

**MCERA RETIREMENT BOARD MEETING AGENDA  
THURSDAY, SEPTEMBER 13, 2018  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
3199 M STREET, MERCED, CA 95348**

**Please turn your cell phone or other electronic devices to non-audible mode and please refrain from using them during the Board meeting.**

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

- ROLL CALL.
- APPROVAL OF MINUTES – August 23, 2018.

**PUBLIC COMMENT**

Members of the public may comment on any item under the Board's jurisdiction. Matters presented under this item will not be discussed or acted upon by the Board at this time. For agenda items, the public may make comments at the time the item comes up for Board consideration. Persons addressing the Board will be limited to a maximum of five (5) minutes in total. Please state your name for the record.

**CLOSED SESSION**

As provided in the Ralph M. Brown Act, Government Code sections 54950 et seq., the Board may meet in closed session with members of its staff, county employees and its attorneys. These sessions are not open to the public and may not be attended by members of the public. The matters the Board will meet on in closed session are identified below. Any public reports of action taken in the closed session will be made in accordance with Government Code sections 54957.1.

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

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

1. Informal Hearing
  - a. Ramirez, Rosalva
2. Disability update and possible action:
  - a. Arroyo, Elizabeth
  - b. Barba, Alejandro
  - c. Estep, Jason
  - d. Guzman-Hernandez, Rosa M.
  - e. Herrera, Yvonne
  - f. Ramirez, Linda A.
  - g. Smith, Derrell
  - h. Valizan, Matthew
  - i. Winder, Trudy

**RETURN TO OPEN SESSION**

Report on action taken in closed session.

## **CONSENT CALENDAR**

Consent matters are expected to be routine and may be acted upon, without discussion, as one unit. If an item is taken off the Consent Calendar for discussion, it will be heard as the last item(s) of the Board Action/Discussion as appropriate.

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

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement. The retirement is authorized; however, administrative adjustments may be necessary to alter the amount due to: audit, late arrival of data, court order, etc.

a. Rybka, Frank C.	Admin Services	17 Yrs. Svc.	Eff. 09/01/2018
b. Stone, James	County Counsel	11 Yrs. Svc.	Eff. 08/18/2018
c. De Rodriguez, Sylvia	MCMC	6 Yrs. Svc.	Eff. 08/10/2018
d. Vandergoore, Maryann	Planning	7 Yrs. Svc.	Eff. 08/17/2018
e. Xu, Mina	HSA	19 Yrs. Svc.	Eff. 08/21/2018

YTD fiscal year 2017/2018 retirees: 020

YTD fiscal year 2016/2017 retirees: 082

YTD fiscal year 2015/2016 retirees: 065

**REFUND OF SERVICE PURCHASE:** None

**DEATH BENEFIT:** None

**MONTHLY BUDGET REPORT:** Submitted

## **REGULAR CALENDAR**

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

1. Discussion and possible action on any pending legislation – Legislative Committee.
2. Reminder: MCERA Board Education Day will be held tomorrow, September 14, 2018 at the Merced College Business Center located at 630 W 19th Street, Merced, CA 95340. Agenda will begin at 8:30AM.
3. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - a. CALAPRS Benefits and Attorney Round Table and Course in Disability Administration, September 20-21, 2018, Glendale, CA.
  - b. CALAPRS Administrators Institute (Plan Administrator), September 26-28, 2018, Carmel, CA.
  - c. Nossaman Fiduciary Forum, October 18-19, 2018, San Francisco, CA.
  - d. SACRS Fall Conference, November 13-18, 2018, Indian Wells, CA.
  - e. CALAPRS General Assembly, March 2–3, 2019, Monterey, CA.

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<sup>1</sup> “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

- f. Advanced Principles of Pension Management for Trustees, March 27–29, 2019, Los Angeles, CA.
- g. SACRS Spring Conference, May 7-10, 2019, Squaw Valley, CA.
- h. Principles of Pension Management for Trustees, August 26-29, 2019 Malibu, CA.

## **INFORMATION ONLY**

## **ADJOURNMENT**

All supporting documentation is available for public review in the office of the Merced County Employees' Retirement Association, 3199 M Street, Merced, California, 95348 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday.

**The Agenda is available online at [www.co.merced.ca.us/retirement](http://www.co.merced.ca.us/retirement)**

Any material related to an item on this Agenda submitted to the Merced County Employees' Retirement Association, after distribution of the Agenda packet is available for public inspection in the office of the Merced County Employees' Retirement Association.

Persons who require accommodation for a disability in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation in writing addressed to Merced County Employees' Association, 3199 "M" Street, Merced, CA 95348 or telephonically by calling (209) 726-2724. Any such request for accommodation should be made at least 48 hours prior to the scheduled meeting for which assistance is requested.

**MCERA RETIREMENT BOARD MEETING MINUTES  
THURSDAY, AUGUST 23, 2018  
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
3199 M STREET, MERCED, CA 95348**

**ROLL CALL: 8:15 A.M.**

**Board Members Present:** Darlene Ingersoll, Karen Adams, David Ness, Janey Cabral, Jason Goins, Jerald O'Banion, Michael Rhodes, Sandy Teague, Al Peterson, and Samuel Spangler.  
**Counsel:** Forrest Hansen. **Staff:** Kristen Santos, Angelo Lamas, Mark Harman, Michelle Lee.  
**Other:** Paola Nealon, Meketa Investment Group; Jaime Feidler, Cliffwater.

**Absent:** Ryan Paskin.

APPROVAL OF MINUTES: August 09, 2018.

**Motion to approve the August 09, 2018 meeting minutes.**

**Teague/O'Banion U/A (8-0)**

**PUBLIC COMMENT**

No public comment.

**CLOSED SESSION**

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

(Govt. Code § 54956.81)

1. Discussion and possible adoption of two real estate fund recommendation – Cliffwater.

**MCERA Board of Retirement voted to approve an investment of up to \$5 Million commitment to Angelo Gordon Realty Value Fund X, L.P. and up to \$5 Million commitment to Carmel Partners Investment Fund VII, L.P, pending legal review of all documents.**

**Adams/Cabral U/A (8-0)**

**Roll Call Vote:**

**Yes – Ness, O'Banion, Goins, Teague, Cabral, Adams, Peterson, Ingersoll.**

**REGULAR CALENDAR**

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

1. Presentation and discussion of the Quarterly Performance Report ending June 30, 2018 with possible board action on any underperforming funds – Meketa Investment Group.  
**No action required.**
2. Presentation and discussion of the preliminary July 2018 Monthly Performance Report and market update with possible board action on any underperforming funds – Meketa Investment Group.  
**No action required.**

3. Presentation and discussion with possible action on Barrow, Hanley, Mewhinney & Strauss manager review – Meketa.  
**No action required.**
4. Discussion and possible action to approve new payroll codes for County of Merced – Staff.  
**Motion to approve the adoption of pay code 450 for non-pensionable vacation terminal earnings.**  
Ness/Peterson U/A (8-0)
5. Discussion and possible action to approve potential changes to Plan Administrator classification in conjunction with the Merced County Classification and Compensation Study – Chair.  
**Motion to approve a 3% Salary Adjustment increase effective pay period 20 (2018) and a 3% Salary Adjustment increase effective pay period 15 (2019) consistent with pay period/effective dates of Merced County for the classification of Retirement Plan Administrator with any potential related contract changes.**
6. Review calendar of any training sessions and authorize expenditures for Trustees and Plan Administrator. Pursuant to Govt. Code § 31522.8 and MCERA’s Trustees Education and Training Policy requirements. Examples of upcoming training and educational sessions:
  - a. CALAPRS Principles of Pension Management for Trustees, August 27-30, 2018, Malibu, CA.
  - b. CALAPRS Benefits and Attorney Round Table and Course in Disability Administration, September 20-21, 2018, Glendale, CA.
  - c. CALAPRS Administrators Institute (Plan Administrator only), September 26-28, 2018, Carmel, CA.
  - d. Nossaman 2018 Public Pensions and Investments Fiduciaries’ Forum, October 18-19, 2018, San Francisco, CA.
  - e. SACRS Fall Conference, November 13-16, 2018, Indian Wells, CA.**No action required**

### **INFORMATION ONLY**

**Plan Administrator provided a reminder to Board Members of the MCERA Administration Board meeting on September 13, 2018 and the Board Education Day on September 14, 2018.**

**Plan Administrator informed the Board that Wells Capital has an investment in some Turkish Companies, which is currently being monitored due to geopolitical issues.**

<sup>1</sup> “Action” means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

**ADJOURNMENT**

The meeting adjourned at 9:23 a.m.

Respectfully submitted,

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Darlene Ingersoll, Chair

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Al Peterson, Secretary

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Date

Professional Service Budget	Adopted	Current Budget	Expended 08/2018	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
<b>21800 · Professional &amp; Special Services - Consultant and Management Fees</b>	<b>3,400,000.00</b>	<b>3,400,000.00</b>	<b>33,333.33</b>	<b>112,425.33</b>	<b>-</b>	<b>3,287,574.67</b>	<b>3%</b>
8/8/2018 Cliffwater - 2018-07 Consulting Fee			33,333.33				
Total 21800 · Professional & Special Services - Consultant and Management Fees			<u>33,333.33</u>				
<b>21802 · Professional &amp; Special Services - Actuarial Service</b>	<b>175,000.00</b>	<b>175,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,000.00</b>	<b>0%</b>
Total 21802 · Professional & Special Services - Actuarial Service			<u>-</u>				
<b>21812 · Prof &amp; Spec-Data Processing</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>4,493.35</b>	<b>4,493.35</b>	<b>-</b>	<b>115,506.65</b>	<b>4%</b>
8/21/2018 2018-07 IS Billing			4,493.35				
Total 21812 · Prof & Spec-Data Processing			<u>4,493.35</u>				
<b>21840 · Prof &amp; Spec Sv-Administrative Serv</b>	<b>115,000.00</b>	<b>115,000.00</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>114,900.00</b>	<b>0%</b>
8/10/2018 2018-07 Wire Fees			100.00				
Total 21840 · Prof & Spec Sv-Administrative Serv			<u>100.00</u>				
<b>22350 · Spec Dept Exp-Software</b>	<b>250,000.00</b>	<b>250,000.00</b>	<b>14,519.00</b>	<b>59,357.80</b>	<b>560.67</b>	<b>190,081.53</b>	<b>24%</b>
8/15/2018 CPAS - 2018-09 Support			12,600.00				
8/15/2018 CPAS - 2018-09 Maint			1,919.00				
Total 22350 · Spec Dept Exp-Software			<u>14,519.00</u>				
Depreciation Expense	<u>242,777.87</u>	<u>242,777.87</u>					
<b>Total Professional Service Budget</b>	<b><u>4,302,777.87</u></b>	<b><u>4,302,777.87</u></b>	<b><u>52,445.68</u></b>	<b><u>176,376.48</u></b>	<b><u>560.67</u></b>	<b><u>4,125,840.72</u></b>	<b><u>4%</u></b>
<b>Capital Asset Budget</b>	<b>Adopted</b>	<b>Current Budget</b>	<b>Expended 08/2018</b>	<b>Expended YTD</b>	<b>Encumbrances</b>	<b>Bal Remaining</b>	<b>% Exp YTD</b>
<b>84170 - Retirement Carpet</b>	<b>41,000.00</b>	<b>41,000.00</b>	<b>-</b>	<b>-</b>	<b>21,554.39</b>	<b>19,445.61</b>	<b>0%</b>
Total 84170 - Retirement Carpet			<u>-</u>				
<b>Total Capital Asset Budget Budget</b>	<b><u>41,000.00</u></b>	<b><u>41,000.00</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>21,554.39</u></b>	<b><u>19,445.61</u></b>	<b><u>0%</u></b>
<b>Administrative Service Budget</b>	<b>Adopted</b>	<b>Current Budget</b>	<b>Expended 08/2018</b>	<b>Expended YTD</b>	<b>Encumbrances</b>	<b>Bal Remaining</b>	<b>% Exp YTD</b>
<b>10110 · Salaries &amp; Wages</b>	<b>1,178,153.89</b>	<b>1,178,153.89</b>	<b>71,571.76</b>	<b>124,123.20</b>	<b>-</b>	<b>1,054,030.69</b>	<b>11%</b>
8/10/2018 PP 16 Office payroll 10110-10360			35,785.90				
8/24/2018 PP 17 Office payroll 10110-10360			35,785.86				
Total 10110 · Salaries & Wages			<u>71,571.76</u>				
<b>20600 · Communications</b>	<b>5,050.00</b>	<b>5,050.00</b>	<b>354.54</b>	<b>354.54</b>	<b>139.67</b>	<b>4,555.79</b>	<b>7%</b>
8/8/2018 2018-07 AT&T Comm Chg			134.02				
8/21/2018 2018-07 Comm Chgs			220.52				
Total 20600 · Communications			<u>354.54</u>				
<b>20900 · Household Expense</b>	<b>10,600.00</b>	<b>10,600.00</b>	<b>826.00</b>	<b>976.33</b>	<b>-</b>	<b>9,623.67</b>	<b>9%</b>
8/8/2018 Geil Enterprises - 2018-07 Janitorial			636.00				
8/14/2018 Cyclone Pressure Washing - 2018-07 Window Washing			150.00				
8/14/2018 Bob's Pest Control - 2018-07 Services			40.00				
Total 20900 · Household Expense			<u>826.00</u>				

Administrative Service Budget (Cont'd)	Adopted	Current Budget	Expended 08/2018	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
<b>21000 · Insurance-Other</b>	<b>85,000.00</b>	<b>85,000.00</b>	<b>79,292.00</b>	<b>79,292.00</b>	-	<b>5,708.00</b>	<b>93%</b>
Total 21000 · Insurance-Other			-				
<b>21001 · Insurance-General Liability</b>	<b>3,072.00</b>	<b>3,072.00</b>	<b>221.24</b>	<b>379.49</b>	-	<b>2,692.51</b>	<b>12%</b>
8/10/2018 General Liability			110.62				
8/24/2018 General Liability			110.62				
Total 21001 · Insurance- General Liability			<u>221.24</u>				
<b>21200 · Maintenance-Equipment</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>1,402.35</b>	<b>1,572.36</b>	-	<b>3,427.64</b>	<b>31%</b>
8/6/2018 Spriggs - Contract Base Rate Charges			1,232.34				
8/23/2018 Spriggs - Bizhub Lease			170.01				
Total 21200 · Maintenance-Equipment			<u>1,402.35</u>				
<b>21301 · Maintenance Structure Improvement</b>	<b>19,100.00</b>	<b>19,100.00</b>	<b>480.00</b>	<b>2,802.00</b>	-	<b>16,298.00</b>	<b>15%</b>
8/8/2018 Aire Serv - 2018-08 - Diagnostic Fee			60.00				
8/8/2018 Aire Serv - 2018-08 - Advantage Maint Plan			420.00				
Total 21301 · Maintenance Structure Improvement			<u>480.00</u>				
<b>21500 · Membership</b>	<b>6,500.00</b>	<b>6,500.00</b>	-	<b>4,000.00</b>	-	<b>2,500.00</b>	<b>62%</b>
Total 21500 · Membership			-				
<b>21700 · Office Expense-General</b>	<b>21,000.00</b>	<b>21,000.00</b>	<b>9,957.81</b>	<b>10,072.20</b>	<b>3,436.23</b>	<b>7,491.57</b>	<b>48%</b>
8/8/2018 Petty Cash Reimbursement			7,936.08				
8/14/2018 First Choice - 2018-07 Water Service			27.17				
8/14/2018 First Choice - 2018-07 Water Cooler Rental			7.00				
8/21/2018 2018-07 Stores Billing			1,932.56				
8/21/2018 Pacific Shredding - 2018-07 Services			10.00				
8/23/2018 Jennifer Padilla - Notary Charges			45.00				
Total 21700 · Office Expense-General			<u>9,957.81</u>				
<b>21710 · Office Expense-Postage</b>	<b>15,750.00</b>	<b>15,750.00</b>	<b>1,322.17</b>	<b>1,322.17</b>	-	<b>14,427.83</b>	<b>8%</b>
8/14/2018 FedEx 2018-07 Shipping			110.48				
8/21/2018 2018-07 IS Postage			911.21				
8/21/2018 2018-07 Mail Room Charges			288.24				
8/29/2018 FedEx 2018-08 Shipping			12.24				
Total 21710 · Office Expense-Postage			<u>1,322.17</u>				
<b>21805 · Prof &amp; Spec Service-Audits</b>	<b>55,000.00</b>	<b>55,000.00</b>	<b>15,698.66</b>	<b>15,698.66</b>	-	<b>39,301.34</b>	<b>29%</b>
8/23/2018 Life Status 360 - Death Audit			620.00				
8/23/2018 Brown Armstrong - 2018-07 Audit Progress Billing			15,078.66				
Total 21805 · Prof & Spec Service-Audits			<u>15,698.66</u>				
<b>21808 · Prof &amp; Spec-BD Membership</b>	<b>12,000.00</b>	<b>12,000.00</b>	<b>1,200.00</b>	<b>1,200.00</b>	-	<b>10,800.00</b>	<b>10%</b>
8/8/2018 2018-07 Board Meetings			200.00				
8/8/2018 2018-07 Board Meetings			200.00				
8/8/2018 2018-07 Board Meetings			300.00				
8/8/2018 2018-07 Board Meetings			200.00				
8/8/2018 2018-07 Board Meetings			300.00				
Total 21808 · Prof & Spec-BD Membership Fee			<u>1,200.00</u>				
<b>21811 · Prof &amp; Spec-Court Reporters</b>	<b>2,000.00</b>	<b>2,000.00</b>	-	-	-	<b>2,000.00</b>	<b>0%</b>
Total 21811 · Prof & Spec-Court Reporters			-				
<b>21816 · Prof &amp; Spec -Medical Services</b>	<b>80,000.00</b>	<b>80,000.00</b>	-	-	-	<b>80,000.00</b>	<b>0%</b>
Total 21816 · Prof & Spec -Medical Services			-				
<b>21834 · Prof &amp; Spec -Legal Services</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>9,188.50</b>	<b>9,188.50</b>	<b>57,782.30</b>	<b>233,029.20</b>	<b>3%</b>
8/14/2018 PPC - 2018-07 Legal Svcs			265.00				
8/15/2018 Ted Cabral - 2018-07 Admin Matters			259.00				
8/15/2018 Ted Cabral - 2018-07 Disability Legal Svcs			8,664.50				
Total 21834 · Prof & Spec -Legal Services			<u>9,188.50</u>				



Administrative Service Budget (Cont'd)	Adopted	Current Budget	Expended 08/2018	Expended YTD	Encumbrances	Bal Remaining	% Exp YTD
21872 · Prof & Spec Sv - Investigations	1,000.00	1,000.00	-	-	-	1,000.00	0%
Total 21872 · Prof & Spec Sv - Investigations			-				
21900 · Publications & Legal Notices	4,500.00	4,500.00	-	2,400.00	-	2,100.00	53%
Total 21900 · Publications & Legal Notices			-				
22300 - Spec Dept Exp - Other	500.00	500.00	32.00	57.00	-	443.00	11%
8/28/2018 2018-07 DOJ Clearance			32.00				
Total 22300 - Spec Dept Exp - Other			32.00				
22310 - Spec Dept Exp - Election Expense	5,000.00	5,000.00	-	-	-	5,000.00	0%
Total 22310 - Spec Dept Exp - Other			-				
22327 · Spec Dept Exp-Cost Allocation	151,282.00	151,282.00	12,606.83	25,213.66	-	126,068.34	17%
8/10/2018 2018-08 Cost Allocation			12,606.83				
Total 22327 · Spec Dept Exp-Cost Allocation			12,606.83				
22500 · Transportation & Travel	800.00	800.00	-	-	-	800.00	0%
Total 22500 · Transportation & Travel			-				
22505 · Trans & Travel -Staff Development	4,000.00	4,000.00	-	-	-	4,000.00	0%
Total 22505 · Trans & Travel -Staff Development			-				
22515 · Trans & Travel -In State	55,000.00	55,000.00	6,019.75	11,019.75	380.00	43,600.25	20%
8/9/2018 SACRS/UC Berkeley Program - Travel Reimb			215.01				
8/9/2018 CALAPRS Mgmt Academy Travel Reimb			186.83				
8/10/2018 CALAPRS Mgmt Academy - Rental Car			161.04				
8/10/2018 CALAPRS Mgmt Academy - Rental Car Fee			5.00				
8/10/2018 SACRS/UC Berkeley Program - Hotel			1,446.96				
8/10/2018 SACRS/UC Berkeley Program - Hotel			1,446.96				
8/10/2018 CALAPRS Mgmt Academy - Hotel			584.06				
8/10/2018 SACRS/UC Berkeley Program - Travel Reimb			243.89				
8/16/2018 SACRS Conf Fall 2018 Registration			120.00				
8/16/2018 SACRS Conf Fall 2018 Registration			120.00				
8/16/2018 SACRS Conf Fall 2018 Registration			120.00				
8/16/2018 SACRS Conf Fall 2018 Registration			120.00				
8/16/2018 CALAPRS Admin Institute Registration Fee			1,250.00				
Total 22515 · Trans & Travel -In State			6,019.75				
22516 · Trans & Travel -Out of State	9,000.00	9,000.00	-	-	-	9,000.00	0%
Total 22516 · Trans & Travel -Out of State			-				
22527 - Trans & Travel- Car Allowance	14,000.00	14,000.00	923.10	1,615.42	-	12,384.58	12%
8/10/2018 Car Allowance			461.55				
8/24/2018 Car Allowance			461.55				
Total 22527 - Trans & Travel- Car Allowance			923.10				
22600 · Utilities	12,500.00	12,500.00	1,530.30	1,530.30	1,083.74	9,885.96	12%
			1,244.51				
			285.79				
Total 22600 · Utilities			1,530.30				
Depreciation Expense	13,130.08	13,130.08				13,130.08	
Total Administrative Service Budget	2,068,937.97	2,068,937.97	133,335.01	292,817.58	62,821.94	1,713,298.45	14%
Total MCERA	6,412,715.84	6,412,715.84	185,780.69	469,194.06	84,937.00	5,858,584.78	7%

## PUBLIC PENSION CONSULTANTS

6510 A South Academy Blvd., #283 Colorado Springs, CO 80906  
Tel: (719) 999-5941, E-mail: [Lance@kjeldgaard-ppc.com](mailto:Lance@kjeldgaard-ppc.com)

## Legislative Review of Proposed Legislation for 1937 Act Systems

August 28, 2018

State Legislation

**AB 283, Cooper.** County employees' retirement: permanent incapacity.

*Re: Amends section 31720 of the Government Code.*

Status: Hearing canceled at the request of author – July 10, 2017.

This bill would require, for purposes of determining permanent incapacity for any member who is employed in a position classified as a peace officer under Section 830 of the Penal Code, that in determining permanent incapacity pursuant to subdivision (a), the member, based on the standards specified in Section 1031, shall be evaluated by the existing procedure established by the retirement system, to determine if that member can perform all of the usual and customary duties of a peace officer who is described under Section 830 of the Penal Code.

**AB 526, Cooper.** County employees' retirement.

*Re: Amends sections 31468, 31522.5, 31522.7, 31522.9, 31528, 31529.9, 31535, 31557.3, and 31580.2 of, and adds section 31522.75 to the Government Code.*

Status: Hearing canceled at the request of the author – July 10, 2017.

This bill would define the Sacramento County retirement system as a district under CERL. The bill would authorize the board to adopt, by resolution, specified administrative provisions that would classify various personnel of the retirement system as employees of the retirement system and not employees of the county. Latest amendment was to section 31522.75 g (5), which deals with transferring leave balances for those county employees who become retirement system employees.

**AB 2076, Rodriquez.** County employees' retirement: disability: date of retirement.

*Re: Adds Section 31541.1 to the Government Code.*

Status: Approved by the Governor and Chaptered on July 16, 2018.

This bill would authorize a county retirement system in Los Angeles County to correct a prior board decision determining the date of retirement for a member permanently

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incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision, as specified. The bill would authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provision, become operative.

**AB 2085, Cooley.** Retirement systems: surviving spouse.

*Re: Adds Section 31480.1 to the Government Code.*

Status: Re-referred to Com. on P.E., R., & S.S. on March 21, 2018. Hearing canceled at the request of the author.

This bill would define surviving spouse, for purposes of CERL, as a person legally married to the member, who is neither divorced nor legally separated at the time of the member's death and who meets other relevant requirements, as specified.

**AB 2571, Fletcher.** Public employee retirement systems: investments: race and gender pay equity.

*Re: Adds Section 7513.76 to and amends Section 16642 of the Government Code.*

Status: Amended April 11, 2018. Referred to Com. on P.E., R., & S.S. on April 12, 2018. Hearing canceled at the request of the author.

This bill, if consistent with fiduciary responsibilities of a public investment fund as determined by its board, would require a public investment fund to require an alternative investment to report at least certain information concerning specified hospitality employers relating to race and gender pay equity and sexual harassment. The bill would require a public investment fund to disclose race and gender pay equity and sexual harassment information provided to it pursuant to the bill at least once annually in a report presented at a meeting open to the public and would require the fund to provide the report upon request to a member of the Legislature. The bill would authorize the Department of Fair Employment and Housing to issue regulations for the implementation of these reporting requirements. The bill would define terms for purposes of the reporting provisions and repeal the reporting provisions on January 1, 2022.

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**AB 3084, Levine.** Public employees: other postemployment benefits: annual report.

*Re: Adds Section 7514.8 to the Government Code.*

Status: In Com. on APPR on May 25, 2018. Held under submission.

This bill would require each governing body of a public agency that provides postemployment benefits to, in an annual financial statement submitted to the Controller, in a form prescribed by the Controller, show that the public agency has met, or if it has not met, detail why it has not met and what the public agency is doing to meet, specified parameters related to the provision of other postemployment benefits:

- (a) Making targeted prefunding contributions on a timely basis.
- (b) Depositing contributions in an irrevocable qualified trust for the exclusive benefit of plan members.
- (c) Investing contributions in excess of any pay-as-you-go amounts in a diversified investment portfolio with a defined investment policy.
- (d) Ensuring that the discounted rate used to develop the actuarial account liability and normal cost recognizes the expected return of the entire portfolio.

**AB 3150, Brough.** Public employees' retirement: annual audits.

*Re: Amends Section 7512 of the Government Code.*

Status: Referred to Com. on P.E., R., & S.S. on March 12, 2018.

This bill would also require each state and local pension or retirement system to post a concise annual audit of the information described above on that system's Internet Web site no later than the 90th day following the audit's completion. By imposing new duties on local retirement systems, the bill would impose a state-mandated local program.

**ACA 15, Brough.** Public employee retirement benefits.

*Re: Adds Section 24 to Article XVI, to the California Constitution.*

Status: Introduced: Read first time – May 10, 2017.

The measure would prohibit a government employer from enhancing employee pension benefits, as defined, without approval by the voters of the jurisdiction, and would prohibit a government employer from enrolling a new government employee, as defined, in a defined benefit pension plan without approval by the voters of the jurisdiction.

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The measure also would prohibit a government employer from paying more than  $\frac{1}{2}$  of the total cost of retirement benefits, as defined, for new government employees without approval by the voters of the jurisdiction.

The measure would prohibit retirement boards from imposing charges or other financial conditions on a government employer that proposes to close a defined benefit pension plan to new members unless the voters or the sponsoring government employer approve those charges or conditions.

The measure would require challenges to the legality of actions taken by a government employer or a retirement board to comply with its provisions to be brought in state or federal courts.

The measure would prohibit its provisions from being interpreted to modify or limit disability benefits provided for government employees or death benefits for families of government employees, even if provided as part of a retirement benefits system, or from requiring voter approval of disability or death benefits.

The measure would prescribe various requirements and prohibitions regarding its interpretation and the effect of any other competing measures, among other things.

**SB 1031, Moorchach.** Public employees' retirement: cost-of-living adjustments: prohibitions.

*Re: Adds Section 7522.45 to the Government Code.*

Status: Referred to Com. on P.E. & R. Amended in Senate on April 5, 2018. Failed in committee, and reconsideration was granted on April 23, 2018.

The bill would prohibit a public retirement system, as defined, from making a cost-of-living adjustment to any allowance payable to, or on behalf of, a person retired under the system who becomes a new member on or after January 1, 2019, or to any survivor or beneficiary of that member or person retired under the system, for any year in which the unfunded actuarial liability of that system is greater than 20%. The bill would require that the determination of unfunded actuarial liability be based on a specified financial report and would apply the prohibition on cost-of-living adjustments, if any, to the calendar year following the fiscal year upon which the report is based.

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**SB 1244, Wieckowski.** Public records: disclosure.

*Re: Amends Section 6259 of the Government Code.*

Status: Enrolled and presented to the Governor on August 20, 2018.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

The act, when it appears to a superior court that certain public records are being improperly withheld from a member of the public, requires the court to order the officer or person charged with withholding the records to disclose the public record or show cause why he or she should not do so. The act requires the court to award court costs and reasonable attorney's fees to the plaintiff if the plaintiff prevails in litigation filed pursuant to these provisions, and requires the court to award court costs and reasonable attorney's fees to the public agency if the court finds that the plaintiff's case is clearly frivolous. This bill would replace "plaintiff" with "requester" in that provision, would make conforming changes, and would specify that these provision do not preclude the award of fees and costs pursuant to other provisions of law.

**SB 1270, Vidak.** County employees' retirement: system personnel.

*Re: Amends Section 31522.3 of the Government Code.*

Status: Approved by the Governor and Chaptered on July 16, 2018.

The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. CERL authorizes the retirement boards of 5 specified counties to appoint assistant administrators and chief investment officers who, following appointment, are outside county charter, civil service, and merit system rules, except as specified. CERL provides that these administrators and officers are employees of the county, as specified, while serving at the pleasure of the appointing boards, and that they may be dismissed without cause.

This bill would apply these provisions to any county if the board of supervisors for that county, by resolution adopted by majority vote, makes those provisions applicable in the county.

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**SB 1413, Nielsen.** Public employees retirement.

*Re: Adds Chapter 19 (commencing with Section 21710) to Part 3 of Division 5 of Title 2 of the Government Code, relating to public employees' retirement, and making appropriations therefor.*

Status: In Assembly. Ordered to third reading.

This bill would enact the *California Employers' Pension Prefunding Trust Program* and establish the *California Employers' Pension Prefunding Trust Fund* to allow state and local public agency employers that provide a defined benefit pension plan to their employees to prefund their required pension contributions.

The bill would authorize an employer, upon terms and conditions set by the board, to elect to participate in the prefunding plan, and would require the governing body of that employer to enter into a contract with the board relative to the prefunding plan. The bill would require the board to offer participating employers, as defined, specified cost-effective, diversified investment portfolios. The bill would require each participating employer to pay an amount, determined by the board, for administrative and asset management costs of the prefunding plan to the fund and would grant the board the sole and exclusive control of the administration and investment of the fund. The bill would also set the terms under which a prefunding plan contract could be terminated or transferred. The bill would specify that all moneys in the fund would be continuously appropriated to the board for the purposes of these provisions.

**SB 1433, Moorlach.** County employees' retirement: Deferred Retirement Option Program.

*Re: Amends Section 31770 of the Government Code.*

Status: Re-referred to Com. on P.E. & R. Failed passage in committee and reconsideration was granted on April 24, 2018.

This bill, on and after January 1, 2019, would prohibit a county or district from allowing a member to participate in a Deferred Retirement Option Program who was not participating in the program on or before December 31, 2018. The bill would also prohibit a county or district from establishing a new or additional Deferred Retirement Option Program.

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**SCA 8, Moorlach.** Public employee retirement benefits.

*Re: Adds Article XVI, Section 17.5 to the California Constitution.*

Status: Failed passage in committee. Reconsideration granted August 14, 2018.

This measure would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions.

**SCA 10, Moorlach.** Public employee retirement benefits.

*Re: Adds Article XVI, Section 17.3 to the California Constitution.*

Status: Failed passage in committee. Reconsideration granted August 14, 2018.

This measure would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a  $\frac{2}{3}$  vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University.



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**CALIFORNIA LEGISLATIVE CALENDAR:**

**2018:**

- Jan. 1 Statutes take effect
- Jan. 3 Legislature reconvenes
- Jan. 10 Budget must be submitted by Governor
- Jan. 12 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house in the odd-numbered year
- Jan. 19 Last day for any committee to hear and report to the Floor bills introduced in that house in the odd-numbered year.
- Jan. 31 Last day to submit bill requests to the Office of Legislative Counsel.  
Last day for each house to pass bills introduced in that house in the odd- numbered year
- Feb. 16 Last day for bills to be introduced
- Mar. 22 Spring Recess begins upon adjournment Apr. 2  
Legislature reconvenes from Spring Recess
- Apr. 27 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house
- May 11 Last day for policy committees to hear and report to the Floor non-fiscal bills introduced in their house
- May 18 Last day for policy committees to meet prior to June 4
- May 25 Last day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 4.
- May 29 - June 1 Floor session only. No committee may meet for any purpose except for Rules Committee and Conference Committees
- June 1 Last day for each house to pass bills introduced in that house
- June 15 Budget Bill must be passed by midnight
- June 28 Last day for a legislative measure to qualify for the Nov. 6 General Election ballot
- June 29 Last day for policy committees to hear and report fiscal bills to fiscal committees
- July 6 Last day for policy committees to meet and report bills Summer Recess begins on adjournment, provided Budget Bill has been passed
- Aug. 6 Legislature reconvenes from Summer Recess
- Aug. 17 Last day for fiscal committees to meet and report bills
- Aug. 20 – 31 Floor session only. No committee may meet for any purpose except Rules Committee, and Conference Committees
- Aug. 24 Last day to amend on Floor
- Aug. 31 Last day for each house to pass bills Final Recess begins on adjournment
- Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before September 1 and in the Governor's possession on or after Sept. 1
- Oct. 1 Bills enacted on or before this date take effect January 1, 2019
- Nov. 6 General Election
- Nov. 30 Adjournment *sine die* at midnight.
- Dec. 3 2019-20 Regular Session convenes for Organizational Session at 12 noon

**2019:**

- Jan. 1 Statutes take effect