chart

### Plan Administrator

Ensure MercedCERA mission is met  
Board coordination  
Organizational strategic planning  
County and community relations

### Assistant Plan Administrator- Investments

Manage Investment Operations  
Coordinate investment consultant  
actions  
Manage financial division  
Assist with Board management

### Assistant Plan Administrator- Benefits and Administration

Manage benefits division  
Assist with Board management  
Manage facilities and operations  
Oversee cybersecurity & technology  
office needs

### Fiscal Manager

Oversee accounting team  
Oversee tax and govt requirements  
Manage audit and ACFR process

### Benefits Manager

Oversee benefits team  
Manage benefits regulations  
Manage member communications  
Coordinate stakeholder  
communications

### Accountant III

Investment accounting

### Accountant I

Accounts payable

**Extra Help – Student  
Investment Intern**

### Staff Services Analyst II

Complete member reconciliations  
Validate CPAS system updates  
Complete retiree payment processing

**Office Assistant II**

**Support Analyst II**

**Support Analyst II**

**Staff Services Analyst II**

**Staff Services Analyst II**

**Staff Services Analyst II**

**Staff Services Analyst II**



Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Martha Sanchez Barboa, Plan Administrator

**SUBJECT:** Trustees Education and Training Policy

**ITEM NUMBER:** **Open Session Item f**

**ITEM TYPE:** **Action**

**STAFF RECOMMENDATION:**

1. Approve the updated Trustees Education and Training Policy and Resolution 2026-01, which rescinds 2013-01.

**DISCUSSION:**

MercedCERA is a public trust, and administration of this retirement system is subject to strict fiduciary responsibilities under trust law. In addition, because MercedCERA is a multi-employer retirement system, the Board and its trustees have a constitutional and statutory duty to administer the retirement system in a sound and prudent manner. MercedCERA trustees are mindful of California state laws and regulations governing Board member education and intend to align their fiduciary duties with these regulations.

At the February 26, 2026, MercedCERA Board Meeting, the Board Chair appointed an ad hoc subcommittee to review several Board policies, including the Trustees Education and Training Policy and Resolution 2013-01. The Plan Administrator met with the ad hoc subcommittee and the subcommittee is recommending the following policy changes:

- Update relevant government code section references.
- Clarify trustees have the discretion to select educational programs that best meet their needs.
- Revise language stating trustees “must” in lieu of “will” receive a minimum of 24 hours of education within two years of assuming office and for every subsequent two-year period.
- Shorten the time frame of a new trustee to receive essential New Board Member Orientation from the Plan Administrator from the current one (1) year requirement to 60 days from the date of election/appointment.
- Add the National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference and Trustee Essentials Training and Fiduciary in Focus Workshop, as well as the California Association of Public Retirement Systems (CALAPRS) General Assembly Annual Conference to the recommended events

attended by new trustees within the first two years of their term.

- Reference the pre-approved education sessions listed in the MercedCERA Bylaws as educational events available to trustees without Board approval.
- Increase the minimum provided education session by the Plan Administrator and Staff to at least one (1) hour from current 50 minutes.
- Although it is being adhered to, include legislative requirement for trustees to complete two (2) hours of sexual harassment prevention training within the first six (6) months of being elected/appointed and every two (2) years after and include legislative requirement for trustees to complete two hours of ethics training within one (1) year of taking office and every two (2) years after.
- Clarify sexual harassment prevention training and ethics training provided by the State Association of County Retirement Systems (SACRS) and CALAPRS will meet the legislative training requirements.
- Update the Verification of Trustee Education/Training form trustees are to provide to the Plan Administrator documenting the education/training received and the hours attended.
- Include that Staff will document the 24-hour education requirement and the Plan Administrator will provide an annual report of trustee compliance to the Board, in open session.
- Add requirement for trustees to provide a brief report, as an Information Sharing item at a following Board meeting, of their attendance to offsite training events (information gained, evaluation of training, recommendation of future attendance).
- Include a Policy History section referencing prior policy updates.
- Additional non-substantive changes and updates were also made.

MercedCERA Board trustees understand they are responsible for making policy decisions which affect all major aspects of pension plan administration and that they must acquire an appropriate level of knowledge of all significant facets of the MercedCERA pension plan. The updates to this policy reconfirm their commitment to that end.

Attached to this agenda item are the updated clean and redlined versions of the policy for further review.

**Staff Recommendation:**

Staff are recommending the Board approve the updated Trustees Education and Training Policy and Resolution 2026-01, which rescinds 2013-01.



**BOARD OF RETIREMENT**  
**Merced County Employees' Retirement Association**

**RESOLUTION 2026-01**

**TRUSTEES EDUCATION AND TRAINING POLICY**

**PURPOSE**

The Merced County Employees' Retirement Association (MercedCERA) is a public trust, and administration of this retirement system is subject to strict fiduciary responsibilities under trust law.

MercedCERA is a multi-employer retirement system. As such, the MercedCERA Board of Trustees has a constitutional and statutory duty to administer the retirement system in a sound and prudent manner. The California Constitution vests in the MercedCERA Board of Trustees the exclusive responsibility to administer the retirement system.

Government Code Section 31522.8 requires Trustees to receive at least 24 hours of Board member education during the first two years after becoming a trustee, and during each subsequent two-year period. Trustees Education and Training Policy, Resolution No.2026-01 identifies the appropriate topics for Board member education.

The MercedCERA Trustees are mindful of California state laws and regulations governing board member education, and intend to align their fiduciary duties with these state laws and regulations. Further, MercedCERA Trustees are cognizant of their obligations to all members of MercedCERA to administer the retirement system in a cost-effective manner, minimizing costs wherever possible without a loss of benefits to the participants.

The complexities of sound management of the assets and liabilities of such a fund impose a continuing educational need for all MercedCERA Trustees: to understand and apply complex legal writings and concepts; to possess excellent communication skills in order to express positions, opinions and ideas with conviction and clarity; to use advanced analytical skills to understand investment policies, theory and practice; and, to have an understanding of public finance, accounting, labor relations, employee benefits, institutional investments, legal, disability and personnel administration.

**PRINCIPLES**

The MercedCERA Trustee Education and Training Policy rests on the following important principles:

- There exists a unique body of knowledge that can be imparted to Trustees to facilitate the carrying out of their distinct roles and responsibilities.
- Since Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration, they must acquire an appropriate level of knowledge of all significant facets of the plan.
- No single method of educating trustees is optimal. Instead, a variety of methods is necessary and appropriate.
- Trustees have the discretion as to which educational programs best meet their needs and the objectives of this policy, as those needs change and new opportunities become available.

## **POLICY GUIDELINES**

Each Trustee must receive a minimum of 24 hours of education within two years of assuming office and for every subsequent two-year period, in which the Trustee continues to sit on the MercedCERA Board, in the aspects of public pension plan administration, including, but not limited to the following areas:

- Fiduciary responsibilities.
- Ethics.
- Pension fund investments and investment program management.
- Actuarial matters.
- Pension funding.
- Benefits administration.
- Disability evaluation.
- Fair hearings.
- Pension fund governance.
- New Board Member Orientation.

New Trustee Education: Within the first 60 days of being elected or appointed to the MercedCERA Board, new Trustees should receive a New Board Member Orientation from the MercedCERA Plan Administrator, staff and/or consultants. During the first two years, new Trustees are expected to attend one or more of the following: the State Association of County Retirement Systems (SACRS) Spring/Fall Conferences, including the New Trustee Seminar; the California Association of Public Retirement Systems (CALAPRS) trustee educational opportunities, including the Principals of Pension Governance, Trustee Round Tables, General Assembly Annual Conference; the SACRS UC Berkeley Investment School; or the National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference, including the Trustee Essentials Training and Fiduciary in Focus Workshop.

Continuing Trustee Education: During every subsequent two-year period, Trustees will complete 24 hours of education by attending; pre-approved education sessions listed in the MercedCERA Board of Retirement Bylaws; seminars sponsored by accredited academic institutions; educational client conferences presented by investment managers; due diligence visits which address investment program management; webinars, watching videos or listening to recordings covering any topic mentioned above; or training offered by the MercedCERA Plan Administrator and staff or consultants. Each education session provided by the MercedCERA Plan Administrator and staff will consist of no less than one hour of lecture and discussion.

Other Required Training: Each trustee is required to complete two hours of sexual harassment prevention training within the first six months of being elected or appointed to office and every two years after that per Government Code 53237. Sexual harassment prevention training obtained by a Trustee through their employer will satisfy this requirement if the training complies with current legal requirements and was completed within one year before Trustee was elected or appointed to office.

Per Government Code §53234, Trustees are required to complete ethics training within one year of taking office and every two years after. Training obtained through their employer will satisfy this requirement if the training complies with current legal requirements. The California Attorney General's website includes training for "Local Officials" that satisfies this requirement.

Sexual harassment prevention training and ethics training provided by SACRS or CALAPRS may also meet these legal requirements for Trustees appointed to office.

## **DOCUMENTATION**

Attendance verification for education provided by the Plan Administrator and staff will be documented by MercedCERA staff. Trustees attending other education events will provide verification of compliance with this policy by submitting the MercedCERA Verification of Trustee Education/Training documentation (attached) to the MercedCERA Plan Administrator. The Plan Administrator will provide an annual report of board member compliance to the Board, in open session, and such report along with this policy will be placed on the MercedCERA website.

Trustees will provide a brief report, as an Information item at the next MercedCERA Board meeting, regarding their attendance at an offsite education event. The report will consist of:

- information and knowledge gained
- evaluation of the education/training provided
- recommendation concerning future attendance

## **POLICY HISTORY**

This policy was adopted by the Merced County Employees' Retirement Association on January 24, 2013, with the following updates:

XX XX, 2026 - Board affirmed policy with amendments



Merced County Employees' Retirement Association

## Merced County Employees' Retirement Association Verification of Trustee Education/Training

Trustee Name:	
Organization Sponsoring Education/Event:	
Location:	
Date(s) of Education/Training:	
Education/Training Attended:	
Number of Hours of Education/Training Received:	

Please be prepared to provide a brief summary at the next MercedCERA Board meeting to consist of:

- information and knowledge gained
- evaluation of the education/training received
- recommendation concerning future attendance

I hereby certify that I have completed the above Education/Training.

\_\_\_\_\_  
Signature of Trustee

\_\_\_\_\_  
Date

Please submit this completed form to the MercedCERA Plan Administrator.



BOARD OF RETIREMENT  
Merced County Employees' Retirement Association

RESOLUTION 2026-012013-01

SUBJECT: TRUSTEES EDUCATION AND TRAINING POLICY

I. PURPOSE

~~Purpose:~~ The Merced County Employees' Retirement Association (MercedCERA) is a public trust, and administration of this retirement system is subject to strict fiduciary responsibilities under trust law. ~~The policies set forth in this document are intended to comply with common law trust requirements and to reflect sensitivity to the members and beneficiaries on whose behalf the MCERA Trustees serve.~~

MercedCERA is a multi-employer retirement system. ~~As such,~~ The MercedCERA Board of Trustees has a constitutional and statutory duty to administer the retirement system in a sound and prudent manner. The California Constitution vests in the MercedCERA Board of Trustees the exclusive responsibility to administer the retirement system.

~~Government Code Section 31522.8 requires Trustees to receive at least 24 hours of Board member education during the first two years after becoming a trustee, and during each subsequent two-year period. Trustees Education and Training Policy, Resolution No.2026-01 identifies the appropriate topics for Board member education.~~

The MercedCERA Trustees are mindful of California state laws and regulations governing board member education, and intend to ~~align~~ harmonize their fiduciary duties with these state laws and regulations. Further, MercedCERA Trustees are cognizant of their obligations to all members of MercedCERA to administer the retirement system in a cost-effective manner, minimizing costs wherever possible without a loss of benefits to the participants.

~~Assembly Bill 1519, effective January 1, 2013, requires Trustees to receive at least 24 hours of Board member education during the first two years after becoming a trustee, and during each subsequent two year period. Trustees Education and Training Policy, Resolution No.2013-01 identifies the appropriate topics for Board member education.~~

The complexities of sound management of the assets and liabilities of such a fund impose a continuing educational need for all MercedCERA Trustees: to understand and apply complex legal writings and concepts; to possess excellent communication skills in order to express positions,

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~~POLICY: Trustees Education and Training Policy~~

~~Page 2~~

opinions and ideas with conviction and clarity; to use advanced analytical skills to understand investment policies, theory and practice; and, to have an ~~interest and~~ understanding ~~of~~ public finance, accounting, labor relations, employee benefits, institutional investments, legal, disability and personnel administration.

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PRINCIPLES

~~H. — Principles:~~ The MercedCERA Trustee Education and Training Policy rests on the following important principles:

- There exists a unique body of knowledge that can be imparted to Trustees to facilitate the carrying out of their distinct roles and responsibilities.
- Since Trustees are responsible for making policy decisions affecting all major aspects of pension plan administration, ~~They, therefore,~~ must acquire an appropriate level of knowledge of all significant facets of the plan, ~~rather than only specializing in particular areas.~~
- No single method of educating trustees is optimal. Instead, a variety of methods is necessary and appropriate.
- ~~The MCERA Trustee Education Policy is intended to give Trustees, after initial requirements are met, Trustees~~ have the discretion as to which educational programs best meet their needs and the objectives of this policy, as those needs change and new opportunities become available.

POLICY GUIDELINES

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~~III. — Policy:~~ Each Trustee ~~must will~~ receive a minimum of 24 hours of education within two years of assuming office and for every subsequent two-year period, ~~in~~ which the Trustee continues to sit on the MercedCERA Board, in the aspects of public pension plan administration, including, but not limited to the following areas:

- Fiduciary responsibilities.
- Ethics.
- Pension fund investments and investment program management.
- Actuarial matters.
- Pension funding.
- Benefits administration.
- Disability evaluation.
- Fair hearings.
- Pension fund governance.

- ~~New Bboard Mmember Oorientation.~~

- ~~\_\_\_\_\_~~

**IV. ~~\_\_\_\_\_~~ Guidelines:**

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~~\_\_\_\_\_~~ **New Trustee Education:** ~~Within the first 60 days of being elected or appointed to the MercedCERA Board~~ During the first year, ~~n~~New Trustees ~~should~~will receive ~~a education credit for~~ ~~N~~ew ~~B~~board ~~M~~member ~~O~~rientation from the MercedCERA ~~Plan~~ Administrator, ~~and her~~ staff ~~and/or~~ consultants. During the first two years, ~~n~~New Trustees are expected to attend one or more of the following ~~and to receive education at:~~ the State Association of County Retirement Systems (SACRS) Spring/and-Fall Conferences, including the New Trustee Seminar; the California Association of Public Retirement Systems (CALAPRS) trustee educational opportunities, including the Principals of Pension GovernanceMangement held at Stanford, Trustee Round Tables, General Assembly Annual Conferencethe Stanford Fiduciary School; or the SACRS UC Berkeley Investment School; or the National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference, including the Trustee Essentials Training and Fiduciary in Focus Workshop.

~~\_\_\_\_\_~~ **Continuing Trustee Education:** During every subsequent two-year period, Trustees will ~~completereceive~~ 24 hours of education ~~through by attending: pre-approved education sessions attending SACRS Spring and Fall Conferences; CALAPRS Trustee Round Tables ;listed in the MercedCERA Board of Retirement Bylaws; completing educational opportunities offered by or sponsored by state or national public pension fund organizations, and seminars sponsored by accredited academic institutions; attending educational client conferences presented by investment managers; making due diligence visits which address investment program management; attending webinars, watching videos or listening to recordings covering any topic in mentioned Section III above; or completing training offered by the MercedCERA Plan Administrator and staff or consultants.~~ Each ~~hour of~~ education ~~session~~ provided by the MercedCERA ~~Plan~~ Administrator and staff will consist of no less than ~~one hour~~50 minutes of lecture and discussion.

**Other Required Training:** Each trustee is required to complete two hours of sexual harassment prevention training within the first six months of being elected or appointed to office and every two years after that per Government Code 53237. Sexual harassment prevention training obtained by a Trustee through their employer will satisfy this requirement if the training complies with current legal requirements and was completed within one year before Trustee was elected or appointed to office.

Per Government Code §53234, Trustees are required to complete ethics training within one year of taking office and every two years after. Training obtained through their employer will satisfy this requirement if the training complies with current legal requirements. The California Attorney General’s website includes training for “Local Officials” that satisfies this requirement.

**POLICY: Trustees Education and Training Policy**

**Page 4**

Sexual harassment prevention training and ethics training provided by SACRS or CALAPRS may also meet these legal requirements for Trustees appointed to office.

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**DOCUMENTATION**

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Attendance verification for education provided by the Plan Administrator and staff will be documented by MercedCERA staff. ~~V. Documentation: Each Trustees attending other education events~~ -will provide verification~~proof~~ of compliance with this policy by submitting the MercedCERA Verification of Trustee Education/Training ~~attached documentation form~~ (attached) to the MercedCERA Plan Administrator. The Plan, ~~and the~~ Administrator will provide an annual report of board member compliance to the Board, ~~in open session of Trustees~~, and such report along with this policy will be placed on the MercedCERA ~~internet~~ website.

Trustees will provide a brief report, as an Information item at the next MercedCERA Board meeting, regarding their attendance at an offsite education event. The report will consist of:

- information and knowledge gained
- evaluation of the education/training provided
- recommendation concerning future attendance

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**POLICY HISTORY**

-This policy was adopted by the Merced County Employees' Retirement Association on January 24, 2013, ~~13~~ with the following updates:-

XX XX, 2026 - Board affirmed policy with amendments

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**Merced County Employees' Retirement Association**  
**Verification of Trustee Education/Training**

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Trustee Name:	
Organization Sponsoring Education/Event/Training Attended:	
Location Organization Sponsoring Education/Training:	
Date(s) of Education/Training Location:	
Education/Training Attended Number of Hours of Education/Training Received:	
Number of Hours of Education/Training Received Date(s) of Education/Training:	

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Please be prepared to provide a brief summary at the next MercedCERA Board meeting to consist of:

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- information and knowledge gained
- evaluation of the education/training received
- recommendation concerning future attendance

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I hereby certify that I have completed the above Education/Training.

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\_\_\_\_\_  
Signature of Trustee

\_\_\_\_\_  
Date

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Please submit this completed form to the MercedCERA Plan Administrator upon completion of education/training.

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Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Martha Sanchez Barboa, Plan Administrator

**SUBJECT:** Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings

**ITEM NUMBER:** Open Session Item g

**ITEM TYPE:** Action

**STAFF RECOMMENDATION:**

1. Approve the Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings.

**DISCUSSION:**

The MercedCERA Board finds that providing teleconference meetings can benefit the public, the Board and its Standing Subcommittees, and therefore teleconferencing should be made available to facilitate Trustee's participation on essential Board related matters.

At the February 26, 2026, MercedCERA Retirement Board Meeting, the Board Chair appointed an ad hoc subcommittee to review several Board policies. The Plan Administrator met with the ad hoc subcommittee and reviewed the Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings. This policy was created to address Brown Act requirements related to Board trustees remote meeting attendance. The MercedCERA Board has adhered to remote meeting attendance (teleconferencing) requirements but did not have a formal up-to-date policy.

The Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings details the requirements for allowable exceptions to in-person Board meeting attendance. The four exceptions are summarized below but the complete policy is attached to this agenda item:

- "Just Cause": When a quorum of the Board is participating in person from a singular location within Merced County, the location is published and open to the public, the public is able to remotely hear and see the meeting, can address the Board either by a two-way audio visual platform or a two-way telephonic service and live webcasting of the meeting, a trustee can participate via teleconference for "Just Cause". The policy further defines what situations constitute "Just Cause". This exception is in effect until January 1, 2030, and can only be used by a trustee

twice in a calendar year. The trustee must provide notice and a description of the reason for teleconferencing. The trustee is to participate through audio and visual technology and shall disclose any adults present and their general relationship to such individuals. MercedCERA Staff have documented such teleconferencing requests.

- Disability exception: Trustees with a disability that precludes them from in-person attendance and cannot be reasonably accommodated may teleconference into a Board meeting and is treated as if they are attending in-person for all purposes, including quorum requirements. The same technological requirements (unless a physical condition related to their disability results in a need to participate off camera) and disclosures are to be met as those for “Just Cause”.
- Emergency Proclamation: When the Board holds a teleconference meeting pursuant to this proclamation, the agenda notice will prominently state “**THIS MEETING WILL BE CONDUCTGED VIA TELECONFERENCE (GOVERNMENT CODE §54953.8.2)**”. Roll call voting is required.
- In the event trustees wish to teleconference to a Board meeting, but no exception or emergency proclamation is relevant, specific requirements are to be met. Some of these include the posting of the agenda 72 hours before the meeting, outside of a building entrance and outside of the room where the trustee will be teleconferencing. In addition, the public must be able to access the meeting site during the meeting, and the site must be ADA compliant. Members of the public must be able to make a public comment, and the teleconferencing equipment must be working properly. The remote location must be identified on the meeting agenda, including the identity of the trustee appearing at a remote location and the address of the remote site.

The complete policy is attached to this agenda item for further review.

**Staff Recommendation:**

Staff are recommending that the Board approve the Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings.

## **Remote Attendance Policy for Trustees to MercedCERA Board of Retirement Meetings**

### **PURPOSE**

The purpose of this policy is to provide guidance on how Government Code Sections 54950, 54953, 54953.8.2 and 54953.8.3 apply to Merced County Employees' Retirement Association (MercedCERA) Retirement Board (Board) and Staff when MercedCERA Board Trustees wish to appear at Board and Standing Subcommittee meetings from a remote location.

### **SCOPE**

The Board is subject to California's open meeting law that applies to local agencies, the Brown Act, Government Code §54950. Government Code §54953, 54953.8.2 and 54953.8.3 permit the Board to hold a teleconference meeting if certain requirements are met, as discussed below. The Board finds that providing teleconference meetings can benefit the public, the Board and its Standing Subcommittees, and therefore teleconferencing should be available to facilitate Trustees' participation on essential Board related matters.

This policy does not limit the Board's authority under applicable law. The Board may apply all legal authority that relates to the requirements for a teleconferencing meeting that are operative at the time of the meeting without amending this policy.

### **DEFINITIONS**

For purposes of this policy, the following definitions apply:

1. "Just Cause" means any of the following:
  - Childcare or caregiving needs of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner, including care for an immunocompromised relative listed above
  - Contagious illness
  - Needs related to a physical or mental condition
  - Travel while on official business of the Board or another state or local agency
  - Physical or family medical emergency
  - Military service obligations - active duty, drill, annual training, or any other duty required as a member of the California National Guard or US Military Reserves organization
2. "Disability" means a physical or mental disability as defined by Section Code 12926, 12926.1 or as defined in Section 12102 of Title 42 of the United States Code. Some disabilities include, but are not limited to:
  - Having a physiological disease, disorder, condition, cosmetic disfigurement or anatomical loss
  - Having any mental or psychological disorder or condition, such as intellectual disability, organic brain syndrome, emotional or mental illness or specific

learning disabilities

3. "Local Emergency" means a local emergency in the boundaries of the territory over which the local agency exercises jurisdiction for any of the following events:
  - Extreme peril to persons or property proclaimed by the governing body of the local agency affected
  - Health emergency declared pursuant to the Health and Safety Code
4. "State Emergency" means state of emergency proclaimed pursuant to the California Emergency Services Act

## **POLICY GUIDELINES**

1. Government Code §54953.8.3 – "Just Cause" Exception in effect until January 1, 2030

At least a quorum of the Board must participate in person from a singular location within Merced County, which must be clearly identified in the agenda, and the location shall be open to the public. The public shall also be able to remotely hear and visually observe the meeting and remotely address the Board either by a two-way audiovisual platform or a two-way telephonic service and live webcasting of the meeting. Notice is to be given on the agenda how the public can participate in the remotely. However, if there is some type of disruption that prevents the Board from broadcasting the meeting or the public can no longer participate remotely, no further action can be taken by the Board at the meeting location.

Assuming all requirements previously mention in this section are adhered to, a Trustee can participate remotely for "Just Cause", per Section Code 54953.8.3. A Trustee can only use this exception twice in a calendar year. Trustees wanting to appear remotely must provide notice and a brief description of the reason as soon as possible. If requested before the Board meeting, Trustee is to notify the Plan Administrator of their request. If requested at the Board meeting, Trustee may make request when requested by the Board Chair for any teleconference requests.

The Trustee appearing remotely shall participate through audio and visual technology and shall disclose whether any other individuals 18 years of age or older are present and the general nature of the Trustee's relationship to such individuals. The minutes of the meeting shall identify the specific subsections of 54953.8.3 that the Trustee relied on to participate remotely.

2. Government Code §54953(c) – The Disability Exception

A trustee with a disability that precludes them from in-person attendance and cannot be reasonably accommodated (as the terms are defined under applicable law) may participate remotely. Remote participation under Section 54953(c) is treated as in-person attendance for all purposes, including any quorum requirements. The Trustee appearing remotely shall participate through audio and visual technology (unless a physical condition related to their disability results in a need to participate off camera) and shall disclose whether any other individuals 18 years of age or older are present and the general nature of the Trustee's relationship with any such individuals.

3. Government Code §54953.8.2 – Emergency Proclamation  
During a proclaimed state of emergency or local emergency relating to the protection of the health and safety of meeting attendees, requirements stated in Section 4 below are eliminated, except for roll call votes are still required. When the Board holds a teleconference meeting pursuant to this section, the agenda notice will prominently state as on the first page of the agenda: **“THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE (GOVERNMENT CODE §54953.8.2)”**.
4. Government Code §54953(b) – No exception or emergency proclamation is relevant. At least a quorum of the Board or Standing Subcommittee must be within Merced County during a teleconference meeting (see exceptions in preceding sections). Each Trustee appearing from a remote location is responsible for ensuring that:
  - a. The agenda is properly posted at the site at least 72 hours before the meeting in a location that is accessible to the public. Weekend hours may be included to satisfy this requirement, but the agenda must be accessible to the public for the entire 72-hour period. Thus, the agenda may need to be posted both outside a main entrance (visible outside an office building) and outside the room in which the Trustee will teleconference. Such agendas must remain visible until the meeting is completed.
  - b. Members of the public can access the site during the meeting (even if the location is a hotel room, cruise ship cabin or a residence) and the site is ADA compliant.
  - c. Teleconference equipment must be working properly, with a speaker reasonably loud enough for the audience in attendance to hear.
  - d. Members of the public who wish to make a public comment may do so.

Each remote location must be identified in the agenda notice including:

- a. The identity of the Trustee appearing at that location.
- b. The street address and any room, apartment, suite or office number.
- c. The agenda must provide the opportunity for the public to address the Board or Standing Subcommittee at each location.

All votes during a teleconference meeting must be taken by roll call, even if only one Trustee is participating via video/telephone.

## **POLICY HISTORY**

This policy was adopted by the Board of Retirement on XX XX, 2026.



Merced County Employees' Retirement Association

**DATE:** May 28, 2026

**TO:** MercedCERA Board of Retirement

**FROM:** Monica Gallegos, Assistant Plan Administrator-Benefits & Administration

**SUBJECT:** Adoption of Pensionable Pay Code for Merced Superior Court

**ITEM NUMBER:** **Open Session Item h**

**ITEM TYPE:** **Action**

**STAFF RECOMMENDATION:**

1. Adoption of pay code RBI- Retro Bilingual Pay as pensionable pay code for Merced Superior Court.

**DISCUSSION:**

Merced Superior Court has established wage code RBI- Retro Bilingual Pay in accordance with CA Labor Code Section 226, to include specific information on wage statements (or pay stubs) about employee earnings, deductions, and hours worked to comply with CA wage statement reporting laws. Retro-pay must appear on an employee's wage statement with a description of the wages and the pay period it applies to. This code has been created to ensure compliance with these legal requirements.

Merced Superior Court is requesting the adoption of pay code RBI – Retro Bilingual Pay code that is pensionable for both legacy members (employed prior to January 1, 2013) and PEPRA members (employed on or after January 1, 2013).

**Staff Recommendation:**

Staff recommend the Board adopt pay code RBI – Retro Bilingual Pay as pensionable pay code for Merced Superior Court.

# MercedCERA Pay Codes

Updated: May 28, 2026

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
059	Election Day Leave	Y		Y
060	LV-Emergency Paid Sick-Employee	Y		Y
061	LV-Emergency Paid Sick-Child/Dependant	Y		Y
062	LV-Emergency Family and Medical	Y		Y
063	CEO Admin-Lv DSWCTO	Y		Y
064	CSPSL (COVID Sup Pd Sick Lv)	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
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
235	Double Time OT Pay (Spring Fair)	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	N		N
304	On Call MCMC RN Other Areas	N		N
305	On Call MCMC Non RN Lic/Cert	N		N
306	On Call Physician Weekdays	N[4]		N
307	On Call Physician Weekends	N[4]		N
308	On Call Home Health RN	N		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
328	HSA Child Welfare Deputy Recruitment Differential 5%	N	N
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	N	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 <sup>th</sup> 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	N
361	Expense Allowance Adjustment	Y	N
362	Uniform Allowance Adjustment	Y	N
363	Tool Allowance Adjustment	Y	N
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%	N	N
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 <sup>th</sup> 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	N	N
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	N
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/VSI	Voluntary Separation Incentive	N	N
450/VPN	Vacation Payoff In Excess Of Eligible Amount	N	N
453 PPLMPEN	Prior Pay Period Lump-Sum Payout-Pensionable	Y	Y
454 PPLMPNON	Prior Pay Period Lump-Sum Payout- Non-Pensionable	N	N
455	Extra Help Paid Call Firefighters Strike Team-Diff	N	N
457 ONCALLEH	On Call Enhanced Pay	N	N
458	HSA Social Worker Mentor Pay	N	N
459	Homicide DA Differential	Y	Y
462	TRAINDIFF - Training Differential - Sheriff	Y	Y
463	CDSADIFF - Training Differential - Sheriff	Y	Y
464	STAKDIFF - Stacking Differential - Sheriff	Y	Y
465	DIVEDIFF - Dive Team Differential - Sheriff	Y	Y
466	SRODIFF - School Resource Officer Differential - Sheriff	Y	Y
467	SAFESADF - Safe Special Assignment Differential	Y	Y
501	Board of Supervisors Chair Differential	Y	N
502 PANPAY1	Pandemic Pay 1	N	N
503 PANPAY2	Pandemic Pay 2	N	N
504 SUPPOCRT	Supervisor P.O.S.T. Differential	Y	Y
505 DAINVCRT	D.A. Investigator Certificate Pay	Y	Y
506 HIREINCT	Hiring Incentive-Hard to Recruit	N	N
507 REFFINCT	Referral Incentive-For Hard to Recruit	N	N
508 ADVPO7.5%	Advanced POST Certificate 7.5%	Y	Y
509 ADVPO10%	Advanced POST Certificate 10%	Y	Y
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
BRN	Bereavement Leave Unpaid	N	N
CAP	Cross-Assignment Pay	N	N
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
1FA (EFL)	FF FMLA (Emergency Expanded FMLA)	Y	Y
EHT	Court Extra Help Temporary Assignment	N	N
EPA	Emergency Pay Administrative Leave	Y	Y
ERC	Emergency Half Comp Time	N	N
ERO	Emergency Half Time OT	N	N
1FE (ESF)	FF PSL EE (Emergency Paid Sick Leave Full Pay)	Y	Y
1FF (ESP)	FF PSL FAM (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
HIN	Hiring Incentive	N	N
IPF	Interpreter Intermittent Part-Time Full Day	N	N
IPH	Interpreter Intermittent Part-Time Half Day	N	N
LNG	Longevity Pay	N	N
LPF	Interpreter Language Pair - Full Day	Y	N
LPH	Interpreter Language Pair - Half Day	Y	N
LSP	Lump Sum Payout	N	N
MTP	Management Time 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
RBI	Retro Bilingual Pay	Y	Y
RBO	Retro Bilingual Overtime	N	N
RIN	Referral Incentive	N	N
ROT	Retro Overtime	N	N
RSO	Retro Straight Overtime	N	N
RTI	RETIN INCNTV- Retention Incentive	N	N
SPS/1XQ	Supplemental Paid Sick Leave	Y	Y
SRP	Courts-Steward Representation Pay	Y	Y
STT	Courts-Steward Training Pay	Y	Y
TAP	Courts - Temporary Assignment Pay	Y	Y
TST	Tech STPND	N	N
UAL	Unpaid Administrative Leave	N	N
UNL	Courts-Union Leave 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(L) 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) **Supreme Court ruling 7/80/2020 excludes codes as pensionable.** Prior to ruling, exclusion of these paycodes was stayed until July 12, 2014. Effective July 12, 2014 items were not compensation earnable. 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. Numeric Wage codes representing pay codes for County and Cemetery are four digit codes, all preceded with a number "3". However, CPAS pension administration system allows three digit codes.

Asset Class Policy Targets	
US Equity	22%
Broad Int'l Equity	12%
Emerging Markets Equity	6%
US Fixed Income	18%
Opportunistic Credit	4%
Private Equity	15%
Real Estate	6%
Real Assets	5%
Private Credit	5%
Hedge Funds	5%
Cash	2%

## Public Equity – 40% Target (Growth)

### US, International, & Emerging Markets

- Investing in publicly traded stocks serves as the foundational growth engine for most investment portfolios.
- Historically outperforms other major asset classes like bonds/cash over long term
- Businesses grow, innovate, and expand their profits, and as an owner, your capital grows along with them.
- Traded on major global exchanges (like the NYSE or NIKKEI) offering daily liquidity

## Equity Investing Styles

### Index (Passive) Management

- Aims to replicate the performance of a specific market benchmark, such as the S&P 500 Index
- Typically features lower management fees and less Board and Staff oversight

### Active Management

- Seeks to outperform a specific market benchmark like the Russell 2000 Index by investing in a subset of its stocks
- Higher management fees and requires more Board and Staff oversight

### Value Stocks

- Focuses on identifying stocks that appear underpriced relative to their fundamental metrics like earnings and book value.
- Relies on the belief that the market will eventually recognize the "true" value of the company, leading to a price correction

### Growth Stocks

- Prioritizes companies expected to grow sales or earnings at an above-average rate compared to the rest of the market
- High valuations and lower (or no) dividends in exchange for the potential of significant capital appreciation

## US Fixed Income – 18% (Diversification / Preservation)

### Core Fixed Income

- Focuses on high-quality, investment-grade debt securities to provide a combination of steady income, capital preservation, and portfolio diversification
- Primarily consist of U.S. Treasury bonds, government agency debt, highly rated corporate bonds, and mortgage-backed securities
- Typically benchmarked against broad market indicators like the Bloomberg US Aggregate Bond Index
- Low correlation with public equities so acts as a stabilizer during periods of stock market volatility

### Low Duration Income

- Focuses on debt securities with short maturities, typically ranging from one to three years, to minimize sensitivity to interest rate fluctuations
- Smaller price declines when interest rates rise compared to long-term bonds, making them an effective defensive tool during periods of monetary tightening

## Opportunistic Credit – 4% (Growth)

### Core Plus Fixed Income

- Managers have some flexibility to allocate a smaller portion to higher-risk areas such as high-yield debt, emerging market bonds, and non-agency mortgage-backed securities.
- Allows for greater alpha generation and diversification, as these satellite holdings often respond differently to economic shifts than traditional government bonds

### High Yield

- Corporate bonds that are rated below investment grade, a.k.a "junk bonds"
- Higher risk of default but offers significantly higher interest rates to attract investors
- Higher correlation with equity markets than Treasuries

### Securitized Credit

- Investment in loans backed by a pool of underlying financial assets, such as residential mortgages, commercial loans, auto loans, or credit card receivables
- Investors buy into a structured vehicle where the cash flows from these various loans are bundled together and redistributed as interest and principal payments.

## Cash – 2% (Liquidity)

- Cash typically consist of highly safe, short-term securities like Treasury Bills or CDs.
- Provides a source of liquidity for paying retiree disbursements, meeting capital calls, and covering organizational expenses
- Maintains value during times of extreme volatility when both equities and longer-term Treasuries are under pressure

## **Private Equity – 15%** (Growth)

- Investors acquire ownership stakes in private companies or take public corporations private.
- Primary goal is to enhance the company's value (often by streamlining the business, optimizing capital structures, or pursuing strategic acquisitions) before selling the stake for a profit
- Generally illiquid and require long-term capital commitments

### **Fund of Funds**

- Invests in a portfolio of underlying private equity funds offering easy diversification

### **Distressed Debt**

- Targets troubled companies through discounted debt
- Manager may influence restructurings to enhance value
- Aims to capture returns as companies stabilize or emerge from distress

## **Real Estate – 6%** (Growth / Income / Inflation)

### **Core Real Estate**

- High-quality, stabilized properties with strong occupancy
- Lower risk / return versus opportunistic or value-add
- Often used for income generation and inflation hedging

### **Value-Add**

- Properties needing moderate improvements
- Higher risk / return potential than core
- Value from better leases, upgrades, and improved operations

### **Opportunistic**

- Higher-risk projects (development or distressed assets)
- Higher return potential from active asset transformation

### **Real Estate Debt**

- Provides lending to real estate owners and developers
- Prioritizes income and preservation due to debt seniority

## **Leveraged Buyout (LBO)**

- Acquires companies using a mix of equity and debt financing
- Seeks value through operational improvements and cash-flow growth
- Returns depend on leverage, earnings expansion, and exit valuation

## **Venture Capital**

- Provides early-stage funding to innovative, high-growth companies
- Accepts higher risk in exchange for the potential of outsized returns
- Focuses on technology, healthcare, and emerging industries

## **Growth Equity**

- Supports companies with proven business models that need capital to scale
- Typically takes minority or majority non-control positions
- Focuses on operational improvements and accelerating expansion

## **Secondary Market**

- Buys existing limited partner interests or fund stakes from other investors
- Provides liquidity to sellers and reduces blind-pool risk for buyers
- Often offers exposure to more mature assets with shorter time to realization

## **Real Assets – 5%** (Growth / Income / Inflation)

- Investments in physical assets and systems critical to society, such as transportation networks, utilities, energy facilities, digital infrastructure, and social infrastructure
- Often used as an income generator and/or inflation hedge

### **Infrastructure**

- Includes transportation, utilities, communications networks, and other essential services
- Stable cash flows with low sensitivity to economic cycles

### **Natural Resources**

- Invests in essential energy assets such as pipelines, renewable power, or generation facilities
- Returns from stable cash flows with long-term contracts

### **Mining**

- Invests in mining projects or companies extracting metals and minerals

## **Private Credit – 5%** (Income / Diversification)

- Investments involving non-bank institutions, such as private equity firms or specialized funds, lending money directly to companies that need capital
- Loans are typically illiquid and unrated, but they offer investors higher yields in exchange for the increased risk and locked-up capital

### **Direct Loans**

- Non-bank lenders provide senior secured loans directly to middle-market companies bypassing traditional banks to negotiate customized financing terms and covenants.
- These loans typically feature floating interest rates, which helps protect investors' capital and yields from inflation by adjusting upward when benchmark rates rise.

## **Hedge Funds – 5%** (Diversification)

- Pooled investment vehicles investing in range of assets (stocks, bonds, commodities, and derivatives) to get high returns while managing risk
- Less regulation means managers can employ strategies such as short selling, leverage, arbitrage, and derivatives to hedge risk or exploit market inefficiencies

### **Multi-Strategy**

- Allocates across several hedge fund strategies within one vehicle

### **Equity Long-Short**

- Combines long positions of attractive stocks and short positions of overvalued ones

### **Event Driven**

- Focuses on corporate events like mergers, acquisitions, spin-offs, and bankruptcies

### **Global-Macroeconomic**

- Invests across asset classes based on macroeconomic trends (rates, currencies, commodities, equities)

### **Market Neutral**

- Seeks beta of zero (i.e., fund's performance is decoupled from market swings)

### **Credit / Distressed**

- Invests in companies with financial stress, distressed debt, or restructuring situations