



Merced County Employees' Retirement Association

**AGENDA
RETIREMENT BOARD MEETING**

Thursday, January 23, 2025, 8:30 A.M.

Location: Merced County Employees' Retirement Association
690 W 19th Street, Merced, CA 95340
Board Room, Floor 2

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

Telephone Number: 1-310-372-7549, Conference Code: 975839

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 – December 12, 2024

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.

<u>Name</u>	<u>Years of Service</u>	<u>Department</u>	<u>Effective Date</u>
Robert Blich	20	Admin Services	12/28/2024
Micah Brawley	13	Sheriff	01/03/2025
Gilbert Dominguez	26	Child Support Services	01/11/2025
Kenneth Elliot	6	DPW	01/01/2025
Gregory Hausmann	2	Sheriff	12/15/2024
Annie Huff	25	Superior Court	12/28/2024
Jami Johnson	20	Human Service Agency	12/28/2024
Jennifer Jones	21	Probation	01/13/2025
Kimberley Krebs	33	Child Support Services	12/13/2024
Pam Larimer	12	Auditor Controller	01/02/2025
Catherine Lipscomb	13	Probation	12/12/2024
Vincent A. Mirabal	1	Juvenile Hall	12/31/2024
Judith Perry	10	BHRS	12/28/2024
Xiaopei Qi	4	DPW	12/31/2024



Merced County Employees' Retirement Association

- b. Monthly Budget Reports Submitted.
- c. Monthly Construction Reports Submitted.

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 – Arnulfo Rocha
- b. Conference with Real Property Negotiator (Gov. Code section 54956.8.)
Property: 3199 M Street, Merced, CA 95348
Agency negotiator: Kristen Santos
Under negotiation: Price and terms of payment.
- c. Discussion of Public Employee Positions (Govt. Code §§ 54957).
Title: Plan Administrator
Title: Chief Investment Officer

8. Report Out of Closed Session

9. Open Session

- a. Discussion and possible action to approve the annual cost of living adjustment (COLA) for Tier 1 members, approve the proposed Actuarial Valuation Report and employer and employee contribution rates as of June 30, 2024
<https://presentation.cheiron.us/presentation/view/MercedCERA2024AVR?token=LbN2> – Graham Schmidt, Cheiron.
- b. Discussion on capital markets summary – Staff.
- c. Discussion and possible action to approve Resolution 2025-01 which updates the salary and benefits for the MercedCERA Chief Investment Officer classification – Staff.
- d. Discussion and possible action to appoint Kristen Santos as the Chief Investment Officer Position of MercedCERA effective 1/27/2025 – Staff.
- e. Discussion and possible action to appoint Martha Sanchez Barboa as Plan Administrator of MercedCERA effective 1/27/2025 – Staff.
- f. Discussion and possible action to have lettering and or signage on the MercedCERA new headquarters building – Staff.
- g. Discussion and possible action on possible dates for MercedCERA to have an open house for retirees and active members – Staff.

10. Information Sharing & Agenda Item Requests

11. Adjournment



Merced County Employees' Retirement Association

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.

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, CA 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.

Persons who require accommodation for any audio, visual or other disability or Spanish or Hmong interpretation in order to review an agenda, or to participate in a meeting of the Merced County Employees' Retirement Association per the American Disabilities Act (ADA), may obtain assistance by requesting such accommodation. Please address your written request to Merced County Employees' Association, 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, December 12, 2024, 8:30 A.M.

Location: Merced County Department of Public Health
260 E. 15th Street, Merced, CA 95341
Auditorium

Zoom Conference Information:

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

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

(For use only if Zoom Connection Malfunctions)

Telephone Number: 1-310-372-7549, Conference Code: 975839

1. Call to Order- 8:31 A.M.

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

2. Roll Call

Board Members Present: Scott Johnston, Ryan Paskin, Aaron Rosenberg, Scott Silveira, Karen Adams, Janey Cabral (arrived 8:33 A.M.), Bayani Manilay, Moses Nelson, Corrina Brown and Michael Harris. **Absent:** Alfonse Peterson **Counsel:** Tom Ebersole **Staff:** Kristie Santos, Martha Sanchez Barboa, Pete Madrid, Alex Lovato, Khue Xiong, Patrick Armendarez, Sheri Villagrana and Brenda Mojica.

3. Teleconference Request

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

None

4. Approval of Minutes – November 14, 2024.

Board voted unanimously to approve the November 14, 2024, meeting minutes.

1st- Johnston/2nd- Silveira, passes 8/0

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>
Julissa Cervantes	25 Years	Child Support Services	11/16/2024
John Anderson	20 Years	Human Services Agency	11/15/2024
Jacqueline Coulter	3 Years	Behavioral Health (BHRS)	11/15/2024
Paula Garcia	30 Years	Child Support Services	11/01/2024

- b. Monthly Budget Report is unavailable due to year end.
- c. Approve interest crediting as of December 31, 2024, in the amount of 5.44012% compounded semiannually for active and deferred members and 6.75% for employer and retired reserves.
- d. Monthly Performance by Meketa.
- e. Rebalancing transactions (for informational purposes only – transactions already completed):

<u>Redemptions</u>	<u>Requested</u>	<u>Received</u>
Hedge Funds	\$61,533,922	\$37,043,653
Real Estate	\$19,658,914	\$19,658,914
Real Assets	\$4,614,473	\$4,614,473
Total	\$85,807,309	\$61,317,040
<u>Contributions</u>		
Fixed Income & Cash		\$61,317,040
Total		\$61,317,040

Board voted unanimously to approve the consent agenda as presented.

1st- Adams/2nd- Rosenberg, passes 8/0

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. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.
- b. Public Employee Position Interviews (Govt. Code §§ 54957).
Title: Plan Administrator

8. Report Out of Closed Session

- a. Discussion and possible action regarding investments (Govt. Code § 54956.81) in recommended funds by Cliffwater LLC.

The Board voted unanimously to approve the following:

- **A commitment of up to \$6 million to GTCR Strategic Growth Fund II, L.P., a private equity partnership focused on mid-market control buyouts in the U.S., subject to satisfactory legal negotiations.**

1st- Manilay/2nd- Adams, passes 8/0

- b. Public Employee Position Interviews (Govt. Code §§ 54957).
Title: Plan Administrator
Staff given direction.
Trustee Harris left at end of Closed Session.

9. Open Session



Merced County Employees' Retirement Association

- a. Chair to appoint an ad hoc subcommittee to work with staff on Agency Technology projects for FY 2024/2025 – Chair.
The Chair Paskin appointed Trustees Harris, Brown and Bayani to the ad hoc subcommittee on Agency Technology projects for FY 2024/2025.
- b. Discussion on capital markets and investment performance – Staff.
No action taken.
- c. Discussion on MercedCERA's quarterly alternative portfolio update with possible action on any and all funds and general partners – Cliffwater.
No action taken.
- d. Discussion and possible action to approve the proposed capital budget for the MercedCERA alternative portfolio as presented by Cliffwater, LLC - Cliffwater.
The Board voted unanimously to approve the reduction in Private Equity Annual Budget from \$50 million to \$40 million and requests fewer but larger commitments, if possible.
1st- Adams/2nd- Cabral, passes 8/0

10. Information Sharing & Agenda Item Requests

11. Adjournment at 11:38 A.M.

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

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended July 31, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-07	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	-	-	3,878,000.00	0%
Total 21800 · Investment Expenses			-			
21802 · Actuarial Services	150,000.00	150,000.00	-		150,000.00	0%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	105,000.00	105,000.00	331.35	331.35	104,668.65	0.32%
7/18/2024 Comcast- June 2024 Services			331.35			
Total 21812 · Data Processing			331.35			
21834 · Legal Services	400,000.00	400,000.00	-		400,000.00	0%
Total 21834 · Legal Services			-			
21840 · Custodial Banking Services	180,000.00	180,000.00	-		180,000.00	0%
Total 21840 · Custodial Banking Services			-			
22350 · Software and Technology	605,000.00	605,000.00	20,424.85	20,424.85	584,575.15	3.38%
7/12/2024 CPAS-2024-07 Hosting			6,107.00			
7/15/2024 PensionX- 2024-07 Svc Program & SLA			900.00			
7/17/2024 PensionX-Secure File Upload Fee			12,000.00			
7/17/2024 Spriggs Inc 2024-Q3 Contract Base Rate			1,417.85			
Total 22350 · Software and Technology			20,424.85			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	20,756.20	20,756.20	5,622,243.80	0.37%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended July 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-07	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	39,327.00	39,327.00	1,935,673.00	1.99%
07/19/2024 Office Payroll 2024 PP15- Administrative Allocation			39,327.00			
Total 10110 · Salaries & Wages			<u>39,327.00</u>			
20600 · Communications	9,800.00	9,800.00	-	-	9,800.00	0%
Total 20600 · Communications			<u>-</u>			
20900 · Household Expense	20,000.00	20,000.00	1,015.78	1,015.78	18,984.22	5.08%
7/16/2024 ADT Security Services 2024-07			56.78			
7/18/2024 Geil Enterprises 2024-07 Janitorial Services			959.00			
Total 20900 · Household Expense			<u>1,015.78</u>			
21000 · Insurance - Other	135,000.00	135,000.00	102,659.00	102,659.00	32,341.00	76.04%
7/3/2024 The Hartford- Fire Insurance			3,718.00			
7/16/2024 PRISM- Public Risk Innovation- yearly renewal premium			12,376.00			
7/17/2024 Alliant Insurance Fiduciary Liability			86,565.00			
Total 21000 · Insurance - Other			<u>102,659.00</u>			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	-	-	25,000.00	0%
Total 21301 · Maintenance Structure Improvement			<u>-</u>			
21500 · Membership	10,000.00	10,000.00	-	-	10,000.00	0%
Total 21500 · Membership			<u>-</u>			
21700 · Office Expense - General	25,000.00	25,000.00	304.54	304.54	24,695.46	1.22%
7/17/2024 Office Depot Business Solutions- Storage Boxes			237.88			
7/17/2024 Office Depot Business Solutions- Pocket Portfolios			66.66			
Total 21700 · Office Expense - General			<u>304.54</u>			
21710 · Office Expense - Postage*	25,000.00	25,000.00	-	-	25,000.00	0%
Total 21710 · Office Expense - Postage			<u>-</u>			
21805 · Audits*	65,000.00	65,000.00	-	-	65,000.00	0.00%
Total 21805 · Audits			<u>-</u>			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended July 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-07	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-		10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	3,339.97	3,339.97	4,160.03	44.53%
7/12/2024 Dow Jones & Company Inc- service fee			3,339.97			
Total 21900 · Publications & Legal Notices			3,339.97			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-		1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-		30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	-		40,000.00	0%
Total 22327 · Spec Dept Exp - Cost Allocation			-			
22500 · Transportation & Travel	250.00	250.00	-		250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-	-		
22515 · Trans & Travel - In State	45,000.00	45,000.00	2,500.00	2,500.00	42,500.00	5.56%
7/12/2024 Martha Sanchez; Reimbursement for 2024 Calaprs			2,500.00			
Total 22515 · Trans & Travel - In State			2,500.00			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			-	-		
22600 · Utilities	40,000.00	40,000.00	-		40,000.00	0%
Total 22600 · Utilities			-			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	149,146.29	149,146.29	2,483,903.71	5.66%

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended August 31, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-8	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	40,833.33	52,461.33	3,825,538.67	1.35%
8/9/2024 Bloomberg- Subscription			7,500.00			
8/9/2024 Cliffwater LLC 2024-07 Consulting Services			33,333.33			
Total 21800 · Investment Expenses			<u>40,833.33</u>			
21802 · Actuarial Services	150,000.00	150,000.00	-		150,000.00	0.00%
Total 21802 · Actuarial Services			<u>-</u>			
21812 · Data Processing	105,000.00	105,000.00	321.35	652.70	104,347.30	0.62%
8/20/2024 Comcast- July 2024 services			321.35			
Total 21812 · Data Processing			<u>321.35</u>			
21834 · Legal Services	400,000.00	400,000.00	32,281.39	32,281.39	367,718.61	8.07%
8/8/2024 Ted Cabral- 2024-07 Legal Services			1,620.00			
8/8/2024 Ted Cabral- 2024-07 Legal Services			3,985.75			
8/8/2024 Ted Cabral- 2024-07 Legal Services			1,675.00			
8/8/2024 Ted Cabral- 2024-07 Legal Services			1,000.64			
8/8/2024 Ted Cabral- 2024-07 Legal Services			1,560.00			
8/8/2024 Ted Cabral- 2024-07 Legal Services			9,977.50			
8/8/2024 Ted Cabral- 2024-07 Legal Services			2,855.00			
8/8/2024 Ted Cabral- 2024-07 Legal Services			25.00			
8/8/2024 Ted Cabral- 2024-07 Legal Services			1,347.50			
8/8/2024 Ted Cabral- 2024-07 Legal Services			8,235.00			
Total 21834 · Legal Services			<u>32,281.39</u>			
21840 · Custodial Banking Services	180,000.00	180,000.00	-		180,000.00	0%
Total 21840 · Custodial Banking Services			<u>-</u>			

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended August 31, 2024

22350 · Software and Technology	605,000.00	605,000.00	10,014.64	30,439.49	574,560.51	5%
8/9/2024 CPAS-2024-08 Hosting			6,107.00			
8/9/2024 PensionX- 2024-08 Svc Program & SLA			900.00			
8/12/2024 Roger J Wyan Photography- Portrait & Bldg Construction			1,400.00			
8/19/2024 Life Status 360- Annual Subscription			620.00			
8/21/2024 LexisNexis- 2024-07 Accurint & Batch Services			936.56			
8/30/2024 Office Depot Business Solutions- Webcams			51.08			
Total 22350 · Software and Technology			<u>10,014.64</u>			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	83,450.71	115,834.91	5,527,165.09	2.1%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month August 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-08	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	115,074.04	154,401.04	1,820,598.96	7.82%
08/02/2024 Office Payroll 2024 PP16- Administrative Allocation			39,327.00			
08/16/2024 Office Payroll 2024 PP17- Administrative Allocation			39,327.00			
8/30/2024 Office Payroll 2024 PP18- Administrative Allocation			36,420.04			
Total 10110 · Salaries & Wages			115,074.04			
20600 · Communications	9,800.00	9,800.00	165.59	165.59	9,634.41	1.69%
8/12/2024 AT&T 2024-07 Calnet			165.59			
Total 20600 · Communications			165.59			
20900 · Household Expense	20,000.00	20,000.00	1,117.15	2,132.93	17,867.07	10.66%
8/5/2024 ADT- August 2024 Security Services			56.78			
8/21/2024 Geil Enterprises 2024-08 Janitorial Services			959.00			
8/12/24 Bob's Pest Control- 2024-07 Pest Control			40.00			
8/28/24 ADT- September 2024 Security Services			61.37			
Total 20900 · Household Expense			1,117.15			
21000 · Insurance - Other	135,000.00	135,000.00	8.00	102,667.00	32,333.00	76.05%
8/16/2024 Misc Cash Receipt Expense			8.00			
Total 21000 · Insurance - Other			8.00			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	660.00	660.00	24,340.00	2.64%
8/12/2024 Yardmasters- 2024-07 Landscape Service			360.00			
8/30/2024 Yardmasters- 2024-08 Lanscape Service (Tree Pruning)			300.00			
Total 21301 · Maintenance Structure Improvement			660.00			
21500 · Membership	10,000.00	10,000.00	-	-	10,000.00	0%
Total 21500 · Membership			-			
21700 · Office Expense - General	25,000.00	25,000.00	3,604.58	3,909.12	21,090.88	15.64%
8/12/2024 First Choice- 2024-07-23 Water Service			88.59			
8/12/2024 First Choice 2024-08-06 Water Service			51.31			
8/13/2024 iStock- annual renewal fee			348.00			
8/19/2024 First Choice 2024-07-09 Water Service			69.95			
8/20/2024 Office Depot Business Solutions- (Markers, staplers, tape, etc)			293.48			
8/20/2024 Office Depot Business Solutions- USB cables			24.56			
8/20/2024 Vast Conference- Confrence Calling Communication Charges			757.24			
8/29/2024 Office Depot Business Solutions- Hepa Air Filters			894.22			
8/30/2024 Office Depot Business Solutions- Water Cooler Dispenser			365.77			
8/30/2024 Office Depot Business Solutions- office supplies			377.67			
8/30/2024 Office Depot Business Solutions- Hepa Air Filters			324.74			
8/30/2024 Office Depot Business Solutions- office supplies			9.05			
Total 21700 · Office Expense - General			3,604.58			
21710 · Office Expense - Postage*	25,000.00	25,000.00	-	-	25,000.00	0%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month August 31, 2024

Total 21710 · Office Expense - Postage			<u>-</u>			
21805 · Audits*	65,000.00	65,000.00	-	-	65,000.00	0%
Total 21805 · Audits			<u>-</u>			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month August 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-08	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-		10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	45%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-		1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-		30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	-		40,000.00	0%
Total 22327 · Spec Dept Exp - Cost Allocation			-			
22500 · Transportation & Travel	250.00	250.00	-		250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	2,898.99	5,398.99	39,601.01	12.00%
8/5/2024 SACRS UC Berkeley- Hotel Reservation			1,677.12			
8/5/2024 24-07 CALAPRS Hotel Reservation			699.68			
8/6/2024 2024-06 CALAPRS Benefit Training			(323.50)			
8/6/2024 2024-06 CALAPRS Hotel Reservation			1,454.16			
8/6/2024 2024-06 CALAPRS Hotel Reservation			693.72			
8/6/2024 SACRS Spring Conference - Car Rental			200.23			
8/7/2024 2024-06 CALAPRS Hotel Reservation			(693.72)			
8/7/2024 2024-06 CALAPRS Hotel Reservation			(1,454.16)			
8/7/2024 SACRS Conference - Car Rental			(200.23)			
8/9/2024 SACRS Conference- 2024-07 CALAPR			612.84			
8/12/2024 SACRS Conference - 2024-07 CALAPR			232.85			
Total 22515 · Trans & Travel - In State			2,898.99			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month August 31, 2024

Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	2,833.48	2,833.48	37,166.52	7.08%
08/05/2024 PG&E- Gas and Electric 2024-07			2,330.58			
08/12/2024 CITY OF MERCED Water & Garbage 2024-07 3199 M Street			310.58			
08/12/2024 CITY OF MERCED Water & Garbage 2024-07 690 W 19th Street			192.32			
Total 22600 · Utilities			2,833.48			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	126,361.83	275,508.12	2,357,541.88	10.46%

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended September 30, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-9	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	-	52,461.33	3,825,538.67	1.35%
Total 21800 · Investment Expenses			-			
21802 · Actuarial Services	150,000.00	150,000.00	-		150,000.00	0%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	105,000.00	105,000.00	321.35	974.05	104,025.95	0.93%
9/26/2024 Comcast- August 2024 services			321.35			
Total 21812 · Data Processing			321.35			
21834 · Legal Services	400,000.00	400,000.00	2,025.00	34,306.39	365,693.61	8.58%
9/17/2024 Ted Cabral- 2024-08 Legal Services			2,025.00			
Total 21834 · Legal Services			2,025.00			
21840 · Custodial Banking Services	180,000.00	180,000.00	-		180,000.00	0%
Total 21840 · Custodial Banking Services			-			
22350 · Software and Technology	605,000.00	605,000.00	8,225.08	38,664.57	605,000.00	0.00%
9/17/2024 PensionX- 2024-09 Svc Program & SLA			900.00			
9/17/2024 Pitney Bowes- Postal Meter Quarterly Charges			281.52			
9/26/2024 CPAS-2024-09 Hosting			6,107.00			
9/26/2024 LexisNexis- 2024-08 Accurint & Batch Services			936.56			
Total 22350 · Software and Technology			8,225.08			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	10,571.43	126,406.34	5,516,593.66	2.24%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended September 30, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-09	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	76,785.92	231,186.96	1,743,813.04	11.71%
09/13/2024 Office Payroll 2024 PP19- Administrative Allocation			38,287.80			
09/27/2024 Office Payroll 2024 PP 20- Administrative Allocation			38,498.12			
Total 10110 · Salaries & Wages			<u>76,785.92</u>			
20600 · Communications	9,800.00	9,800.00	178.49	344.08	9,455.92	3.51%
9/3/2024 AT&T 2024-08 CALNET			178.49			
Total 20600 · Communications			<u>178.49</u>			
20900 · Household Expense	20,000.00	20,000.00	999.00	3,131.93	16,868.07	15.66%
9/17/2024 Bob's Pest Control- 2024-08 Pest Control			40.00			
9/26/2024 Geil Enterprises 2024-09 Janitorial Services			959.00			
Total 20900 · Household Expense			<u>999.00</u>			
21000 · Insurance - Other	135,000.00	135,000.00	-	102,667.00	32,333.00	76%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	720.00	1,380.00	23,620.00	5.52%
9/3/2024 Yardmasters- 2024-08 Landscape Service			360.00			
9/26/2024 Yardmasters- 2024-09 Landscape Service			360.00			
Total 21301 · Maintenance Structure Improvement			<u>720.00</u>			
21500 · Membership	10,000.00	10,000.00	-	-	10,000.00	0%
Total 21500 · Membership			-			
21700 · Office Expense - General	25,000.00	25,000.00	(117.33)	3,791.79	21,208.21	15.17%
9/3/2024 First Choice 2024-08-20 Water Service			41.99			
9/3/2024 Office Depot Business Solutions-Refund (damaged water dispenser)			(348.00)			
9/17/2024 First Choice 2024-09-04 Water Service			41.99			
9/17/2024 Office Depot Business Solutions- office supplies			79.50			
9/17/2024 Office Depot Business Solutions- office supplies			6.56			
9/26/2024 First Choice 2024-09-18 Water Service			60.63			
Total 21700 · Office Expense - General			<u>(117.33)</u>			
21710 · Office Expense - Postage*	25,000.00	25,000.00	-	-	25,000.00	0%
Total 21710 · Office Expense - Postage			-			
21805 · Audits*	65,000.00	65,000.00	-	-	65,000.00	0%
Total 21805 · Audits			-			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended September 30, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-09	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-		10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	45%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-		1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-		30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	-		40,000.00	0%
Total 22327 · Spec Dept Exp - Cost Allocation			-			
22500 · Transportation & Travel	250.00	250.00	-		250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	-	5,398.99	39,601.01	12%
Total 22515 · Trans & Travel - In State			-			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	-	7,500.00	0%
Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	4,064.78	6,898.26	33,101.74	17.25%
09/03/2024 PG&E- Gas and Electric 2024-08			1,867.82			
09/17/2024 CITY OF MERCED Water & Garbage 2024-08 3199 M Street			349.73			
09/17/2024 CITY OF MERCED Water & Garbage 2024-08 690 W 19th Street			195.60			
09/30/2024 PG&E- Gas and Electric 2024-09			1,651.63			
Total 22600 · Utilities			4,064.78			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	82,630.86	358,138.98	2,274,911.02	13.60%

Merced County Employees' Retirement Association
Non-Administrative Expenditures Report (Preliminary)
For the Month Ended October 31, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-10	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	90,545.32	156,173.65	3,721,826.35	4.03%
10/11/2024 Cindy Krebs Consulting Services			15,000.00			
10/11/2024 Meketa- Investment Services Consulting Fees 7/1/24 - 9/30/24			53,750.00			
10/11/2024 NOSSAMAN LLP- Genstar Capital XI			1,102.80			
10/11/2024 NOSSAMAN LLP- Genstar Capital XI			541.20			
10/25/2024 NOSSAMAN LLP 2024-05 Profesional Services			151.32			
10/30/2024 BLOOMBERG LP 2024-10 Subscription			7,500.00			
10/30/2024 NOSSAMAN LLP 2024-10 Sumit Partners Growth Equity Fund XII			12,500.00			
Total 21800 · Investment Expenses			90,545.32			
21802 · Actuarial Services	150,000.00	150,000.00	30,693.75	30,693.75	119,306.25	20.46%
10/24/2024 CHEIRON INC Q3 2024 Actuarial			30,693.75			
Total 21802 · Actuarial Services			30,693.75			
21812 · Data Processing	105,000.00	105,000.00	15,452.26	16,426.31	88,573.69	15.64%
10/09/2024 IS Billing			4,921.09			
10/9/2024 IS Billing			10,209.82			
10/21/2024 Comcast- September 2024 services			321.35			
Total 21812 · Data Processing			15,452.26			
21834 · Legal Services	400,000.00	400,000.00	55,669.00	89,975.39	310,024.61	22.49%
10/9/2024 Ted Cabral- 2024-09 Legal Services			2,227.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			10,920.85			
10/17/2024 Ted Cabral- 2024-09 Legal Services			100.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			1,745.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			162.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			1,097.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			17,633.35			
10/17/2024 Ted Cabral- 2024-09 Legal Services			25.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			4,530.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			12,932.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			1,535.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			212.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			125.00			
10/17/2024 Ted Cabral- 2024-09 Legal Services			247.50			
10/17/2024 Ted Cabral- 2024-09 Legal Services			1,795.00			
10/30/2024 NOSSAMAN LLP 2024-Accel-KKR Capial Partners VII			379.80			
Total 21834 · Legal Services			55,669.00			
21840 · Custodial Banking Services	180,000.00	180,000.00	330.00	330.00	179,670.00	0.18%
10/09/2024 2024-07 Wire Fees			165.00			
10/10/2024 2024-08 Treasurer Wire Fees			165.00			
Total 21840 · Custodial Banking Services			330.00			
22350 · Software and Technology	605,000.00	605,000.00	60,578.62	99,243.19	505,756.81	16.40%
10/3/2024 Spriggs Inc 2024-Q3 Contract Services			1,417.85			
10/7/2024 CPAS-2024-10 Hosting			6,107.00			
10/15/2024 FRSECURE LLC vCISO Quarterly services			11,193.00			
10/17/2024 Sytech Solutions- Digitalization Project Services			35,633.75			
10/22/2024 CPAS-2024-11 Hosting			6,107.00			
10/31/2024 Office Depot- Office Supplies			41.12			
10/31/2024 Office Depot- Office Supplies			78.90			
Total 22350 · Software and Technology			60,578.62			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	253,268.95	392,842.29	5,250,157.71	6.96%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended October 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-10	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	87,074.55	318,261.51	1,656,738.49	16.11%
10/11/2024 Office Payroll 2024 PP 21- Administrative Allocation			38,287.80			
10/25/2024 Office Payroll 2024 PP 22- Administrative Allocation			48,786.75			
Total 10110 · Salaries & Wages			87,074.55			
20600 · Communications	9,800.00	9,800.00	2,870.05	3,214.13	6,585.87	32.80%
10/2/2024 AT&T 2024-09 Calnet			171.04			
10/9/2024 Communication billing			1,290.26			
10/9/2024 Communication billing			1,237.23			
10/31/2024 AT&T 2024-10 Calnet			171.52			
Total 20600 · Communications			2,870.05			
20900 · Household Expense	20,000.00	20,000.00	1,121.74	4,253.67	15,746.33	21.27%
10/2/2024 Bob's Pest Control- 2024-09 Pest Control			40.00			
10/17/2024 Geil Enterprises 2024-10 Janitorial Services			959.00			
10/22/2024 ADT security service 2024-10			61.37			
10/22/2024 ADT security service 2024-11			61.37			
Total 20900 · Household Expense			1,121.74			
21000 · Insurance - Other	135,000.00	135,000.00	-	102,667.00	32,333.00	76%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	1,149.23	2,529.23	22,470.77	10.12%
10/9/2024 DPW Building Svcs 2024-06			98.28			
10/9/2024 DPW Building Svcs 2024-07			272.28			
10/17/2024 DPW Building Svcs 2024-08			104.42			
10/24/2024 Yard Masters 2024-10 landscape services			360.00			
10/29/2024 Yard Masters 8/19/24 Irrigation services			314.25			
Total 21301 · Maintenance Structure Improvement			1,149.23			
21500 · Membership	10,000.00	10,000.00	-	4,315.00	5,685.00	43.15%
10/11/2024 NCPERS Membership Renewal			315.00			
10/29/2024 SACRS FY 2024-25 Annual membership			4,000.00			
Total 21500 · Membership			4,315.00			
21700 · Office Expense - General	25,000.00	25,000.00	4,196.34	7,988.13	17,011.87	31.95%
10/9/2024 First Choice 10/02/24 Water Service			23.35			
10/9/2024 Stores billing period 1			27.00			
10/9/2024 Stores billing period 2			3,908.26			
10/21/2024 Water dispenser			167.78			
10/22/2024 First Choice 10/16/24 Water Service			69.95			
Total 21700 · Office Expense - General			4,196.34			
21710 · Office Expense - Postage*	25,000.00	25,000.00	5,087.52	5,087.52	19,912.48	20.35%
10/9/2024 Mailroom charges period 1			1,925.03			
10/9/2024 Mailroom charges period 2			1,881.74			
10/21/2024 Employee Reimbursement- Ship computers to consultants			762.31			
10/21/2024 Employee Reimbursement- Ship computers to consultants			518.44			
Total 21710 · Office Expense - Postage			5,087.52			
21805 · Audits*	65,000.00	65,000.00	23,066.71	23,066.71	41,933.29	35.49%
10/17/2024 MGO Professional Services			23,066.71			
Total 21805 · Audits			23,066.71			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended October 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-10	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-		10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	45%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-		1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-		30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	36,803.68	36,803.68	3,196.32	92.01%
10/02/2024 Retirement July 2024 Cost Plan			9,200.92			
10/03/2024 Retirement Sep 2024 Cost Plan			9,200.92			
10/03/2024 Retirement Aug 2024 Cost Plan			9,200.92			
10/9/2024 Department Cost Allocation Chrgs 2024-10			9,200.92			
Total 22327 · Spec Dept Exp - Cost Allocation			36,803.68			
22500 · Transportation & Travel	250.00	250.00	-		250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	(2,956.33)	2,442.66	42,557.34	5.43%
10/7/2024 Employee Reimbursement for Travel			(3,500.00)			
10/9/2024 Employee Travel Reimbursement			193.67			
10/11/2024 CALAPRS Benefits Roundtable 06			300.00			
10/11/2024 CALAPRS Compliance Virtual Roundtable			50.00			
Total 22515 · Trans & Travel - In State			(2,956.33)			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	1,297.35	1,297.35	6,202.65	17.30%
10/25/2024 Interview Candidate for Deputy Interview- Travel Reimbursment			1,297.35			
Total 22516 · Trans & Travel - Out of State			1,297.35			
22600 · Utilities	40,000.00	40,000.00	4,497.28	11,395.54	28,604.46	28.49%
10/09/2024 City of Merced Utilities 2024-10 690 W 19th Street			276.45			
10/09/2024 City of Merced Utilities 2024-10 3199 M Street			410.63			
10/09/2024 City of Merced- Property Business Improvement Charge			2,141.56			
10/30/2024 PG&E- Gas and Electric 2024-10			1,514.50			
10/31/2024 Merced Irrigation-Electrical charges 2024-10			154.14			
Total 22600 · Utilities			4,497.28			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	168,523.12	526,662.10	2,106,387.90	20.00%

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended November 30, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-11	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	183,169.01	353,193.66	3,524,806.34	9.11%
11/4/2024 CLIFFWATER LLC 2024-10 Consulting fees			33,333.33			
11/5/2024 CLIFFWATER LLC 2024-08 Consulting fees			33,333.33			
11/5/2024 CLIFFWATER LLC 2024-09 Consulting fees			33,333.33			
11/05/2024 CLIFTON LARSON CAAS Prof. Svcs			55,363.88			
11/5/2024 CLIFTON LARSON CAAS Prof Svcs.			27,805.14			
Total 21800 · Investment Expenses			183,169.01			
21802 · Actuarial Services	150,000.00	150,000.00	-	30,693.75	119,306.25	20.46%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	105,000.00	105,000.00	11,329.19	27,755.50	77,244.50	26.43%
11/18/2024 2024-09 IS Charges			5,033.47			
11/25/2024 Comcast- October 2024 services			321.35			
11/27/2024 2024-10 Cradlepoint Chgs			703.00			
11/27/2024 2024-10 IS Charges			5,271.37			
Total 21812 · Data Processing			11,329.19			
21834 · Legal Services	400,000.00	400,000.00	291.75	90,267.14	309,732.86	22.57%
11/1/2024 Ted Cabral- 2024-10 Legal Services			(14,025.85)			
11/5/2024 Mattos J Weldon- Professional Services			4,750.00			
11/6/2024 Ted Cabral- 2024-10 Legal Services			4,085.00			
11/6/2024 Ted Cabral- 2024-10 Legal Services			112.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			67.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			192.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			67.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			157.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			382.50			
11/6/2024 Ted Cabral- 2024-10 Legal Services			2,025.00			
11/6/2024 NOSSAMAN LLP 2024-07 Consulting Services			650.40			
11/6/2024 NOSSAMAN LLP 2024-04 Consulting Services			1,491.60			
11/6/2024 NOSSAMAN LLP 2024-04 Consulting Services			72.00			
11/18/2024 NOSSAMAN LLP 2024-11 Consulting Services			263.60			
Total 21834 · Legal Services			291.75			
21840 · Custodial Banking Services	180,000.00	180,000.00	165.00	495.00	179,505.00	0.28%
11/18/2024 2024-09 Wire Fees			165.00			
Total 21840 · Custodial Banking Services			165.00			
22350 · Software and Technology	605,000.00	605,000.00	21,259.44	120,502.63	484,497.37	19.92%
11/5/2024 Office Depot- Office Supplies			385.31			
11/7/2024 CDW-Government (Laptops)			3,171.73			
11/8/2024 Pitney Bowes- Postage Meter Services			472.28			
11/8/2024 Roger J Wyan Photography- Building & New Employees			3,100.00			
11/13/2024 Sytec Solutions Yearly Subscription 7/1/24-6/30/25			6,000.00			
11/15/2024 LexisNexis- 2024-10 Accurint & Batch Services			936.56			
11/15/2024 LexisNexis- 2024-09 Accurint & Batch Services			936.56			
11/27/2024 CPAS-2024-12 Hosting			6,107.00			
11/27/2024 SaaSant Yearly Membership			150.00			
Total 22350 · Software and Technology			21,259.44			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	216,214.39	622,907.68	5,020,092.32	11.04%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended November 30, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-11	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	100,300.05	418,561.56	1,556,438.44	21.19%
11/08/2024 Office Payroll 2024 PP 23- Administrative Allocation			50,618.90			
11/22/2024 Office Payroll 2024 PP 24- Administrative Allocation			49,681.15			
Total 10110 · Salaries & Wages			100,300.05			
20600 · Communications	9,800.00	9,800.00	1,887.28	5,101.41	4,698.59	52.06%
11/18/2024 2024-09 Communication Charges			1,285.66			
11/27/2024 2024-10 Communication Charges			601.62			
Total 20600 · Communications			1,887.28			
20900 · Household Expense	20,000.00	20,000.00	1,060.37	5,314.04	14,685.96	26.57%
11/13/2024 Bob's Pest Control- 2024-10 Pest Control			40.00			
11/18/2024 Geil Enterprises 2024-11 Janitorial Services			959.00			
11/19/2024 ADT Security 2024-11 Security Services			61.37			
Total 20900 · Household Expense			1,060.37			
21000 · Insurance - Other	135,000.00	135,000.00	-	102,667.00	32,333.00	76.05%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	360.00	2,889.23	22,110.77	11.56%
11/25/2024 Yard Masters 2024-11 landscape services			360.00			
Total 21301 · Maintenance Structure Improvement			360.00			
21500 · Membership	10,000.00	10,000.00	-	4,315.00	5,685.00	43.15%
Total 21500 · Membership			-			
21700 · Office Expense - General	25,000.00	25,000.00	1,324.33	9,312.46	15,687.54	37.25%
11/1/2024 First Choice 2024-10-30 Water Services			32.67			
11/5/2024 Office Depot- Office Supplies			(365.77)			
11/7/2024 Ingraham Trophies- Black and White Name Plates			54.13			
11/7/2024 Office Depot- Seat Cover			18.68			
11/7/2024 Office Depot- Office Supplies			333.86			
11/13/2024 Office Depot- Office Supplies			772.00			
11/15/2024 First Choice 2024-11-13 Water Services			69.95			
11/18/2024 2024-09 Stores Charges			27.00			
11/21/2024 Office Depot- Office Supplies			32.75			
11/22/2024 Office Depot- Office Supplies			196.61			
11/27/2024 Office Depot- Office Supplies			125.45			
11/27/2024 2024-10 Pacific Shredding (Paper Shredding Services)			27.00			
Total 21700 · Office Expense - General			1,324.33			
21710 · Office Expense - Postage*	25,000.00	25,000.00	6,918.65	12,006.17	12,993.83	48.02%
11/18/2024 2024-09 Mailroom			3,932.98			
11/27/2024 2024-10 Mailroom Charges			2,985.67			
Total 21710 · Office Expense - Postage			6,918.65			
21805 · Audits*	65,000.00	65,000.00	30,500.00	53,566.71	11,433.29	82.41%
11/13/2024 UHY LLP Invoice 550448437 2024			14,500.00			
11/19/2024 MGO 2024-10 Consulting Fees			16,000.00			
Total 21805 · Audits			30,500.00			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended November 30, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-11	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-		10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	44.53%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-		1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-		30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	9,200.92	46,004.60	(6,004.60)	115.01%
11/18/2024 2024-11 Cost Plan			9,200.92			
Total 22327 · Spec Dept Exp - Cost Allocation			<u>9,200.92</u>			
22500 · Transportation & Travel	250.00	250.00	-		250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	4,054.37	6,497.03	38,502.97	14.44%
11/8/2024 SACRS HOTEL MONTEREY CA			3,214.37			
11/27/2024 SACRS Registrations			840.00			
Total 22515 · Trans & Travel - In State			<u>4,054.37</u>			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	1,297.35	6,202.65	17.30%
Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	1,832.24	13,227.78	26,772.22	33.07%
11/07/2024 City of Merced Utilities 2024-11 690 W 19th Street			309.56			
11/07/2024 City of Merced Utilities 2024-11 3199 M Street			406.28			
11/25/2024 Merced Irrigation-Electrical charges 2024-11			141.47			
11/27/2024 PG&E- Gas and Electric 2024-11			974.93			
Total 22600 · Utilities			<u>1,832.24</u>			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	157,438.21	684,100.31	1,948,949.69	25.98%

Merced County Employees' Retirement Association
 Non-Administrative Expenditures Report (Preliminary)
 For the Month Ended December 31st, 2024

Non-Administrative Expenses	Original Projection	Current Projection	Expended 2024-12	Expended YTD	Bal Remaining	% Exp YTD
21800 · Investment Expenses	3,878,000.00	3,878,000.00	106,050.75	473,950.41	3,404,049.59	12.22%
12/3/2024 Cliffwater LLC 2024-11 Consulting Services			33,333.33			
12/19/2024 Cindy Krebs Consulting Services - 2nd billing			15,000.00			
12/19/2024 Nossaman LLP 2024-12 Professional Services			15,000.00			
12/26/2024 Clifton Larson Professional Services			42,717.42			
Total 21800 · Investment Expenses			106,050.75			
21802 · Actuarial Services	150,000.00	150,000.00	-	30,693.75	119,306.25	20.46%
Total 21802 · Actuarial Services			-			
21812 · Data Processing	105,000.00	105,000.00	8,107.65	35,863.15	69,136.85	34.16%
12/03/2024 Intra department charges			703.00			
12/3/2024 Intra department charges			700.00			
12/03/2024 Intra department charges			650.00			
12/17/2024 2024-11 Cradlepoint Charges			700.00			
12/17/2024 2024-11 IS Charges			5,033.30			
12/19/2024 Comcast- November 2024 services			321.35			
Total 21812 · Data Processing			8,107.65			
21834 · Legal Services	400,000.00	400,000.00	28,780.10	119,047.24	280,952.76	29.76%
12/3/2024 Nossaman LLP 2024-11 Consulting Services			2,851.20			
12/5/2024 Ted Cabral- 2024-11 Legal Services			100.00			
12/5/2024 Ted Cabral- 2024-11 Legal Services			11,112.50			
12/5/2024 Ted Cabral- 2024-11 Legal Services			8,219.70			
12/5/2024 Ted Cabral- 2024-11 Legal Services			62.50			
12/5/2024 Ted Cabral- 2024-11 Legal Services			67.50			
12/5/2024 Ted Cabral- 2024-11 Legal Services			50.00			
12/5/2024 Ted Cabral- 2024-11 Legal Services			2,937.50			
12/5/2024 Ted Cabral- 2024-11 Legal Services			1,530.00			
12/11/2024 Ted Cabral- 2024-11 Legal Services			180.00			
12/18/2024 Nossaman LLP 2024-12 Professional Services			109.20			
12/26/2024 Hanson Bridgett 2024-Q4 Legal Services			1,560.00			
Total 21834 · Legal Services			28,780.10			
21840 · Custodial Banking Services	180,000.00	180,000.00	-	495.00	179,505.00	0.28%
Total 21840 · Custodial Banking Services			-			
22350 · Software and Technology	605,000.00	605,000.00	37,556.19	158,058.82	446,941.18	26.13%
12/3/2024 PensionX- 2024-10 Svc Program & SLA			900.00			
12/3/2024 PensionX- 2024-11 Svc Program & SLA			900.00			
12/3/2024 PensionX- 2024-12 Svc Program & SLA			900.00			
12/4/2024 Pitney Bowes Postage Meter			51.43			
12/4/2024 FRSECURE LLC Service Charge			348.00			
12/17/2024 Atlantech Resellers- Dell R630 Server			2,785.99			
12/17/2024 Atlantech Resellers- Dell R630 Server (sales tax)			229.84			
12/17/2024 FRSECURE LLC 2024-Q4 Service Charge			11,193.00			
12/18/2024 LexisNexis- 2024-11 Accurint & Batch Services			1,047.94			
12/20/2024 Sytech Solutions 2024-12 Professional Fees			18,512.21			
12/31/2024 FRSECURE LLC Service Charge			687.78			
Total 22350 · Software and Technology			37,556.19			
Depreciation Expense	325,000.00	325,000.00	-	-	325,000.00	
Total Non-Administrative Items	5,643,000.00	5,643,000.00	180,494.69	818,108.37	4,824,891.63	14.50%

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended December 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-12	Expended YTD	Bal Remaining	% Exp YTD
10110 · Salaries & Wages	1,975,000.00	1,975,000.00	100,805.18	519,366.74	1,455,633.26	26.30%
12/06/2024 Office Payroll 2024 PP 25- Administrative Allocation			50,402.59			
12/20/2024 Office Payroll 2024 PP 26- Administrative Allocation			50,402.59			
Total 10110 · Salaries & Wages			100,805.18			
20600 · Communications	9,800.00	9,800.00	(1,291.67)	3,809.74	5,990.26	38.87%
12/3/2024 AT&T 2024-11 CALNET			171.43			
12/3/2024 2024-11 Communications Charges			(703.00)			
12/3/2024 2024-11 Communications Charges			(700.00)			
12/3/2024 2024-11 Communications Charges			(650.00)			
12/17/2024 2024-11 Communications Charges			589.90			
Total 20600 · Communications			(1,291.67)			
20900 · Household Expense	20,000.00	20,000.00	1,060.37	6,374.41	13,625.59	31.87%
12/6/2024 Bob's Pest Control- 2024-11 Pest Control			40.00			
12/17/2024 ADT Security 2024-12 Security Services			61.37			
12/18/24 Geil Enterprises 2024-12 Janitorial Services			959.00			
Total 20900 · Household Expense			1,060.37			
21000 · Insurance - Other	135,000.00	135,000.00	-	102,667.00	32,333.00	76.05%
Total 21000 · Insurance - Other			-			
21301 · Maintenance Structure Improvement	25,000.00	25,000.00	760.00	3,649.23	21,350.77	14.60%
12/26/2024 Yard Masters 2024-12 Landscaping Svcs (3199 M Street)			360.00			
12/26/2024 Yard Masters 2024-12 Landscaping Svcs (690 W 19th Street)			400.00			
Total 21301 · Maintenance Structure Improvement			760.00			
21500 · Membership	10,000.00	10,000.00	-	5,815.00	4,185.00	58.15%
12/3/2024 CALAPRS 2025 Annual Membership			1,500.00			
Total 21500 · Membership			1,500.00			
21700 · Office Expense - General	25,000.00	25,000.00	(102.77)	9,209.69	15,790.31	36.84%
12/3/2024 First Choice 2024-11 Water Service			60.63			
12/4/2024 Store Charges (Admin Servcies Dept)			(3,000.00)			
12/4/2024 Store Charges (Admin Servcies Dept)			(348.00)			
12/12/2024 Staples Office Supply - Surge protectors for new building			190.46			
12/16/2024 2024-11 Pacific Shredding Services			27.00			
12/17/2024 First Choice 2024-12 Water Service			69.95			
12/17/2024 Petty Cash-Replenishment-Office Supplies			21.65			
12/17/2024 Petty Cash-Replenishment-Office Supplies			10.83			
12/17/2024 Petty Cash-Replenishment-Office Supplies			13.53			
12/17/2024 Petty Cash-Replenishment-Office Supplies			5.65			
12/17/2024 Petty Cash-Replenishment-Office Supplies			9.47			
12/17/2024 Petty Cash-Replenishment-Office Supplies			9.72			
12/17/2024 Petty Cash-Replenishment-Office Supplies			18.91			
12/17/2024 Petty Cash-Replenishment-Office Supplies			19.64			
12/31/2024 First Choice 12/04/2023 Water			51.31			
12/31/2024 UPS Postal- Equipment Return (laptops)			441.79			
12/31/2024 Vista Print- Presentation Folders			2,210.30			
12/31/2024 VistaPrint- Business Cards			84.39			
Total 21700 · Office Expense - General			(102.77)			
21710 · Office Expense - Postage*	25,000.00	25,000.00	1,853.48	13,859.65	11,140.35	55.44%

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month Ended December 31, 2024

12/23/2024 2024-11 Mailroom Charges			1,853.48			
Total 21710 · Office Expense - Postage			<u>1,853.48</u>			
21805 · Audits*	65,000.00	65,000.00	-	53,566.71	11,433.29	82.41%
Total 21805 · Audits			<u>-</u>			

Merced County Employees' Retirement Association
Administrative Expenditures Report (Preliminary)
For the Month Ended December 31, 2024

Administrative Budget	Adopted	Current Budget	Expended 2024-12	Expended YTD	Bal Remaining	% Exp YTD
21808 · Board Membership	10,000.00	10,000.00	-	-	10,000.00	0%
Total 21808 · Board Membership			-			
21900 · Publications & Legal Notices	7,500.00	7,500.00	-	3,339.97	4,160.03	44.53%
Total 21900 · Publications & Legal Notices			-			
22300 · Spec Dept Exp - Other	1,000.00	1,000.00	-	-	1,000.00	0%
Total 22300 · Spec Dept Exp - Other			-			
22310 · Election Expense	30,000.00	30,000.00	-	-	30,000.00	0%
Total 22310 · Election Expense			-			
22327 · Spec Dept Exp - Cost Allocation	40,000.00	40,000.00	9,200.92	55,205.52	(15,205.52)	138.01%
12/06/24 2024-12 Cost Plan			9,200.92			
Total 22327 · Spec Dept Exp - Cost Allocation			9,200.92			
22500 · Transportation & Travel	250.00	250.00	-	-	250.00	0%
Total 22500 · Transportation & Travel			-			
22505 · Trans & Travel - Staff Development	10,000.00	10,000.00	-	-	10,000.00	0%
Total 22505 · Trans & Travel - Staff Development			-			
22515 · Trans & Travel - In State	45,000.00	45,000.00	12,894.68	19,391.71	25,608.29	43.09%
12/4/2024 CALAPRS Fall Registration			3,000.00			
12/5/2024 CALAPRS Travel Reimburesement			299.76			
12/5/2024 CALAPRS Travel Reimburesement			306.49			
12/5/2024 SACRS- Fall Travel Reimbursement			312.29			
12/5/2024 SACRS- Fall Travel Reimbursement			302.06			
12/5/2024 CALAPRS Travel Reimburesement			272.18			
12/06/2024 SACRS- Fall Travel Reimbursement			298.63			
12/6/2024 SACRS- Fall Travel Reimbursement			279.48			
12/06/2024 2024-11 Travel Registrations for SACRS Fall Conference			4,131.98			
12/9/2024 CALAPRS Travel Reimburesement			308.00			
12/9/2024 CALAPRS Travel Reimburesement			228.70			
12/09/2024 CALAPRS Travel Reimburesement			0.70			
12/16/2024 CALAPRS Travel Registrations			2,250.00			
12/16/2024 CALAPRS Virtual Roundtable Registration			50.00			
12/16/2024 CALAPRS Virtual Roundtable Registration			300.00			
12/18/2024 SACRS Fall Board Trustee Travel Reimbursement			298.27			
12/19/2024 SACRS Fall Board Trustee Travel Reimbursement			256.14			
Total 22515 · Trans & Travel - In State			12,894.68			
22516 · Trans & Travel - Out of State	7,500.00	7,500.00	-	1,297.35	6,202.65	17.30%

Merced County Employees' Retirement Association
 Administrative Expenditures Report (Preliminary)
 For the Month Ended December 31, 2024

Total 22516 · Trans & Travel - Out of State			-			
22600 · Utilities	40,000.00	40,000.00	1,970.36	15,198.14	24,801.86	38.00%
12/11/2024 City of Merced Utilities 2024-11 3199 M Street			258.38			
12/11/2024 City of Merced Utilities 2024-11 690 W 19th Street			178.69			
12/31/2024 Merced Irrigation-Electrical charges 2024-12			1,533.29			
Total 22600 · Utilities			1,970.36			
Depreciation Expense	152,000.00	152,000.00	-	-	152,000.00	
Total Administrative Budget	2,633,050.00	2,633,050.00	128,650.55	812,750.86	1,820,299.14	30.87%

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended December 31, 2024

MercedCERA New Headquarters Expenditures		
Land and Due Diligence Expenditures		
08/01/2019	Golden Valley Engineering - Inv 106670 - 2019-07 Due Diligence New Building	3,225.00
08/12/2019	Golden Valley Engineering - Inv 106727 - 2019-07 Due Diligence New Building	11,877.50
10/03/2019	Nossaman - Inv 500498 - 2019-08 - Real Estate Purchase Related Legal	3,707.55
10/10/2019	Golden Valley Engineering - Inv 106900 - 2019-09 Due Diligence New Building	3,277.50
10/23/2019	TransCounty Title - Purchase of Land for New MCERA Building	352,585.00
11/05/2019	Golden Valley Engineering - Inv 106900 - 2019-10 Due Diligence - New Building	9,357.25
11/05/2019	Nossaman - Inv 501678 - 2019-09 - Real Estate Purchase Related Legal	3,288.60
12/05/2019	Nossaman - Inv 502566 - 2019-10 - Real Estate Purchase Related Legal	5,481.91
01/30/2020	Golden Valley Engineering - Inv107252 - Thru 2020-01-11 Due Diligence - New Building	4,492.50
01/30/2020	Nossaman - Inv 503888 - 2019-11 - Real Estate Purchase Related Legal	2,506.67
01/30/2020	Nossaman - Inv 504751 - 2019-12 - Real Estate Purchase Related Legal	1,289.25
01/31/2020	Golden Valley Engineering - Inv107210 - Thru 2019-12-28 Due Diligence - New Building	4,572.50
02/07/2020	Golden Valley Engineering - Inv107301 - Thru 2020-01-25 Due Diligence - New Building	432.50
02/24/2020	Golden Valley Engineering - Inv107349 - Thru 2020-02-08 Due Diligence - New Building	1,140.00
03/10/2020	Golden Valley Engineering - Inv107387 - Thru 2020-02-22 Due Diligence - New Building	1,165.00
04/09/2020	Golden Valley Engineering - Inv107451 - Thru 2020-03-21 Due Diligence - New Building	2,132.50
06/29/2020	Golden Valley Engineering - Inv107881 - 2020-03-21 Thru 2020-06-21 Due Diligence - New Building	523.13
06/29/2020	Nossaman - Inv 505773 - 2020-01-Potential Real Estate Purchase by MCERA	987.45
08/21/2020	Golden Valley Engineering - Inv107881 - Thru 2020-07-25 Due Diligence - New Building	174.37
09/22/2020	Nossaman - Inv 513318 - 2020-08 - MCERA New Building	144.45
03/16/2021	Golden Valley Engineering - Inv 108508 - Thru 2021-02-20 Due Diligence - New Building	120.00
06/02/2021	Golden Valley Engineering - Inv 108836 - Thru 2021-05-15 Due Diligence - New Building	240.00
11/03/2021	Golden Valley Engineering - Inv 109356 - New Building Due Diligence thru 2021-10-16	180.00
11/10/2021	Golden Valley Engineering - Inv 109429 - New Bldg Due Diligence Thru 10/31/2021	1,928.00
03/01/2022	Nossaman - Inv 531558 - 2022-01 New Bldg Legal	2,740.05
06/08/2022	Nossaman - Inv 535102 - 2022-04 New Bldg	155.25
Total Land & Due Diligence Expenditures		417,723.93
Maintenance Expenditures		
12/04/2019	J & B Fencing - Inv 943 - 2019-11 Temp Fencing Installment	1,980.00
02/11/2020	Yard Masters - Inv16037 - 2020-01 - New Building Weed Abatement	250.00
06/29/2020	Yard Masters - Inv16825 - 2020-06 - New Building Weed Abatement	300.00
02/01/2021	J & B Fencing - Inv 1027 - 2 Months of Temp Fencing Rental	300.00
04/19/2021	J & B Fencing - Inv 1156 - 3 Months of Temp Fencing Rental (Feb, Mar, Apr)	450.00
11/03/2021	J & B Fencing - Inv 1329 - 2021-05 - 2021-11 Fencing at 19th & N.	1,050.00
03/17/2022	Yard Masters - Inv 20451 - Weed Control for New Bldg	950.00
06/20/2022	J & B Fencing - Inv 1453 - 2021-12 thru 2022-05 Fence Rental	900.00
08/16/2022	J & B Fencing - Inv 1472 - 2022-06 thru 2022-08 Fence Rental	450.00
09/21/2022	J & B Fencing - Inv 1501 - 2022-09 Fence Rental	350.00
12/09/2022	J&B Fencing - Inv 1548 - 2022-10 Thru 2022-12 Fence Rental	1,050.00
02/27/2023	J&B Fencing - Inv 1582 - 2023-01 Thru 2023-02 Fence Rental	700.00
04/28/2023	Yard Masters - Inv 23021 - Weed Abatement at New Building Lot	975.00
06/29/2023	J&B Fencing - Inv 1640 - 2023-03 thru 2023-06 Fencing	1,400.00
11/21/2023	J&B Fencing - Inv 1681 - 2023-07 thru 2023-09 Fencing	1,050.00
Total Maintenance Expenditures		12,155.00

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended December 31, 2024

Architectural, Engineering, and Construction Expenditures (Budgeted per Hilbers Contract)		
06/29/2022	Golden Valley Engineering - Inv 110079 - Prof Svcs thru 2022-06-20	18,862.50
06/29/2022	Golden Valley Engineering - Inv 110118 - Prof Svcs thru 2022-06-25	10,620.00
09/08/2022	Golden Valley Engineering - Inv 1101022 - Prof Svcs thru 2022-08-20	16,747.50
09/20/2022	Golden Valley Engineering - Inv 1100934 - Prof Svcs thru 2022-07-23	11,850.00
09/20/2022	Golden Valley Engineering - Inv 110157 - Prof Svcs thru 2022-07-09	7,007.50
09/21/2022	Golden Valley Engineering - Inv 1101056 - Prof Svcs thru 2022-09-03	6,672.50
10/07/2022	Golden Valley Engineering - Inv 1101130 - Prof Svcs thru 2022-10-01	10,577.50
10/31/2022	Golden Valley Engineering - Inv 1101081 - Prof Svcs thru 2022-09-17	10,480.00
10/31/2022	Golden Valley Engineering - Inv 1101217 - Prof Svcs thru 2022-10-15	16,850.50
11/08/2022	Golden Valley Engineering - Inv 1101255 - Prof Svcs thru 2022-10-29	12,092.50
11/23/2022	Golden Valley Engineering - Inv 1101329 - Prof Svcs thru 2022-11-12	19,325.00
12/06/2022	Golden Valley Engineering - Inv 1101374 - Prof Svcs thru 2022-11-26	14,042.50
12/29/2022	Golden Valley Engineering - Inv 1101434 - Prof Svcs thru 2022-12-23	27,410.50
02/01/2023	Golden Valley Engineering - Inv 1101432 - Prof Svcs thru 2022-12-10	26,499.50
02/01/2023	Golden Valley Engineering - Inv 1101533 - Prof Svcs thru 2023-01-21	6,560.00
02/14/2023	Golden Valley Engineering - Inv 1101548 - Prof Svcs thru 2023-02-04	3,030.00
03/07/2023	Golden Valley Engineering - Inv 1101659 - Prof Svcs thru 2023-02-18	9,040.00
03/17/2023	Golden Valley Engineering - Inv 1101675 - Prof Svcs thru 2023-03-04	14,260.00
03/31/2023	Golden Valley Engineering - Inv 1101749 - Prof Svcs thru 2023-03-18	6,820.00
04/28/2023	Golden Valley Engineering - Inv 1101839 - Prof Svcs thru 2023-04-15	7,047.50
05/25/2023	Golden Valley Engineering - Inv 1101893 - Prof Svcs Thru 2023-04-29	1,255.00
06/16/2023	Golden Valley Engineering - Inv 1101975 - Prof Svcs thru 2023-05-27	8,109.50
06/29/2023	Golden Valley Engineering - Svcs Thru 2023-06-10	5,602.00
08/01/2023	Golden Valley Engineering - Inv 1102166 - Prof Svcs Thru 2023-07-08	260.00
08/17/2023	Golden Valley Engineering - Inv 1102232 - Prof Svcs Thru 2023-07-22	7,552.50
10/02/2023	Golden Valley Engineering - Inv 1102416 - 2023-07 thru 2023-09	13,111.25
11/22/2023	Hilbers Inc - Inv 23-1119 - New HQ Bldg Progress Billing #1	195,024.68
11/27/2023	Hilbers Inc - Inv 23-1132 - Permit & Process Fee - New Bldg	38,411.16
11/28/2023	Golden Valley Engineering - Inv 1102541 - Prof Svcs Thru 2023-10-28	8,867.50
11/28/2023	Golden Valley Engineering - Inv 1102606 - Prof Svcs Thru 2023-11-11	7,860.00
12/14/2023	Golden Valley Engineering - Inv 1102656 Prof Svcs Thru 2023-11-25	15,369.50
12/21/2023	RMA Geoscience Inc - Inv 17540 - Prof Svcs 2023 Oct 16-Nov 12	1,443.25
12/27/2023	Golden Valley Engineering - Inv 1102689 - Prof Svcs Thru 2023-12-09	2,310.00
12/28/2023	Hilbers Inc - New HQ Bldg Progress Billing #2	370,256.66
01/18/2024	Golden Valley Engineering - Inv 1102729 - Prof Svcs Thru 2024-01-06	20,679.58
01/22/2024	RMA Geoscience Inc - Inv 17732 - Prof Svcs 2023-11-13 thru 2023-12-10	8,242.25
02/05/2024	Hilbers - Inv 24-0102 - Progress Billing #3 - Dec 2023	541,025.25
02/09/2024	Hilbers - Inv 24-0140 - Progress Billing #4 - Jan 2024	1,248,126.73
02/13/2024	Hilbers - Inv 24-0209 - Permit/Processing Fees	3,932.73
2/21/2024	Guardco Security Services- 2024-01	1,239.75
02/23/2024	Hoffman Electronic Systems - Inv 659689 - Permit Fees	389.00
3/07/2024	Guardco Security Services- 2024-02	9,747.00
03/13/2024	Hilbers Inc - Inv23-1147rvs - New HQ Bldg Progress Pymt 2	507,195.46
03/28/2024	Merced Irrigation District - Inv 8291 - Project EC24AA00-0016 Deposit	32,733.16
04/04/2024	RMA Geoscience Inc - Inv 17953 - Prof Svcs 2023-12-11 thru 2024-01-14	6,788.00
04/04/2024	RMA Geoscience Inc - Inv 18153 - Prof Svcs 2024-01-15 thru 2024-02-11	2,679.00
04/04/2024	RMA Geoscience Inc - Inv 18313 - Prof Svcs 2024-02-12 thru 2024-03-10	1,986.50
04/08/2024	Guardco Security Services- 2024-03	13,822.50
04/17/2024	COBB Enterprises - Inv 22643 - Network/Audio/Video System	12,797.05
04/17/2024	Golden Valley Engineering - Inv 1102971 - Prof Svcs Thru 2024-03-30	15,350.00

Merced County Employees' Retirement Association
New Headquarters Expenditure Report
Through the Month Ended December 31, 2024

04/26/2024	Hilbers Inc - Inv 24-0423 - Expedited Switch Gear Deposit	47,500.00
05/01/2024	Facility Designs - Inv 36570 - Designer/Furniture 50% Deposit	5,739.48
05/01/2024	Facility Designs - Inv 36486 - Designer/Furniture 50% Deposit	212,435.06
05/03/2024	Hilbers Inc - Inv 24-0404 - Progress Billing #6 - March 2024	934,908.33
05/07/2024	Facility Designs - Inv 36064 - Designer/Furniture 50% Deposit	109,465.40
05/08/2024	Guardco Security Services- 2024-04	12,996.00
05/15/2024	Hilbers Inc - Inv 24-0500 - Progress Billing #7 - April 2024	843,651.05
05/22/2024	RMA Geoscience Inc - Inv 18653 - Prof Svcs 2024-03-11 thru 2024-04-14	716.00
06/06/2024	Golden Valley Engineering - Inv 1103050 - Prof Svcs Thru 2024-04-27	14,511.00
06/11/2024	Hilbers Inc - Inv 24-0528 - Progress Billing #8 - May 2024	971,270.19
06/19/2024	RT Maher Construction & Solar Installation - Inv 615 - Contract Deposit, Permit, Hardware	40,000.00
06/11/2024	Guardco Security Services- 2024-05	13,509.00
06/25/2024	Guardco Security Services- 2024-06	13,338.00
06/19/2024	Wyan Roger Construction-photography	1,400.00
06/19/2024	City of Merced- Water & Garbage	173.27
06/30/2024	City of Merced- Water & Garbage	173.27
06/30/2024	Golden Valley Engineering - Inv 1103082 Prof Svcs 2024-04-27 thru 2024-05-25	12,506.10
06/30/2024	Golden Valley Engineering - Inv 1102800 Prof Svcs 2024-01-06 Thru 2024-01-20	7,152.25
06/30/2024	Golden Valley Engineering - Inv 1103193 Prof Svcs 2024-05-25 Thru 2024-06-22	4,859.00
06/30/2024	Golden Valley Engineering - Inv 1102882 Prof Svcs 2024-01-20 Thru 2024-03-02	27,638.60
06/30/2024	Hilbers Inc - Inv 24-0714 - Progress Billing #9 - June2024	1,442,055.43
06/30/2024	The Phone Connection - Inv 297577 - Instillation of Network Cables	31,064.11
06/30/2024	RMA Geoscience Inc - Inv 19122 - Prof Svcs 2024-05-13 Thru 2024-06-09	1,537.50
07/12/2024	The Phone Connection - Inv 297593 - Instillation of 6 RJ45 Inserts, 2 Faceplates, 6 Cables for Access points	7,891.99
08/09/2025	Guardco Security Services- 2024-07	11,628.00
08/12/2024	Wyan Roger Construction-photography	1,400.00
08/12/2024	City of Merced- Water & Garbage	192.32
08/05/2024	Golden Valley Engineering - Inv 1103264 Prof Svcs 2024-06-22 Thru 2024-07-20	23,757.20
08/08/2024	Hilbers Inc - Inv 24-0803 - Progress Billing #9 July2024	627,180.91
08/16/2024	RMA Geoscience - Inv 18905 - Prof Svcs 2024-04-15 Thru 2024-05-12	716.00
08/21/2024	RMA Geoscience - Inv 19424 - Prof Svcs 2024-06-10 Thru 2024-07-14	5,342.00
08/28/2024	Golden Valley Engineering - Inv 1103358 - Prof Svcs 2024-07-20 Thru 2024-08-17	12,191.00
09/04/2024	Guardo Security Services- 2024-08	13,167.00
09/17/2024	City of Merced- Water & Garbage	195.60
09/17/2024	Golden Valley Engineering - Inv 1103358 Short Paid	100.00
09/26/2024	Golden Valley Engineering - Inv 1103433 Prof Svcs 2024-08-17 Thru 2024-09-14	14,001.00
09/27/2024	Hilbers Inc - Inv 24-0831 - Progress Billing #10 - Aug2024	423,827.77
10/02/2024	Guardo Security Services- 2024-09	13,851.00
10/09/2024	City of Merced- Property Business Imporvement District	2,141.56
10/09/2024	City of Merced- Water & Garbage	276.45
10/31/2024	Merced Irrigation District	154.14
10/11/2024	RT Maher Construction - Inv 851 - Purchase & Install of Modules / Inverters	51,900.00
10/11/2024	RMA GeoScience - Inv 19640 - Prof Svcs 2024-07-15 Thru 2024-08-11	1,704.00
10/24/2024	Golden Valley Engineering - Inv 1103496 - Prof Svcs 2024-09-14 Thru 2024-10-12	12,031.00
10/28/2024	Hilbers Inc. - Inv 24-1006 - Progress Billing #11 Sept2024	173,284.37
10/29/2024	RT Maher Construction - Inv 853 - Purchase & Install of Modules / Inverters	51,900.00
11/5/2024	Guardco Security Services- 2024-10	14,706.00
11/04/2024	RMA Geoscience - Inv 20058 - Prof Svcs 2024-09-09 Thru 2024-10-13	726.00
11/07/2024	CDWG 4 APC Smart-UPS 1500 Smartconn	3,171.73
11/14/2024	Hilbers Inc. - Inv 24-1110 - Progress Billing #12 - Oct2024	134,845.46
11/14/2024	RT Maher - Inv 880 - Solar Job Completion	16,000.00

**Merced County Employees' Retirement Association
 New Headquarters Expenditure Report
 Through the Month Ended December 31, 2024**

11/21/2024	The Phone Connection - Inv 297744 - Cable / Wire Instillation	30,613.05
11/07/2024	City of Merced- Water & Garbage	309.56
11/25/2024	Merced Irrigation District	141.47
11/08/2024	Wyan Roger Construction-photography	2,100.00
12/06/2024	Yard Masters- Gardening Service	400.00
12/04/2024	Guardco Security Services- 2024-11	13,680.00
12/11/2024	City of Merced- Water & Garbage	178.69
12/31/2024	Merced Irrigation District	1,533.29
12/03/2024	Golden Valley Engineering - Inv 1103575 - Prof Svcs 2024-10-12 Thru 2024-11-24	13,903.50
12/06/2024	City of Merced 690 W. 19th St (Impact Fees for new building)	81,935.02
12/06/2024	City of Merced 690 W 19th St. (Engineering Fees for new building)	104,823.60
12/12/2024	Hilbers Inc 2024-11 Progress B	116,407.98
12/17/2024	Atlantech Resel Cables & Kits Dell Server	3,015.83
12/19/2024	Cobb Enterprise 30% Deposit Es	38,391.15
12/19/2024	Hoffman Electronics New Building P	268.00
12/19/2024	The Phone Connection Instillation o	20,127.00
12/31/2024	Facility Designs Proposal #3648	212,198.57
12/31/2024	Golden Valley Engineering Prof Svcs 2024	4,600.00
12/31/2024	Hoffman Electronic	63.00
12/31/2024	Merced Irrigation District Groundwater Su	7.44
Total Architectural, Engineering, and Construction Expenditures		10,369,541.15
Total Budgeted for Architectural, Engineering, & Construction		10,591,802.40
Balance Remaining		222,261.25
Percentage Expended		97.90%
All new headquarters building-related expenditures through 12/31/24 (Grand Total)		10,799,420.08

Via Electronic Mail

January 15, 2025

Ms. Kristie Santos
Plan Administrator
Merced County Employees' Retirement Association
690 W. 19th Street
Merced, CA 95340

Re: Cost-of-Living Adjustment (COLA) as of April 1, 2025

Dear Kristie:

Pursuant to the scope of retainer services under Cheiron's agreement to provide actuarial services to Merced CERA, we have computed the Cost-of-Living Adjustment (COLA) percentages to be used by the Association as of April 1, 2025. The calculations outlined herein have been performed in accordance with 31870.1 of the County Employees' Retirement Law of 1937.

Background

The Cost-of-Living Adjustment (COLA) is determined annually based on increases in the December Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward area, using a base period of 1982-1984. The ratio is calculated and rounded to the nearest one-half percent.

COLA Calculations

The CPIs described above were 348.001 and 339.915 for 2024 and 2023, respectively. This represents an increase of 2.38%, which is subsequently rounded to 2.50%. As a point of comparison, the U.S. City CPI increased by 2.89% over the same time period.

Tier 1 members are subject to the provisions of Section 31870.1, which limits annual COLA increases to 3.00% annually. Therefore, these members should receive an increase in benefits of at least 2.50%, based on the current year's change in the CPI. However, Tier 1 retirees who retired prior to April 2, 2023 should receive an increase of 3.00%, due to their carry-over balances as of April 1, 2024. The remaining carry-over balances will then be reduced by 0.50% (the amount of the COLA increase in excess of 2.50%). The enclosed exhibit summarizes the COLA calculations and carry-over balances for the Tier 1 members. Non-Tier 1 members do not receive an automatic COLA from the Association.

Sincerely,
Cheiron

A handwritten signature in blue ink that reads "Graham Schmidt".

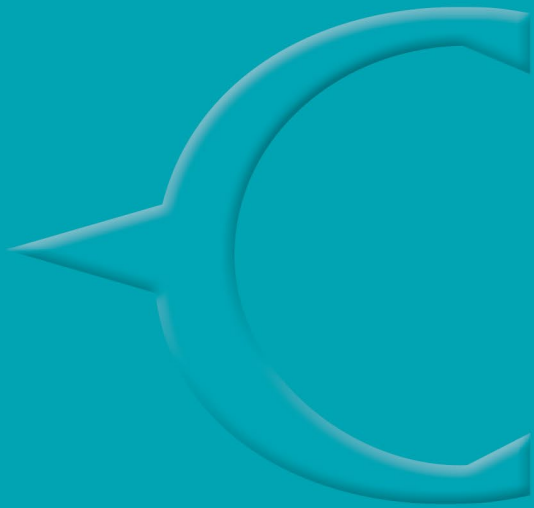
Graham A. Schmidt, FSA, EA, MAAA, FCA
Principal Consulting Actuary

Exhibit

EXHIBIT

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION					
COST OF LIVING ADJUSTMENTS (COLA) - Section 31870.1 As of April 1, 2025					
Maximum Annual COLA: <u>3.0%</u>					
Initial Retirement Date	April 1, 2024	Increase in the Annual		April 1, 2025	
	Accumulated Carry-Over	Average CPI ¹		COLA	Accumulated Carry-Over
		Actual	Rounded		
	(A)	(B)	(C)	(D)	(E)
On or Before 7/1/1967	78.5%	2.38%	2.5%	3.0%	78.0%
01/02/1904 to 07/01/1968	78.0%	2.38%	2.5%	3.0%	77.5%
07/02/1968 to 04/01/1969	77.0%	2.38%	2.5%	3.0%	76.5%
04/02/1969 to 04/01/1970	74.5%	2.38%	2.5%	3.0%	74.0%
04/02/1970 to 04/01/1971	71.0%	2.38%	2.5%	3.0%	70.5%
04/02/1971 to 04/01/1972	68.0%	2.38%	2.5%	3.0%	67.5%
04/02/1972 to 04/01/1973	66.0%	2.38%	2.5%	3.0%	65.5%
04/02/1973 to 04/01/1974	64.5%	2.38%	2.5%	3.0%	64.0%
04/02/1974 to 04/01/1975	60.5%	2.38%	2.5%	3.0%	60.0%
04/02/1975 to 04/01/1976	53.5%	2.38%	2.5%	3.0%	53.0%
04/02/1976 to 04/01/1977	46.5%	2.38%	2.5%	3.0%	46.0%
04/02/1977 to 04/01/1978	44.0%	2.38%	2.5%	3.0%	43.5%
04/02/1978 to 04/01/1979	39.5%	2.38%	2.5%	3.0%	39.0%
04/02/1979 to 04/01/1980	33.0%	2.38%	2.5%	3.0%	32.5%
04/02/1980 to 04/01/1981	27.5%	2.38%	2.5%	3.0%	27.0%
04/02/1981 to 04/01/1982	15.5%	2.38%	2.5%	3.0%	15.0%
04/02/1982 to 04/01/1983	5.5%	2.38%	2.5%	3.0%	5.0%
04/02/1983 to 04/01/2017	3.0%	2.38%	2.5%	3.0%	2.5%
04/02/2017 to 04/01/2022	2.5%	2.38%	2.5%	3.0%	2.0%
04/02/2022 to 04/01/2023	1.5%	2.38%	2.5%	3.0%	1.0%
04/02/2023 to 04/01/2025	0.0%	2.38%	2.5%	2.5%	0.0%

¹ All Urban Consumers, San Francisco-Oakland-San Jose Area (1982-84 base). (G.C. 31870.1)



**Merced County
Employees' Retirement
Association**

**Actuarial Valuation Report
as of June 30, 2024**

**Produced by Cheiron
January 2025**

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January 19, 2024

Retirement Board of
Merced County Employees' Retirement Association
690 W. 19th Street
Merced, CA 95340

Dear Board Members:

At your request, we have conducted an actuarial valuation of the Merced County Employees' Retirement Association (MercedCERA, the Fund, the Plan) as of June 30, 2024. This report contains information on the Plan's assets, liabilities, and discloses employer and employee contribution levels. We call your attention to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of MercedCERA. This report is for the use of the Retirement Board of MercedCERA and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

This report was prepared for the Retirement Board of MercedCERA for the purposes described herein and for the use by the Plan auditor in completing an audit related to the matters herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

Sincerely,
Cheiron



Graham A. Schmidt, FSA, EA, FCA, MAAA
Principal Consulting Actuary



Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

FOREWORD

Cheiron has performed the actuarial valuation of the Merced County Employees' Retirement Association as of June 30, 2024. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends.
- The **Main Body** of the report presents details on the Plan's
 - Section II – Identification and Assessment of Risks
 - Section III – Assets
 - Section IV – Liabilities
 - Section V – Contributions
 - Section VI – Annual Comprehensive Financial Reporting Information
- In the **Appendices**, we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), tables containing member contribution rates (Appendix D), and a glossary of key actuarial terms (Appendix E).

Future results may differ significantly from the current results presented in this valuation report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

In preparing our report, we relied on information (some oral and written) supplied by the MercedCERA staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

The deterministic and stochastic projections in this valuation report were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent. The stochastic projections of investment returns assume that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. We relied on Cheiron colleagues for the development of the model.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION I – EXECUTIVE SUMMARY

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan,
- Employer and employee contribution rates for Fiscal Year 2026,
- An assessment and disclosure of key risks, and
- Information required by the GFOA for the Annual Comprehensive Financial Report.

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key financial results, (C) an examination of the historical trends, and (D) the projected financial outlook for the Plan.

A. Valuation Basis

This valuation determines the employer contributions for the fiscal year ending June 30, 2026. The Plan's funding policy is to collect contributions from the employers and employees equal to the sum of:

- The normal cost under the Entry Age Normal Cost Method,
- Amortization of the Unfunded Actuarial Liability, and
- The Plan's expected administrative expenses.

The Unfunded Actuarial Liability payment is determined as the amount needed to fund the outstanding Unfunded Actuarial Liability (UAL), using the amortization method as described in Section V of the report. The amortization method is similar to a traditional five- or three-year asset smoothing and a 20-year amortization period with level payments as a percentage of payroll. The Plan also uses the Market Value of Assets to calculate the UAL, rather than a smoothed value. These amortization and funding policies in conjunction are a type of policy known as direct rate smoothing.

Experience studies are performed every three years. This valuation was performed on the basis of the economic and demographic assumptions and methods that were adopted by the Retirement Board at the February 23, 2023 Board meeting, based on Cheiron's Actuarial Experience Study covering plan experience during the period from July 1, 2019 through June 30, 2022. A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

This valuation was prepared based on the Plan provisions shown in Appendix C. Employee contribution rates are shown in Appendix D. The rates for PEPRA members will be recomputed each year to be one-half of the total normal cost rate for their benefits.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION I – EXECUTIVE SUMMARY

B. Key Findings of this Valuation

The following discussion summarizes the key results of the June 30, 2024 valuation and how they compare to the results from the June 30, 2023 valuation.

Summary of Key Valuation Results

Table I-1 summarizes the key results of the valuation with respect to assets, liabilities, and contributions.

Table I-1		
Merced County Employees' Retirement Association		
Summary of Key Valuation Results		
(in millions)		
Valuation Date	June 30, 2024	June 30, 2023
Fiscal Year End	2026	2025
Actuarial Liability	\$ 1,615.9	\$ 1,574.6
Market Value of Assets	<u>1,253.8</u>	<u>1,135.1</u>
Unfunded Actuarial Liability	\$ 362.1	\$ 439.5
Funded Ratio	77.6%	72.1%
Net Employer Contribution Rate	44.83%	46.03%
Projected Payroll	\$ 168.0	\$ 161.6
Projected Employer Contribution	\$ 75.3	\$ 74.4

More discussion of the factors that affected these results can be found in the remainder of this section. Some key points are as follows:

- The employer contribution rate decreased by 1.20% of payroll from 46.03% to 44.83%.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan’s Actuarial Liability over the Market Value of Assets. The Plan’s UAL decreased by \$77.4 million from \$439.5 million to \$362.1 million. This decrease in UAL was primarily due to the recent investment gains and the level of contributions made to the Plan.
- The Plan’s funded ratio, the ratio of market assets over Actuarial Liability, increased significantly by 5.5% from 72.1% last year to 77.6% as of June 30, 2024.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION I – EXECUTIVE SUMMARY

Plan Membership

Table I-2 summarizes Plan membership as of June 30, 2024 and June 30, 2023. More detailed membership statistics are in Appendix A.

Item	Table I-2 Membership Total		
	June 30, 2024	June 30, 2023	% Change
Actives	2,262	2,165	4.5%
Deferred Members	1,473	1,375	7.1%
Retired Members	2,623	2,584	1.5%
Total Members	6,358	6,124	3.8%
Active Member Payroll	\$ 163,516,467	\$ 157,252,395	4.0%
Average Pay per Active	72,288	72,634	-0.5%

Total Plan membership increased by 3.8%, mostly driven by the increase in active and deferred members, in particular non-vested members who have left their contributions on account.

The pay figures above reflect the annualized rate as of June 30, plus expected increases for the upcoming year. For the current valuation, we made a minor modification to the methodology used to apply these increases for the Plan as a whole, by removing the ½ year of additional merit/longevity salary increases that were previously applied to determine the overall projected payroll. The merit/longevity salary increases are still applied to project individual member's compensation and benefits for the current year.

Total projected payroll increased by 4.0% compared to the assumed wage inflation of 2.75%, while the average pay per active member decreased by -0.5%. We note that this reduction is a result of the change in the method used to project overall payroll for the coming year; it does not reflect a reduction in the year-over-year compensation for the active members.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION I – EXECUTIVE SUMMARY

Components of UAL Change between June 30, 2023 and June 30, 2024

Table I-3 is a detailed reconciliation of the components that affected the UAL between June 30, 2023 and June 30, 2024.

Table I-3 Change in Unfunded Actuarial Liability	
Experience	in millions
Unfunded actuarial liability, 6/30/2023	\$ 439.5
Expected change in unfunded actuarial liability	\$ (27.8)
Unfunded decrease due to investment gain	(58.1)
Unfunded increase due to contributions less than expected	3.0
Unfunded increase due to liability loss	<u>5.7</u>
Total change in unfunded actuarial liability	\$ (77.4)
Unfunded actuarial liability, 6/30/2024	\$ 362.1

The Plan's UAL decreased from \$439.5 million as of June 30, 2023 to \$362.1 million as of June 30, 2024. The largest contributing factors were investment gains of \$58.1 million and expected UAL contributions, which were scheduled to pay off \$27.8 million of principal on the UAL. Contributions were less than expected by \$3.0 million, due to the contribution timing lag and differences between actual and expected payroll, which increased the UAL. There were losses on the Actuarial Liabilities of \$5.7 million, most of which were from higher than expected salary increases and cost-of-living adjustments for continuing actives and retirees, respectively.

Employer Contribution Reconciliation

Table I-4 is a detailed reconciliation between the Fiscal Year 2025 and Fiscal Year 2026 employer contribution rates, in total and by component.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION I – EXECUTIVE SUMMARY

Table I-4				
Item	Employer Contribution Reconciliation			
	Total	Normal Cost	Amortization	Expenses
FYE 2025 Net Employer Contribution Rate	46.03%	9.11%	35.38%	1.54%
Expected Change due to phase-in	-0.08%	0.00%	-0.08%	0.00%
Change due to investment gain	-0.56%	0.00%	-0.56%	0.00%
Change due to contributions less than expected	0.03%	0.00%	0.03%	0.00%
Change due to PEPRA new hires	-0.14%	-0.14%	0.00%	0.00%
Change due to liability changes	-0.01%	-0.06%	0.05%	0.00%
Change due to effect of payroll on amort / expense	-0.44%	0.00%	-0.41%	-0.03%
Total Change	-1.20%	-0.20%	-0.97%	-0.03%
FYE 2026 Net Employer Contribution Rate	44.83%	8.91%	34.41%	1.51%

The employer contribution rate decreased from 46.03% for Fiscal Year 2025 to 44.83% for Fiscal Year 2026:

- The phase-in of the net UAL experience from the last four years due to the direct rate smoothing method (based on net gains in FYE 2023 and FYE 2021, and net losses, including assumption changes, in FYE 2022 and FYE 2020) decreased the contribution rate by 0.08% this year. The expected phase-in for the next valuation (2025) from previous years' changes is a contribution rate decrease of 0.88%.
- The investment gain for the current fiscal year decreased the current year contribution rate by 0.56% of pay. The assets of the Plan returned 11.91% (net of investment expenses) on a market basis, which is higher than the assumed rate of 6.75%. The amortization payment for the current year investment gain will continue to be phased-in over the next four years.
- Contributions were slightly less than expected and increased the employer contribution rate by 0.03% of pay, due to differences between actual and expected payroll.
- The employer normal cost rate is expected to decrease as more PEPRA members enter the Plan. For the current valuation, the replacement of legacy members by PEPRA members decreased the average employer normal cost rate by about 0.14% of pay.
- Demographic experience resulted in a net decrease in cost of about 0.01% of pay, based on a 0.05% increase in the UAL amortization payment rate and an 0.06% decrease in employer normal cost rates within tiers. As with the investment gain, the changes in the UAL payment for demographic experience will continue to be phased-in over the next four years.
- A larger than expected increase in the projected payroll decreased the employer contribution rate by 0.44% of pay, since it results in the Plan's UAL and administrative expenses being spread over a larger-than-anticipated payroll base.

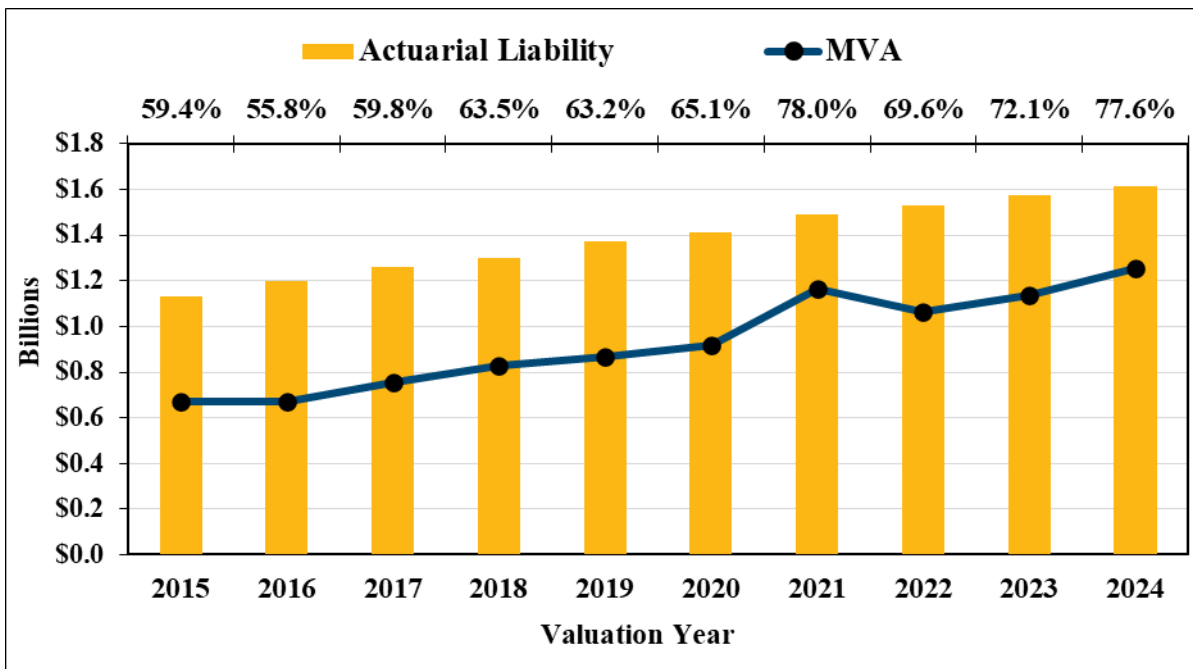
SECTION I – EXECUTIVE SUMMARY

C. Historical Trends

For most retirement plans the greatest attention is given to the current valuation results and in particular, the size of the current Unfunded Actuarial Liability and the employer contribution. However, it is important to remember that each valuation is only a snapshot in the long-term progress of a pension fund, and the results should be analyzed relative to historical trends.

Assets and Liabilities

The following chart compares the Market Value of Assets (MVA) to the Actuarial Liabilities. The percentage shown at the top of each bar is the ratio of the Market Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio has increased from 59.4% in 2015 to 77.6% as of June 30, 2024.



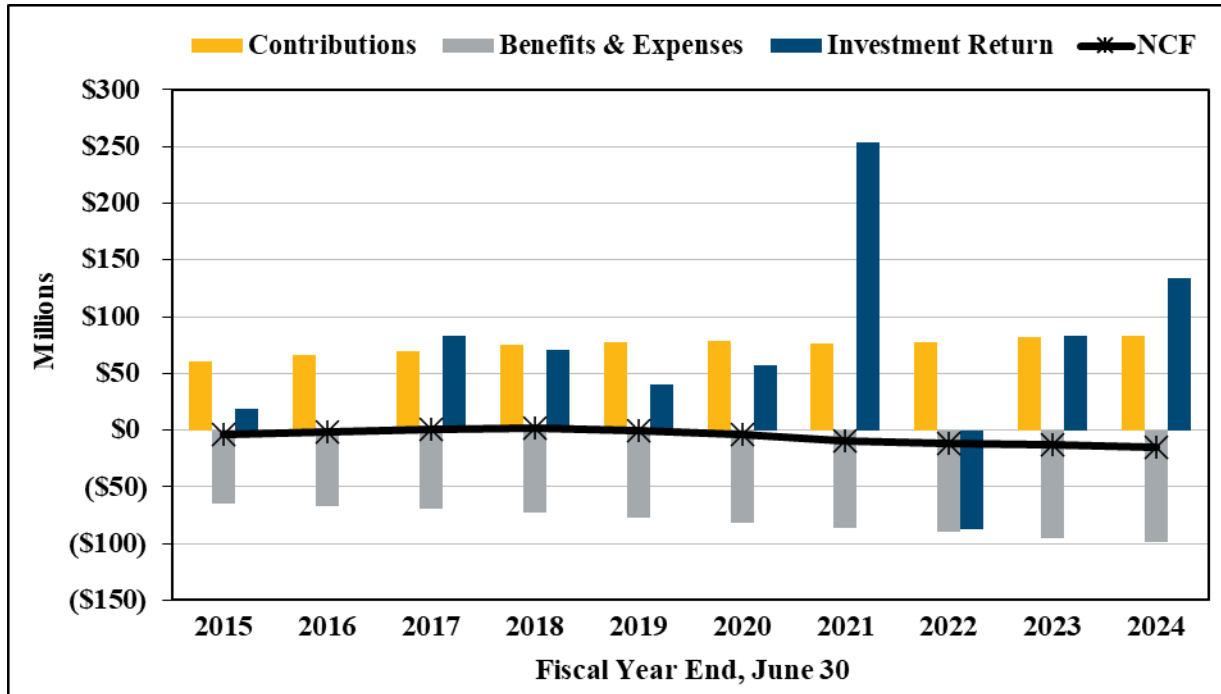
The funded ratio decreased in 2016 as a result of investment losses and assumption changes including lowering the discount rate to 7.25% from 7.75%. The 2017 and 2018 funded ratios increased primarily due to investment gains. The 2019 funded ratio remained flat, even with a reduction to the discount rate from 7.25% to 7.00%, because contributions were greater than the interest on the UAL plus normal cost and administrative expenses. The 2020 funded ratio increased primarily due to the high level of contributions. The 2021 funded ratio increased because of significant investment gains slightly offset by a reduction in the discount rate from 7.00% to 6.75%. The 2022 funded ratio decreased due to investment losses. The 2023 and 2024 funded ratios increased primarily due to investment gains and the contribution levels.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION I – EXECUTIVE SUMMARY

Cash Flows

The chart below shows the Plan's cash flows. The contributions, outflows (benefit payments and expenses), and investment returns are shown as bars and the Plan's net cash flow (NCF; contributions less benefit payments and administrative expenses) is shown as a black line. This is an important measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions, especially during volatile markets.



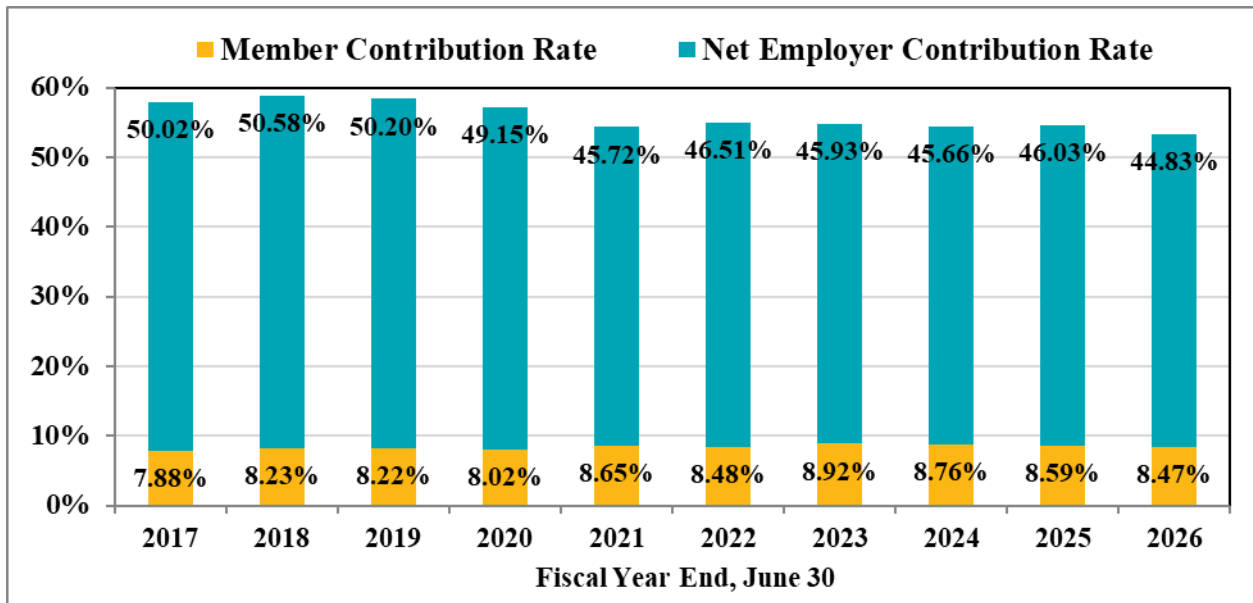
The NCF has remained approximately neutral over the past decade, though since 2021 there has been a small uptick in negative NCF, primarily due to reduced contributions following adjustments in the amortization of the 2013 UAL base. While a significant negative NCF can exacerbate losses in a market downturn, MercedCERA's current negative cash flow, representing only about 1% of Plan assets, does not pose a substantial risk to its market fluctuation absorption capacity.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION I – EXECUTIVE SUMMARY

Contributions

The chart below shows the historical member and employer contribution rates over the past decade calculated as of the valuation date but payable the following Fiscal Year. The employer contribution rates have remained relatively stable – other than a substantial decrease for FYE 2021 mostly due to an adjustment to the amortization of the 2013 UAL base – as positive investment experience and the shift towards the lower-cost PEPRA membership have offset the use of more conservative assumptions. The weighted-average member contribution rate increased with discount rate reductions in the FYE 2018, 2021, and 2023 and has also fluctuated based in shifts in the population.



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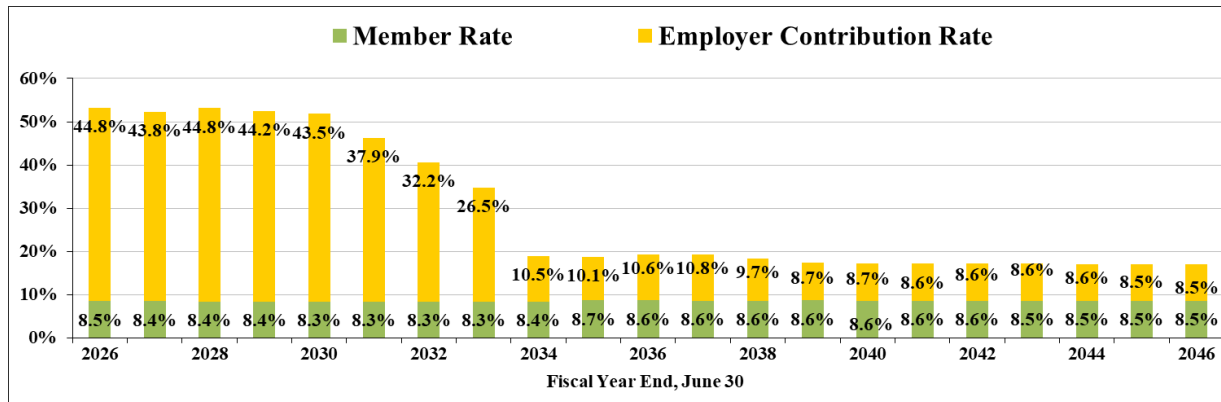
D. Future Expected Financial Trends

The analysis of projected financial trends is perhaps the most important component of this valuation. In this section, we present our assessment of the implications of the June 30, 2024 valuation results in terms of contributions and benefit security (assets compared to liabilities). All the projections in this section are based on the current interest rate assumption of 6.75%. We have assumed increases in future pensionable payroll of 2.75% per year.

Contribution Projections:

The following graph shows the expected employer and member contribution rates based on actually achieving the 6.75% assumption each year for the next 20 years. This scenario is highly unlikely; even if the Plan does achieve an average return of 6.75% over this period, the returns in each given year will certainly vary.

Projection of Employer and Member Contributions, 6.75% return each year



The graph above shows employer contributions remaining relatively stable through 2030 and then dropping off significantly from 2031 to 2034 as the amortization of the 2013 UAL is phased out. After that point, employer contribution rates are expected to stabilize and eventually approach the normal cost rates. The employee rates are expected to remain stable, shifting slightly as the Tier 1 and Tier 2 Legacy members retire and are replaced by PEPRAs members.

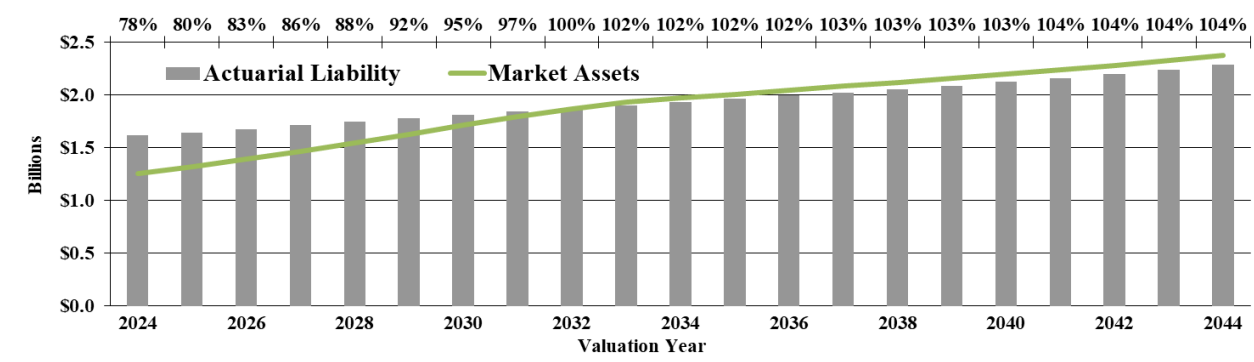
MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION I – EXECUTIVE SUMMARY

Asset and Liability Projections:

The graph below shows the projection of assets and liabilities assuming that assets will earn the 6.75% assumption each year during the projection period. The percentages along the top of the graph represent the funded ratio or status of the Plan.

Projection of Assets and Liabilities, 6.75% return each year



The graph shows that the projected funded status increases over the next 20 years to 104%, assuming the actuarial assumptions are achieved. The projections show the funded status increasing above 100% because PEPR mandates that employers must continue to contribute at least the normal cost rate unless the plan is 120% funded and has met certain legal requirements as well. However, it is the actual return on plan assets that will determine the future funded status and contribution rates.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may vary significantly. Actuarial Standard of Practice No. 51 requires actuaries to identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition.” This section of the report is intended to identify the primary risks to the Plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

A fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. While MercedCERA cannot determine on its own what contribution level is unaffordable, we can project expected contribution rates and illustrate the potential impact of key sources of risk on those contribution rates so the employers can assess affordability. While there are a number of factors that could lead to contribution amounts becoming unaffordable, we believe the primary risks are:

- Investment risk,
- Assumption change risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

Investment Risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the unfunded actuarial liability necessitating higher contributions in the future unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the Plan’s asset allocation and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsors or other contribution base.

Assumption change risk is the potential for the environment to change such that future appropriate valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades (which have recently reversed) resulted in higher investment returns for fixed income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

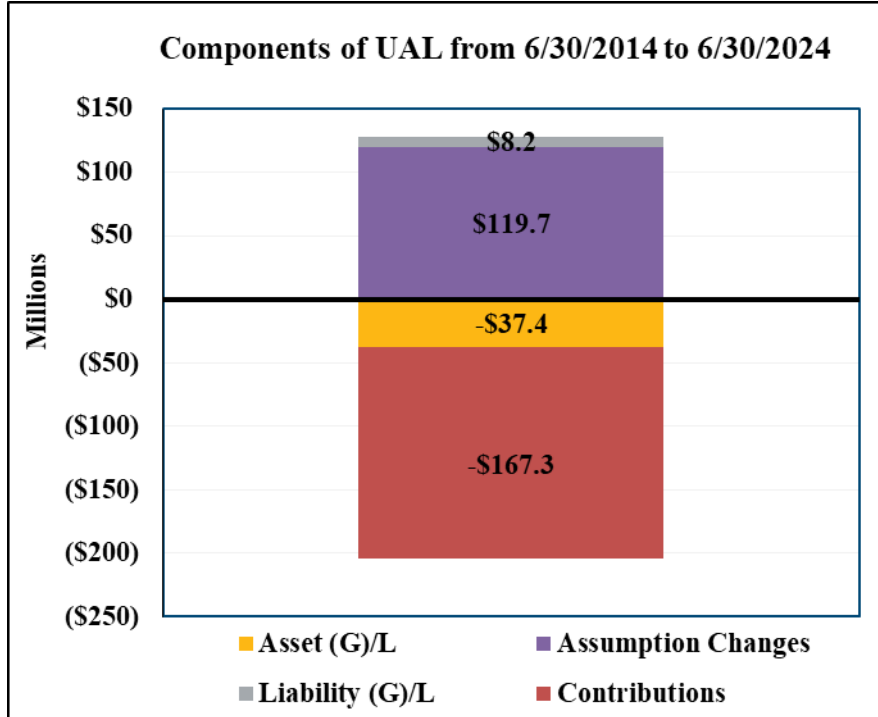
Contribution risk is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk such as the sponsor failing to make contributions in accordance with the funding policy or the contribution requirement becoming such a financial strain on the sponsor as a result of material changes in the contribution base (e.g., covered employees, covered payroll) that affects the amount of contributions the Plan can collect.

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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

The chart below shows the components contributing to the Unfunded Actuarial Liability (UAL) from June 30, 2014 through June 30, 2024. Over the last 10 years, the UAL has decreased by approximately \$76.8 million. Asset gains (gold bar) of \$37.4 million, and contributions in excess of the “tread water” level (red bar) of \$167.3 million are the primary sources in the UAL decrease. Liability losses (gray bar) of \$8.2 million, and assumptions changes (purple bar) of \$119.7 million have increased the UAL since June 30, 2014.

Chart II-1



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Chart II-2 below details the annual sources of the UAL change (colored bars) for the Plan years ending June 30. The net UAL change for each year is represented by the blue diamonds.

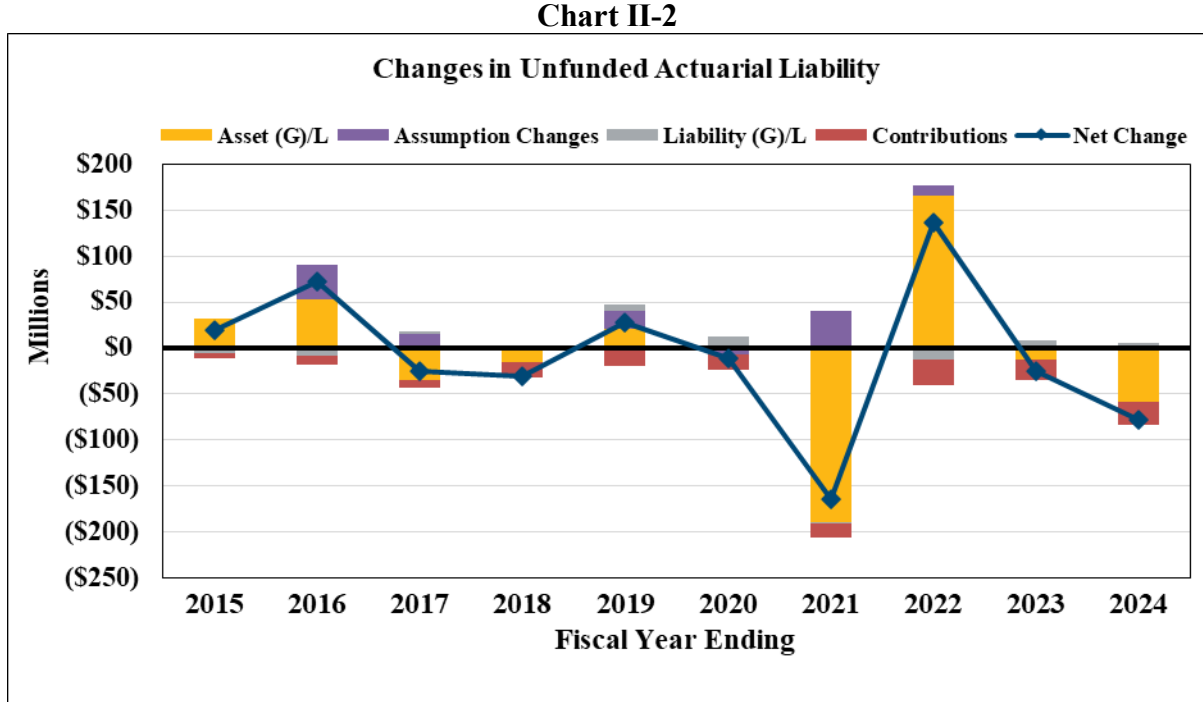


Table II-1 below summarizes the changes in the UAL for each year by source over the last 10 years.

Table II-1

Unfunded Actuarial Liability (UAL) Change by Source					
(in millions)					
FYE	Asset Experience	Liability Experience	Assumption Changes	Contributions	Total UAL Change
2015	\$31.5	(\$5.1)	\$0.0	(\$6.5)	\$19.9
2016	52.4	(8.3)	38.1	(9.9)	72.3
2017	(34.5)	2.7	16.0	(9.4)	(25.2)
2018	(16.0)	1.2	0.0	(15.9)	(30.7)
2019	20.2	7.0	20.7	(19.5)	28.4
2020	3.3	9.7	(7.7)	(15.9)	(10.6)
2021	(189.4)	(1.0)	40.7	(15.4)	(165.1)
2022	165.2	(12.6)	11.9	(27.6)	136.9
2023	(12.0)	8.9	0.0	(22.3)	(25.4)
2024	(58.1)	5.7	0.0	(24.9)	(77.4)
Total	(\$37.4)	\$8.2	\$119.7	(\$167.3)	(\$76.8)

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

The average annual geometric investment return over the 10-year period is 7.3% and has resulted in investment gains in five of the last 10 years, and decreased the UAL in total over the period. The significant gain in 2021 was largely offset by a large loss in 2022. The gains and losses from 2020 to 2024 are still being phased-in to the contribution rate calculation under the direct rate smoothing amortization method but are fully recognized immediately in the UAL calculation.

Over the same time period, the assumed rate of return decreased from 7.75% to 6.75%. It is important to note that these changes simply reflect a downward revision of the estimate of future investment earnings and ultimately costs will be determined by actual investment earnings.

The impact of all assumption changes is represented by the purple bars in the earlier charts and also includes changes in mortality rates projected in the future which had an impact on the measurement of the UAL.

Each year, the UAL is expected to increase for benefits earned in the current year (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as the tread water level. The difference between actual contributions and the tread water level are shown by the red bars in the prior charts. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. The amortization policy (as well as the contribution-timing lag) can impact whether or not the contributions exceed the tread water level. Contributions have been above the tread water level since 2015.

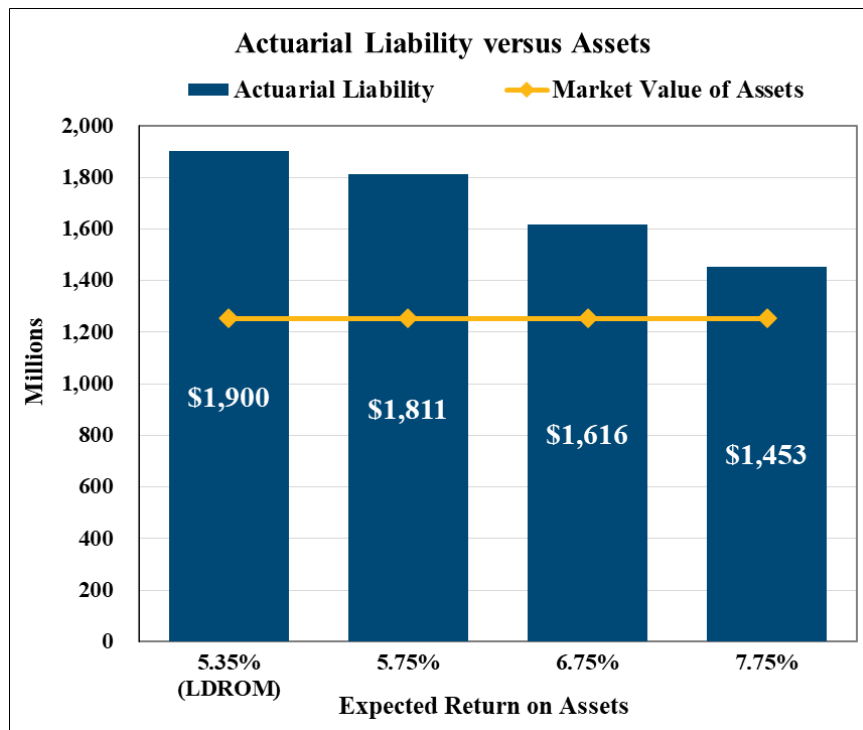
Effective with the June 30, 2019 valuation, changes were made to the amortization policy that reduced the current contribution level by extending the amortization schedule for the remaining 2013 UAL. However, even with these changes, contributions are still significantly above the tread water level. The single period equivalent amortization period – i.e., the length of time required to amortize the overall UAL as a level percentage of payroll based on the total current amortization payment – is approximately eight years.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Assessing Costs and Risks

Sensitivity to Investment Returns

The chart below compares the Market Value of Assets (line) to the Actuarial Liability (bars) discounted at the current expected rate of return (7.00%) and at discount rates 100 basis points above and below the expected rate of return. In addition, we have included an additional measurement, the Low Default Risk Obligation Measure (LDRM), which is the Actuarial Liability using a discount rate derived from low-default-risk fixed income securities that approximately match the benefit payments of the plan.



If investments return 6.75% annually, the Plan will need approximately \$1.6 billion in assets today to pay the benefits associated with service earned to date, compared to current assets of \$1.3 billion. If investment returns are only 5.75%, the Plan would need approximately \$1.8 billion in assets today, and if investment returns are 7.75%, the Plan would need approximately \$1.5 billion in assets.

MercedCERA invests in a diversified portfolio to achieve the best possible returns at an acceptable level of risk. MercedCERA’s average return over the last 20 years is 6.5%. Please refer to Table III-4 (page 26) for the asset returns by year since 2000.

The lowest risk portfolio for a pension plan would be composed entirely of low-default-risk fixed income securities whose cash flows approximately match the benefit cash flows of the plan. However, such a portfolio would have a lower expected rate of return (5.35% as of June 30, 2024) than the diversified portfolio (6.75%). The Low-Default-Risk Obligation Measure

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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

(LDROM) represents what the Actuarial Liability would be if MercedCERA's assets were invested in such a portfolio. As of June 30, 2024, the LDROM is \$1.90 billion¹ compared to the Actuarial Liability of \$1.62 billion for MercedCERA. The \$0.28 billion difference can be viewed as the expected savings from taking on the investment risk of the diversified portfolio. Alternatively, it can be viewed as the potential cost of minimizing the investment risk.

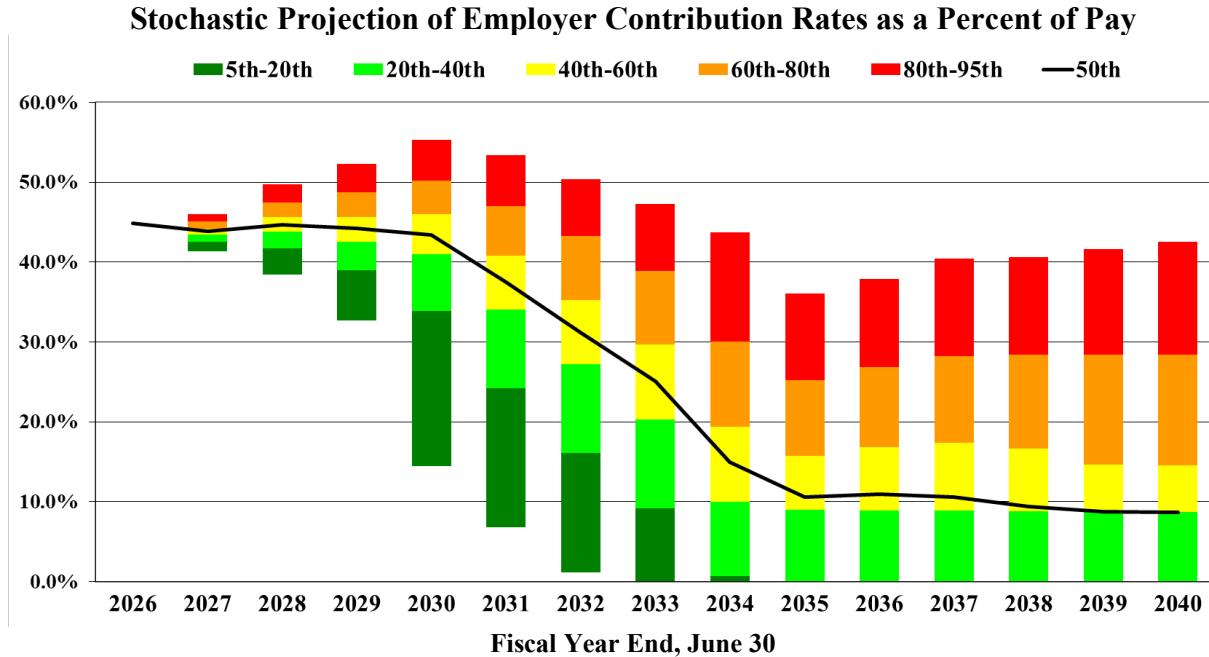
If MercedCERA were to invest in the LDROM portfolio and not a diversified portfolio, the funded status would be lower and expected contribution requirements would increase. The security of MercedCERA's pension benefits relies on the current assets, future investment earnings, and the ability and willingness of employers to make future contributions. If MercedCERA were to invest in the LDROM portfolio, it would not change current assets, but it could potentially reduce future investment earnings, potentially changing the level of reliance on future employer contributions. However, investing in an LDROM portfolio would generate more predictable future investment earnings and future contributions.

¹ Based on a discount rate equal to the June 30, 2024 FTSE Pension Liability Index of 5.35%, and all other assumptions and methods as used to calculate the Actuarial Liability.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Sensitivity to Investment Returns - Stochastic Projections

Stochastic projections serve to show the range of probable outcomes of various measurements. The following graphs show the projected range of the employer contribution rate and the funded ratio on a Market Value of Assets basis. The range in both scenarios is driven by the volatility of investment returns, which reflect a 12.5% standard deviation of annual returns, as indicated by Meketa’s capital market assumptions at the end of 2023.

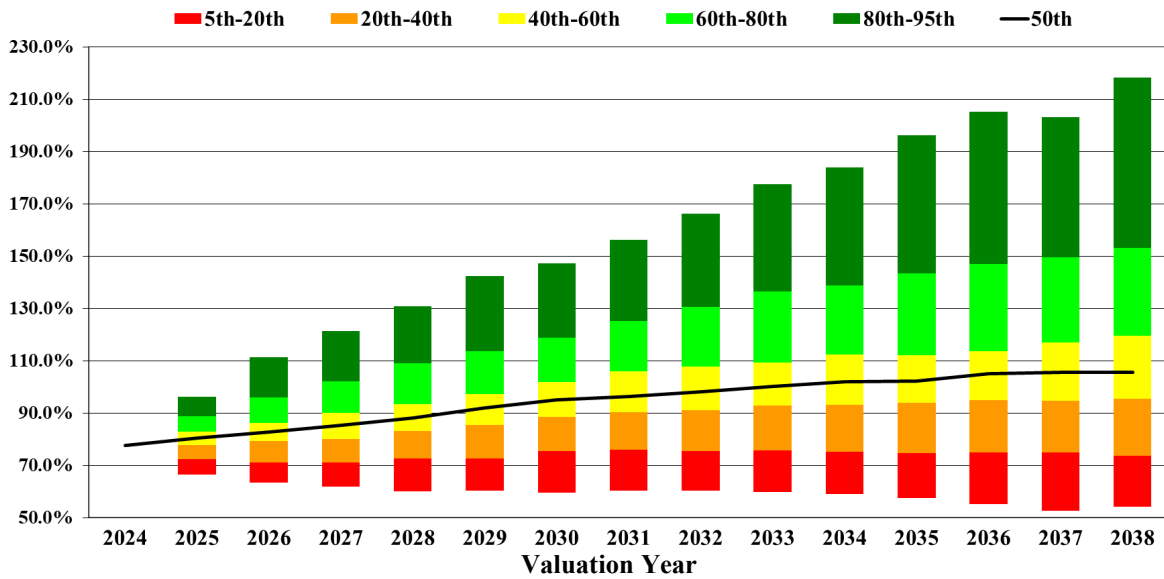


The stochastic projection of employer contributions as a percent of pay shows the probable range of future contribution rates. The baseline contribution rate (black line), which is based on the median of the simulations using an average return of 6.75%, aligns closely with the projections discussed in subsection D of the Executive Summary of this report. In the most pessimistic scenario shown, the 95th percentile, the projected employer contribution rate is about 55% of pay for FYE 2030. Conversely, the most optimistic scenario shown, the 5th percentile, the projected employer contribution rate declines to 0% for FYE 2033. We note that these projections allow the employer contribution to drop below the normal cost only if the Plan becomes extremely over-funded (above 120%), as required under PEPRA.

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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Stochastic Projection of Funded Ratio on a Market Value of Assets Basis



The graph above shows the projection of the funded ratio based on the market value of assets. While the baseline-funded ratio (black line) is projected to be approximately 105% at the end of the 15-year period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%. Due to the current funding policy of the Plan, even in scenarios with unfavorable investment returns, the Plan is projected to remain over 50% funded as long as the actuarially determined contributions continue to be made.

Contribution Risk

While investment returns are typically the dominant factor in volatility, contribution rates can also be sensitive to future salary increases and the hiring of new members. When member payroll growth stagnates or even declines, the dollar level of contributions made to the Plan also stagnate or decline because contributions are based on payroll levels, though this will generally only present a funding issue if there is an extended pattern of payroll reductions.

There is also a risk of the contribution rate increasing even higher when payroll decreases because the Plan’s funding policy amortizes the UAL as a level percentage of pay. This means that the UAL payments increase at the assumed payroll growth rate of 2.75%, so that the payment is expected to remain constant as a percentage of payroll. If payroll growth is less than the expected 2.75% or there is a decline in payroll, the UAL payments are spread over a smaller payroll base and the contribution rate as a percentage of pay increases, potentially making the Plan less affordable for a sponsor with a declining payroll and/or revenue base.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

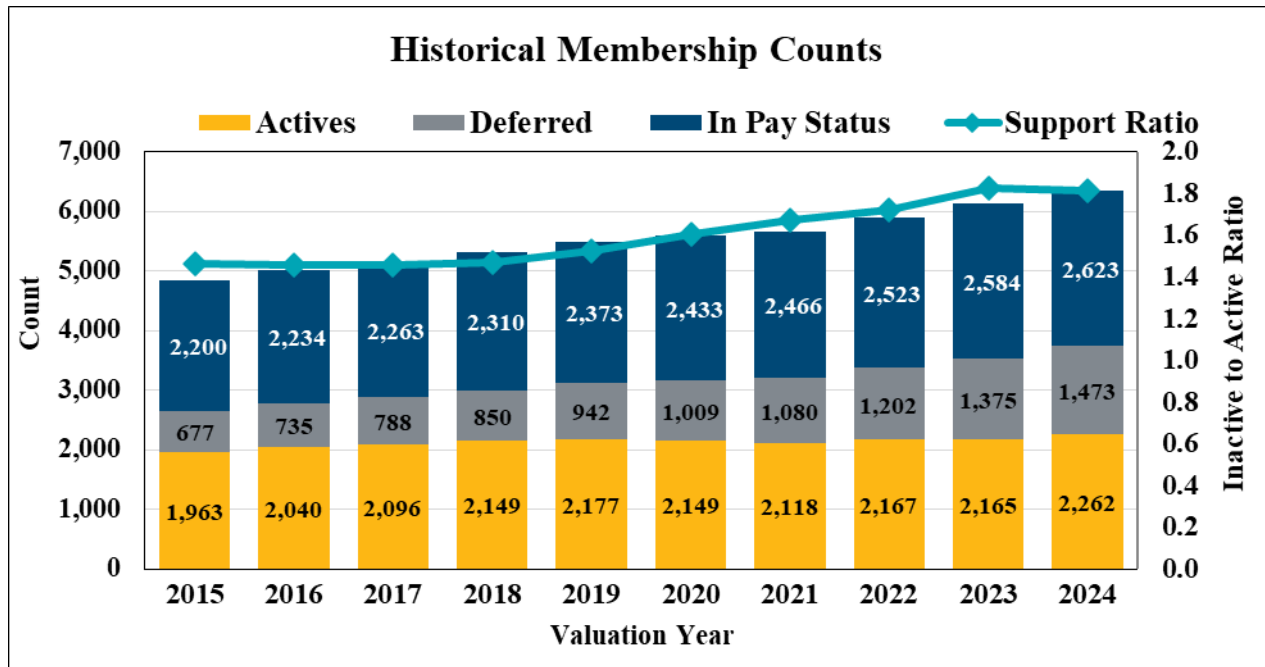
Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. It is important to understand the maturity of the Plan and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan assets and/or liabilities are compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures below have been selected as the most important in understanding the primary risks identified for the Plan.

Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or those entitled to a deferred benefit) to the number of active members. The Support Ratio is expected to increase gradually as a plan matures. The chart below shows the growth in the Support Ratio from 2015 to 2024 as the number of inactives increased relative to the number of actives.

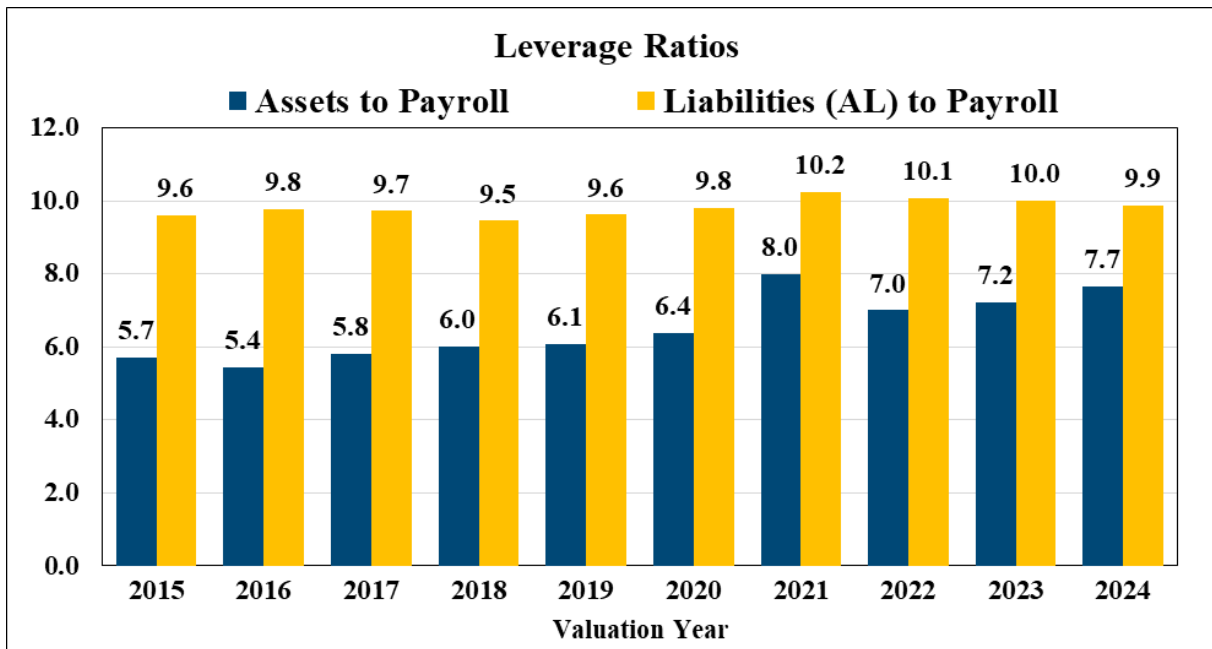


SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

Leverage Ratios

Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. The asset leverage ratio is simply the Market Value of Assets to active member payroll and indicates the sensitivity of the Plan to investment returns. The liability leverage ratio is the Plan's Actuarial Liability to active member payroll and indicates the sensitivity of the Plan to assumption changes or demographic experience.

The following charts show the historical leverage ratios of the Plan. Both leverage ratios have gradually increased since 2015, but the asset to payroll ratio still lags behind the liability to payroll ratio, due to the funded status of the Plan. We note that the asset leverage ratio increased significantly in 2021, from 6.4 to 8.0, due to investment returns, and conversely decreased in 2022 to 7.0 due to investment losses. The asset leverage ratio also increased in 2024, from 7.2 to 7.7, due to investment returns. We expect these ratios to converge over time as the Plan becomes better funded if assumptions are met. Therefore, the Plan is expected to become more sensitive to market variation in the future than it is today.



To appreciate the impact of the ratio of assets to payroll on contributions rates, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the contribution rate is nil, because the assets are so small.

Suppose MercedCERA's assets lose 10% of their value in a year. Because they were assumed to earn 6.75%, there is an actuarial loss of 16.75% of plan assets. Based on the current ratio of assets to payroll (770%), that means the loss in assets is about 129.0% of active payroll (770% of the 16.75% loss). There is only one source of funding to make up for this loss: contributions. Consequently, barring future offsetting investment gains, the employers must make up the asset loss in future contributions. In this example of a one-year loss of 10%, this shortfall will

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SECTION II – IDENTIFICATION AND ASSESSMENT OF RISKS

eventually require an additional amortization payment of approximately 10.1% of payroll once fully phased-in, if amortized over the Plan's 24-year schedule for gains and losses.

More Detailed Assessment

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the Plan at this time. We would be happy to provide the Board with a more in-depth analysis at their request.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION III – ASSETS

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2023 and June 30, 2024,
- Statement of the **changes** in market values during the year,
- Comparison of the actual and expected investment performance during the year, and
- Historical **investment performance**.

As of June 30, 2014, an Actuarial Value of Assets distinct from the Market Value of Assets is no longer used in the calculations of the Unfunded Actuarial Liability or funded status due to the implementation of the funding policy adopted by the Board on January 22, 2015. This policy change was made in conjunction with 24-year (22-year for assumption changes) layered amortization of any unexpected changes in the Unfunded Actuarial Liability starting with the June 30, 2014 valuation. A calculation of the Actuarial Value of Assets is no longer shown in the valuation report, except to show the history of returns on the actuarial assets in Table III-4.

Also in prior valuations, a distinction was made between actuarial assets and valuation assets, with the latter reduced for non-valuation reserves, such as the Contingency Reserve. Because there are no such reserves as of June 30, 2023 and June 30, 2024, the two asset values are equal, and throughout this report we have used the term Market Value of Assets exclusively, except to show the history of returns on the valuation assets in Table III-4.

Disclosure

The market value represents “snapshot” or “cash out” values that provide the principal basis for measuring financial performance from one year to the next.

Table III-1 on the next page discloses and compares each asset value as of June 30, 2023 and June 30, 2024.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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SECTION III – ASSETS

Table III-1 Statement of Assets at Market Value		
Assets	June 30, 2024	June 30, 2023
Cash and Short-Term Investments:		
Cash invested with Merced County Treasurer	\$ 0	\$ 542,775
Cash invested with Northern Trust	16,252,482	6,734,512
Other cash and cash equivalents with Northern Trust	359,521	358,464
Total Cash and Short-Term Investments	<u>\$ 16,612,003</u>	<u>\$ 7,635,751</u>
Receivables:		
Bond interest	\$ 310,411	\$ 275,529
Dividends	0	0
Contributions	3,332,616	3,148,475
Distributions	61,067	78,443
Securities sold	0	0
Other	0	6,621
Total Receivables	<u>\$ 3,704,094</u>	<u>\$ 3,509,068</u>
Investments at Market Value:		
U.S. government and agency obligations	\$ 0	\$ 2,507
Domestic fixed income	155,395,445	152,015,158
Common stocks (domestic)	29,765,848	28,608,415
Common stocks (index funds)	256,695,891	237,131,866
Common stocks (international)	228,678,529	210,796,922
Common stocks (international index funds)	0	0
Real estate	92,333,506	83,852,232
Alternative investments	462,163,552	411,138,098
Total Investments at Market Value	<u>\$ 1,225,032,771</u>	<u>\$ 1,123,545,198</u>
Other Assets:		
Prepaid expense	\$ 96,790	\$ 111,612
Capital assets, net of accumulated depreciation	8,516,580	1,038,580
Total Assets	<u>1,253,962,238</u>	<u>1,135,840,209</u>
Liabilities		
Accounts payable	\$ 101,444	\$ 655,575
Securities purchased	22,719	17,846
Unclaimed contributions	85,403	85,403
Capital Calls	0	0
Total Liabilities	<u>209,566</u>	<u>758,824</u>
Market Value of Assets	<u>\$ 1,253,752,672</u>	<u>\$ 1,135,081,385</u>

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION III – ASSETS

Changes in Market Value

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table III-2 shows the components of change in the Market Value of Assets during 2023 and 2024.

Table III-2 Changes in Market Values		
	Fiscal Year ending <u>June 30, 2024</u>	Fiscal Year ending <u>June 30, 2023</u>
Additions		
Contributions:		
Employer	\$ 69,632,270	\$ 68,648,166
Plan members	13,403,198	13,445,557
Total Contributions	\$ 83,035,468	\$ 82,093,723
Investment Income/(Loss) from Investment Activities:		
Net appreciation/(depreciation) in fair value of investments	\$ 120,407,326	\$ 73,272,953
Investment income	16,238,236	13,243,231
Other revenue	502	503
Less investment expenses	<u>(2,398,063)</u>	<u>(3,099,245)</u>
Total Investment Income/(Loss) from Investment Activities	\$ 134,248,001	\$ 83,417,442
Total Additions	217,283,469	165,511,165
Deductions		
Benefits paid	\$ 94,081,287	\$ 90,585,672
Refunds of contributions	1,692,862	1,262,876
Administrative expense	2,753,296	2,789,967
Actuarial expense	<u>84,737</u>	<u>232,010</u>
Total Deductions	98,612,182	94,870,525
Net Increase/(Decrease)	\$ 118,671,287	\$ 70,640,640
Market Value of Assets, Beginning of Year	<u>1,135,081,385</u>	<u>1,064,440,745</u>
Market Value of Assets, End of Year	\$ 1,253,752,672	\$ 1,135,081,385

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION III – ASSETS

Investment Performance

The following table shows the development of the asset gain/(loss) and investment return.

Table III-3 Development of Asset Return	
Market Value of Assets, Beginning of Year	\$ 1,135,081,385
Contributions	83,035,468
Benefit Paid and Refunds of Contributions	(95,774,149)
Administrative Expense	(2,838,033)
Expected Investment Earnings (6.75%)	76,100,863
Expected Market Value of Assets, End of Year	\$ 1,195,605,534
Investment Gain / (Loss)	58,147,138
Market Value of Assets, End of Year	\$1,253,752,672
Actual Investment Earnings	\$ 134,248,001
Return	11.91%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION III – ASSETS

The table below shows the historical annual asset returns on a market value and actuarial value basis, as well as the increase in the Consumer Price Index (CPI) since 2000. Beginning June 30, 2014, the Actuarial Value of Assets is equal to the Market Value of Assets, so the net returns are the same for FY 2015 onwards.

Table III-4 Net Return on Assets vs. Increase in Consumer Price Index			
Year Ended June 30	Net Return at Market Value	Net Return at Actuarial Value	Increase in Consumer Price Index¹
2000	9.1%	11.5%	3.7%
2001	-3.6%	8.6%	3.2%
2002	-5.6%	4.9%	1.1%
2003	4.6%	3.3%	2.1%
2004	12.6%	3.3%	3.3%
2005	8.7%	2.5%	2.5%
2006	7.6%	4.7%	4.3%
2007	16.3%	8.9%	2.7%
2008	-6.7%	1.2%	5.0%
2009	-22.1%	-4.9%	-1.4%
2010	12.7%	7.0%	1.1%
2011	22.6%	2.6%	3.6%
2012	-1.6%	0.6%	1.7%
2013	11.8%	3.8%	1.8%
2014	17.1%	11.8%	2.1%
2015	2.9%	2.9%	0.1%
2016	-0.1%	-0.1%	1.0%
2017	12.4%	12.4%	1.6%
2018	9.4%	9.4%	2.9%
2019	4.8%	4.8%	1.6%
2020	6.6%	6.6%	0.6%
2021	27.7%	27.7%	5.4%
2022	-7.5%	-7.5%	9.1%
2023	7.9%	7.9%	3.0%
2024	11.9%	11.9%	3.0%
20-Year Compound Average	6.5%	5.5%	2.6%
15-Year Compound Average	8.9%	6.5%	2.6%
10-Year Compound Average	7.3%	7.3%	2.8%
5-Year Compound Average	8.7%	8.7%	4.2%

¹ Based on All Urban Consumers - U.S. City Average, June indices.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024

SECTION IV – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2023 and June 30, 2024, and
- Plan liabilities by **tier** as of June 30, 2024.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them. Note that these liabilities are not applicable for settlement purposes, including the purchase of annuities and the payment of lump sums.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully fund all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the Present Value of Future Benefits and subtracting the present value of future Member Contributions and future employer normal costs under an acceptable actuarial funding method. The method used for this Plan is called the **Entry Age Normal** (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Market Value of Assets.

Table IV-1 on the following page discloses each of these liabilities for the current and prior valuations.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION IV – LIABILITIES

Table IV-1		
Present Value of Future Benefits and Actuarial Liability		
(in thousands)		
Item	June 30, 2024	June 30, 2023
Present Value of Future Benefits		
Actives	\$ 630,207	\$ 599,529
Deferred Members	85,012	78,002
Retirees	975,525	958,429
Disabled	69,232	71,743
Beneficiaries	75,533	72,131
Total MercedCERA	\$ 1,835,509	\$ 1,779,834
Actuarial Liability		
Total Present Value of Future Benefits	\$ 1,835,509	\$ 1,779,834
Present Value of Future Normal Costs		
Employer Portion	113,172	100,386
Employee Portion	106,461	104,838
Actuarial Liability	\$ 1,615,876	\$ 1,574,609
Market Value of Assets	\$ 1,253,753	\$ 1,135,081
Unfunded Actuarial Liability/(Surplus)	\$ 362,123	\$ 439,528

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION IV – LIABILITIES

Table IV-2 discloses the liabilities of the Plan as of June 30, 2024, split by tier.

Table IV-2 Liabilities by Group as of June 30, 2024 (in thousands)														
Present Value of Future Benefits	Tier 1		Tier 2		General Tier 3		Tier 4		Safety Tier 3		Tier 4		All Total	
Actives	\$ 25,092	\$ 275,828	\$ 12,587	\$ 171,871	\$ 485,379	\$ 10,174	\$ 85,538	\$ 2,185	\$ 46,932	\$ 144,829	\$ 630,207			
Deferred Members	6,206	52,551	2,778	7,820	69,356	305	13,255	141	1,955	15,657	85,012			
Retirees	616,202	188,876	478	2,754	808,311	139,700	27,074	0	441	167,215	975,525			
Disabled	14,389	8,437	224	234	23,284	32,908	13,040	0	0	45,948	69,232			
Beneficiaries	45,012	5,937	250	410	51,608	22,008	1,916	0	0	23,924	75,533			
Total	\$ 706,900	\$ 531,630	\$ 16,317	\$ 183,090	\$ 1,437,938	\$ 205,095	\$ 140,823	\$ 2,327	\$ 49,327	\$ 397,572	\$ 1,835,509			
Actuarial Liability														
Actives	\$ 23,006	\$ 225,193	\$ 6,093	\$ 61,004	\$ 315,296	\$ 9,696	\$ 69,476	\$ 1,066	\$ 15,040	\$ 95,278	\$ 410,574			
Deferred Members	6,206	52,551	2,778	7,820	69,356	305	13,255	141	1,955	15,657	85,012			
Retirees	616,202	188,876	478	2,754	808,311	139,700	27,074	0	441	167,215	975,525			
Disabled	14,389	8,437	224	234	23,284	32,908	13,040	0	0	45,948	69,232			
Beneficiaries	45,012	5,937	250	410	51,608	22,008	1,916	0	0	23,924	75,533			
Total	\$ 704,814	\$ 480,995	\$ 9,823	\$ 72,223	\$ 1,267,855	\$ 204,617	\$ 124,762	\$ 1,207	\$ 17,435	\$ 348,021	\$ 1,615,876			

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION V – CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, we analyze the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN) Cost Method**. There are three primary components to the total contribution: the **normal cost rate** (employee and employer), the **Unfunded Actuarial Liability rate (UAL rate)**, and the **administrative expense rate**.

The normal cost rate is determined in the following steps. First, an individual normal cost rate is determined by taking the value, as of entry age into the Plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary producing a normal cost rate that should remain relatively constant over a member's career.

The total normal cost is computed by adding the expected dollar amount of each active member's normal cost for the current year – known as the Individual Entry Age Method. The total normal cost is adjusted with interest to the middle of the year, to reflect the fact that the normal cost contributions are paid throughout the year as member payroll payments are made. Finally, the total normal cost rate, calculated by dividing the total normal cost by expected payroll of the closed group, is reduced by the member contribution rate to produce the employer normal cost rate.

Starting with the June 30, 2014 valuation, the Unfunded Actuarial Liability (UAL) is the difference between the EAN Actuarial Liability and the Market Value of Assets. The Unfunded Actuarial Liability payment was determined as the amount needed to fund the outstanding Unfunded Actuarial Liability as of June 30, 2013 over a closed period of 16 years, as a level percentage of pay. Effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period (with nine years remaining with this valuation) as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period (with nine years remaining with this valuation), with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period. Any subsequent unexpected change in the Unfunded Actuarial Liability after June 30, 2013 is amortized over 24 years (22 years for assumption changes) that includes a five-year phase-in/four-year phase-out (three-year phase-in/two-year phase-out for assumption changes) of the payments/credits for each annual layer.

The administrative expenses are assumed to be \$2.9 million for the current Plan year, and are expected to increase by the inflation rate in future years. The administrative expenses are split between the employees and employers based on each group's share of the normal cost and UAL rates.

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024

SECTION V – CONTRIBUTIONS

The table below and on the next page present the employer contribution rates for the Plan for this valuation.

	June 30, 2024	June 30, 2023
1. Total Normal Cost Rate	17.09%	17.40%
2. Member Contribution Rate ¹	<u>8.18%</u>	<u>8.29%</u>
3. Employer Normal Cost Rate (1-2)	8.91%	9.11%
4. UAL Amortization Rate	34.41%	35.38%
5. Administrative Expense Rate	1.51%	1.54%
6. Net Employer Contribution Rate (3+4+5)	44.83%	46.03%

¹ Not including member's share of administrative expenses.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION V – CONTRIBUTIONS

**Table V-2
FYE 2026 Net Employer Contribution Rate by Group**

	General					Safety					All
	Tier 1	Tier 2	Tier 3	Tier 4	Total	Tier 1	Tier 2	Tier 3	Tier 4	Total	Total
County											
1. Total Normal Cost Rate	27.57%	19.14%	16.51%	13.91%	15.83%	35.02%	24.89%	24.96%	21.78%	23.33%	17.09%
2. Member Contribution Rate ¹	<u>12.51%</u>	<u>9.33%</u>	<u>6.61%</u>	<u>6.96%</u>	<u>7.76%</u>	<u>14.94%</u>	<u>9.36%</u>	<u>9.20%</u>	<u>10.89%</u>	<u>10.29%</u>	<u>8.18%</u>
3. Employer Normal Cost Rate (1-2)	15.06%	9.81%	9.90%	6.95%	8.07%	20.08%	15.53%	15.76%	10.89%	13.04%	8.91%
4. UAL Amortization Rate	31.85%	31.85%	31.85%	31.85%	31.85%	46.85%	46.85%	46.85%	46.85%	46.85%	34.41%
5. Administrative Expense Rate	<u>1.64%</u>	<u>1.45%</u>	<u>1.46%</u>	<u>1.35%</u>	<u>1.39%</u>	<u>2.34%</u>	<u>2.18%</u>	<u>2.19%</u>	<u>2.02%</u>	<u>2.09%</u>	<u>1.51%</u>
6. Net Employer Contribution Rate (3+4+5)	48.55%	43.11%	43.21%	40.15%	41.31%	69.27%	64.56%	64.80%	59.76%	61.98%	44.83%

¹ Not including member's share of administrative expenses.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION V – CONTRIBUTIONS

The assets of the Plan are allocated between the General and Safety groups based on their share of the Actuarial Liability for non-active members. If the assets of the Plan exceed the Actuarial Liabilities of the non-active members, the remaining assets are allocated between the General and Safety groups based on their share of the Actuarial Liabilities for active members. The UAL Amortization payment is allocated to the General and Safety groups based on their share of the UAL.

Table V-3 Allocation of the June 30, 2024 UAL and Development of UAL Amortization Rates for FYE 2026			
	General	Safety	Total
1. Market Value of Assets			\$ 1,253,752,672
2. Inactive Actuarial Liability	952,558,999	252,743,147	1,205,302,146
3. Allocation of Assets for Inactives	79.03%	20.97%	100.00%
4. Total Assets for Inactives	952,558,999	252,743,147	<u>1,205,302,146</u>
5. Net Assets for Distribution (1 - 4 not less than zero)			\$ 48,450,526
6. Active Actuarial Liability	\$ 315,295,990	\$ 95,277,569	\$ 410,573,559
7. Allocation of Remaining Assets	76.79%	23.21%	100.00%
8. Total Assets for Actives (7 x 5)	37,207,112	11,243,414	48,450,526
9. Market Value of Assets (4 + 8)	\$ 989,766,111	\$ 263,986,561	\$ 1,253,752,672
10. Total Actuarial Liability	1,267,854,989	348,020,716	1,615,875,705
11. Unfunded Actuarial Liability (UAL) (10 - 9)	\$ 278,088,878	\$ 84,034,155	\$ 362,123,033
12. UAL Amortization (see table V-4)	43,205,721	13,056,100	56,261,821
13. Total Payroll	135,650,583	27,865,884	163,516,467
14. UAL Amortization Rate (12 divided by 13)	31.85%	46.85%	34.41%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION V – CONTRIBUTIONS

Table V-4 presents the calculation of the UAL payments for the Plan.

Table V-4 Development of Amortization Payment For the June 30, 2024 Actuarial Valuation										
Type of Base	Date Established	Initial Amount	Initial Amortization Years	June 30, 2024 Outstanding Balance	Remaining Amortization Years	Current Phase In/Out Percentage	Amortization Amount	% of Pay	% of Pay After Phase-In	
1. Initial UAL - extended	6/30/2019	\$ 367,575,087	14	\$ 268,539,622	9	100%	\$ 44,530,640	27.23%	27.23%	
2. Initial UAL - carve out	6/30/2019	64,866,192	14	52,278,877	9	100%	6,958,290	4.26%	4.26%	
3. (Gain)/Loss Base	6/30/2014	(71,384,203)	24	(70,988,765)	14	100%	(7,494,444)	-4.58%	-4.58%	
4. (Gain)/Loss Base	6/30/2015	34,000,650	24	34,833,939	15	100%	3,453,992	2.11%	2.11%	
5. (Gain)/Loss Base	6/30/2016	47,466,429	24	49,780,014	16	100%	4,663,192	2.85%	2.85%	
6. (Gain)/Loss Assumption	6/30/2016	38,112,827	22	36,353,843	14	100%	3,599,241	2.20%	2.20%	
7. (Gain)/Loss Base	6/30/2017	(29,098,191)	24	(31,208,041)	17	100%	(2,775,785)	-1.70%	-1.70%	
8. (Gain)/Loss Assumption	6/30/2017	15,960,129	22	15,652,657	15	100%	1,464,259	0.90%	0.90%	
9. (Gain)/Loss Base	6/30/2018	(14,219,151)	24	(15,519,800)	18	100%	(1,316,404)	-0.81%	-0.81%	
10. (Gain)/Loss Base	6/30/2019	28,753,231	24	31,799,106	19	100%	2,582,008	1.58%	1.58%	
11. (Gain)/Loss Assumption	6/30/2019	20,714,918	22	21,143,203	17	100%	1,791,313	1.10%	1.10%	
12. (Gain)/Loss Base	6/30/2020	12,189,143	24	13,636,222	20	100%	1,063,498	0.65%	0.65%	
13. (Gain)/Loss Assumption	6/30/2020	(7,652,716)	22	(7,929,771)	18	100%	(643,192)	-0.39%	-0.39%	
14. (Gain)/Loss Base	6/30/2021	(187,358,380)	24	(208,255,528)	21	80%	(12,702,492)	-7.77%	-9.71%	
15. (Gain)/Loss Assumption	6/30/2021	40,723,349	22	42,676,655	19	100%	3,325,105	2.03%	2.03%	
16. (Gain)/Loss Base	6/30/2022	154,923,054	24	168,734,223	22	60%	7,666,750	4.69%	7.81%	
17. (Gain)/Loss Assumption	6/30/2022	11,871,588	22	12,567,415	20	100%	943,385	0.58%	0.58%	
18. (Gain)/Loss Base	6/30/2023	(2,264,333)	24	(2,380,622)	23	40%	(72,705)	-0.04%	-0.11%	
19. (Gain)/Loss Base	6/30/2024	(49,590,216)	24	<u>(49,590,216)</u>	24	20%	<u>(774,830)</u>	<u>-0.47%</u>	<u>-2.37%</u>	
Total				\$ 362,123,033			\$ 56,261,821	34.41%	33.63%	

The single period equivalent amortization period – i.e., the length of time required to amortize the overall UAL as a level percentage of payroll based on the total current amortization payment – is approximately eight years.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

**SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL
REPORTING INFORMATION**

The Governmental Accounting Standards Board (GASB) adopted Statement Nos. 67 and 68, replacing GASB Statement Nos. 25 and 27. GASB 67 is effective for periods beginning after June 15, 2013 (first effective for the fiscal year ending June 30, 2014 for the Plan) and GASB 68 is effective for fiscal years beginning after June 15, 2014 (first effective for the fiscal year ending June 30, 2015 for the Employer). The disclosures needed to satisfy the GASB requirements can be found in the MercedCERA GASB 67/68 Report as of June 30, 2024.

In accordance with Governmental Finance Officers Association (GFOA) and their recommended checklist for Annual Comprehensive Financial Reports (ACFRs), we continue to prepare the following disclosures:

Analysis of Financial Experience

This schedule shows the history of gains or losses arising from investment and liability sources, as well as non-recurring items.

Schedule of Funded Liabilities by Type

The schedule of funded liabilities by type (formerly referred to as the solvency test) shows the portion of Actuarial Liabilities for active member contributions, inactive members, and the employer financed portion of the active members that are covered by the Actuarial Value of Assets.

Actuarial Balance Sheet

The actuarial balance sheet shows the components of the Actuarial Liabilities of the Plan and the actuarial assets that are intended to satisfy those liabilities.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL REPORTING INFORMATION

Table VI-1
Analysis of Financial Experience
Gain (or Loss) in Actuarial Liability During Years Ended June 30
Resulting from Differences Between Assumed Experience
and Actual Experience
(in thousands)

Type of Activity	Gain (or Loss) for Year Ending June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Investment Income and Expenses	\$ 58,147	\$ 11,992	\$ (165,247)	\$ 189,425	\$ (3,288)	\$ (20,208)	\$ 15,963	\$ 34,498	\$ (52,420)	\$ (31,459)
Combined Liability Experience	<u>(5,664)</u>	<u>(8,913)</u>	<u>12,615</u>	<u>999</u>	<u>(9,654)</u>	<u>(7,038)</u>	<u>(1,158)</u>	<u>(2,720)</u>	<u>8,327</u>	<u>5,096</u>
Gain (or Loss) During Year from Financial Experience	\$ 52,483	\$ 3,079	\$ (152,632)	\$ 190,424	\$ (12,942)	\$ (27,246)	\$ 14,805	\$ 31,778	\$ (44,093)	\$ (26,363)
Non-Recurring Gain (or Loss) Items	<u>(2,918)</u>	<u>(819)</u>	<u>(14,169)</u>	<u>(43,792)</u>	<u>8,408</u>	<u>(22,230)</u>	<u>(576)</u>	<u>(18,639)</u>	<u>(41,488)</u>	<u>(7,636)</u>
Composite Gain (or Loss) During Year	\$ 49,565	\$ 2,260	\$ (166,801)	\$ 146,632	\$ (4,534)	\$ (49,476)	\$ 14,229	\$ 13,139	\$ (85,581)	\$ (33,999)

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

**SECTION VI – ANNUAL COMPREHENSIVE FINANCIAL
REPORTING INFORMATION**

Table VI-2								
Schedule of Funded Liabilities by Type								
(dollars in thousands)								
Valuation Date June 30,	(A)	(B)	(C)	Portion of Actuarial Liabilities Covered by Reported Assets				
	Active Member Contributions	Retirees And Beneficiaries	Remaining Active Members' Liabilities ¹	Reported Assets	(A)	(B)	(C)	
2024	\$ 95,828	\$ 1,120,290	\$ 399,758	\$ 1,253,753	100%	100%	9%	
2023	91,021	1,102,303	381,285	1,135,081	100%	95%	0%	
2022 ²	89,217	1,071,129	368,988	1,064,441	100%	91%	0%	
2021 ⁴	88,147	1,038,307	364,778	1,163,254	100%	100%	10%	
2020 ³	84,767	986,071	342,043	919,815	100%	85%	0%	
2019 ²	86,356	932,909	350,930	866,503	100%	84%	0%	
2018	86,585	871,095	344,239	826,654	100%	85%	0%	
2017	85,150	834,643	339,909	753,769	100%	80%	0%	
2016 ²	81,880	804,658	314,657	670,016	100%	73%	0%	
2015	78,078	765,738	287,365	672,319	100%	78%	0%	

¹ Includes deferred members.

² Reflects revised economic and demographic assumptions.

³ Reflects revised demographic assumptions.

⁴ Reflects revised economic assumptions.

Table VI-3	
Actuarial Balance Sheet as of June 30, 2024	
Assets	
1. Market value of assets	\$ 1,253,752,672
2. Present value of future contributions by members	106,461,452
3. Present value of future employer contributions for normal cost	113,172,312
4. Present value of other future employer contributions (UAL)	362,123,033
5. Total actuarial assets	\$ 1,835,509,469
Liabilities	
6. Present value of retirement allowances payable to retired/disabled members and their survivors	\$ 1,120,289,696
7. Present value of service retirement allowances payable to presently active members and their survivors	522,698,749
8. Present value of allowances payable to current and future vested terminated and their survivors	147,284,117
9. Present value of disability retirement allowances payable to presently active members and their survivors	28,710,540
10. Present value of death benefits payable on behalf of presently active members	4,166,509
11. Present value of members' contributions to be returned upon withdrawal	12,359,858
12. Special Reserves	-
13. Total present value of benefits	\$ 1,835,509,469

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Summary of Participant Data (By Group) As of June 30, 2024			
	General	Safety	Total
Active Participants			
Number	1,932	330	2,262
Average Age	42.22	37.95	41.59
Average Benefit Service	8.13	9.00	8.25
Average Pay	\$69,976	\$84,705	\$72,125
Service Retired			
Number	1,846	246	2,092
Average Age	72.17	66.02	71.45
Average Annual Total Benefit	\$37,905	\$51,889	\$39,549
Beneficiaries & QDROs			
Number	278	78	356
Average Age	74.42	72.68	74.04
Average Annual Total Benefit	\$20,125	\$31,079	\$22,525
Duty Disabled			
Number	48	86	134
Average Age	70.05	64.19	66.29
Average Annual Total Benefit	\$29,786	\$39,408	\$35,962
Non-Duty Disabled			
Number	39	2	41
Average Age	68.99	65.66	68.83
Average Annual Total Benefit	\$19,021	\$27,290	\$19,424
Total Receiving Benefits			
Number	2,211	412	2,623
Average Age	72.35	66.90	71.50
Average Annual Total Benefit	\$35,160	\$45,225	\$36,741
Terminated Vested			
Number	419	53	472
Average Age	46.87	43.28	46.46
Average Benefit Service	8.94	9.46	9.00
Transfers			
Number	197	57	254
Average Age	49.86	45.76	48.94
Average Benefit Service	5.03	4.62	4.94
Funds on Account			
Number	667	80	747
Average Age	39.70	34.25	39.12
Average Benefit Service	1.29	1.39	1.30
Total Deferred			
Number	1,283	190	1,473
Average Age	43.60	40.22	43.16
Average Benefit Service	4.36	4.61	4.39

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Summary of Participant Data (General) As of June 30, 2024					
	General Tier 1	General Tier 2	General Tier 3	General Tier 4	General Total
Active Participants					
Number	21	497	45	1,369	1,932
Average Age	58.13	50.61	46.61	38.78	42.22
Average Benefit Service	26.42	19.11	7.17	3.89	8.13
Average Pay	\$111,815	\$83,729	\$113,200	\$62,921	\$69,976
Service Retired					
Number	1,170	644	9	23	1,846
Average Age	74.44	68.35	64.84	66.43	72.17
Average Annual Total Benefit	\$45,042	\$26,375	4,586	10,670	\$37,905
Beneficiaries & QDROs					
Number	223	49	1	5	278
Average Age	77.03	65.82	48.01	47.41	74.42
Average Annual Total Benefit	\$22,326	\$11,591	\$18,286	\$5,961	\$20,125
Duty Disabled					
Number	27	21	0	0	48
Average Age	75.98	62.42	N/A	N/A	70.05
Average Annual Total Benefit	\$32,960	\$25,706	N/A	N/A	\$29,786
Non-Duty Disabled					
Number	23	14	1	1	39
Average Age	76.07	59.80	52.33	51.41	68.99
Average Annual Total Benefit	\$22,231	\$13,682	\$17,236	\$21,737	\$19,021
Total Receiving Benefits					
Number	1,443	728	11	29	2,211
Average Age	74.90	67.84	57.81	62.63	72.35
Average Annual Total Benefit	\$40,942	\$25,117	\$6,981	\$10,240	\$35,160
Terminated Vested					
Number	20	236	41	122	419
Average Age	62.71	49.15	45.59	40.28	46.87
Average Benefit Service	9.69	11.31	3.98	5.92	8.94
Transfers					
Number	10	137	5	45	197
Average Age	60.06	51.89	55.87	40.78	49.86
Average Benefit Service	6.70	5.51	5.86	3.11	5.03
Funds on Account					
Number	3	62	10	592	667
Average Age	64.79	49.89	42.15	38.46	39.70
Average Benefit Service	2.68	1.99	1.42	1.20	1.29
Total Deferred					
Number	33	435	56	759	1,283
Average Age	62.10	50.12	45.90	38.89	43.60
Average Benefit Service	8.15	8.15	3.69	2.07	4.36

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Summary of Participant Data (Safety) As of June 30, 2024					
	Safety Tier 1	Safety Tier 2	Safety Tier 3	Safety Tier 4	Safety Total
Active Participants					
Number	5	113	7	205	330
Average Age	58.86	46.30	41.98	32.71	37.95
Average Benefit Service	24.90	17.91	6.70	3.77	9.00
Average Pay	\$175,965	\$101,631	\$94,043	\$72,829	\$84,705
Service Retired					
Number	183	61	0	2	246
Average Age	68.92	57.43	N/A	62.00	66.02
Average Annual Total Benefit	\$58,047	\$34,567	N/A	\$16,777	\$51,889
Beneficiaries & QDROs					
Number	73	5	0	0	78
Average Age	74.15	51.30	N/A	N/A	72.68
Average Annual Total Benefit	\$31,227	\$28,909	N/A	N/A	\$31,079
Duty Disabled					
Number	53	33	0	0	86
Average Age	70.78	53.60	N/A	N/A	64.19
Average Annual Total Benefit	\$45,946	\$28,907	N/A	N/A	\$39,408
Non-Duty Disabled					
Number	1	1	0	0	2
Average Age	54.54	76.78	N/A	N/A	65.66
Average Annual Total Benefit	\$35,423	\$19,156	N/A	N/A	\$27,290
Total Receiving Benefits					
Number	310	100	0	2	412
Average Age	70.43	56.05	N/A	62.00	66.90
Average Annual Total Benefit	\$49,590	\$32,263	N/A	\$16,777	\$45,225
Terminated Vested					
Number	1	40	2	10	53
Average Age	58.07	44.14	43.81	38.28	43.28
Average Benefit Service	7.83	10.22	4.90	7.46	9.46
Transfers					
Number	2	43	0	12	57
Average Age	57.49	47.59	N/A	37.22	45.76
Average Benefit Service	3.04	4.99	N/A	3.56	4.62
Funds on Account					
Number	1	7	1	71	80
Average Age	69.14	46.33	35.73	32.55	34.25
Average Benefit Service	2.01	1.05	0.09	1.44	1.39
Total Deferred					
Number	4	90	3	93	190
Average Age	60.55	45.96	41.12	33.77	40.22
Average Benefit Service	3.98	7.01	3.30	2.36	4.61

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Change in Plan Membership: Total									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
June 30, 2023	2,165	226	686	463	41	139	2,052	352	6,124
New Entrants	406	1	49	0	0	0	0	0	456
Rehires	19	(3)	(8)	(8)	0	0	0	0	0
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Non-Duty Disabilities	(1)	0	0	0	1	0	0	0	0
Retirements	(50)	(8)	0	(30)	0	0	88	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(69)	(4)	0	73	0	0	0	0	0
Transfers	(33)	50	(7)	(10)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(89)	0	89	0	0	0	0	0	0
Withdrawals Paid	(80)	(8)	(61)	(13)	0	0	0	0	(162)
Died, With Beneficiary	(4)	0	(1)	(1)	0	(3)	(17)	26	0
Died, Without Beneficiary	0	0	0	(2)	(1)	(3)	(33)	0	(39)
Beneficiary Deaths	0	0	0	0	0	0	0	(25)	(25)
Domestic Relations Orders	0	0	0	0	0	0	0	2	2
Data Corrections	(1)	0	0	0	0	0	2	1	2
June 30, 2024	2,262	254	747	472	41	134	2,092	356	6,358

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Change in Plan Membership: General									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
June 30, 2023	1,857	173	614	410	39	51	1,810	277	5,231
New Entrants	346	1	43	0	0	0	0	0	390
Rehires	15	(2)	(8)	(5)	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Non-Duty Disabilities	(1)	0	0	0	1	0	0	0	0
Retirements	(43)	(7)	0	(28)	0	0	78	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(61)	(3)	0	64	0	0	0	0	0
Transfers	(28)	42	(5)	(9)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(80)	0	80	0	0	0	0	0	0
Withdrawals Paid	(68)	(7)	(56)	(11)	0	0	0	0	(142)
Died, With Beneficiary	(4)	0	(1)	0	0	(1)	(13)	19	0
Died, Without Beneficiary	0	0	0	(2)	(1)	(2)	(31)	0	(36)
Beneficiary Deaths	0	0	0	0	0	0	0	(20)	(20)
Domestic Relations Orders	0	0	0	0	0	0	0	2	2
Data Corrections	(1)	0	0	0	0	0	2	0	1
June 30, 2024	1,932	197	667	419	39	48	1,846	278	5,426

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Change in Plan Membership: Safety									
	Actives	Transfers	Non-Vested Terminations	Vested Terminations	Non-Duty Disabled	Duty Disabled	Retired	Beneficiaries & QDROs	Total
June 30, 2023	308	53	72	53	2	88	242	75	893
New Entrants	60	0	6	0	0	0	0	0	66
Rehires	4	(1)	0	(3)	0	0	0	0	0
Duty Disabilities	(1)	0	0	0	0	1	0	0	0
Non-Duty Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(7)	(1)	0	(2)	0	0	10	0	0
Dual Service Retirements	0	0	0	0	0	0	0	0	0
Vested Terminations	(8)	(1)	0	9	0	0	0	0	0
Transfers	(5)	8	(2)	(1)	0	0	0	0	0
Non-Vested Terminations with Funds on Account	(9)	0	9	0	0	0	0	0	0
Withdrawals Paid	(12)	(1)	(5)	(2)	0	0	0	0	(20)
Died, With Beneficiary	0	0	0	(1)	0	(2)	(4)	7	0
Died, Without Beneficiary	0	0	0	0	0	(1)	(2)	0	(3)
Beneficiary Deaths	0	0	0	0	0	0	0	(5)	(5)
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0	1	1
June 30, 2024	330	57	80	53	2	86	246	78	932

MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024

APPENDIX A – MEMBERSHIP INFORMATION

Valuation at Year End	Plan Type	Active Member Data by Plan			
		Member Count	Annual Payroll	Average Annual Salary	Average Salary Increase
2015	General	1,664	\$93,938,857	\$56,454	-0.03%
	Safety	298	\$18,397,233	\$61,736	-0.54%
	Total	1,962	\$112,336,090	\$57,256	-0.15%
2016	General	1,729	\$97,337,917	\$56,297	-0.28%
	Safety	311	\$19,394,922	\$62,363	1.02%
	Total	2,040	\$116,732,839	\$57,222	-0.06%
2017	General	1,783	\$102,498,328	\$57,486	2.11%
	Safety	313	\$20,136,322	\$64,333	3.16%
	Total	2,096	\$122,634,651	\$58,509	2.25%
2018	General	1,827	\$108,067,248	\$59,150	2.89%
	Safety	322	\$22,018,174	\$68,379	6.29%
	Total	2,149	\$130,085,423	\$60,533	3.46%
2019	General	1,861	\$111,267,187	\$59,789	1.08%
	Safety	316	\$22,498,224	\$71,197	4.12%
	Total	2,177	\$133,765,412	\$61,445	1.51%
2020	General	1,828	\$112,315,867	\$61,442	2.76%
	Safety	321	\$22,982,055	\$71,595	0.56%
	Total	2,149	\$135,297,921	\$62,959	2.46%
2021	General	1,799	\$116,284,193	\$64,638	5.20%
	Safety	319	\$23,871,550	\$74,832	4.52%
	Total	2,118	\$140,155,743	\$66,174	5.11%
2022	General	1,842	\$120,774,476	\$65,567	1.44%
	Safety	325	\$25,176,047	\$77,465	3.52%
	Total	2,167	\$145,950,524	\$67,351	1.78%
2023	General	1,857	\$126,256,107	\$67,989	3.69%
	Safety	308	\$24,891,179	\$80,816	4.33%
	Total	2,165	\$151,147,286	\$69,814	3.66%
2024	General	1,932	\$135,194,222	\$69,976	2.92%
	Safety	330	\$27,952,496	\$84,705	4.81%
	Total	2,262	\$163,146,718	\$72,125	3.31%

Payroll figures represent active members' annualized pay rates on June 30.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

Retirees and Beneficiaries Added to and Removed from Retiree Payroll										
Fiscal Year	Beginning of Year	Added During Year	Allowances Added	Removed During Year	Allowances Removed	End of Year	Annual Retirement Payroll (in 000s)	Total Allowance Percentage Increase	Average Annual Allowance	Average Allowance Percentage Increase
2015	2,135	100	2,508,828	35	720,242	2,200	63,254,229	4.90%	28,752	1.80%
2016	2,200	68	1,716,361	34	946,189	2,234	65,505,679	3.56%	29,322	1.98%
2017	2,234	85	2,282,779	56	1,022,708	2,263	68,476,111	4.53%	30,259	3.20%
2018	2,263	120	3,617,034	73	1,671,956	2,310	72,002,829	5.15%	31,170	3.01%
2019	2,310	141	4,908,365	78	1,805,138	2,373	76,948,959	6.87%	32,427	4.03%
2020	2,373	126	4,589,556	66	1,555,353	2,433	81,827,236	6.34%	33,632	3.72%
2021	2,433	117	3,953,617	84	2,671,254	2,466	84,975,315	3.85%	34,459	2.46%
2022	2,466	144	4,842,484	87	2,714,427	2,523	88,406,770	4.04%	35,040	1.69%
2023	2,523	135	4,160,108	74	1,793,800	2,584	92,660,543	4.81%	35,859	2.34%
2024	2,584	121	3,678,753	82	2,026,744	2,623	96,370,679	4.00%	36,741	2.46%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

GENERAL

Count

Age	Benefit Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20 to 25	58	18	0	0	0	0	0	0	0	0	0	76
25 to 29	93	126	5	0	0	0	0	0	0	0	0	224
30 to 34	61	130	65	11	0	0	0	0	0	0	0	267
35 to 39	44	99	99	40	10	1	0	0	0	0	0	293
40 to 44	33	80	89	51	52	17	1	0	0	0	0	323
45 to 49	23	47	79	22	47	42	10	0	0	0	0	270
50 to 54	17	23	39	30	37	31	25	2	1	0	0	205
55 to 59	7	18	24	13	22	32	21	4	1	0	0	142
60 to 64	7	18	13	13	12	15	6	1	1	0	0	86
65 to 69	1	6	9	7	7	8	1	1	1	0	0	41
70 & up	1	2	0	2	0	0	0	0	0	0	0	5
Total	345	567	422	189	187	146	64	8	4	0	0	1,932

Average Compensation

Age	Benefit Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20 to 25	45,995	50,909	0	0	0	0	0	0	0	0	0	47,159
25 to 29	47,209	52,881	60,829	0	0	0	0	0	0	0	0	50,704
30 to 34	47,482	59,978	71,620	82,091	0	0	0	0	0	0	0	60,869
35 to 39	57,233	61,379	71,791	84,826	70,301	78,283	0	0	0	0	0	67,838
40 to 44	53,071	69,215	70,316	87,674	89,631	83,611	64,179	0	0	0	0	74,813
45 to 49	61,335	71,778	77,864	86,572	86,576	93,064	87,162	0	0	0	0	80,331
50 to 54	56,012	81,535	76,866	91,395	87,550	80,812	83,748	91,410	59,076	0	0	81,206
55 to 59	65,924	73,414	100,203	75,190	73,598	78,344	94,964	73,780	137,001	0	0	82,520
60 to 64	51,623	65,965	68,983	99,313	86,610	67,588	71,800	44,021	50,738	0	0	73,433
65 to 69	50,315	65,021	81,196	97,791	61,886	72,452	55,426	209,861	71,507	0	0	78,179
70 & up	38,272	99,283	0	73,856	0	0	0	0	0	0	0	76,910
Total	50,720	62,322	74,660	87,379	84,299	82,287	86,093	91,478	79,581	0	0	69,976



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX A – MEMBERSHIP INFORMATION

SAFETY

Count

Age	Benefit Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20 to 25	29	14	0	0	0	0	0	0	0	0	0	43
25 to 29	16	29	2	0	0	0	0	0	0	0	0	47
30 to 34	5	21	25	0	0	0	0	0	0	0	0	51
35 to 39	3	8	18	7	9	0	0	0	0	0	0	45
40 to 44	3	6	15	7	26	1	0	0	0	0	0	58
45 to 49	2	1	2	3	24	12	0	0	0	0	0	44
50 to 54	0	2	3	3	5	6	2	0	0	0	0	21
55 to 59	0	4	3	0	2	3	3	0	0	0	0	15
60 to 64	0	0	1	0	1	1	1	0	0	0	0	4
65 to 69	0	0	0	0	1	0	0	0	1	0	0	2
70 & up	0	0	0	0	0	0	0	0	0	0	0	0
Total	58	85	69	20	68	23	6	0	1	0	0	330

Average Compensation

Age	Benefit Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0
20 to 25	54,894	60,387	0	0	0	0	0	0	0	0	0	56,683
25 to 29	58,195	64,117	67,118	0	0	0	0	0	0	0	0	62,228
30 to 34	63,178	70,396	94,099	0	0	0	0	0	0	0	0	81,307
35 to 39	51,681	75,490	89,838	101,852	111,087	0	0	0	0	0	0	90,862
40 to 44	69,465	68,625	91,078	104,562	101,775	130,451	0	0	0	0	0	94,739
45 to 49	78,083	105,897	101,769	101,408	95,818	117,827	0	0	0	0	0	101,895
50 to 54	0	92,120	93,398	100,586	86,999	100,771	136,356	0	0	0	0	98,977
55 to 59	0	100,199	112,334	0	99,635	84,016	118,001	0	0	0	0	102,875
60 to 64	0	0	97,879	0	78,058	75,587	65,576	0	0	0	0	79,275
65 to 69	0	0	0	0	172,113	0	0	0	265,849	0	0	218,981
70 & up	0	0	0	0	0	0	0	0	0	0	0	0
Total	57,906	69,291	92,588	102,544	100,441	107,680	115,382	0	265,849	0	0	84,705



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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APPENDIX A – MEMBERSHIP INFORMATION

Service Retired Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	0	\$0	0	\$0	0	\$0
45-49	0	\$0	8	\$51,044	8	\$51,044
50-54	8	\$38,956	28	\$37,395	36	\$37,742
55-59	120	\$35,663	35	\$55,275	155	\$40,091
60-64	284	\$36,515	49	\$55,970	333	\$39,378
65-69	360	\$38,038	39	\$55,374	399	\$39,732
70-74	401	\$41,101	35	\$53,313	436	\$42,081
75-79	328	\$41,354	31	\$54,793	359	\$42,514
80-84	205	\$34,429	16	\$41,361	221	\$34,931
85-89	97	\$31,666	3	\$43,583	100	\$32,023
90-94	34	\$27,824	1	\$43,989	35	\$28,286
95+	9	\$21,738	1	\$71,595	10	\$26,724
All Ages	1,846	\$37,905	246	\$51,889	2,092	\$39,549

Duty Disabled Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-29	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	1	\$26,458	0	\$0	1	\$26,458
40-44	0	\$0	8	\$24,953	8	\$24,953
45-49	3	\$25,738	8	\$32,672	11	\$30,781
50-54	2	\$40,780	8	\$38,788	10	\$39,186
55-59	1	\$24,239	8	\$40,403	9	\$38,607
60-64	5	\$39,560	9	\$53,453	14	\$48,491
65-69	10	\$24,284	11	\$28,678	21	\$26,586
70-74	11	\$32,094	14	\$39,686	25	\$36,346
75-79	8	\$24,989	11	\$60,477	19	\$45,535
80-84	4	\$36,742	8	\$26,983	12	\$30,236
85-89	0	\$0	1	\$61,323	1	\$61,323
90-94	2	\$20,276	0	\$0	2	\$20,276
95+	1	\$39,163	0	\$0	1	\$39,163
All Ages	48	\$29,786	86	\$39,408	134	\$35,962

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APPENDIX A – MEMBERSHIP INFORMATION

Non-Duty Disabled Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	0	\$0	0	\$0	0	\$0
25-20	0	\$0	0	\$0	0	\$0
30-34	0	\$0	0	\$0	0	\$0
35-39	0	\$0	0	\$0	0	\$0
40-44	1	\$14,883	0	\$0	1	\$14,883
45-49	2	\$18,626	0	\$0	2	\$18,626
50-54	5	\$15,619	1	\$35,423	6	\$18,920
55-59	2	\$13,317	0	\$0	2	\$13,317
60-64	5	\$24,261	0	\$0	5	\$24,261
65-69	4	\$15,081	0	\$0	4	\$15,081
70-74	7	\$17,814	0	\$0	7	\$17,814
75-79	2	\$18,610	1	\$19,156	3	\$18,792
80-84	6	\$19,616	0	\$0	6	\$19,616
85-89	4	\$24,419	0	\$0	4	\$24,419
90-94	1	\$26,044	0	\$0	1	\$26,044
95+	0	\$0	0	\$0	0	\$0
All Ages	39	\$19,021	2	\$27,290	41	\$19,424

Surviving Beneficiary & QDRO Benefits						
Current Age	General		Safety		Total	
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
0-24	2	\$9,479	0	\$0	2	\$9,479
25-29	2	\$12,775	0	\$0	2	\$12,775
30-34	0	\$0	0	\$0	0	\$0
35-39	1	\$1,658	0	\$0	1	\$1,658
40-44	4	\$21,033	3	\$25,306	7	\$22,864
45-49	2	\$23,187	2	\$40,289	4	\$31,738
50-54	9	\$4,355	4	\$24,161	13	\$10,449
55-59	15	\$19,289	3	\$13,723	18	\$18,361
60-64	32	\$13,516	8	\$19,767	40	\$14,766
65-69	24	\$19,352	8	\$33,642	32	\$22,925
70-74	31	\$22,011	8	\$39,791	39	\$25,658
75-79	47	\$27,148	21	\$34,688	68	\$29,476
80-84	46	\$22,564	9	\$38,339	55	\$25,145
85-89	40	\$16,226	9	\$21,610	49	\$17,215
90-94	16	\$19,351	3	\$38,749	19	\$22,414
95+	7	\$33,947	0	\$0	7	\$33,947
All Ages	278	\$20,125	78	\$31,079	356	\$22,525

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
ASSUMPTIONS AND METHODS**

The assumptions and methods used in the actuarial valuation reflect the results of an experience study performed by Cheiron covering the period from July 1, 2019 through June 30, 2022 and adopted by the Board at their February 23, 2023 meeting. More details on the rationale for the demographic and economic assumptions can be found in the experience study presentation from the December 8, 2022 meeting. The combined effect of the assumptions is expected to have no significant bias for the purpose of this measurement.

A. Actuarial Assumptions

1. Rate of Return

Assets are assumed to earn 6.75% net of investment expenses.

2. Low-Default-Risk Obligation Measure Discount Rate (effective June 30, 2024)

The discount rate used to calculate the Low-Default-Risk Obligation Measure (LDROM) is the FTSE Pension Liability Index as of the valuation date. This index was selected because it reflects the types of fixed-income securities the Plan would likely invest in if the Trustees wanted to match cash flows. The rate for this valuation is 5.35%.

3. Administrative Expenses

Administrative expenses are assumed to be \$2.942 million for the next year to be allocated between the employer and employees based on each group's share of the non-expense related contributions. Administrative expenses in future years are expected to increase with the Consumer Price Index (CPI).

4. Cost of Living

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.50% per year.

5. Post Retirement COLA

Benefits are assumed to increase after retirement at the rate of 2.40% per year for current Tier 1 Active and Deferred Vested members and are assumed to increase at a rate of 2.65% for Tier 1 members that are currently in pay status.

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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6. Increases in Pay

Wage inflation component: 2.75%

Additional longevity and promotion component:

Years of Service	General	Safety	Years of Service	General	Safety
0	8.00%	8.50%	11	2.50%	1.25%
1	6.50%	7.50%	12	2.25%	1.25%
2	6.00%	5.25%	13	2.00%	1.25%
3	5.50%	4.50%	14	1.85%	1.25%
4	5.00%	3.75%	15	1.70%	1.25%
5	4.00%	3.25%	16	1.55%	1.25%
6	3.25%	2.75%	17	1.40%	1.25%
7	2.75%	2.25%	18	1.25%	1.25%
8	2.50%	2.00%	19	1.10%	1.25%
9	2.50%	1.50%	20+	1.00%	1.25%
10	2.50%	1.50%			

7. Final Average Compensation Load

None.

8. Family Composition

55% of female General members, 75% of male General members and 80% of Safety members are assumed to be married at retirement. Male members are assumed to be three years older than their spouses and female members are assumed to be two years younger than their spouses.

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9. Rates of Mortality

Mortality rates for actives, retirees, disabled members, beneficiaries, terminated vesteds, and reciprocal transfers are based on the sex-distinct employee and annuitant mortality tables as described below. Future mortality improvements are reflected by applying 80% of the SOA MP-2020 projection scale on a generational basis from the base year of 2017 for the CalPERS tables and the base year of 2010 for the Below Median Safety Member Pub-2010 tables.

Category	Base Mortality Table	
	General	Safety
Healthy Annuitant	1.05 times the CalPERS 2021 Healthy Annuitant Mortality Table	1.05 times the Pub-2010 Safety Below Median Mortality Table for Healthy Retirees
Duty Disabled Annuitants	CalPERS 2021 Industrial Disability Mortality Table	CalPERS 2021 Industrial Disability Mortality Table
Non-Duty Disabled Annuitant	CalPERS 2021 Non-Industrial Disability Mortality Table	CalPERS 2021 Non-Industrial Disability Mortality Table
Active Employees	CalPERS 2021 Non-Industrial Employees Mortality Table (Miscellaneous Plans Only)	Pub-2010 Safety Below Median Mortality Table for Healthy Employees
Actives, Line of Duty (Safety only)	N/A	CalPERS 2021 Industrial Employees Mortality Table

For determining mortality rates for future disabled members, 50% of future General disabilities are assumed to be duty-related and 50% are assumed to be non-duty related. 100% of future Safety disabilities are assumed to be duty related.

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10. Rates of Termination

Sample rates of termination¹ are shown in the following table.

Years of Service	General	Safety
0	22.50%	21.00%
5	9.00%	6.50%
10	5.50%	4.75%
15	4.00%	3.50%
20	4.00%	0.00%
25	4.00%	0.00%
30	0.00%	0.00%

¹ Termination rates do not apply once a member is eligible for retirement.

There are three types of terminations: withdrawals, reciprocal transfers, and vested terminations. Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Rates of reciprocal transfer are for members who leave their member contributions on deposit and engage in employment covered by a pension plan with a reciprocal relationship with MercedCERA. Finally, rates of vested termination apply to active Members who terminate their employment and leave their member contributions on deposit with the Plan.

The table below shows the percentages of total terminations falling into these categories.

	Years of Service						
	General				Safety		
	0 – 4	5 – 9	10-14	15+	0 – 4	5-9	10+
Withdrawals	92.5%	30.0%	20.0%	5.0%	95.0%	30.0%	15.0%
Transfers	7.5%	35.0%	40.0%	47.5%	5.0%	52.5%	63.75%
Vested Terminations	0.0%	35.0%	40.0%	47.5%	0.0%	17.5%	21.25%

Vested terminated General Members are assumed to begin receiving benefits at age 60; Vested terminated Safety Members are assumed to begin receiving benefits at age 50. Future reciprocal transfer General members are assumed to begin receiving benefits at age 61; future reciprocal transfer Safety members are assumed to begin receiving benefits at age 55. Current reciprocal transfer members are assumed to begin receiving benefits based on the probabilities of retirement applied to the active members.

Future reciprocal transfers' annual pay growth is assumed to be 3.75% for General Members and 4.00% for Safety Members while employed by a reciprocal employer. Current reciprocal transfers' pay growth is assumed to increase according to the assumptions applied to the active members until the assumed retirement age.

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11. Rates of Retirement

Rates of retirement are based on age and service according to the following table.

General						Safety ¹			
Age	Non-PEPRA			PEPRA		Age	Years of Service		
	Years of Service						Years of Service		
	<0	20-29	30+	5-19	20+		<20	20+	
<50	0.0%	0.0%	15.0%	0.0%	0.0%	<40	0.0%	0.0%	
50	10.0%	12.5%	15.0%	0.0%	0.0%	40	0.0%	1.5%	
51	10.0%	12.5%	15.0%	0.0%	0.0%	41	0.0%	1.5%	
52	10.0%	12.5%	15.0%	10.0%	10.0%	42	0.0%	1.5%	
53	10.0%	12.5%	15.0%	10.0%	10.0%	43	0.0%	1.5%	
54	10.0%	12.5%	25.0%	10.0%	10.0%	44	0.0%	1.5%	
55	10.0%	12.5%	30.0%	10.0%	10.0%	45	0.0%	1.5%	
56	10.0%	12.5%	30.0%	10.0%	10.0%	46	0.0%	5.0%	
57	10.0%	15.0%	30.0%	10.0%	10.0%	47	0.0%	10.0%	
58	15.0%	15.0%	30.0%	10.0%	10.0%	48	0.0%	15.0%	
59	15.0%	25.0%	30.0%	10.0%	15.0%	49	0.0%	25.0%	
60	20.0%	25.0%	30.0%	10.0%	15.0%	50	15.0%	25.0%	
61	20.0%	25.0%	30.0%	10.0%	15.0%	51	5.0%	25.0%	
62	20.0%	25.0%	30.0%	10.0%	15.0%	52	5.0%	15.0%	
63	15.0%	25.0%	30.0%	10.0%	15.0%	53	5.0%	15.0%	
64	15.0%	25.0%	30.0%	10.0%	15.0%	54	15.0%	20.0%	
65	35.0%	35.0%	35.0%	10.0%	15.0%	55	25.0%	25.0%	
66	35.0%	35.0%	35.0%	10.0%	15.0%	56	25.0%	25.0%	
67	35.0%	35.0%	35.0%	35.0%	35.0%	57	25.0%	25.0%	
68	35.0%	35.0%	35.0%	35.0%	35.0%	58	25.0%	25.0%	
69	35.0%	35.0%	35.0%	35.0%	35.0%	59	25.0%	25.0%	

¹ PEPRA rates are 0% below Age 50.

100% of General and Safety members are assumed to retire when they reach ages 70 and 60, respectively.

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12. Rates of Disability

Sample disability rates of active participants are provided in the table.

Age	General		Safety	
	Service-Connected	Non-Service-Connected ¹	Service-Connected	Non-Service-Connected ¹
20	0.0135%	0.0135%	0.0420%	0.0090%
25	0.0136%	0.0136%	0.1310%	0.0090%
30	0.0182%	0.0182%	0.2490%	0.0110%
35	0.0331%	0.0331%	0.3700%	0.0340%
40	0.0678%	0.0678%	0.5130%	0.0590%
45	0.1325%	0.1325%	0.6720%	0.1120%
50	0.1822%	0.1822%	0.9190%	0.1600%
55	0.1380%	0.1380%	1.5050%	0.0850%
60	0.1134%	0.1134%	1.7400%	0.0510%
65	0.1390%	0.1390%	2.0930%	0.0510%

¹ Rates are applied once members have at least five years of service.

13. Member Contribution Balance Crediting Rate

4.75% (2.00% less than the assumed rate of return of 6.75%).

14. Changes Since Last Valuation

The LDROM discount rate assumption was updated from 4.92% to 5.35%.

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**APPENDIX B – STATEMENT OF CURRENT ACTUARIAL
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B. Contribution Allocation Procedure

The contribution allocation procedure primarily consists of an actuarial cost method, an asset valuation method, and an amortization method as described below. This contribution allocation procedure, combined with reasonable assumptions, produces a Reasonable Actuarially Determined Contribution as defined in Actuarial Standard of Practice No. 4. The contribution allocation procedure was selected to balance benefit security, intergenerational equity, and the stability of actuarially determined contributions. The selection also considered the demographics of plan members, the funding goals and objectives of the Board, and the need to accumulate assets to make benefit payments when due. There were no changes to the contribution allocation procedures from the prior valuation.

1. Actuarial Cost Method

The Entry Age Normal actuarial funding method was used for active employees, whereby the normal cost is computed as the level annual percentage of pay required to fund the retirement benefits between each Member's date of hire and assumed retirement. The Actuarial Liability is the difference between the Present Value of Future Benefits and the Present Value of Future Normal Cost. The Unfunded Actuarial Liability is the difference between the Actuarial Liability and the Actuarial Value of Assets.

2. Amortization Method

The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MercedCERA.

- Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 16-year period. Effective with the June 30, 2019 valuation, 15% of the outstanding balance as of June 30, 2019 of the June 30, 2013 UAL amortization base is carved out as a separate base and amortized over a closed 14-year period as a level percentage of payroll. The remaining 85% is amortized over a closed 14-year period, with 10 years of level payments as a percentage of payroll, and a four-year ramp down at the end of the period.
- Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes is amortized over a closed 24-year period, with five-year ramp up period at the beginning of the period, a four-year ramp down at the end of the period, and 15 years of level payments as a percentage of payroll.
- Assumption changes will be amortized over a closed 22-year period, with a three-year ramp up period, two-year ramp down period, and 17 years of level payments as a percentage of payroll. This method is a type of direct rate smoothing method.

3. Asset Valuation Method

As of June 30, 2014, the Market Value of Assets is used to determine the Plan's UAL.

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4. Changes Since Last Valuation

None.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

A. Definitions

Compensation: Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

PEPRA: For members joining the Plan on and after January 1, 2013 (Tier 4 Members), only pensionable compensation up to the PEPRA Compensation Limit (for 2025, \$155,081 for those participating in Social Security, \$186,096 for those not participating in Social Security) will count for computing Plan benefits and employee contributions and employer contributions. In future years, the cap on pensionable compensation will increase with the increase in the CPI-U. In addition, some sources of compensation, such as any payments deemed to be terminal or special pays, are excluded from benefit and contribution computations for Tier 4 Members.

Credited Service: In general, Credited Service is earned for the period during which Member Contributions are paid. One year of service credit is earned for each 2,080 hours worked (not including overtime), not to exceed one year of service per year.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services for which credit may be purchased are listed below:

Prior Part-Time Service: If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.

Intermittent Part-Time Service.

Prior Full-Time Service: Member may buyback full-time service that may have been cashed out upon termination.

Leave of Absence (Including Absence with State Disability or Worker's Compensation): No unpaid leave of absence can be bought back except for absence due to medical reasons up to one year.

Public Service: Members may purchase service credit for prior service in the following public agencies: Federal Civil Service, Military Service, and

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

some public employers in California. This service is only eligible for purchase when the Board of Supervisors opens the window for purchase.

Military Time: Members who resign or obtain a leave of absence to enter the military may purchase service credit for the period of military service. Members must re-enter employment within one year of terminating military service to be eligible to purchase service.

At retirement, Members have the option to convert 100% of sick leave time into retirement years of service credit. Unrepresented Management and Unit 7 will instead have some or all of their sick leave contributed to the Post Employment Health Plan.

Final

Compensation: For Tier 1 Members, Final Compensation means the highest average Compensation earned during any 26 consecutive pay periods of the Member's employment. For Tier 2 and Tier 3 Members, Final Compensation means the highest average Compensation earned during any 78 consecutive pay periods of the Member's employment.

The following compensation elements are no longer included in Final Compensation computation:

- Loyalty Bonus
- Up to 160 hours of vacation payoff

For Tier 4 Members, highest average Compensation will be based on the highest 36 consecutive months of the Member's employment.

General Member: Any Member who is not a Safety Member is a General Member.

Public Service: During designated periods of time authorized by the County Board of Supervisors, Members may elect to purchase Public Service for time spent while employed in another recognized public agency. The public agency must have a reciprocal agreement with the Plan or be one of several specified municipalities, counties, special districts, or State and Federal agencies. Public Service cannot be purchased if it is used for eligibility for another pension.

The cost to purchase Public Service is twice the Member Contributions and interest applicable for the period of time purchased. Public Service is used to compute benefits but does not count toward eligibility for benefits or vesting.

Safety Member: Any sworn Member engaged in law enforcement or as a probation officer is a Safety Member.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

B. Membership

Eligibility: All full-time and variable-shift permanent employees of Merced County and other participating employers become Members on their first date of service. Membership is mandatory; only elected officials and those entering employment at age 60 or older who are not reciprocal members of another system may choose not to participate.

PEPRA: A New Member is any Member joining the Plan for the first time on or after January 1, 2013. Employees who transfer from and are eligible for reciprocity with another public employer will not be Tier 4 Members if their service in the reciprocal system was under a pre-PEPRA tier. Employees who were Members of MercedCERA prior to January 1, 2013, experienced a break in service of more than six months, and then were re-employed by a *different* MercedCERA-participating employer on or after January 1, 2013 will be considered Tier 4 Members for all subsequent service.

Member

Contributions: Each Member contributes a percentage of Compensation to the Plan through a pre-tax payroll deduction. The percentage contributed depends on the Member's age upon joining the Plan. Complete Rates are shown in Appendix D.

Members covered by Social Security have their contributions reduced by one-third on the first \$161.54 of biweekly Compensation. General Members who joined the Plan prior to March 7, 1973, and who have earned 30 years of Credited Service do not contribute; Safety Members do not contribute after earning 30 years of Credited Service.

PEPRA: Tier 4 Members must contribute half of the normal cost of the Plan. Contributions for these Members will be based on the Normal Cost associated with their benefits; General and Safety members will pay different Rates.

Tier 4 Members will pay a single contribution rate, not a rate based on entry age. All Tier 4 Members are expected to continue contributing after earning 30 years of service.

Interest is credited semi-annually to each Member's accumulated contributions. The crediting rate is set by the Board, and will fluctuate between zero and two percent less than the assumed rate of return (currently $6.75\% - 2.00\% = 4.75\%$), based in part on the investment earnings during that period.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

C. Service Retirement

Eligibility: Tier 1 General Members are eligible to retire at age 50 if they have earned 10 years of Credited Service. Tier 1 General Members hired prior to December 31, 1978, may retire upon reaching age 65 with no service requirement.

Tier 2 and Tier 3 General Members are eligible to retire at age 55 if they have earned 10 years of Credited Service or upon reaching age 70 with no service requirement.

Alternatively, all Tier 1, 2, and 3 General Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned 10 years of Credited Service. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement. All Tier 1, 2, and 3 Safety Members hired prior to December 31, 1978, may retire upon reaching age 65 with no service requirement.

PEPRA: Tier 4 General Members are eligible to retire upon attaining age 52 and completing five or more years of service. Tier 4 Safety Members are eligible to retire upon attaining age 50 and completing five or more years of service. Tier 4 Members are eligible to retire, regardless of service, after attaining age 70.

Benefit Amount: The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 1, and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1. For General Members in the Merced County Cemetery District and those in Deferred Inactive Reciprocity status prior to March 15, 2005, benefits are calculated using the formula in Government Code Section 31676.11 or 31676.1.

For Tiers 1, 2, and 3, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security, Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

Table 1:

Group	Open or Closed	FAP	Max COLA	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier 1	Closed	1	3	31676.17	3% at 60	60	2.00%
General Tier 2	Closed ¹	3	0	31676.17	3% at 60	60	2.00%
General Tier 2 (Cemetery)	Closed ¹	3	0	31676.11	2% at 58 1/2	65	1.67%
General Tier 3	Closed ¹	3	0	31676.1	2.43% at 65	65	1.67%
General Tier 4	Open	3	0	7522.20(a)	PEPRA	67	1.00%
Safety Tier 1	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier 2	Closed	3	0	31664.1	3% at 50	50	3.00%
Safety Tier 3	Closed ¹	3	0	31664	2% at 50	55	2.00%
Safety Tier 4	Open	3	0	7522.25(d)	PEPRA	57	1.00%

¹ Open for reciprocal members.

Table 2:

Age	General 3% @ 60 CERL: 31676.17	General 2% @ 58 1/2 CERL: 31676.11	General 2.43% @ 65 CERL: 31676.1	General PEPRA GC: 7522.20(a)	Safety 3% @ 50 CERL: 31664.1	Safety 2% @ 50 CERL: 31664	Safety PEPRA GC: 7522.25(d)
41	N/A	N/A	N/A	N/A	0.6258	0.6258	N/A
42	N/A	N/A	N/A	N/A	0.6625	0.6625	N/A
43	N/A	N/A	N/A	N/A	0.7004	0.7004	N/A
44	N/A	N/A	N/A	N/A	0.7397	0.7397	N/A
45	N/A	N/A	N/A	N/A	0.7805	0.7805	N/A
46	N/A	N/A	N/A	N/A	0.8226	0.8226	N/A
47	N/A	N/A	N/A	N/A	0.8678	0.8678	N/A
48	N/A	N/A	N/A	N/A	0.9085	0.9085	N/A
49	N/A	N/A	N/A	N/A	0.9522	0.9522	N/A
50	1.0000	0.7454	0.7091	N/A	1.0000	1.0000	2.0000
51	1.0500	0.7882	0.7457	N/A	1.0000	1.0516	2.1000
52	1.1000	0.8346	0.7816	1.0000	1.0000	1.1078	2.2000
53	1.1500	0.8850	0.8181	1.1000	1.0000	1.1692	2.3000
54	1.2000	0.9399	0.8556	1.2000	1.0000	1.2366	2.4000
55	1.2500	1.0000	0.8954	1.3000	1.0000	1.3099	2.5000
56	1.3000	1.0447	0.9382	1.4000	1.0000	1.3099	2.6000
57	1.3500	1.1048	0.9846	1.5000	1.0000	1.3099	2.7000
58	1.4000	1.1686	1.0350	1.6000	1.0000	1.3099	2.7000
59	1.4500	1.2365	1.0899	1.7000	1.0000	1.3099	2.7000
60	1.5000	1.3093	1.1500	1.8000	1.0000	1.3099	2.7000
61	1.5000	1.3608	1.1947	1.9000	1.0000	1.3099	2.7000
62	1.5000	1.4123	1.2548	2.0000	1.0000	1.3099	2.7000
63	1.5000	1.4638	1.3186	2.1000	1.0000	1.3099	2.7000
64	1.5000	1.5153	1.3865	2.2000	1.0000	1.3099	2.7000
65	1.5000	1.5668	1.4593	2.3000	1.0000	1.3099	2.7000
66	1.5000	1.5668	1.4593	2.4000	1.0000	1.3099	2.7000
67	1.5000	1.5668	1.4593	2.5000	1.0000	1.3099	2.7000

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Form of Benefit: The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. To be eligible to receive this benefit, a surviving spouse or domestic partner must be married or state-registered at least one year prior to retirement. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

D. Service-Connected Disability

Eligibility: Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty.

Benefit Amount: The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to the current pay for his or her position at the time of disability. The Supplemental Disability Allowance may not exceed the Service-Connected Disability Retirement benefit.

Form of Benefit: The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner. In the event there is no eligible

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APPENDIX C – SUMMARY OF PLAN PROVISIONS

surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

E. Non Service-Connected Disability

Eligibility: Members are eligible for Non Service-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service or after becoming eligible for a deferred vested benefit.

Benefit Amount: The Non Service-Connected Disability Retirement Benefit payable to General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability,
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation, or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Non Service-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability,
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation, or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

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Members who return to work at a different position with lower pay may receive a Supplemental Disability Allowance that, when added to their new pay, may bring the Member's total income up to the current pay for his or her position at the time of disability. The Supplemental Disability Allowance may not exceed the Non Service-Connected Disability Retirement benefit.

Form of Benefit: The Non Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible spouse, domestic partner, or to the age of majority of dependent minor children if there is no spouse. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

F. Service-Connected Death

Eligibility: A Member's survivors are eligible to receive Service-Connected Death benefits if the Member's death resulted from injury or illness sustained in connection with the Member's duties.

Benefit Amount: The Service-Connected Death benefit payable to an eligible surviving spouse, domestic partner, or minor children will be 50% of the Member's Final Compensation.

Furthermore, for Safety Members only, there will be an additional lump sum benefit of 12 months of pay at the time of death. An additional benefit of 25% of the above basic benefit will be paid for the first minor child, 15% for the second, and 10% for the third.

Form of Benefit: The Service-Connected Death Benefit will be paid monthly beginning at the Member's death and for the life of the eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner.

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Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are “banked” and used for future increases when the CPI increases by less than 3%.

G. Non Service-Connected Death

Eligibility: A Member’s survivors are eligible to receive Non Service-Connected Death benefits if the Member’s death arose from causes unrelated to the Member’s duties.

Benefit Amount: In the event the Member had earned fewer than five years of Credited Service and has no or insufficient reciprocity service from another system, the Non Service-Connected Death benefit will be a refund of the Member’s accumulated contributions with interest plus a payment of one month of Final Compensation for each year of Credited Service, not to exceed six months.

In the event the Member had earned five or more years of Credited Service, the Non Service-Connected Death benefit payable to an eligible surviving spouse, domestic partner, or minor children will be 60% of the amount the Member would have received as a Non Service-Connected Disability Retirement Benefit on the date of death.

Form of Benefit: For Members who had earned fewer than five years of Credited Service at death, the benefit will be paid as a lump sum.

For Members with five or more years of Credited Service, the Non Service-Connected Death Benefit will be paid monthly beginning at the Member’s death and for the life of the eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible spouse or domestic partner.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are “banked” and used for future increases when the CPI increases by less than 3%.

H. Withdrawal Benefit

Eligibility: A Member is eligible for a Withdrawal Benefit upon termination of employment.

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Benefit Amount: The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit, the Member forfeits all Credited Service.

Form of Benefit: The Withdrawal Benefit is paid in a lump sum upon election by the Member.

I. Deferred Vested Benefit

Eligibility: A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. The Member must leave his or her Member Contributions with interest on deposit with the Plan.

Benefit Amount: The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

Form of Benefit: The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit of \$3,000 will be payable upon the death of a retired member.

J. Reciprocal Benefit

Eligibility: A Member is eligible for a Reciprocal Benefit upon termination of employment and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. In addition, the Member must leave his or her Member Contributions with interest on deposit with the Plan.

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Benefit Amount: The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

Form of Benefit: The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's eligible surviving spouse, domestic partner, or to the age of majority of dependent minor children if there is no eligible surviving spouse or domestic partner. In the event there is no eligible surviving spouse, domestic partner, or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, Tier 1 benefits are increased to reflect increases in the CPI for the San Francisco Bay Area. Annual increases may not exceed 3%, but CPI increases in excess of 3% are "banked" and used for future increases when the CPI increases by less than 3%.

A lump sum benefit may be payable upon the death of a retired Member by the last system under which the Member's service was covered.

K. Changes Since Last Valuation

None.

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APPENDIX D – MEMBER CONTRIBUTION RATES

Contribution Rates

Employee contribution rates vary by member Group and Tier. For non-PEPRA members, the rates are the same as those from the prior year, which were updated following an experience study covering the period July 1, 2019 – June 30, 2024. For PEPRA members, the Rates were re-computed this year, in accordance with the requirement that employees pay half of the total normal cost rate from the most recent actuarial valuation.

Non-PEPRA Members

- The basic rates are determined based on Government Code Section 31621.8 for General Tier 1 and Tier 2 members (31621.1 for Tier 2 members under benefit section 31676.11), 31621 for General Tier 3 members, and Section 31639.25 for Safety members. The COLA Rates for members in Tier 1 are determined based on 50% of the normal cost associated with the expected COLA benefits, including joint and survivor benefits, determined for each individual entry age.
- The rates are determined based on an interest rate of 6.75% per annum, an average salary increase of 2.75% per year (plus service-based increases for merit/longevity) and the healthy annuitant mortality tables used in the most recent valuation, projected using 80% of Projection Scale MP-2020 to 2043. The rates are blended based on a male/female weighting of 30% male / 70% female for General members, and 70% male / 30% female for Safety members.
- Effective with the June 30, 2013 valuation, an administrative expense load was added to the rates. The expense load added is currently 3.6%. This load was determined to account for the employees' share of the assumed administrative expense assumption, assuming the employer and employees would share administrative expenses in proportion to their overall share of the contributions. The load produces an average increase in the employee rates of approximately 0.29% of payroll.

PEPRA Members

- Employee contribution rates are equal to half of the total normal cost rate from the actuarial valuation, determined separately for General and Safety. Due to the passage of SB13, contribution rates for PEPRA members are not rounded, and will be recomputed each year.
- An administrative expenses load of 3.6% was applied to the PEPRA rates.

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APPENDIX D – MEMBER CONTRIBUTION RATES

Current Year Contribution Rates (General Non-PEPRA):

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 Basic		Tier 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
16	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
17	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
18	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
19	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
20	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
21	5.67%	8.51%	1.50%	2.26%	7.17%	10.77%	5.47%	8.21%	3.93%	5.89%
22	5.77%	8.66%	1.55%	2.33%	7.32%	10.99%	5.56%	8.35%	4.00%	6.00%
23	5.88%	8.83%	1.61%	2.41%	7.49%	11.24%	5.67%	8.51%	4.07%	6.11%
24	5.99%	8.98%	1.66%	2.49%	7.65%	11.47%	5.77%	8.66%	4.14%	6.22%
25	6.10%	9.16%	1.71%	2.56%	7.81%	11.72%	5.88%	8.83%	4.22%	6.33%
26	6.22%	9.32%	1.75%	2.62%	7.97%	11.94%	6.00%	8.99%	4.30%	6.44%
27	6.33%	9.50%	1.79%	2.69%	8.12%	12.19%	6.10%	9.16%	4.38%	6.57%
28	6.45%	9.68%	1.84%	2.77%	8.29%	12.45%	6.23%	9.33%	4.45%	6.68%
29	6.58%	9.86%	1.90%	2.84%	8.48%	12.70%	6.34%	9.51%	4.54%	6.81%
30	6.70%	10.05%	1.94%	2.91%	8.64%	12.96%	6.45%	9.69%	4.62%	6.93%
31	6.83%	10.25%	2.00%	2.99%	8.83%	13.24%	6.59%	9.88%	4.71%	7.07%
32	6.97%	10.45%	2.04%	3.07%	9.01%	13.52%	6.71%	10.07%	4.80%	7.20%
33	7.11%	10.66%	2.10%	3.15%	9.21%	13.81%	6.85%	10.28%	4.89%	7.33%
34	7.25%	10.88%	2.14%	3.22%	9.39%	14.10%	6.98%	10.47%	4.98%	7.47%
35	7.40%	11.10%	2.21%	3.30%	9.61%	14.40%	7.11%	10.66%	5.08%	7.61%
36	7.53%	11.30%	2.26%	3.39%	9.79%	14.69%	7.23%	10.85%	5.17%	7.76%
37	7.68%	11.51%	2.31%	3.47%	9.99%	14.98%	7.36%	11.03%	5.27%	7.92%
38	7.80%	11.70%	2.37%	3.55%	10.17%	15.25%	7.47%	11.20%	5.38%	8.07%
39	7.93%	11.89%	2.43%	3.65%	10.36%	15.54%	7.57%	11.36%	5.48%	8.23%
40	8.05%	12.07%	2.49%	3.73%	10.54%	15.80%	7.68%	11.51%	5.58%	8.38%
41	8.16%	12.25%	2.50%	3.75%	10.66%	16.00%	7.77%	11.66%	5.69%	8.53%
42	8.26%	12.39%	2.52%	3.78%	10.78%	16.17%	7.85%	11.78%	5.78%	8.67%
43	8.35%	12.53%	2.54%	3.80%	10.89%	16.33%	7.94%	11.90%	5.87%	8.81%
44	8.44%	12.67%	2.54%	3.80%	10.98%	16.47%	8.03%	12.05%	5.96%	8.93%
45	8.56%	12.84%	2.54%	3.80%	11.10%	16.64%	8.12%	12.18%	6.03%	9.04%
46	8.67%	13.00%	2.54%	3.80%	11.21%	16.80%	8.22%	12.32%	6.10%	9.16%
47	8.79%	13.18%	2.54%	3.80%	11.33%	16.98%	8.27%	12.40%	6.17%	9.26%
48	8.88%	13.31%	2.53%	3.79%	11.41%	17.10%	8.30%	12.44%	6.24%	9.36%
49	8.92%	13.39%	2.50%	3.75%	11.42%	17.14%	8.28%	12.41%	6.31%	9.47%
50	8.91%	13.36%	2.47%	3.70%	11.38%	17.06%	8.22%	12.33%	6.38%	9.57%
51	8.86%	13.29%	2.41%	3.63%	11.27%	16.92%	8.15%	12.22%	6.45%	9.68%
52	8.80%	13.20%	2.37%	3.55%	11.17%	16.75%	8.03%	12.04%	6.50%	9.75%
53	8.71%	13.06%	2.31%	3.47%	11.02%	16.53%	8.28%	12.42%	6.52%	9.77%
54	8.55%	12.82%	2.27%	3.41%	10.82%	16.23%	8.55%	12.82%	6.50%	9.75%
55	8.46%	12.69%	2.23%	3.34%	10.69%	16.03%	8.46%	12.69%	6.46%	9.70%
56	8.37%	12.56%	2.14%	3.21%	10.51%	15.77%	8.37%	12.56%	6.40%	9.60%
57	8.28%	12.41%	2.06%	3.09%	10.34%	15.50%	8.28%	12.41%	6.31%	9.46%
58	8.17%	12.26%	1.99%	2.98%	10.16%	15.24%	8.17%	12.26%	6.51%	9.76%
59+	8.06%	12.09%	1.94%	2.90%	10.00%	14.99%	8.06%	12.09%	6.71%	10.07%



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APPENDIX D – MEMBER CONTRIBUTION RATES

Current Year Contribution Rates (Safety Non-PEPRA):

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 & 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
20	6.07%	9.11%	2.50%	3.75%	8.57%	12.86%	5.84%	8.76%
21	6.16%	9.25%	2.56%	3.84%	8.72%	13.09%	5.94%	8.90%
22	6.27%	9.40%	2.62%	3.93%	8.89%	13.33%	6.02%	9.03%
23	6.36%	9.54%	2.67%	4.01%	9.03%	13.55%	6.12%	9.18%
24	6.46%	9.70%	2.74%	4.10%	9.20%	13.80%	6.22%	9.32%
25	6.56%	9.84%	2.79%	4.19%	9.35%	14.03%	6.31%	9.47%
26	6.66%	10.00%	2.84%	4.26%	9.50%	14.26%	6.41%	9.61%
27	6.78%	10.16%	2.89%	4.34%	9.67%	14.50%	6.52%	9.77%
28	6.88%	10.32%	2.93%	4.40%	9.81%	14.72%	6.62%	9.92%
29	6.99%	10.48%	2.96%	4.44%	9.95%	14.92%	6.72%	10.09%
30	7.11%	10.66%	2.95%	4.43%	10.06%	15.09%	6.83%	10.25%
31	7.22%	10.83%	2.98%	4.48%	10.20%	15.31%	6.94%	10.41%
32	7.35%	11.01%	2.98%	4.48%	10.33%	15.49%	7.06%	10.59%
33	7.47%	11.20%	3.03%	4.54%	10.50%	15.74%	7.18%	10.76%
34	7.59%	11.39%	3.07%	4.60%	10.66%	15.99%	7.30%	10.95%
35	7.73%	11.59%	3.12%	4.67%	10.85%	16.26%	7.43%	11.15%
36	7.86%	11.80%	3.18%	4.78%	11.04%	16.58%	7.56%	11.34%
37	8.01%	12.02%	3.24%	4.87%	11.25%	16.89%	7.70%	11.55%
38	8.17%	12.26%	3.30%	4.96%	11.47%	17.22%	7.84%	11.76%
39	8.32%	12.47%	3.37%	5.06%	11.69%	17.53%	7.97%	11.95%
40	8.47%	12.71%	3.44%	5.16%	11.91%	17.87%	8.09%	12.13%
41	8.61%	12.92%	3.42%	5.13%	12.03%	18.05%	8.19%	12.29%
42	8.73%	13.11%	3.45%	5.18%	12.18%	18.29%	8.28%	12.41%
43	8.84%	13.26%	3.49%	5.23%	12.33%	18.49%	8.34%	12.50%
44	8.92%	13.39%	3.52%	5.28%	12.44%	18.67%	8.36%	12.55%
45	8.98%	13.48%	3.53%	5.30%	12.51%	18.78%	8.36%	12.55%
46	9.01%	13.52%	3.51%	5.27%	12.52%	18.79%	8.30%	12.44%
47	9.01%	13.52%	3.51%	5.26%	12.52%	18.78%	8.16%	12.25%
48	8.88%	13.31%	3.51%	5.27%	12.39%	18.58%	8.42%	12.63%
49+	8.69%	13.03%	3.53%	5.29%	12.22%	18.32%	8.69%	13.03%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX D – MEMBER CONTRIBUTION RATES

Prior Year Contribution Rates (General Non-PEPRA):

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 Basic		Tier 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
16	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
17	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
18	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
19	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
20	5.57%	8.36%	1.46%	2.19%	7.03%	10.55%	5.38%	8.06%	3.86%	5.79%
21	5.67%	8.51%	1.50%	2.26%	7.17%	10.77%	5.47%	8.21%	3.93%	5.89%
22	5.77%	8.66%	1.55%	2.33%	7.32%	10.99%	5.56%	8.35%	4.00%	6.00%
23	5.88%	8.83%	1.61%	2.41%	7.49%	11.24%	5.67%	8.51%	4.07%	6.11%
24	5.99%	8.98%	1.66%	2.49%	7.65%	11.47%	5.77%	8.66%	4.14%	6.22%
25	6.10%	9.16%	1.71%	2.56%	7.81%	11.72%	5.88%	8.83%	4.22%	6.33%
26	6.22%	9.32%	1.75%	2.62%	7.97%	11.94%	6.00%	8.99%	4.30%	6.44%
27	6.33%	9.50%	1.79%	2.69%	8.12%	12.19%	6.10%	9.16%	4.38%	6.57%
28	6.45%	9.68%	1.84%	2.77%	8.29%	12.45%	6.23%	9.33%	4.45%	6.68%
29	6.58%	9.86%	1.90%	2.84%	8.48%	12.70%	6.34%	9.51%	4.54%	6.81%
30	6.70%	10.05%	1.94%	2.91%	8.64%	12.96%	6.45%	9.69%	4.62%	6.93%
31	6.83%	10.25%	2.00%	2.99%	8.83%	13.24%	6.59%	9.88%	4.71%	7.07%
32	6.97%	10.45%	2.04%	3.07%	9.01%	13.52%	6.71%	10.07%	4.80%	7.20%
33	7.11%	10.66%	2.10%	3.15%	9.21%	13.81%	6.85%	10.28%	4.89%	7.33%
34	7.25%	10.88%	2.14%	3.22%	9.39%	14.10%	6.98%	10.47%	4.98%	7.47%
35	7.40%	11.10%	2.21%	3.30%	9.61%	14.40%	7.11%	10.66%	5.08%	7.61%
36	7.53%	11.30%	2.26%	3.39%	9.79%	14.69%	7.23%	10.85%	5.17%	7.76%
37	7.68%	11.51%	2.31%	3.47%	9.99%	14.98%	7.36%	11.03%	5.27%	7.92%
38	7.80%	11.70%	2.37%	3.55%	10.17%	15.25%	7.47%	11.20%	5.38%	8.07%
39	7.93%	11.89%	2.43%	3.65%	10.36%	15.54%	7.57%	11.36%	5.48%	8.23%
40	8.05%	12.07%	2.49%	3.73%	10.54%	15.80%	7.68%	11.51%	5.58%	8.38%
41	8.16%	12.25%	2.50%	3.75%	10.66%	16.00%	7.77%	11.66%	5.69%	8.53%
42	8.26%	12.39%	2.52%	3.78%	10.78%	16.17%	7.85%	11.78%	5.78%	8.67%
43	8.35%	12.53%	2.54%	3.80%	10.89%	16.33%	7.94%	11.90%	5.87%	8.81%
44	8.44%	12.67%	2.54%	3.80%	10.98%	16.47%	8.03%	12.05%	5.96%	8.93%
45	8.56%	12.84%	2.54%	3.80%	11.10%	16.64%	8.12%	12.18%	6.03%	9.04%
46	8.67%	13.00%	2.54%	3.80%	11.21%	16.80%	8.22%	12.32%	6.10%	9.16%
47	8.79%	13.18%	2.54%	3.80%	11.33%	16.98%	8.27%	12.40%	6.17%	9.26%
48	8.88%	13.31%	2.53%	3.79%	11.41%	17.10%	8.30%	12.44%	6.24%	9.36%
49	8.92%	13.39%	2.50%	3.75%	11.42%	17.14%	8.28%	12.41%	6.31%	9.47%
50	8.91%	13.36%	2.47%	3.70%	11.38%	17.06%	8.22%	12.33%	6.38%	9.57%
51	8.86%	13.29%	2.41%	3.63%	11.27%	16.92%	8.15%	12.22%	6.45%	9.68%
52	8.80%	13.20%	2.37%	3.55%	11.17%	16.75%	8.03%	12.04%	6.50%	9.75%
53	8.71%	13.06%	2.31%	3.47%	11.02%	16.53%	8.28%	12.42%	6.52%	9.77%
54	8.55%	12.82%	2.27%	3.41%	10.82%	16.23%	8.55%	12.82%	6.50%	9.75%
55	8.46%	12.69%	2.23%	3.34%	10.69%	16.03%	8.46%	12.69%	6.46%	9.70%
56	8.37%	12.56%	2.14%	3.21%	10.51%	15.77%	8.37%	12.56%	6.40%	9.60%
57	8.28%	12.41%	2.06%	3.09%	10.34%	15.50%	8.28%	12.41%	6.31%	9.46%
58	8.17%	12.26%	1.99%	2.98%	10.16%	15.24%	8.17%	12.26%	6.51%	9.76%
59+	8.06%	12.09%	1.94%	2.90%	10.00%	14.99%	8.06%	12.09%	6.71%	10.07%



**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX D – MEMBER CONTRIBUTION RATES

Prior Year Contribution Rates (Safety Non-PEPRA):

Entry Age	Basic		Tier 1 COLA		Total		Tier 2 & 3 Basic	
	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350	First \$350	Over \$350
20	6.07%	9.11%	2.50%	3.75%	8.57%	12.86%	5.84%	8.76%
21	6.16%	9.25%	2.56%	3.84%	8.72%	13.09%	5.94%	8.90%
22	6.27%	9.40%	2.62%	3.93%	8.89%	13.33%	6.02%	9.03%
23	6.36%	9.54%	2.67%	4.01%	9.03%	13.55%	6.12%	9.18%
24	6.46%	9.70%	2.74%	4.10%	9.20%	13.80%	6.22%	9.32%
25	6.56%	9.84%	2.79%	4.19%	9.35%	14.03%	6.31%	9.47%
26	6.66%	10.00%	2.84%	4.26%	9.50%	14.26%	6.41%	9.61%
27	6.78%	10.16%	2.89%	4.34%	9.67%	14.50%	6.52%	9.77%
28	6.88%	10.32%	2.93%	4.40%	9.81%	14.72%	6.62%	9.92%
29	6.99%	10.48%	2.96%	4.44%	9.95%	14.92%	6.72%	10.09%
30	7.11%	10.66%	2.95%	4.43%	10.06%	15.09%	6.83%	10.25%
31	7.22%	10.83%	2.98%	4.48%	10.20%	15.31%	6.94%	10.41%
32	7.35%	11.01%	2.98%	4.48%	10.33%	15.49%	7.06%	10.59%
33	7.47%	11.20%	3.03%	4.54%	10.50%	15.74%	7.18%	10.76%
34	7.59%	11.39%	3.07%	4.60%	10.66%	15.99%	7.30%	10.95%
35	7.73%	11.59%	3.12%	4.67%	10.85%	16.26%	7.43%	11.15%
36	7.86%	11.80%	3.18%	4.78%	11.04%	16.58%	7.56%	11.34%
37	8.01%	12.02%	3.24%	4.87%	11.25%	16.89%	7.70%	11.55%
38	8.17%	12.26%	3.30%	4.96%	11.47%	17.22%	7.84%	11.76%
39	8.32%	12.47%	3.37%	5.06%	11.69%	17.53%	7.97%	11.95%
40	8.47%	12.71%	3.44%	5.16%	11.91%	17.87%	8.09%	12.13%
41	8.61%	12.92%	3.42%	5.13%	12.03%	18.05%	8.19%	12.29%
42	8.73%	13.11%	3.45%	5.18%	12.18%	18.29%	8.28%	12.41%
43	8.84%	13.26%	3.49%	5.23%	12.33%	18.49%	8.34%	12.50%
44	8.92%	13.39%	3.52%	5.28%	12.44%	18.67%	8.36%	12.55%
45	8.98%	13.48%	3.53%	5.30%	12.51%	18.78%	8.36%	12.55%
46	9.01%	13.52%	3.51%	5.27%	12.52%	18.79%	8.30%	12.44%
47	9.01%	13.52%	3.51%	5.26%	12.52%	18.78%	8.16%	12.25%
48	8.88%	13.31%	3.51%	5.27%	12.39%	18.58%	8.42%	12.63%
49+	8.69%	13.03%	3.53%	5.29%	12.22%	18.32%	8.69%	13.03%

**MERCED COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2024**

APPENDIX D – MEMBER CONTRIBUTION RATES

Current Year Contribution Rates (PEPRA):

PEPRA Rates		
	General	Safety
	7.21%	11.28%
Assumptions:		
Interest	6.75%	
Salary	2022 Valuation Scale (service-based, includes inflation at 2.5%)	
Mortality	CalPERS 2021 / PubS(B) 2010 tables, projected with 80% of MP-2020	
Other	Same as June 30, 2023 valuation (see Appendix B)	

Prior Year Contribution Rates (PEPRA):

PEPRA Rates		
	General	Safety
	7.22%	11.36%
Assumptions:		
Interest	6.75%	
Salary	2022 Valuation Scale (service-based, includes inflation at 2.5%)	
Mortality	CalPERS 2021 / PubS(B) 2010 tables, projected with 80% of MP-2020	
Other	Same as June 30, 2022 valuation (see Appendix B)	

APPENDIX E – GLOSSARY

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

2. Actuarial Cost Method

A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

The difference between actual experience and that expected is based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

4. Actuarial Liability

The portion of the actuarial present value of projected benefits which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

6. Actuarial Valuation

The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values. No longer applicable as of the June 30, 2014 actuarial valuation.

APPENDIX E – GLOSSARY

8. Actuarially Equivalent

Of equal actuarial present value, determined as of a given date, with each value based on the same set of actuarial assumptions.

9. Amortization Payment

The portion of the pension plan contribution that is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Entry Age Normal Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

11. Funded Ratio

The ratio of the Market Value of Assets to the Actuarial Liabilities.

12. Normal Cost

That portion of the actuarial present value of pension plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method.

13. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of actuarial assumptions, taking into account such items as increases in future compensation and service credits.

14. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Market Value of Assets.



Classic Values, Innovative Advice

DATE: January 23, 2025

TO: MercedCERA Board of Retirement

FROM: Pete Madrid, Assistant Plan Administrator - Investments

SUBJECT: Capital Markets and Investment Performance Summary

ITEM NUMBER: **Open Session Item b**

ITEM TYPE: **Information Only**

DISCUSSION:

Capital Markets & Economic Summary

The Federal Reserve cut their target rate by 25 basis points following the December meeting, targeting a range of 4.25% to 4.5%. The Federal Open Market Committee (FOMC) stated in its report that while inflation has come down it remains somewhat elevated. The Committee reiterated its goal of balancing maximum employment with price stability. One of the 11 members in the Committee voted to keep rates unchanged, a potential sign of growing reluctance toward additional rate cuts.

The December jobs report came in stronger than expected with the US adding 256,000 jobs versus the estimated 150,000 as unemployment fell 0.1% to 4.1%. Despite the better-than-expected jobs growth, equity markets fell as investors associated the strong jobs numbers with fewer rate cuts in 2025. Several large banks, including Bank of America, Deutsche Bank, and PNB Paribas, have adjusted their 2025 forecast for no rate cuts following the surprise job report.

December's inflation report showed mixed results. The consumer-price index (CPI) rose 0.4% during the month, driven largely by a 4.4% increase in gas prices. However, Core CPI, which excludes more volatile energy and food prices, increased by 0.2% during December versus 0.3% expected. The 0.2% increase marks the smallest core inflation gain since July.

Despite the December Fed rate cut, yields have climbed in recent weeks causing bond valuations to fall. The 10-year Treasury rate hit a 14-month high of 4.79% on January

13th. As a reminder bond prices move inversely to changes in yield. The increase in yields is due in part to sticky inflation, lower expectations for Fed rate cuts in 2025, and growing national debt.

US large cap stocks returned -2.4% in December as represented by the S&P 500 Index. While the index fell in December, it returned 25.0% for 2024 and remains near its record high of 6,090 set on December 6th. The Russell 2000 Index fell more than 8% during the month but posted a 11.5% return for the year.

International markets also experienced losses for the month. The MSCI All Country World excluding US Index (international equity) returned -1.9% and the MSCI EAFE Index (developed international equity) returned -2.3% in December. The MSCI ACW ex US and MSCI EAFE indices are up 5.5% and 3.8% for 2024, respectively. Emerging markets equity was slightly negative with a -0.1% return during the month but the index is up 7.5% for the trailing one-year period.

Fixed income experienced losses during the month as yields climbed. The Bloomberg US Aggregate Bond Index fell -1.6% in December and returned 1.3% for 2024.

December Portfolio Performance Summary

As of December 31st, the Total Fund excluding Alternatives returned -2.4%¹ versus -2.2% for the Policy Index. For calendar year 2024, the Total Fund ex. Alternatives returned 14.1%, 3.5% above the index return of 10.6%. US equity and US fixed income largely tracked their benchmarks during the month while developed international and emerging markets equity underperformed, detracting from Total Fund relative performance.

In US equity, the Mellon Newton Dynamic US Equity strategy returned -2.8% in December, trailing the S&P 500 Index by 0.4%. The strategy underperformed by 2.3% in 2024 (22.7% versus 25.0%) but is still outperforming since its inception. While Champlain has had recent performance challenges and was underperforming for much of the year, the strategy posted a -4.8% December return, 3.5% ahead of the benchmark. Champlain finished the year with a 14.0% return versus 11.5% for the Russell 2000 Index.

In developed international equity, Acadian contributed positively to the composite relative

¹ Performance shown net of fees unless otherwise noted.

performance in December while Driehaus, GQG, and First Eagle detracted from it. Despite the month's underperformance, all developed international equity managers beat their respective indices in 2024.

Emerging markets equity trailed the MSCI Emerging Markets Index during the month with both managers returning -3.4% compared with -0.1% for the index. However, the composite outperformed the index by 11.7% for the year (19.2% to 7.5%) thanks to strong relative performance from Artisan. RWC continues to struggle, finishing the year with a -1.2% return.

Both short duration fixed income strategies returned 0.2% for the month, in line with the Bloomberg Government 1-3 Year Index. Payden & Rygel, the active short duration strategy, outperformed the index 5.1% to 4.0% for 2024. Brandywine underperformed by 0.4% in December while Wellington outperformed by 0.2%. Over the trailing year, Brandywine has slightly underperformed by 0.2% while Wellington outperformed by 1.1%.

Opportunistic credit outperformed its custom blended index in December, 0.4% compared to -0.8%. PIMCO, Golden Tree, and OWS all outperformed for the month. The composite beat its benchmark for 2024, 9.6% to 4.9%, with outperformance by all three managers.



Merced County Employees' Retirement Association

DATE: January 23, 2025
TO: MercedCERA Board of Retirement
FROM: Kristen Santos, Plan Administrator
SUBJECT: Approval of Resolution 2025-01
ITEM NUMBER: **Open Session Item c**
ITEM TYPE: **Action Item**

STAFF RECOMMENDATION:

1. Approve Resolution 2015-01 setting the pay and benefits of the Chief Investment Officer position.

DISCUSSION:

The current Plan Administrator, Kristen Santos, previously announced to the Board of Retirement her intention to retire as of April 5, 2025. The Board performed an exhaustive recruitment for a replacement and hired Martha Sanchez Barboa to replace Kristen Santos, as Plan Administrator. It is the Board's desire to have a defined transition period where Kristen Santos is still employed by MercedCERA and Martha Sanchez Barboa is appointed to the position of Plan Administrator effective January 27th, 2025.

MercedCERA utilizes the County of Merced for administration and payroll of employees, including the Plan Administrator, Chief Investment Officer, Assistant Plan Administrator – Benefit and Administration, and Assistant Plan Administrator - Investments. The County's system does not permit two individuals in the Plan Administrator classification at one time. Therefore, it is proposed that Kristen Santos be appointed to the Chief Investment Officer position effective January 27, 2025, and the Board appoint Martha Sanchez Barboa to the Plan Administrator position effective on the same date. It is also proposed and reflected in the Resolution 2025-01 that Kristen Santos will retain the same annual pay and A level management benefits she is currently receiving in the Plan Administrator position.

Proposed Resolution 2025-01

In this agenda item, the Board is approving Resolution 2025-01, keeping the same annual pay that Kristen Santos is currently receiving in the Plan Administrator position. The Board is also approving in the Resolution that Kristen Santos continue to receive A level management benefits (bargaining Unit 20), as she is currently receiving in her Plan Administrator position.

Staff Recommendation:

Staff is recommending the Board of Retirement approve Resolution 2025-01 setting the pay and benefits of the Chief Investment Officer position.

**RESOLUTION OF THE BOARD OF RETIREMENT OF MERCED COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION 2025-01
REGARDING THE POSITION OF CHIEF INVESTMENT OFFICER**

WHEREAS, Government Code section 31522.3 authorizes the Board of Retirement, if it has appointed personnel under Government Code section 31522.1, to appoint assistant administrators and chief investment officers as County employees not subject to County civil service or merit system rules provided that the Board of Supervisors has adopted a resolution making that section applicable in the County of Merced, and

WHEREAS, on July 19, 2022, the Board of Supervisors, in Resolution No. 2022-74, made Government Code section 31522.3 applicable in the County of Merced, and

WHEREAS, under Government Code section 31522.3, and Board of Supervisors Resolution No. 2022-74, the Board of Retirement has the authority to set the salary for the position of Chief Retirement Investment Officer (subsequently "Chief Investment Officer" or "CIO"), and

WHEREAS, the Board of Retirement adopts the annual salary of \$228,566, and

NOW, THEREFORE BE IT RESOLVED THAT, the Board of Retirement hereby adopts an annual salary \$228,566 for the CIO position. That range will be increased as provided for in salary increases given to County employees classified as A Level Unrepresented Management (Bargaining Unit 20).

BE IT FURTHER RESOLVED THAT, the Board of Retirement will set the CIO's salary at an amount and may be amended, and salary increases within that range may occur as follows:

1. The Chief Investment Officer will automatically receive all salary increases provided to County employees classified as A Level Unrepresented Management (Bargaining Unit 20).

ADOPTED: January 23, 2025

Chair, Ryan Paskin

ATTEST:

Kristen Santos, Plan Administrator



Merced County Employees' Retirement Association

DATE: January 23, 2025
TO: MercedCERA Board of Retirement
FROM: Kristen Santos, Plan Administrator
SUBJECT: Appointment of Kristen Santos to Chief Investment Officer Position and approval of proposed contract.
ITEM NUMBER: **Open Session Item d**
ITEM TYPE: **Action Item**

STAFF RECOMMENDATION:

1. Appoint Kristen Santos to the Chief Investment Officer Position and approve the proposed employment contract as presented.

DISCUSSION:

The current Plan Administrator, Kristen Santos served in dual roles since 2016 as Plan Administrator and Chief Investment Officer. Ms. Santos has announced to the Board of Retirement her retirement date of April 5, 2025. The Board performed an exhaustive recruitment for a replacement and hired Martha Sanchez Barboa to replace Kristen Santos.

It is the Board's desire to have a defined transition period where Kristen Santos is still employed by MercedCERA and Martha Sanchez Barboa is appointed to the position of Plan Administrator prior to April 5, 2025.

MercedCERA utilizes the County of Merced for administration and payroll of employees including the Plan Administrator, Chief Investment Officer, Assistant Plan Administrator – Benefit and Administration, and Assistant Plan Administrator - Investments. The County's system does not permit two people in the Plan Administrator classification at one time.

Therefore, it is proposed that Kristen Santos be appointed to the Chief Investment Officer position effective January 27, 2025.

Proposed Appointment and Employment Contract for Kristen Santos

In this agenda item, the Board is being asked to appoint Kristen Santos to the Chief Investment Officer Position (CIO) with the exact current annual pay and benefits that Ms. Santos is currently receiving in the Plan Administrator position.

Staff Recommendation:

Staff is recommending the Board of Retirement appoint Kristen Santos to the Chief Investment Officer position and approve the proposed employment contract as

**AGREEMENT
MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION
BOARD OF RETIREMENT
AND KRISTEN SANTOS
FOR EMPLOYMENT AS CHIEF INVESTMENT OFFICER**

This Agreement is entered into as of January 23, 2025, by and between the Merced County Employee's Retirement Association Board of Retirement ("Board of Retirement") and Kristen Santos, an individual ("Santos" or "Chief Investment Officer"). The Board of Retirement and Kristen Santos are sometimes individually referred to as a "Party" and collectively as "Parties" in this Agreement.

RECITALS

WHEREAS, the Merced County Employees' Retirement Association ("MercedCERA" or "Association") is a public employee retirement association established in 1950 by the County of Merced pursuant and subject to the County Employee's Retirement Law of 1937, California State Government Code, Section 31450 et seq. ("the 1937 Act"); and

WHEREAS, the MercedCERA Bylaws and Regulations govern the operation of MercedCERA and the procedures in matters brought before the Board of Retirement under the provisions of the 1937 Act; and

WHEREAS, California Government Code Section 31522.3 allows the Board of Retirement to appoint an Chief Investment Officer who shall serve at the pleasure of the Board of Retirement and who shall not be subject to county civil service or merit system rules; and

WHEREAS, the Board of Retirement desires to employ Kristen Santos to serve as the Chief Investment Officer of the Association for training and onboarding purposes of new Executive Staff at MercedCERA; and

WHEREAS, in consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Employment of the Assistant Chief Investment Officer. The Board of Retirement, consistent with the 1937 Act, the MercedCERA Bylaws and Regulations, appoints and employs, effective pay period 4 begins on January 27, 2025 ("Appointment Date"), Kristen Santos as its Chief Investment Officer, and Kristen Santos hereby accepts such employment. Kristen Santos shall not be subject to the County of Merced civil service or merit system rules. The position of Chief Investment Officer shall be included in the salary ordinance or resolution adopted by the Merced County Board of Supervisors.

2. Term. The term of this Agreement shall commence as of the Appointment Date and shall continue until this contract is terminated by either parties.

3. Duties.

The Chief Investment Officer shall manage the day to day investment operations of Association in accordance with the provisions of the 1937 Act, the Association's Bylaws, policies and resolutions, and all other applicable law and shall represent the standards by which the Retirement Chief Investment Officer shall exercise the delegation of authority. (Gov. Code Secs. 31520, 31525).

- a. The Chief Investment Officer acknowledges and agrees that she is a fiduciary to MercedCERA under California law and shall timely file all of the required conflict of interest disclosures and forms.
- b. The specific duties of the Chief Investment Officer are enumerated in the MercedCERA Bylaws, resolutions, rules, job description for the position, and as otherwise directed by the Board of Retirement.
- c. The Chief Investment Officer may work remotely. Workdays are defined as Monday through Friday. Work-related travel for conferences, due diligence visits, etc. shall be considered work performed at the MercedCERA worksite for the purpose of calculating the number of workdays worked in person. Unless the Board of Retirement allows otherwise, the Chief Investment Officer shall be required to attend the Board of Retirement's board meetings in person.

4. Salary and Compensation. MercedCERA shall pay Kristen Santos an annual salary of \$228,566, to serve as the Chief Investment Officer. Said annual salary shall be paid in the same manner and same time that other Association employees receive their regular paychecks. The Chief Investment Officer is an exempt employee and thus is not entitled to receive overtime. One year after the Appointment Date, the Board Chair as delegated by the Board of Retirement shall conduct a performance evaluation and may award a merit raise at that time, at the Chair's discretion with approval from the Board. Chief Investment Officer, Kristen Santos shall also receive all salary increases provided to County employees classified as A level Unrepresented Management, Bargaining Unit 20. All other salary adjustments or bonuses, if any, will be determined by the Board of Retirement, in its sole and exclusive discretion.

5. Benefits. In addition to base salary, the Chief Investment Officer shall be provided the same benefits and allowances afforded County of Merced Unrepresented Management- A level employees, Bargaining Unit 20. Presently, benefits include as follows:

- a. Car Allowance. Car allowance of \$700 per month.
- b. Expense Allowance. Expense allowance in the amount of \$300 per month.
- c. Communications Allowance. Communications allowance of \$150 per month.

- d. Management Leave. Credited in accordance with the County's rules.
 - e. Annual Vacation Sell Back. Annually eligible to sell back a portion of accumulated vacation leave hours (maximum - 100 hours).
 - f. Annual Sick Leave Sell Back. Annually eligible to sell back a portion of accumulated sick leave hours (maximum – 50 hours).
 - g. Disability Insurance. Eligible to participate in the Management Disability Plan, a comprehensive Short/Long Term Disability plan.
 - h. Vacation. Eligible for vacation leave of 10 days per year at 0-5 years of service (up to 10,400 work hours) – accrued at 03.846 per hour worked. Eligible for vacation leave of 15 days per year at 2-10 years of service (up to 20,800 work hours) – accrued at .0577 per hour worked. Eligible for vacation leave of 20 days per year after 10 years of service (above 20,801 work hours) – accrued at .07694 per hour worked.
 - i. Sick Leave. Eligible for sick leave accrued at 5 hours per pay period for a total of 130 per year (26 pay periods).
 - j. Personal Holiday. Eligible for two (2) personal holiday per fiscal year.
 - k. Holidays- Eligible for 12 pre-determined holidays per calendar year.
 - l. Health Insurance. Eligible to participate in the County of Merced's health, dental and vision plans.
 - m. Retirement. Eligible to participate in the County of Merced's defined benefit plan, MercedCERA, pursuant to County Employees Retirement Law of 1937.
 - n. Life Insurance. Eligible for \$80,000.00 County-paid Management Life Insurance plus \$5,000 County-paid Life Insurance coverage. Voluntary Term Life and Universal Life Insurance are also available - premium paid by employee.
 - o. Bereavement Leave. Eligible for five (5) regularly scheduled workdays.
 - p. Retirement Deferred Compensation. Eligible to voluntarily participate in the County of Merced's 457 Deferred Compensation Plan. Employees choose their investment funds and can make pretax contributions to the plan up to the maximum allowable.
 - q. Employee Assistance Program. MHN EAP services provides up to five face-to-face counseling sessions per incident and provides a toll free "800" hotline available 24/7 for emergencies and crisis intervention. EAP services include counseling services, legal services, financial services and Work-Life Resources services.
6. Performance Evaluation(s). The Board Chair delegated by the Board of

Retirement anticipates conducting an evaluation of the Chief Investment Officer performance at least once each year. The Board Chair and the Chief Investment Officer agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year. The Chief Investment Officer's contract will be reviewed at the same time the performance evaluation is given to insure benefits and salary are appropriate to position. At this time, terms may be renegotiated.

7. Separation.

At-will employment. Kristen Santos is an at-will employee, pursuant to Government Code Section 31522.3, serving at the pleasure of the Board of Retirement. The Board of Retirement may terminate the Chief Investment Officer for any reason, at any time, with or without cause. Cause is defined herein as commission of a felony, whether related or unrelated to his employment with the County of Merced, acts of fraud, dishonesty, or other acts of willful misconduct, or a failure to uphold her duties under this Agreement. Kristen Santos may resign at any time and agrees to give the Board of Retirement at least 60 days advance written notice of the effective date of her resignation, unless the Parties mutually agree to other notice, but during this time, Kristen Santos shall continue to perform the duties of the faithfully and competently as set forth in this Agreement. Kristen Santos agrees and acknowledges that no other document, handbook, policy or representation other than those contained in this Agreement shall be construed to grant Kristen Santos any right to, or expectation of, continued employment as Chief Investment Officer.

If Kristen Santos is terminated by the Board of Retirement without cause, she shall receive six (6) months' salary as severance.

8. General Provisions.

- a. Amendments. The Agreement may be amended at any time by mutual written agreement of the Board of Retirement and Kristen Santos.
- b. Conflict of Interest. Kristen Santos shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which conflicts with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active MercedCERA employment, providing such acts do not constitute a conflict of interest as defined herein. Kristen Santos shall also be subject to the conflict of interest provisions of the California Government Code, regulations of the Fair Political Practices Commission, and any conflict of interest code applicable to the Chief Investment Officer employment with MercedCERA.
- c. Indemnification. Except as otherwise permitted, limited, or required by law, including without limitation California Government Code sections 825 et seq. and Government

Code sections 995-996.8, MercedCERA will defend and pay any costs and judgments assessed against Kristen Santos arising out of an act or omission of Kristen Santos occurring in the course and scope of Kristen Santos performance of her duties under this Agreement. MercedCERA may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. MercedCERA's obligation to pay the judgment, compromise, or settlement shall not arise until it is established that the injury arose out of an act or omission occurring within the scope of Kristen Santos's employment as an employee of MercedCERA.

- d. Severability. If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.
- e. Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue for legal action concerning any aspect of the Agreement in State Court shall be maintained in Merced County Superior Court and for an action in Federal Court shall be in the United States District Court for the Eastern District of California.
- f. Entire Agreement. This Agreement represents the entire agreement of the Parties, which has been jointly drafted by the Parties, and no representations have been made or relied upon except as set forth in this Agreement which may be amended or modified only by a written, fully executed agreement of the Parties.
- g. Notice. Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which the Chief Investment Officer and the Association shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first-class mail or hand-delivered to the respective Parties as follows:

If to MercedCERA:

Chair, Board of Retirement
Merced County Employees' Retirement Association
690 W 19th Street
Merced, CA 95340

If to Chief Investment Officer:

Kristen Santos
(address redacted)

* * *

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate at Merced, California, as of the date set forth above.

Merced County Employees' Retirement
Association

Chief Investment Officer

By:

Ryan Paskin, Chair or Designee
MercedCERA Board of Retirement

Kristen Santos



Merced County Employees' Retirement Association

DATE: January 23, 2025

TO: MercedCERA Board of Retirement

FROM: Kristen Santos, Plan Administrator

SUBJECT: Appointment of Martha Sanchez Barboa to Plan Administrator Position and approval of proposed contract.

ITEM NUMBER: **Open Session Item e**

ITEM TYPE: **Action Item**

STAFF RECOMMENDATION:

1. Appoint Martha Sanchez Barboa to the Plan Administrator position and approve proposed contract as presented.

DISCUSSION:

The current Plan Administrator, Kristen Santos has announced to the Board of Retirement her retirement as of April 5, 2025. The Board performed an exhaustive recruitment for a replacement and hired Martha Sanchez Barboa to replace Kristen Santos.

Appointment of Martha Sanchez Barboa to Plan Administrator Position

In this agenda item, the Board is appointing Martha Sanchez Barboa to the Plan Administrator position with the annual salary of \$225,000 and A level management benefits effective January 27, 2025 (pay period 4).

Ms. Sanchez Barboa joined MercedCERA on September 30, 2019, and has 26 years of public service experience. She has been involved in all facets of the organization from benefits and administration, fiscal to investments. Ms. Sanchez Barboa was promoted to Assistant Plan Administrator – Benefits and Administration in November of 2023, and has been instrumental in assisting MercedCERA meet its priorities and objectives.

Attached is the proposed contract effective January 27, 2025, with the starting annual salary of \$225,000 and A level management benefits.

Staff Recommendation:

Staff is recommending the Board of Retirement appoint Martha Sanchez Barboa to the Plan Administrator position and approve the proposed contract as presented.

**AGREEMENT
MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION BOARD OF RETIREMENT
AND MARTHA SANCHEZ BARBOA
FOR EMPLOYMENT AS PLAN ADMINISTRATOR**

This Agreement is entered into as of January 23, 2025, by and between the Merced County Employee's Retirement Association Board of Retirement ("Board of Retirement") and Martha Sanchez Barboa, an individual ("Martha Sanchez Barboa" or "Plan Administrator"). The Board of Retirement and Martha Sanchez Barboa are sometimes individually referred to as a "Party" and collectively as "Parties" in this Agreement.

RECITALS

WHEREAS, the Merced County Employees' Retirement Association ("MercedCERA" or "Association") is a public employee retirement association established in 1950 by the County of Merced pursuant and subject to the County Employee's Retirement Law of 1937, California State Government Code, Section 31450 et seq. ("the 1937 Act"); and

WHEREAS, the MercedCERA Bylaws and Regulations govern the operation of MercedCERA and the procedures in matters brought before the Board of Retirement under the provisions of the 1937 Act; and

WHEREAS, California Government Code Section 31522.2 allows the Board of Retirement to appoint an Plan Administrator who shall serve at the pleasure of the Board of Retirement and who shall not be subject to county civil service or merit system rules; and

WHEREAS, the Board of Retirement desires to employ Martha Sanchez Barboa to serve as the Plan Administrator of the Association; and

WHEREAS, in consideration of these Recitals and the performance by the Parties of the promises, covenants, and conditions contained in this Agreement, the Parties agree as follows:

AGREEMENT

1. Employment of the Plan Administrator. The Board of Retirement, consistent with the 1937 Act, the MercedCERA Bylaws and Regulations, appoints and employs, effective pay period 4 begins on January 27, 2025 ("Appointment Date"), Martha Sanchez Barboa as its Plan Administrator, and Martha Sanchez Barboa hereby accepts such employment. Martha Sanchez Barboa shall not be subject to the County of Merced civil service or merit system rules. The position of Plan Administrator shall be included in the salary ordinance or resolution adopted by the Merced County Board of Supervisors.

2. Term. The term of this Agreement shall commence as of the Appointment Date and shall continue until it is terminated by either party as provided herein.

3. Duties.

The Plan Administrator shall manage the day to day operations of Association in accordance with the provisions of the 1937 Act, the Association's Bylaws, policies and resolutions, and all other applicable law and shall represent the standards by which the Retirement Plan Administrator shall exercise the delegation of authority. (Gov. Code Secs. 31520, 31525).

- a. The Plan Administrator acknowledges and agrees that she is a fiduciary to MercedCERA under California law and shall timely file all of the required conflict of interest disclosures and forms.
- b. The specific duties of the Plan Administrator are enumerated in the MercedCERA Bylaws, resolutions, rules, job description for the position, and as otherwise directed by the Board of Retirement.
- c. The Plan Administrator may work remotely. Workdays are defined as Monday through Friday. Work-related travel for conferences, due diligence visits, etc. shall be considered work performed at the MercedCERA worksite for the purpose of calculating the number of workdays worked in person. Unless the Board of Retirement allows otherwise, the Plan Administrator shall be required to attend the Board of Retirement's board meetings in person.

4. Salary and Compensation. MercedCERA shall pay Martha Sanchez Barboa according to the salary range \$225,000 - \$275,000, starting annual salary of \$225,000, serve as the Plan Administrator. Said salary shall be paid in the same manner and same time that other Association employees receive their regular paychecks. The Plan Administrator is an exempt employee and thus is not entitled to receive overtime. One year after the Appointment Date, the Board Chair as delegated by the Board of Retirement shall conduct a performance evaluation and may award a merit raise at that time, at the Chair's discretion with approval from the Board. Plan Administrator, Martha Sanchez Barboa shall also receive all salary and benefit increases provided to County employees classified as A level Unrepresented Management, Bargaining Unit 20. All other salary adjustments or bonuses, if any, will be determined by the Board of Retirement, in its sole and exclusive discretion.

5. Benefits. In addition to base salary, the Plan Administrator shall be provided the same benefits and allowances afforded County of Merced Unrepresented Management- A level employees. Presently, benefits include as follows:

- a. Car Allowance. Car allowance of \$700 per month.
- b. Expense Allowance. Expense allowance in the amount of \$300 per month.
- c. Communications Allowance. Communications allowance of \$150 per month.
- d. Management Leave. Credited in accordance with the County's rules.
- e. Annual Vacation Sell Back. Annually eligible to sell back a portion of accumulated

vacation leave hours (maximum - 100 hours).

- f. Annual Sick Leave Sell Back. Annually eligible to sell back a portion of accumulated sick leave hours (maximum – 50 hours).
- g. Disability Insurance. Eligible to participate in the Management Disability Plan, a comprehensive Short/Long Term Disability plan.
- h. Vacation. Notwithstanding the accrual rate that Unrepresented Management- A level employees receive, Martha Sanchez Barboa shall receive vacation leave of 8.615 hours per pay period for a total of 28 days per year (26 pay periods).
- i. Sick Leave. Eligible for sick leave accrued at 5.0 per month for a total of 136.00 per year (26 pay periods).
- j. Personal Holiday. Eligible for two (2) personal holiday per fiscal year.
- k. Holidays- Eligible for 12 pre-determined holidays per calendar year.
- l. Health Insurance. Eligible to participate in the County of Merced’s health, dental and vision plans.
- m. Retirement. Eligible to participate in the County of Merced’s defined benefit plan, MercedCERA, pursuant to County Employees Retirement Law of 1937.
- n. Life Insurance. Eligible for \$80,000.00 County-paid Management Life Insurance plus \$5,000 County-paid Life Insurance coverage. Voluntary Term Life and Universal Life Insurance are also available - premium paid by employee.
- o. Bereavement Leave. Eligible for five (5) regularly scheduled workdays.
- p. Retirement Deferred Compensation. Eligible to voluntarily participate in the County of Merced’s 457 Deferred Compensation Plan. Employees choose their investment funds and can make pretax contributions to the plan up to the maximum allowable.
- q. Employee Assistance Program. MHN EAP services provides up to five face-to-face counseling sessions per incident and provides a toll free “800” hotline available 24/7 for emergencies and crisis intervention. EAP services include counseling services, legal services, financial services and Work-Life Resources services.

6. Performance Evaluation(s). The Board Chair delegated by the Board of Retirement anticipates conducting an evaluation of the Plan Administrator’s performance at least once each year. The Board Chair and the Plan Administrator agree that performance evaluations, for the purpose of mid-course corrections, may occur quarterly or several times during each calendar year. The Plan Administrator’s contract will be reviewed at the same time the performance evaluation is given to insure benefits and salary are appropriate to position. At this time, terms may be renegotiated.

7. Separation.

At-will employment. Martha Sanchez Barboa is an at-will employee, pursuant to Government Code Section 31522.2, serving at the pleasure of the Board of Retirement. The Board of Retirement may terminate the Plan Administrator for any reason, at any time, with or without cause. Cause is defined herein as commission of a felony, whether related or unrelated to his employment with the County of Merced, acts of fraud, dishonesty, or other acts of willful misconduct, or a failure to uphold her duties under this Agreement. Martha Sanchez Barboa may resign at any time and agrees to give the Board of Retirement at least 60 days advance written notice of the effective date of her resignation, unless the Parties mutually agree to other notice, but during this time, Martha Sanchez Barboa shall continue to perform the duties of the faithfully and competently as set forth in this Agreement. Martha Sanchez Barboa agrees and acknowledges that no other document, handbook, policy or representation other than those contained in this Agreement shall be construed to grant Martha Sanchez Barboa any right to, or expectation of, continued employment as Plan Administrator.

If Martha Sanchez Barboa is terminated by the Board of Retirement without cause, she shall receive six (6) months' salary as severance.

8. General Provisions.

- a. Amendments. The Agreement may be amended at any time by mutual written agreement of the Board of Retirement and Martha Sanchez Barboa.
- b. Conflict of Interest. Martha Sanchez Barboa shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which conflicts with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes an interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active MercedCERA employment, providing such acts do not constitute a conflict of interest as defined herein. Martha Sanchez Barboa shall also be subject to the conflict of interest provisions of the California Government Code, regulations of the Fair Political Practices Commission, and any conflict of interest code applicable to the Plan Administrator employment with MercedCERA.
- c. Indemnification. Except as otherwise permitted, limited, or required by law, including without limitation California Government Code sections 825 et seq. and Government Code sections 995-996.8, MercedCERA will defend and pay any costs and judgments assessed against Martha Sanchez Barboa arising out of an act or omission of Martha Sanchez Barboa occurring in the course and scope of Martha Sanchez Barboa performance of her duties under this Agreement. MercedCERA may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon. MercedCERA's obligation to pay the judgment, compromise, or settlement

shall not arise until it is established that the injury arose out of an act or omission occurring within the scope of Martha Sanchez Barboa's employment as an employee of MercedCERA.

- d. Severability. If any clause, sentence, part, section, or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion so found shall be regarded as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.
- e. Jurisdiction and Venue. This Agreement shall be construed in accordance with the laws of the State of California, and the Parties agree that venue for legal action concerning any aspect of the Agreement in State Court shall be maintained in Merced County Superior Court and for an action in Federal Court shall be in the United States District Court for the Eastern District of California.
- f. Entire Agreement. This Agreement represents the entire agreement of the Parties, which has been jointly drafted by the Parties, and no representations have been made or relied upon except as set forth in this Agreement which may be amended or modified only by a written, fully executed agreement of the Parties.
- g. Notice. Any notice, amendments, or additions to this Agreement, including change of address of either party during the term of this Agreement, which the Plan Administrator and the Association shall be required, or may desire, to make shall be in writing and shall be sent by prepaid first-class mail or hand-delivered to the respective Parties as follows:

If to MercedCERA:

Chair, Board of Retirement
Merced County Employees' Retirement Association
690 W 19th Street
Merced, CA 95340

If to Plan Administrator:

Martha Sanchez Barboa
(address redacted)

* * *

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate at Merced, California, as of the date set forth above.

Merced County Employees' Retirement
Association

Plan Administrator

By:

Ryan Paskin, Chair or Designee
MercedCERA Board of Retirement

Martha Sanchez Barboa



Merced County Employees' Retirement Association

DATE: January 23, 2025

TO: MercedCERA Board of Retirement

FROM: Kristen Santos, Plan Administrator

SUBJECT: Proposed Lettering Locations for Headquarters Building located at 690 W 19th Street, Merced, CA.

ITEM NUMBER: **Open Session Item f**

ITEM TYPE: **Action Item**

STAFF RECOMMENDATION:

1. Affix signage lettering on the front and back doors to the new headquarters building.

DISCUSSION:

The MercedCERA new headquarters building construction is complete. There are some items to be installed and completed such as technology for the Training Room, as well as lettering and signage for the outside of the building. The Board requested that a proposal be brought to the Board regarding proposed signage.

Attached to this agenda item are pictures of the outside of the building with potential locations for signage including the front and back doors, and potential outside signage on the front or side of the new building.

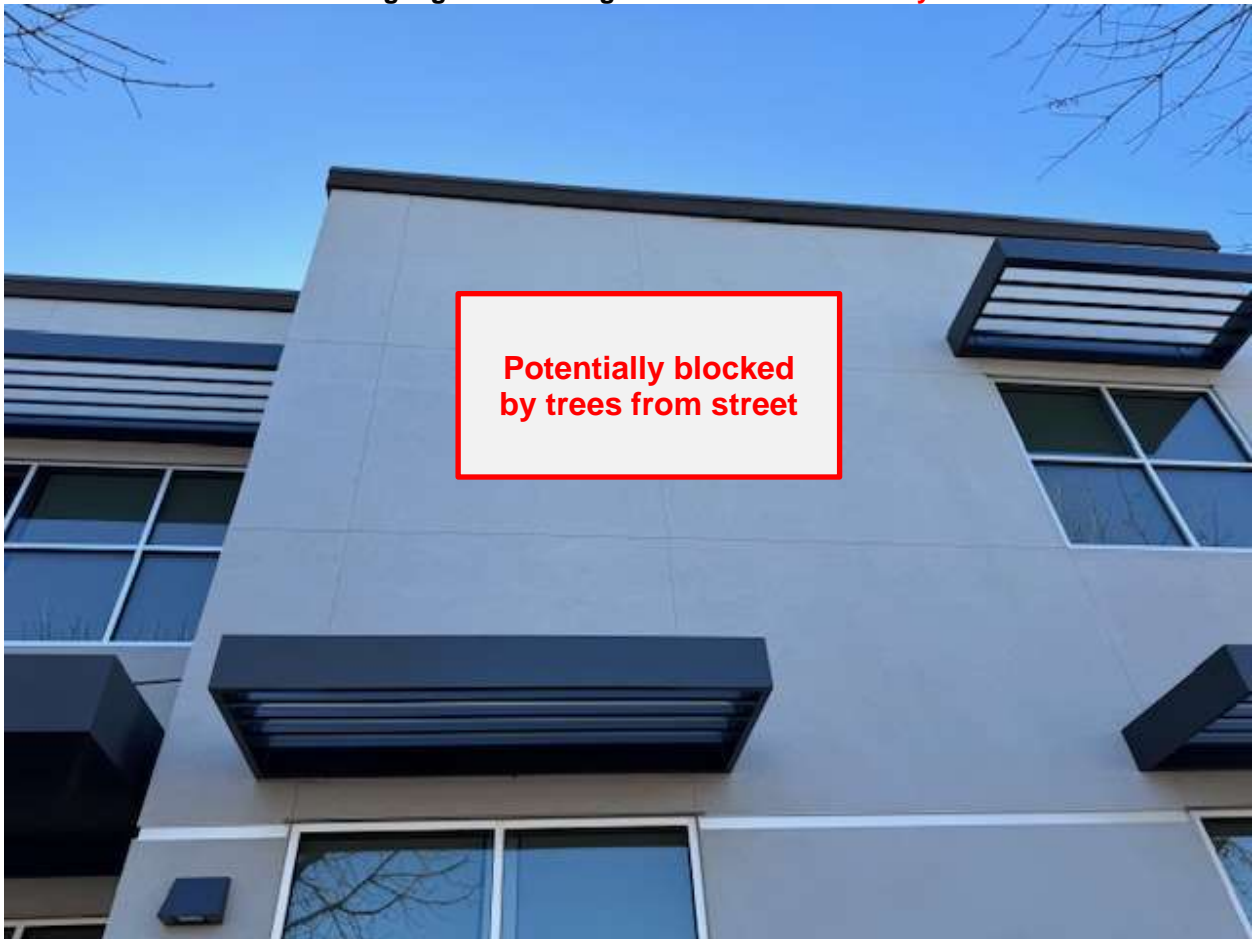
Due to the location of existing trees and visibility of signage on the streets by customers and stakeholders, staff recommends only lettering on the front and back doors be installed by a private vendor. Costs are estimated to be nominal due to window signage only.

Staff Recommendation: Approve for a private vendor to affix signage lettering to the front and back doors to the new headquarters building.

Recommended Proposed Placement of Signage on Outside Front Doors:



Possible Location for Front Signage on Building: **From Street Blocked by Trees**



Possible Location for Side of Building Signage: **Not Recommended due to Trees**



Recommend Proposed Back of Building Signage on Door Only:



**MercedCERA and
Employee Entrance
only – Please use
Front Door**



Merced County Employees' Retirement Association

DATE: January 23, 2025
TO: MercedCERA Board of Retirement
FROM: Kristen Santos, Plan Administrator
SUBJECT: Open House Event
ITEM NUMBER: **Open Session Item g**
ITEM TYPE: **Action Item**

STAFF RECOMMENDATION:

1. Approve and select possible dates for MercedCERA to hold an Open House event celebrating the 75th Anniversary of MercedCERA and the opening of the new headquarters building.

DISCUSSION:

The Merced County Employees' Retirement Association (MercedCERA) was established in 1950 and 2025 commemorates the 75th Anniversary of MercedCERA. To commemorate the anniversary and completion of the MercedCERA headquarters building, MercedCERA staff would like to host an open house event. The event will include refreshments and a tour of the new building.

Recommendation: Approve and select possible dates for MercedCERA to hold an Open House event celebrating the 75th Anniversary of MercedCERA and the opening of the new headquarters building.