AGENDA

REGULAR BOARD MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

December 13, 2023 – 9:00 a.m.

This meeting will be held at the address listed above and, absent technological disruption, will be accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2 through December 31, 2025.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the Watch & Attend Meetings page of MCERA's website. Please visit https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings for more information.

The Board of Retirement encourages a respectful presentation of public views to the Board. The Board, staff and public are expected to be polite and courteous, and refrain from questioning the character or motives of others. Please help create an atmosphere of respect during Board meetings.

CALL TO ORDER

ROLL CALL

CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR "JUST CAUSE" OR "EMERGENCY," AS SET FORTH ON THIS AGENDA BELOW

MINUTES

September 27, 2023 Investment Committee Meeting
October 17, 2023 Strategic Workshop
October 31, 2023 Board Meeting

A. OPEN TIME FOR PUBLIC EXPRESSION

Note: The public may also address the Board regarding any agenda item when the Board considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

B. MATTERS OF GENERAL INTEREST

1. GASB 67/68 Report (ACTION) – Cheiron, Graham Schmidt
   Consider and take possible action to adopt June 30, 2023 GASB 67/68 Report

2. Audited Financial Statements for Fiscal Year Ending June 30, 2023 (ACTION)
   Discuss and consider Audit Committee recommendation to adopt the Audited Financial Statements for June 30, 2023

C. APPOINTMENT OF BOARD STANDING COMMITTEES

1. Appointment of Standing Committees and Standing Committee Chairs (ACTION)

D. BOARD OF RETIREMENT MATTERS

1. Administrator's Report
   a. Administrator's Update

   b. Staffing Update

   c. Facility Use Report

   d. Future Meetings
      - January 10, 2024 Board
      - January 17, 2024 Investment Committee

2. Standing Committee Reports
   a. Finance and Risk Management Committee
      1. Administrative Budget Fiscal Year 2023/24 Quarterly Review
         Consider and review expenses for the quarter ending September 30, 2023

      2. Non-budgeted Expenses
         Consider and review non-budgeted expenses for the quarter

      3. Quarterly Checklist
         Consider, review and updates on the following:

         a. Other expenses per Checklist Guidelines
         b. Variances in the MCERA administrative budget in excess of 10%
         c. MCERA educational and event-related expenses
         d. Continuing Trustee Education Log
         e. Internal controls, compliance activities and capital calls
         f. Vendor services provided to MCERA
         g. MCERA staffing status
         h. Audits, examinations, investigations or inquiries from governmental agencies
         i. Other items from the Administrator related to risk and finance

4. Annual Audit of Financial Statements Update
   Update on annual audit process

b. Audit Committee
   1. Financial Audit Review
      Review and discuss audit results

   2. Financial Statements (ACTION)
      Discuss and consider Audit Committee recommendation to adopt the Audited June 30, 2023 Financial Statements

3. Trustee Comments
   a. Educational Training: Reports by Trustees and Staff

   b. Other Comments

E. DISABILITY CONSENT AGENDA (TIME CERTAIN: 9:30 a.m.) (ACTION)

Any item that a Board member requests be pulled from the Disability Consent Agenda will be considered in Closed Session under the authority of Government Code section 54957(b), unless the applicant specifically waives confidentiality and requests that their application be considered in Open Session.

1. Eric Smith   Service-Connected   Marin County Sheriff

   Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

F. NEW BUSINESS

1. Future Meetings
   Consider and discuss agenda items for future meetings.

G. OTHER INFORMATION

1. Training Calendar (ACTION)

H. CONSENT CALENDAR (ACTION)

Note on Process: Items designated for information are appropriate for Board action if the Board wishes to take action. Any agenda item from a properly noticed Committee meeting held prior to this Board meeting may be considered by the Board.

Note on Voting: As provided by statute, the Alternate Safety Member votes in the absence of the Elected General or Safety Member, and in the absence of both the Retired and Alternate Retired Members. The Alternate Retired Member votes in the absence of the Elected Retired Member. If both Elected General Members, or the Safety Member and an Elected General Member, are absent, then the Elected Alternate Retired Member may vote in place of one absent Elected General Member.

Note on Board Member requests to participate by teleconference under Government Code section 54953, subdiv. (f): At least a quorum of the Board must be present together physically at the meeting to invoke this provision. The provision is limited to "just cause" and "emergency" circumstances, as follows:

> "Just cause" is only: (1) a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse or domestic partner that requires them to participate remotely; (2) a contagious illness that prevents a member from attending in person; (3) a need related to a physical or mental disability, as defined; or (4) travel while on official business of MCERA or another state or local agency. A Board member invoking "just cause" must provide a general description of the circumstances relating to their need to appear remotely at a given meeting, and it may not be invoked by a Board member for more than two meetings in a calendar year.
>
> "Emergency circumstances" is only: "a physical or family medical emergency that prevents a member from attending in person." The Board member invoking this provision must provide a general description of the basis for the request, which shall not require the member to disclose personal medical information. Unlike with "just cause," the Board must by majority vote affirm that an "emergency circumstance" situation exists.

As to both of the above circumstances, the Board member "shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member's relationship with any such individuals." Also, the Board member "shall participate through both audio and visual technology," and thus be both audible and visible to those attending. Finally, no Board member may invoke these teleconference rules for more than three consecutive months or 20 percent of the regular meetings of the Board.

Note on teleconference disruption that interrupts the live stream: In the event of a technological or similar disruption, and provided no Board/committee members are attending by teleconference, the meeting will continue in person.

Agenda material is provided upon request. Requests may be submitted by email to MCERABoard@marincounty.org, or by phone at (415) 473-6147.

MCERA is committed to assuring that its public meetings are accessible to persons with disabilities. If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), Dial 711 for CA Relay, or by email at least five business days in advance of the event. We will do our best to fulfill requests received with less than five business days' notice. Copies of documents are available in alternative formats upon request.

The agenda is available on the Internet at http://www.mcera.org

For consideration at December Board meeting

MINUTES

INVESTMENT COMMITTEE MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

September 27, 2023 – 9:00 a.m.

This meeting was held at the address listed above and, absent technological disruption, was accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2.

CALL TO ORDER

Chair Klein called the meeting to order at 9:05 a.m.

ROLL CALL

PRESENT: Cooper, Gladstern, Klein, Martinovich, Silberstein, Vasquez, Werby, Jones (alternate retired)

ABSENT: Murphy, Poole, Gullett (alternate safety), Shaw (ex officio alternate)

CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR "JUST CAUSE" OR "EMERGENCY," AS SET FORTH ON THIS AGENDA BELOW

A. OPEN TIME FOR PUBLIC EXPRESSION

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No members of the public provided comment.

B. MANAGER REPORTS

1. Manager Overview – Jim Callahan, Callan LLC

   Jim Callahan, President of Callan LLC, stated Abbott Capital Management and Pathway Capital Management will present private equity portfolio reviews.

2. Abbott Capital Management – Private Equity – Tim Maloney, Sean Long
   TIME CERTAIN: 9:05 a.m.

   Sean Long, Director, Marketing and Client Solutions with Abbott Capital Management, provided a general overview of Abbott and introduced Tim Maloney, Managing Director and member of the Investment Committee. Mr. Maloney reported on the investment team Wolf Witt was promoted to Managing Director earlier this year. Mr. Long stated Abbott employs four distinct strategies in the Annual Program (AP) Funds: Venture Capital and Growth Equity, North America Private Equity, Europe Private Equity, and Small Buyouts. Across these strategies, Secondaries and Co-investments are employed as J-curve mitigants to get capital deployed and return distributions to limited partners.

   Mr. Long reported of the $250 million committed by MCERA since 2008 across six funds, 82% has been paid in. The Total Value to Paid-In Capital (TVPI multiple) is 2x, and the program overall is cash flow positive, with distributions paying for commitments. The net Internal Rate of Return (IRR) since inception is 15% and, overall, the program has worked as planned. Mr. Long stated Abbott Capital Private Equity Fund VI (ACE VI) and ACE VII are in harvesting mode and distributing capital. ACE Investors Annual Program 2016 (AP16) and AP17 are in value creation mode, and AP21, AP22, and AP23 are in the investment phase.

   Chair Klein asked about Abbott's confidence level in the valuation for ACE VI and whether MCERA will receive distributions in the next year and a half. In response, Mr. Maloney said Abbott distributed 6% of ACE VI in the past year, acknowledging there is no doubt distributions have been challenged and ACE VI has been extended through March 31, 2025. The intention is to get capital back to limited partners as soon as possible, he said. Mr. Maloney said valuation discounts depend on the strategy and would be material, from 25 to 40%, to sell in the current market. He explained the plan is to implement Secondary sales once discounts to valuations are lower and the remaining Net Asset Value (NAV) is less material. Chair Klein pointed out that the market is telling investors that private equity valuations are inflated. Chair Klein questioned why the Net Asset Values couldn't be marked down to reflect market prices until successful exits from the investments can be achieved. She noted that this strategy would have the added benefit of alleviating MCERA's fees on investment returns that haven't been realized yet.

   In response, Mr. Maloney observed private equity assets are illiquid and Secondary market valuations do not represent what the ultimate valuation is expected to be. He maintained Abbott's valuation process is rigorous. Chair Klein asked about the basis for Abbott's optimistic view of valuations. In response, Mr. Maloney indicated there are two values, liquid and illiquid, and if liquidity is needed, a discount to true value may apply.

Otherwise, the idea is to manage assets until a valuation is reached that will not impact return.

Mr. Long explained through March 31, 2023 the fee was charged on committed capital. After March 31, 2023 during the extension period, the fee was reduced by 50% and based on the NAV.

Trustee Werby asked if fees collected previously are disgorged when assets are written down from apparently inflated values. Mr. Maloney replied that valuations are based on the general partners' audited valuations. Trustee Werby pointed to a court case determining some valuations of assets were not based on reality. He asserted that when Abbott finds out the value was not what Abbott thought it was, Abbott collected fees it was not entitled to. Mr. Maloney replied when fees were collected, the value was there. Mr. Callahan pointed out that in the public markets managers are not going to return fees collected based on market values going up and down.

Mr. Maloney stated the private equity portfolio has grown in value and distributions currently outpace contributions. He spoke to the consistency of strategy diversification over time, highlighting the 30% allocation to venture capital and growth equity that have performed the best. Performance by strategy across MCERA's funds shows consistent long-term IRR and TVPI performance due to manager selection and consistent investment year in and year out. Mr. Long stated that measured against private equity peers, Abbott's IRR &TVPI across strategies consistently beat the median over time. As measured against public equity markets, MCERA's Net IRR has outperformed over every time frame, he said, beating the S&P 500 PME+ (Public Market Equivalent) by more than 2% since inception. He noted the importance of diversification and investing consistently over time, as different strategies outperform in different years.

Chair Klein asked about the Buyout market given the rise in interest rates. In response, Mr. Maloney said higher interest rates have been a challenge for general partners relying on Buyout debt. In 2023 there has been a big gap between what buyers are willing to pay and sellers will accept. Mr. Maloney noted since the beginning of September the transaction market is picking up in velocity.

In summary, Mr. Maloney stated MCERA's private equity portfolio is over 80% funded and has returned over 1x in distributions to MCERA. He said the remaining value should grow and mature over time. Trustee Silberstein said as MCERA is one of the largest investors, he hopes Abbott will take that into account when considering the dissatisfaction with fees. Chair Klein asked what the strategy is when encountering Zombie funds. Mr. Maloney indicated options include full or partial asset sales, or replacing the general partner, depending on an assessment of the assets.

3. Pathway Capital Management – Private Equity – Valerie Ruddick, Bryan Nelson
TIME CERTAIN: 9:35 a.m.

Valerie Ruddick, Managing Director at Pathway Capital Management, reported the key theme at Pathway is continuity and stability. Ms. Ruddick stated MCERA is invested in six Pathway funds, the oldest being PPEF 2008 which is approaching its 15th anniversary and is in the harvest and liquidation phase. PPEF I-11, the newer fund, is in its investment phase that will continue for the next two years. Of $250 million committed across the portfolio as of March 31, 2023, 83% is contributed. Ms. Ruddick said the portfolio continues to mature and distributions exceed the amount contributed to Pathway. As of March 31, 2023, Net IRRs for each fund show outperformance to private equity and public equity benchmarks. Based on preliminary June 30, 2023 valuations, there are no material changes to March 31, 2023 performance metrics. Ms. Ruddick presented performance by strategy, investment type, and region.

Chair Klein asked about valuation discounts in the Secondary market. In response, Ms. Ruddick said Buyout discounts are about 10% and 30% to 40% for older funds and Venture investments. Trustee Vasquez asked how the Special Situations category is defined and Ms. Ruddick said it is an industry-specific multi-strategy that is debt related. Ms. Ruddick introduced Bryan Nelson, Director in the Pathway California office, who looks at new investment opportunities and works with the Co-Investment team.

Mr. Nelson reported in 2017 MCERA's private equity program became cash-flow positive on an annual basis, due to distributions exceeding contributions. Mr. Nelson highlighted record distributions of $74.5 million in 2021 for the program. He said in 2023 the exit environment slowed industry wide, but Initial Public Offering (IPO) activity is picking up and there are green shoots in the exit environment. Mr. Nelson stated the portfolio is diversified across 73 high-quality managers with exposure to over 3,500 underlying portfolio companies. The portfolio is also diversified across strategy. Geographically, the best opportunities are in the U.S. and Europe.

Chair Klein asked why the portfolio still holds public companies. In response, Mr. Nelson explained the general partner may decide not to sell into an IPO that does not generate liquidity. Chair Klein asked about PPEF 2008 which Ms. Ruddick said will be entering the extension stage in December 2023. Chair Klein asked what the Secondary market is telling Pathway relative to valuations and suggested reducing valuations to reduce MCERA's fees. Ms. Ruddick replied that prices in the Secondary market today would have a 60% to 70% discount to the NAV. Ms. Ruddick explained that Pathway is required to use manager valuations for financial reporting under Generally Accepted Accounting Principles (GAAP). She further stated that in the extension period MCERA's fee will step down by about 70% from the current fee. Chair Klein asked what distributions to expect moving forward. Ms. Ruddick replied she is seeing mergers and acquisitions picking up again but does not expect a material increase in distributions until next year.

For consideration at December Board meeting

Chair Klein directed deliberations to **Agenda Item C.2**, **Private Equity Annual Review and Pacing Plan**.

C. NEW BUSINESS

1. Investment Manager Personnel Update – Morgan Stanley

   No discussion.

2. Private Equity Annual Review and Pacing Plan (ACTION)
   Consider, discuss and take possible action regarding private equity pacing plan

   Gary Robertson, Private Equity Consultant with Callan, stated MCERA's private equity program began during the Great Financial Crisis in 2008 and as a result got a slow start. Currently, the private equity allocation is near the top of the 12% target range. He presented valuations through March 31, 2023, noting that fund raising and new investments and exits have slowed. In addition, there is a challenging debt environment and uncertainty in the private equity market.

   As of March 31, 2023 for the total private equity program, MCERA has committed $500 million, paid in $411 million, and received $465 million in distributions. Mr. Robertson reported in the past year MCERA received over $33 million in distributions, about 8% of the NAV, so the portfolio is in good shape and working well. The Total Value to Paid In (TVPI) is 2.00. Managers are performing either in the first or second quartile of peer partnerships including fees, and the total IRR is 15.3%.

   Regarding pacing, Mr. Robertson stated based on the current allocation being above the 8% target, remaining uncalled capital, and lower distributions expected going forward, Callan suggests either pausing commitments for one year or committing less than $60 million this year. Chair Klein pointed out performance metrics are based on valuations that she questions. She is also skeptical that MCERA will receive distributions in accordance with current valuations. Chair Klein, Trustee Silberstein and Trustee Vasquez indicated a preference to wait another year before making new commitments to the private equity program. Hearing no motion to make new commitments, the Chair moved to the next agenda topic.

3. Private Equity Annual Fee Disclosure (ACTION)
   Consider, discuss and take possible action regarding private equity fee disclosure

   Mr. Robertson presented the Annual Private Equity Fee Summary in compliance with California law on tracking and reporting private equity fees and investments. The fee template is an industry standard developed by the Institutional Limited Partners Association (ILPA) that sets forth fees and expenses for the past year and since inception. Fund-of-Funds Managers fees and expenses totaled $3 million over the past year and $35.1 million since inception.

Trustee Cooper was excused from the meeting.

It was M/S Werby/Vasquez to adopt the Private Equity Annual Fee Disclosure as presented. Trustee Jones voted for Trustee Murphy who was absent. The motion passed by a vote of 7-0 as follows:

AYES:	Gladstern, Jones, Klein, Martinovich, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Gullett, Murphy, Poole

Chair Klein recessed the meeting for a break at 11:06 a.m., reconvening at 11:18 a.m.

Trustee Cooper rejoined the meeting at 11:18 a.m.

4. International Equity Allocation (ACTION)
   Consider, discuss and take possible action regarding international equity allocation including passive sleeve and manager search

   Mr. Callahan stated MCERA's international equity portfolio is targeted to 22% of the Fund and is actively managed with a slight growth tilt. Due to recent performance challenges the Investment Committee has discussed ways to mute the growth tilt or retain as is. At its June 21, 2023 meeting the Investment Committee directed Callan to conduct a passive manager search.

   Mr. Callahan stated two ways to approach passive vehicles for developed international markets are the MSCI EAFE Index or the MSCI World ex-US that includes Canada. Reasonable alternative structures for the value and growth allocations managed by Morgan Stanley and Artisan, representing 60% of international equity, are:

   1. Add 20% passive and reduce international value and growth portfolios by 10% each.
   2. Add 30% passive and reduce international value and growth portfolios by 15% each.
   3. Add 30% passive and remove international growth portfolio, retaining Morgan Stanley to reduce cost, tracking error, and the growth tilt.

   Mr. Callahan noted all three alternative international equity structures have the benefit of reducing the growth tilt, more so for Alternative 3. He presented comparisons of the alternative international equity structures for style, regional allocations, rolling three-year returns, cumulative returns and risk metrics. Mr. Callahan pointed out that rolling standard deviations show that removing active management and adding passive management would increase volatility moving forward. In addition, tracking error metrics show adding passive management lowers the tracking error. Trustee Vasquez indicated an information ratio would provide clarity with respect to comparing active managers with a passive index.

   Mr. Callahan presented a comparison showing fees are lower as passive management increases with each alternative structure. When Trustee Gladstern suggested considering removing both Artisan and Morgan Stanley, Mr. Callahan observed both managers have added value to the Fund since inception.

It was M/S Vasquez/Gladstern to allocate 50% of the international equity portfolio to the MSCI World ex US index and increase allocations for the TimesSquare Capital Management International Small Cap Fund and Fidelity Institutional Asset Management Select Emerging Markets Equity Fund to 25% each. Trustee Jones voted for Trustee Murphy who was absent. The motion passed by a vote of 8-0 as follows:

AYES:	Cooper, Gladstern, Jones, Klein, Martinovich, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Gullett, Murphy, Poole

Mr. Callahan stated there are three viable candidates to manage the passive international equity allocation: BlackRock, Northern and State Street. BlackRock has only a securities lending vehicle and Northern and State Street have lending and non-securities lending vehicles. He addressed risks associated with securities lending evidenced during the Great Financial Crisis, adding that fees are cheaper for securities lending funds. There was general agreement that MCERA may gain operational efficiencies and potential fee savings by engaging one of its current managers, BlackRock or State Street, for the passive international equity allocation.

It was M/S Silberstein/Vasquez to direct staff and Callan to discuss with BlackRock and State Street fees associated with a passive, securities lending international equity vehicle. Trustee Jones voted for Trustee Murphy who was absent. The motion passed by a vote of 8-0 as follows:

AYES:	Cooper, Gladstern, Jones, Klein, Martinovich, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Gullett, Murphy, Poole

5. Future Meetings

Trustee Silberstein suggested that Fidelity Institutional Asset Management (FIAM) discuss China during its next portfolio review.

D. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Summary Report as of June 30, 2023

Mr. Callahan discussed returns for capital market segments as of June 30, 2023. He reported 2022 was a down year for equities and for fixed income, which was a surprise. There was a rotation from value outperforming growth last year to growth outperforming value this year. In addition, equity market performance has been narrowed down to the Magnificent 7, Facebook (now Meta), Amazon, Apple, Google, Microsoft, Nvidia and Tesla. This narrowing is evidenced by the lower performance of the equal-weighted S&P 500 Index versus the size-weighted S&P 500 Index. Currently in September, equity markets are correcting. Interest rates have risen, and the revaluation of private real estate and private equity is catching up with lower public market valuations.

Mr. Callahan reported as of June 30, 2023 the Fund is valued at $3.1 billion. It is slightly underweight to public equities and the overweight to private equity has moderated. For the quarter the Fund is up about 2% net of fees and up 6.4% net of fees over the past 12 months. Final June 30th returns will incorporate updated private equity valuations that lag on a quarter basis.

During the quarter the domestic small cap equity portfolio managed by Dimensional Fund Advisors outperformed, balancing the underperformance of the Russell 2000 relative to large cap equity. The international equity portfolio underperformed during the quarter, but one-year performance is still strong. Both fixed income managers, Wellington Management Company and Western Asset Management Company, outperformed benchmarks over the past 12 months.

Real estate portfolios were down in absolute and relative terms over the past year. UBS continues to underperform while AEW performed closer to the benchmark. Mr. Callahan said there is concern about debt needing refinancing to be addressed in the next year. In the real assets portfolio both the Invesco commodities portfolio and the Kleinwort Benson Investors global natural resources portfolio added value by outperforming their respective benchmarks.

a. Flash Performance Update as of August 31, 2023

Mr. Callahan presented Fund performance updated through August 31, 2023. The DFA small cap portfolio continues to perform well, as do international equity and fixed income portfolios year to date. Commercial real estate is sharply negative, and public real assets exceeded the blended benchmark return.

There being no further business, Chair Klein adjourned the meeting at 12:54 p.m.

Sara Klein	Attest:
Investment Committee Chair	Jeff Wickman, Retirement Administrator

For consideration at December Board meeting

MINUTES

Marin County Employees' Retirement Association (MCERA)
Retirement Board Strategic Workshop

One McInnis Parkway, First Floor
San Rafael, CA
October 17, 2023

This meeting was held at the address listed above and, absent technological disruption, was accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2.

Meeting Chair Todd Werby

9:00 a.m.
Call to Order/Roll Call

Chair Werby called the meeting to order at 9:03 a.m.

ROLL CALL

PRESENT: Cooper, Gladstern, Klein, Murphy, Poole, Silberstein, Vasquez, Werby, Jones (alternate retired)
ABSENT: Gullett (alternate safety), Martinovich, Shaw (ex officio alternate)

CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR "JUST CAUSE" OR "EMERGENCY," AS SET FORTH ON THIS AGENDA BELOW

No Board members requested to teleconference.

Open Time for Public Expression

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No members of the public provided comment.

For consideration at December Board meeting

9:00 a.m. – 10:00 a.m.
2023 Experience Study Preview – Economic Assumptions
Graham Schmidt, ASA, FCA, MAAA, EA, Consulting Actuary, Cheiron
Bill Hallmark, ASA, FCA, MAAA, EA, Consulting Actuary, Cheiron

Graham Schmidt, Actuary with Cheiron, presented preliminary Experience Study results for the actuarial economic assumptions. Mr. Schmidt explained that economic assumptions help to determine contribution rates used to fund the Plan. He also noted the more conservative the assumptions, the less contributions will be needed in the future and that ultimately the funding process is self-correcting every year when the actuarial valuation is conducted. Mr. Schmidt is not expecting dramatic changes in experience that would require changes to economic assumptions – the assumed rate of return, inflation, base wage growth, payroll growth, and the post-retirement Cost-of-Living Adjustment (COLA). Factors reviewed by the actuary when evaluating the economic assumptions include industry trends, historical data, forward-looking expectations, and the Board's risk tolerance.

Mr. Schmidt discussed MCERA's assumed rate of return/discount rate which is currently 6.75%. The average assumed rate of return for public pension plans has trended down over the last 20 years from 8% to 6.91%. With rising bond yields, public pension plans have more allocation to private asset classes, taking on more risk to achieve the same returns. Mr. Schmidt pointed out the 2022 decline in the capital markets increased projections for future returns. Callan's 10-year capital market return expectation has increased to 7.2%, based on a 2.5% inflation assumption. The average California public pension plan assumed rate of return is 6.77%, which is close to MCERA's. Mr. Schmidt noted MCERA has had more conservative assumptions over time than the average public pension plan. The actuary stated the likelihood of achieving MCERA's assumed rate of return of 6.75% is over 50%.

Mr. Schmidt discussed inflation, which he said had been low since 1992. Then last June the Consumer Price Index (CPI) peaked at over 9% and since then has trended down to under 4%. Mr. Schmidt stated MCERA's 2.5% inflation assumption is in the middle of peers and close to the economic forecasters' average and median inflation rate of 2.4%. He said market expectations for inflation can be equated to the 2.3% difference between US Treasury bond yields and Treasury Inflation-Protected Securities (TIPS) over five and 30 years. Mr. Schmidt concludes MCERA's inflation assumption is consistent with expert and market expectations.

No change is recommended for MCERA's current base wage growth assumption of 3.00%, based on 0.50% real wage growth above inflation. Reasons for a positive real wage growth assumption include productivity increases and Social Security projections. Mr. Schmidt observed that median wage growth has grown slower than the average due to top wage earners increasing wages more than lower paid employees. Trustee Silberstein noted wages are a function of political power which lately has been increasing for employees versus employers.

Mr. Schmidt is recommending maintaining MCERA's current payroll growth assumption of 2.75%. He noted some elements of compensation for new hires are not pensionable and some pensions are capped. Trustee Silberstein noted another factor that can limit payroll growth is the tendency to contract out work.

Mr. Schmidt explained that post-retirement COLA benefits grow by the increase in the Bay Area CPI rounded to the nearest .5%, subject to a 2%, 3%, or 4% cap depending on tier. Mr. Wickman noted over 50% of retirees are in the 2% COLA cap. Any excess over the cap is banked every year. Because this year there is significant growth in COLA banks for retirees, Cheiron recommends incorporating their value directly into the liability calculations. The assumption is the retiree will receive the maximum COLA until the COLA bank is drawn down.

In summary, Mr. Schmidt stated MCERA's current economic assumptions are reasonable based on current market conditions and long-term expectations. The only change Cheiron is recommending for the June 30, 2023 Actuarial Valuation is valuing increases in retiree COLA banks.

Mr. Wickman noted that the final Experience Study report will be presented at a future meeting and will include a review of the demographic assumptions. The Board can take action to adopt the report and any recommendations from the actuary at that time.

10:00 a.m. – 11:00 a.m.
Fixed Income Allocation Strategy Review
Jim Callahan, President, Callan LLC

Jim Callahan, President of Callan LLC, discussed capital market conditions from the perspective of the fixed income allocation. Mr. Callahan stated in 2022 equities were down significantly and bonds were down to historical lows due to a dramatic rise in yields. These conditions led Callan to increase the fixed income return expectation from 1.75% to 4.25% in their latest 10-year capital market projections which were presented to the Investment Committee in March 2023. For public equities the risk premium over the bond market compressed, meaning there is less return for meaningfully more risk.

MCERA's current target allocation for public equity is 54% and 23% for fixed income, and Callan's 10-year projected return is 7.2%. Mr. Callahan indicated because the expected return is meaningfully higher than the 6.75% return assumption, a consideration is whether to de-risk the portfolio by increasing the fixed income allocation. He noted interest rates have risen meaningfully from the beginning of the year and the fixed income portfolio has a yield of 6%. Another factor to consider is MCERA's liabilities are better funded, leading to the question of how much risk is needed to achieve the goal of being fully funded. Mr. Callahan expects next year's 10-year capital market expectations for fixed income to increase from 4.25% to 5% and no meaningful change to the equity return assumption. He noted fixed income provides liquidity and downside protection and is a good diversifier, adding that from a risk perspective equity is driving. Mr. Callahan stated the argument for decreasing fixed income is the ability to absorb volatility and risk over the long term.

Trustee Silberstein proposed continuing the long-term trajectory to reduce the fixed income allocation from 23% to 20% of the Fund since it has a long time horizon. He indicated this may result in a higher return. Mr. Callahan pointed out that projections showed that reducing the fixed income allocation to 20% increased risk without significantly increasing projected returns. Trustee Vasquez asked if the recent volatility in the fixed income market would continue, and Mr. Callahan replied not over any meaningful time period. He noted bonds have been more volatile because interest rates were artificially repressed for a long period of time. Trustee Klein's view is to consider increasing the allocation to fixed income. She noted interest rates have become more reasonable and if they rise further, it will not be good for equities. Chair Werby supported this view.

Mr. Wickman said the Investment Committee Chair could choose to agendize this topic for further discussion at a future meeting.

Chair Werby recessed the meeting for a break at 10:42 a.m., reconvening at 11:00 a.m.

11:00 a.m. – 12:00 p.m.
Macroeconomic Impact of Current Real Estate Market
Kristina Hooper CFP®, CAIA, CIMA®, ChFC®, Invesco Chief Global Market Strategist
Brooks Monroe, Invesco Managing Director Portfolio Manager, North America Real Estate
Delia Roges, Invesco Managing Director

Mr. Wickman introduced Kristina Hooper, Chief Global Market Strategist with Invesco, and Brooks Monroe, Managing Director and Client Portfolio Manager with Invesco Real Estate. He thanked them and Delia Roges, Invesco Managing Director, for being available to share their insights on the macroeconomic impact of the current real estate market.

Mr. Monroe stated Invesco has been active in real estate transactions over the past five years. He said the pandemic compressed a decade of evolution in the real estate market into two years of disruption, resulting in dislocation in the Office sector. The steep rise in interest rates has had significant implications for real estate and is expected to remain for the foreseeable future. The consequences have been higher borrowing costs, slowing growth, and declining real estate values, with 15% write-downs over the last year and more to come. Mr. Monroe expects the Office sector to become a smaller part of the overall real estate sector. He noted there is near zero debt to finance buying an office building and liquidation values are lower than carry values.

Mr. Monroe said the rest of the U.S. real estate market is in a healthy place from a supply-demand standpoint. Apartments and Industrials have had strong performance since the end of 2020. Apartments are now coming into some stress due to a wave of supply causing rent growth to decline. He noted high borrowing costs and floating rate debt coming due in a much higher interest rate environment will create some challenges. Of $1.9 trillion in commercial real estate loans maturing in the next 3 years, he estimates one-third could be troubled. Banks are the largest holders of these loans comprised mostly of office and multi-family properties. Remedies for troubled loans include extension, adding equity, selling the property to pay off the debt, or foreclosure. He indicated the resulting distressed sales may provide opportunities to invest in high-return strategies, excluding Office.

Ms. Hooper addressed the impact of the downturn in real estate on the overall economy. She said real estate downturns have led to weaker real estate investment and a severe downturn would reduce GDP. This downturn is centered on commercial, non-residential properties. She indicated the wealth effect, how wealthy households feel about investment portfolios and real estate, tends to be more about residential properties. While historically tightening credit conditions have led to recessions, low unemployment and a healthy jobs market indicate a recession would not be significant. Ms. Hooper cautioned credit conditions could tighten further, making it one of the most important metrics to follow.

In conclusion, Ms. Hooper stated her expectation is that interest rate reduction by the Federal Reserve may begin in 2024. She and Mr. Monroe distinguished the severity of current real estate issues from those in the past due to tighter bank regulations. Citing recent improvements in bank lending and new home sales, she said the U.S. consumer is carrying this economy. Trustee Vasquez asked if there are demographic tailwinds from millennials and Ms. Hooper replied that millennial household formation has been delayed and their economic activity may moderate with the resumption of student loan payments.

Chair Werby recessed the meeting for lunch at 12:10 p.m., reconvening at 1:16 p.m.

12:00 p.m. – 1:15 p.m.
Lunch Break

1:15 p.m. – 2:15 p.m.
What Key Factors Drive Inflation
Mike Bazdarich, Senior Economist, Western Asset
Frances Coombes, Client Service Executive, Western Asset

Frances Coombes, Client Service Executive with Western Asset Management Company, LLC, introduced Dr. Michael Bazdarich, Senior Economist, to discuss the key factors driving rising inflation. Dr. Bazdarich began by explaining the mandate of the Federal Reserve (the Fed) is to quell U.S. price increases to a 2% rate. He observed that in early 2022 inflation peaked at 9% and has been declining since then.

Discussing inflation dynamics, Dr. Bazdarich said inflation is a macro phenomenon of prices rising across the economy. For inflation to continue, the nominal spending growth needs to continue to rise. Since rising prices reduce purchasing power, inflation comes down unless there is more fuel (spending) to add to the fire. Dr. Bazdarich noted there is a consistent relationship between inflation and interest rates. When inflation comes down, interest rates will follow.

Turning to the economic backdrop, Dr. Bazdarich said in 2020 Covid changed everything by shutting down what was a healthy U.S. economy. The U.S. is still dealing with the effects of that shutdown and subsequent reopening. Initially, there was deflation for a brief period when the shutdown occurred and there was a surplus of goods. Then, inflation took off in 2021 and 2022. He said the primary driver of inflation is monetary policy that increases the money supply. The Fed distributed trillions of dollars to banks that many blame inflation on.

Discussing current conditions, Dr. Bazdarich made the point that for the last 18 months the Fed has been reducing the money supply. In fiscal policy, the aid the government provided to individuals who lost money during the shutdown ended two years ago. As a result, there is deceleration of spending growth in both monetary and fiscal policy. Currently, the trend in inflation is clearly down and has been low for the past year. As examples he cited home prices declining since peaking in May of 2022, stabilizing rents, food prices decelerating sharply, and energy prices coming down.

In conclusion, Dr. Bazdarich stated as its inflation metric, the Fed targets the Personal Consumption Expenditure Price (CPE) Index. In particular, the Core CPE has been around 2% for the last 3 months. In response to Trustee Vasquez's inquiry, Dr. Bazdarich said the weights of pricing in the PCE are revised every month. Dr. Bazdarich pointed out while the Fed is not ready to declare victory over inflation yet, inflation is very close to the Fed's mandate and does not need to be ratcheted down further. For this reason, he believes the Fed is finished with raising interest rates.

Chair Werby recessed the meeting for a break, reconvening 2:21 p.m.

2:15 p.m. – 3:15 p.m.
Investment Consultant Request for Proposal Overview
Jeff Wickman, MCERA Retirement Administrator

Mr. Wickman provided an overview of the Investment Consultant Request for Proposal (RFP) process. He stated the goal is to issue the RFP to as broad a group of companies as possible so the Board will be able to evaluate all the qualified bidders. This will include direct mailing to firms, posting the RFP to MCERA's website, and submitting the document to national publications where it can be picked up by firms who may be qualified to provide the requested services. The Administrator indicated a critical success factor when conducting RFP's is to adhere to the timelines and evaluation process outlined in the RFP. He discussed the importance of providing the criteria by which RFP responses would be evaluated which includes the weighting of each category of responses. This helps to provide as close to an apples-to-apples comparison between firms as possible.

Mr. Wickman then reviewed the timeline for previous MCERA investment consultant searches. In 1999 MCERA conducted a search for an investment consultant and hired Callan LLC in 2000. In 2014 MCERA again went out for bid for an investment consultant. Nine firms responded to that RFP. After completing the initial evaluation six firms were selected for interviews. After the completion of the interviews and conducting a site visit, the Ad Hoc Investment Consultant RFP Committee recommended to the Board that Callan be hired as the investment consultant. The Board adopted the Ad Hoc Committee's recommendation. Mr. Wickman noted that the ad hoc committee was composed of four trustees and one staff member.

Mr. Wickman explained that the RFP is organized into the following sections: general information including the RFP timeline; background and nature of services being requested; proposal procedures; information to be provided, including specific questions for bidders to respond to; fees; and a model contract. He discussed question topics that include the firm's services, revenues, and institutional clients among others. In response to Chair Werby's inquiry, and Trustee Vasquez's comment, Mr. Wickman indicated there could be a methodology inquiry about whether candidate firms have an emerging manager program. The Administrator explained that minimum requirements for candidate firms include aggregate revenue of $5 million, 7 years of experience for the primary consultant, being in business for at least 10 years as of the RFP date and having at least three public sector clients.

Trustee Gladstern noted that Callan has paid relationships with investment managers and asked how that fits into the RFP process. Mr. Wickman replied each consultant will be asked if they receive revenue from sources other than investment consultant and, if so, to break down those revenues. Trustee Silberstein asked about the nature of fees, and Mr. Wickman said the contract is typically a flat annual dollar amount.

Trustee Klein was excused from the meeting at 2:54 p.m.

Trustee Poole inquired how the ad hoc committee is formed and the Administrator said the Board Chair makes that decision typically after consulting with the Retirement Administrator.

Noting it is a lot of work to issue and evaluate RFP responses, Trustee Silberstein asked if there is that much difference between investment consultants for other CERL systems. Mr. Wickman replied he hears good things about all of them, adding MCERA receives a high level of service from the current investment consultant. Trustee Silberstein said he has no concerns about Callan and does not see the need to issue an RFP.

3:15 p.m. – 3:30 p.m.
Closing and Follow-up Items from Today's Agenda

Mr. Wickman said the Investment Consultant RFP could be agendized for discussion at the November Board meeting. The Board expressed an interest in having the RFP agendized for the November meeting so the Board could have further discussion.

There being no further business, Chair Werby adjourned the meeting at 3:14 p.m.

_______________________________ _______________________________
Todd Werby, Meeting Chair Maya Gladstern, Secretary

For consideration at December Board meeting

MINUTES

REGULAR BOARD MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

October 31, 2023 – 9:00 a.m.

This meeting was held at the address listed above and, absent technological disruption, was accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2.

CALL TO ORDER

Chair Murphy called the meeting to order at 9:01 a.m.

ROLL CALL

PRESENT:	Gladstern, Klein, Murphy, Poole, Silberstein, Vasquez, Werby, Gullett (alternate safety), Jones (alternate retired), Shaw (ex officio alternate)
ABSENT:	Cooper, Martinovich

CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR "JUST CAUSE" OR "EMERGENCY," AS SET FORTH ON THIS AGENDA BELOW

No Board members requested to teleconference.

MINUTES

It was M/S Werby/Silberstein to approve the October 11, 2023 Board Meeting Minutes with a clarifying amendment by Trustee Silberstein. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

A. OPEN TIME FOR PUBLIC EXPRESSION

Note: The public may also address the Board regarding any agenda item when the Board considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No members of the public provided comment.

B. ELECTION OF BOARD OFFICERS

1. Election of Board Chairperson, Vice Chairperson and Secretary (ACTION)

   Retirement Administrator Jeff Wickman stated the election of Board officers is the third step following review of the Election and Duties of Board Officers Policy and the opportunity for trustees to express an interest in serving as an officer. The Administrator explained that each Board officer is to be elected one at a time, beginning with the Board Chairperson, then the Vice Chairperson followed by the Secretary.

It was M/S Werby/Gladstern to elect Laurie Murphy as Chairperson. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

It was M/S Gladstern/Murphy to elect Todd Werby as Vice Chairperson. The motion passed by a vote of 8-0-1 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez
NOES:	None
ABSTAIN:	Werby
ABSENT:	Cooper, Martinovich

It was M/S Gladstern/Murphy to elect Kelsey Poole as Secretary. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report
   a. Administrator's Update

      Mr. Wickman reported Annual Benefit Statements will be sent to members this week. He noted the Statements represent a significant amount of work for Assistant Retirement Administrator Anya Bakerink and her team.

Mr. Wickman congratulated Trustee Vasquez for his reappointment to a new three-year term of office as the Fifth Member beginning November 1, 2023.

The new tenant is moving into Suite 150 on November 1, 2023 and One McInnis Parkway is now fully leased.

b. Staffing Update

The recruitment for the Department Analyst position is ongoing.

Anne Battaglia, Retirement Benefit Technician, has retired and a recruitment for her vacant position is underway.

c. Facility Use Report

No facility usage during the period.

d. Future Meetings

- November 15, 2023 Finance and Risk Management Committee
- November 29, 2023 Audit Committee
- December 6, 2023 Investment Committee
- December 13, 2023 Board

2. Standing Committee Report – Governance Committee

a. Proxy Voting

1. Proxy Voting Reports

Proxy voting records of public equity managers for June 30, 2023

Governance Committee member Maya Gladstern reported for Committee Chair Chris Cooper. At its October 25, 2023 meeting the Governance Committee reviewed proxy voting reports for the first half of 2023. Institutional Shareholder Services (ISS) voted proxies on MCERA's behalf for DFA and State Street portfolios utilizing the Public Fund Policy recommendations.

2. Proxy Voting Reports – Executive Compensation

Review and discuss the ISS executive compensation proxy voting reports for the Dimensional Fund Advisors and State Street Global Advisors portfolios

Trustee Gladstern stated proxy reporting included voting rationales and votes on executive compensation. Staff will follow up on the formatting of Fidelity's report and their explanations for certain votes, and with KBI on its vote for a director compared with MCERA's vote against the same proposed director. Trustee Silberstein observed that MCERA is voting against 22% to 30% of executive pay proposals. He said these percentages are expected to increase once MCERA's custom policy on Chief Executive Officer pay is implemented.

For consideration at December Board meeting

b. Governance Risk Report – Institutional Shareholder Services (ISS) – Jack Ferdon
Review and discuss the ISS quarterly Risk Assessment Report

Jack Ferdon reviewed the ISS Governance Risk Report for the second quarter and third quarter of 2023. The report lists companies that rank poorly on the ISS Quality Score. Staff provided two separate reports listing: (1) Which of MCERA's investment managers were investing in the companies on the Quality Score list along with MCERA's specific investment value; (2) Which managers held companies with proxy contests.

c. Existing Policies – Standard Review with Proposed Updates
   1. Credit Card Policy (ACTION)
   Consider possible action on Governance Committee recommendation to adopt updates to policy

   Credit Card Policy updates reduce four cardholders to three and designate the Chief Financial Officer (CFO) as Approving Officer.

Trustee Gladstern stated the Governance Committee recommends that the Board adopt updates to the Credit Card Policy as submitted. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

   2. Investment Policy Statement (ACTION)
   Consider possible action on Governance Committee recommendation to adopt updates to policy

   Trustee Gladstern explained that proposed updates to the Investment Policy Statement clarify the rebalancing process.

Trustee Gladstern stated the Governance Committee recommends that the updates to the Investment Policy Statement be referred to the Investment Committee for consideration at its December 6, 2023 meeting. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

   3. Policy Regarding Adoption of Actuarial Economic Assumptions (ACTION)
   Consider possible action on Governance Committee recommendation to adopt updates to policy

   The Policy Regarding Adoption of Actuarial Economic Assumptions has one update aligning the valuation year with the June 30, 2022 Actuarial Valuation.

For consideration at December Board meeting

Trustee Gladstern stated the Governance Committee recommends that the Board adopt the update to the Policy Regarding Adoption of Actuarial Economic Assumptions as submitted. The motion passed by a vote of 9-0 as follows:

AYES: Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper, Martinovich

d. Existing Policies – Standard Review without Proposed Updates

Four policies/charters were presented for standard review without proposed updates.

Trustee Gladstern stated the Governance Committee recommends that the Board accept the review of the policies and charters listed in Agenda Items C.2.d.1-4 below. The motion passed by a vote of 9-0 as follows:

AYES: Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES: None
ABSTAIN: None
ABSENT: Cooper, Martinovich

1. Portable Electronic Device Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates

2. Governance Committee Charter (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates

3. Investment Committee Charter (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendations to review without making updates

4. Fiduciary Liability Insurance and Claims Reporting Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendations to review without making updates

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

No discussion.

b. Other Comments

Trustee Maya Gladstern announced that she will not run for reelection when her term expires on October 31, 2024. Trustee Gladstern has served on the Board for over 20 years. She recalled instigating the Board's adoption of the Proxy Voting and

Corporate Governance Policy and acknowledged Trustee Silberstein for using that policy as a framework to advance governance.

Chair Murphy directed deliberations to **Agenda Item E.2**, **New Business**, **Board Meeting Calendar for 2024** at 9:21 a.m.

2. Board Meeting Calendar for 2024 (ACTION)
   Consider and take possible action to approve Calendar.

   Mr. Wickman presented the proposed Board Meeting Calendar for 2024 for consideration by the Board.

It was M/S Werby/Gladstern to approve the Board Meeting Calendar for 2024 as submitted. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

3. SACRS Voting Delegate (ACTION)
   Select delegate and alternate delegate to vote on MCERA's behalf at the SACRS Business Meeting November 10, 2023.

   Mr. Wickman stated the Board is to select a delegate and alternate delegate to vote on MCERA's behalf during the SACRS Business Meeting on November 10, 2023.

It was M/S Gladstern/Poole to select Steve Silberstein as delegate and Daniel Vasquez as alternate delegate to vote on MCERA's behalf at the November 10, 2023 SACRS Business Meeting. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

4. SACRS Business Meeting Agenda and Action Items (ACTION)
   Consider and discuss items on the business meeting agenda that will be voted on by member systems and provide direction to the MCERA voting delegate.

   Mr. Wickman stated SACRS will hold its semi-annual business meeting at the Fall Conference on November 10, 2023. At the Business Meeting delegates from the member systems will be asked to vote on the following action items:

   Agenda Item #2 – Secretary's Report: Spring 2023 SACRS Business Meeting Minutes.
   Mr. Wickman stated staff have reviewed the minutes and recommend the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the May 12, 2023 SACRS Business Meeting Minutes.

For consideration at December Board meeting

> Agenda Item #3 – Treasurer's Report: July 2023 – August 2023 Financials. Mr. Wickman stated staff have reviewed the financial statements and budget and recommend the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the financial statements and budget as presented by the Treasurer.
>
> Agenda Item #5 – SACRS Legislative Committee: Legislative Proposal.
>
> Mr. Wickman said staff reviewed the proposed changes and agrees that language provides additional clarity for the consistent administration of the system and conforms statutory language to current business practices. Staff recommends the Board direct the voting delegate to vote in favor of a motion that the legislation be sponsored by SACRS.

It was M/S Silberstein/Vasquez to direct MCERA's voting delegate to vote to approve SACRS Business Meeting Agenda Items #2, #3, and #5 to be considered at the SACRS Business Meeting on November 10, 2023. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

Chair Murphy directed deliberations to **Agenda Item D**, **Disability Consent Agenda**, at 9:38 a.m.

D. DISABILITY CONSENT AGENDA (TIME CERTAIN: 9:30 a.m.) (ACTION)

Any item that a Board member requests be pulled from the Disability Consent Agenda will be considered in Closed Session under the authority of Government Code section 54957(b), unless the applicant specifically waives confidentiality and requests that their application be considered in Open Session.

1.	Michael Moline	Service-Connected	Marin County Department of Public Works

Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

It was M/S Werby/Silberstein to adopt the Administrative Recommendation to grant Michael Moline's service-connected disability retirement application with an effective date of August 15, 2019. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

Chair Murphy directed deliberations to **Agenda Item E.1**, **Investment Consulting Request for Proposal**.

For consideration at December Board meeting

E. NEW BUSINESS

1. <u>Investment Consulting Request for Proposal (ACTION)</u>
   Consider and take action regarding whether to issue a Request for Proposal

   Mr. Wickman explained that the Investment Consultant Request for Proposal (RFP) was a 2022-23 business objective for the Retirement Administrator. Because the objective was not completed during the evaluation period it was carried over to the 2023-24 Retirement Administrator Business Objectives that were adopted by the Board in September. At the October 17, 2023 Strategic Workshop, the Administrator provided an outline of the Investment Consultant RFP process. Upon discussion of the Board's prior actions and the current consultant, the Board agendized a discussion of whether to continue with the RFP at this meeting.

   Trustee Klein requested a recap of concerns about moving forward with the RFP that were raised at the October 17th Workshop. Trustee Werby said he is concerned about removing Callan and losing access to the company's president as MCERA's lead consultant. Trustee Silberstein noted it is considerable work to conduct the RFP process and thinks Callan has done a good job for MCERA. He prefers to find out what other CERL systems are doing about investment consultants before embarking on an RFP.

   Trustee Vasquez expressed a preference for moving forward with the RFP. He indicated that having managers on the watchlist for six years was an example of complacency and questioned whether the Board is sufficiently exercising its fiduciary duty if it does not perform additional analysis of investment consultants through an RFP. He stated the RFP would also provide price discovery for the investment consultant market and the Board could properly assess value and cost. Trustee Klein supported his view, observing it has been nine years since the last investment consultant RFP. Trustee Klein expressed a concern that managers brought to the Board by the investment consultant should not be among the worst performers in their sector. Trustee Vasquez questioned the concept of efficient markets and suggested seeking new investment approaches in order to serve MCERA's members well.

   Trustee Gladstern indicated she is not in favor of moving forward with an RFP, noting MCERA is well funded and it is not likely MCERA would get the president of another investment consulting firm to be its lead consultant. Trustee Silberstein observed the Investment Committee can remove managers as it chooses. He and Trustee Werby indicated they are agreeable to proceeding with the investment consultant RFP. Mr. Wickman observed that the Watchlist was created at the request of the Board.

It was M/S Klein/Vasquez to issue an Investment Consultant Request for Proposal. The motion passed by a vote of 6-3 as follows:

AYES:	Gullett, Klein, Poole, Silberstein, Vasquez, Werby
NOES:	Gladstern, Murphy, Shaw
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

For consideration at December Board meeting

5. Future Meetings
   Consider and discuss agenda items for future meetings.

   No discussion.

F. OTHER INFORMATION

1. Training Calendar (ACTION)

   The monthly Training Calendar was presented to the Board for consideration. Mr. Wickman highlighted the Dimensional Fund Advisors Institutional Symposium in Santa Monica as a new event for 2024.

It was M/S Silberstein/Gladstern to approve the Training Calendar as submitted. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, , Gullett Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

G. CONSENT CALENDAR (ACTION)

The monthly Consent Calendar was presented for the Board's consideration.

It was M/S Gladstern/Silberstein to approve the Consent Calendar as submitted. The motion passed by a vote of 9-0 as follows:

AYES:	Gladstern, Gullett, Klein, Murphy, Poole, Shaw, Silberstein, Vasquez, Werby
NOES:	None
ABSTAIN:	None
ABSENT:	Cooper, Martinovich

CONSENT CALENDAR
MCERA BOARD MEETING, TUESDAY, OCTOBER 31, 2023

October 2023

RETURN OF CONTRIBUTIONS		
Yuma Argo	Full Refund - Termination	$16,403.91
Robert Bonner	Partial Refund - Contributions - Reciprocity	$1,674.17
Lisa Burton	Full Refund - Termination	$26,445.14
Kyle Clausen	Full Refund - Termination	$17,647.34
Azadeh Honarmand	Partial Refund - Contributions - Reciprocity	$852.38
Maria E. Mendoza	Full Refund - Termination	$40,872.86
Luis Olivera Jr.	Full Refund - Termination	$47,936.83

For consideration at December Board meeting

BUYBACKS	
Bridget Scheiner	$443.77
Bryan Bostjancic	$12,870.00

NEW RETIREES	
Robert Bonner	County of Marin - Human Resources
Christopher Hahn	Marin Superior Court
Terry Hardesty	County of Marin - DRO
Karen Marozick	County of Marin - Sheriff/Coroner
Meherdad Namiranian	City of San Rafael
David Osaki	County of Marin - Sheriff/Coroner
Frank Peterson	County of Marin - Probation
Desiree Reitknecht	County of Marin - Health & Human Services
Ann Rose	County of Marin - Health & Human Services
Marta Selvi	Marin Superior Court
Michelle Urquhart	County of Marin - Retirement
Raoul Wertz	County of Marin - Agriculture, Weights & Measures

DECEASED RETIREES	
Girard Courteau	County of Marin - District Attorney
Carol Mayberry	County of Marin - Health & Human Services
Elfriede Posey	County of Marin - Beneficiary
Christopher Shea	County of Marin - District Attorney

There being no further business, Chair Murphy adjourned the meeting at 10:20 a.m.

Laurie Murphy, Board Chair

Maya Gladstern, Secretary

B.1

Classic Values, Innovative Advice

Marin County Employees' Retirement Association

GASB 67/68 Report as of June 30, 2023

Produced by Cheiron

November 2023

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November 9, 2023

Board of Retirement
Marin County Employees' Retirement Association
1 McInnis Parkway, Suite 100
San Rafael, CA 94903-2764

Dear Members of the Board:

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the Marin County Employees' Retirement Association (MCERA) and under GASB 68 for the County of Marin and the other participating employers. This information includes:

- Determination of the discount rate as of June 30, 2023,
- Projection of MCERA's Total Pension Liability from the valuation date to the measurement date,
- Note disclosures and required supplementary information under GASB 67 for MCERA,
- Determination of collective amounts under GASB 68, and
- Schedules for the financial reporting of participating employers under GASB 68.

If you have any questions about the report or would like additional information, please let us know.

Sincerely,
Cheiron

Graham A Schmidt, ASA EA, FCA, MAAA
Consulting Actuary

William R. Hallmark, ASA, EA, FCA, MAAA
Consulting Actuary

SECTION I – BOARD SUMMARY

Highlights

The measurement date for the Marin County Employees' Retirement Association is June 30, 2023. Measurements are based on the fair value of assets as of June 30, 2023 and the Total Pension Liability (TPL) as of the valuation date, June 30, 2022 updated to June 30, 2023. To the best of our knowledge, there were no significant events between the valuation date and the measurement date, so the update procedures only included the addition of service cost and interest cost offset by actual benefit payments.

The table below provides a summary of the key collective results during this measurement period.

Table I-1
Summary of Collective Results

	Measurement Date			
		6/30/2023		6/30/2022
Net Pension Liability	$	288,821,503	$	312,688,342
Deferred Outflows		(94,077,521)		(115,606,706)
Deferred Inflows		8,631,685		12,947,528
Net Impact on Statement of Net Position	$	203,375,667	$	210,029,164
Pension Expense ($ Amount)	$	75,659,810	$	34,320,065
Pension Expense (% of Payroll)		25.40%		12.29%

The Net Pension Liability (NPL) decreased approximately $24 million since the prior measurement date due to contributions and investment income in excess of service cost, administrative expenses, and interest on the NPL, offset by actuarial experience losses on the TPL.

The gains due to investment earnings being more than expected are recognized over five years. The losses due to liability experience are recognized over the average remaining service life as of the beginning of the measurement period, which is four years. Unrecognized amounts are reported as deferred inflows and deferred outflows.

As of the end of the reporting year, MCERA and its participating employers would report a Net Pension Liability of $288,821,503, Collective Deferred Inflows of $8,631,685, and Collective Deferred Outflows of $94,077,521. Consequently, the net impact on the aggregate of participating employers' Statements of Net Position due to MCERA would be a net liability of $203,375,667 ($288,821,503 + $8,631,685 – $94,077,521) at the end of the measurement year. In addition, any contributions between the measurement date and each individual employer's reporting date would be reported as deferred outflows to offset the cash outflow reported.

SECTION I – BOARD SUMMARY

For the measurement year ending June 30, 2023, the collective annual pension expense is $75,659,810 or 25.40% of covered payroll. This amount is not related to participating employers' contributions to MCERA ($82,313,307), but instead represents the change in the net impact on participating employer's Statements of Net Position plus employer contributions ($203,375,667 – $210,029,164 + $82,313,307). The collective pension expense is considerably larger than the prior year. Volatility in pension expense from year to year is to be expected. For the measurement year ending June 30, 2023, the volatility was largely due to the increase in financing expenses. A breakdown of the financing expenses and other components of the collective net pension expense is shown in Section VI of the report.

SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under Government Accounting Standards Board Statement 67 (GASB 67) for the Marin County Employees' Retirement Association (MCERA) and under GASB 68 for the employers that participate in MCERA. This report is for the use of MCERA, the participating employers, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user. This report is not appropriate for other purposes, including the measurement of funding requirements for MCERA.

In preparing our report, we relied on information (some oral and some written) supplied by MCERA. This information includes, but is not limited to, the 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. The assumptions have been selected by the Board based on our recommendations and analysis. We believe the assumptions to be reasonable.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and, changes in plan provisions or applicable law.

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it 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 report.

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.

Graham A. Schmidt, ASA, EA, FCA, MAAA	William R. Hallmark, ASA, EA, FCA, MAAA
Consulting Actuary	Consulting Actuary

SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate used to measure the Total Pension Liability was 6.75%.

We have assumed that the employees will continue to contribute to MCERA at the current rates and the employers will continue the historical and legally required practice of contributing to the Plan based on an Actuarially Determined Contribution (ADC), reflecting a payment equal to annual normal cost, a portion of the expected administrative expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability (UAL) as a level percent of payroll over a closed period.

Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (8 years remaining as of June 30, 2022), except for the additional UAL attributable to the outstanding unfunded actuarial loss from 2009, which is being amortized over a separate closed period (16 years remaining as of June 30, 2022).

Effective with the June 30, 2014 valuation, any new sources of UAL due to actuarial gains and losses or method changes are amortized over a closed 24-year period, with a 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 in conjunction with traditional five-year asset smoothing. Assumption changes are amortized over a closed 22-year period, with a 3-year ramp up period, 2-year ramp down period, and 17 years of level payments as a percentage of payroll.

We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan…" In our professional judgment, adherence to the contribution policy described above will result in the pension plan's projected fiduciary net position being greater than or equal to the benefit payments projected for each future period.

Therefore, the long-term expected rate of return on MCERA investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, June 30, 2023 is measured as of a valuation date of June 30, 2022 and projected to June 30, 2023. The TPL shown in the prior report was measured as of June 30, 2021 and projected to June 30, 2022. Because the TPLs are based on different valuations, the TPL from the prior report will not match the amounts measured as of June 30, 2022 that are shown in this exhibit.

There were no significant events during the projection period of which we are aware.

The table below shows the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure.

Table IV-1

Projection of Collective TPL from Valuation to Measurement Date

Discount Rate	5.75%	6.75%	7.75%
Valuation Collective TPL, 6/30/2022			
Actives	$ 1,129,198,918	$ 955,443,255	$ 815,120,386
Deferred Vested	171,884,603	143,326,996	121,332,350
Retirees	2,451,159,149	2,227,036,047	2,037,325,460
Total	**$ 3,752,242,670**	**$ 3,325,806,298**	**$ 2,973,778,196**
Service Cost	91,875,474	72,065,376	57,177,614
Benefit Payments	185,125,385	185,125,385	185,125,385
Interest	213,110,487	220,738,455	225,602,344
Collective TPL, 6/30/2023	**$ 3,872,103,246**	**$ 3,433,484,744**	**$ 3,071,432,769**

SECTION V – GASB 67 REPORTING INFORMATION

The table below shows the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of System assets), and the Net Pension Liability during the Measurement Year.

Table V-1
Change in Collective Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balances at 6/30/2022	$ 3,322,567,490	$ 3,009,879,148	$ 312,688,342
Changes for the year:			
Service cost	72,065,376		72,065,376
Interest	220,519,836		220,519,836
Changes of benefits	0		0
Differences between expected and actual experience	3,457,427		3,457,427
Changes of assumptions	0		0
Contributions - employer		82,313,307	(82,313,307)
Contributions - member		35,813,903	(35,813,903)
Net investment income		207,213,820	(207,213,820)
Benefit payments	(185,125,385)	(185,125,385)	0
Administrative expense		(5,431,552)	5,431,552
Net changes	110,917,254	134,784,093	(23,866,839)
Balances at 6/30/2023	$ 3,433,484,744	$ 3,144,663,241	$ 288,821,503

During the measurement year, the NPL decreased by approximately $24 million. The service cost and interest cost increased the NPL by approximately $293 million while contributions and investment income offset by administrative expenses decreased the NPL by approximately $320 million.

There were no changes in assumptions or benefits during the year. There were actuarial experience losses during the year that increased the collective NPL by approximately $3 million.

SECTION V – GASB 67 REPORTING INFORMATION

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate.

Table V-2
Sensitivity of Collective Net Pension Liability to Changes in Discount Rate

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total Pension Liability	$ 3,872,103,246	$ 3,433,484,744	$ 3,071,432,769
Plan Fiduciary Net Position	3,144,663,241	3,144,663,241	3,144,663,241
Collective Net Pension Liability	$ 727,440,005	$ 288,821,503	$ (73,230,472)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.2%	91.6%	102.4%

A one percent decrease in the discount rate increases the TPL by approximately 13%, while a one percent increase in the discount rate decreases the TPL by approximately 11%. The increase and decrease in the NPL from these respective discount rate changes are substantially higher.

SECTION V – GASB 67 REPORTING INFORMATION

The schedules on the next two pages show the changes in collective NPL and related ratios required by GASB for the last 10 years.

Table V-3
Schedule of Changes in Collective Net Pension Liability and Related Ratios

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Total Pension Liability					
Service cost (MOY)	$ 72,065,376	$ 69,061,416	$ 68,379,239	$ 63,855,331	$ 63,587,459
Interest	220,519,836	214,652,039	207,084,921	203,816,884	195,274,190
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	3,457,427	(17,263,371)	8,570,419	15,620,886	16,721,629
Changes of assumptions	0	0	33,674,504	0	0
Benefit payments, including refunds	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,983)
Net change in TPL	**$ 110,917,254**	**$ 89,448,381**	**$ 150,029,281**	**$ 124,999,574**	**$ 126,370,295**
TPL - beginning	**3,322,567,490**	**3,233,119,109**	**3,083,089,828**	**2,958,090,254**	**2,831,719,959**
TPL - ending	**$ 3,433,484,744**	**$ 3,322,567,490**	**$ 3,233,119,109**	**$ 3,083,089,828**	**$ 2,958,090,254**
Plan fiduciary net position					
Contributions - employer	$ 82,313,307	$ 85,165,422	$ 80,359,731	$ 75,643,074	$ 78,738,814
Contributions - member	35,813,903	33,878,121	32,019,007	30,913,996	30,010,459
Net investment income	207,213,820	(322,722,434)	829,890,325	89,273,498	136,483,513
Benefit payments, including refunds	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,983)
Administrative expense	(5,431,552)	(4,960,544)	(4,383,839)	(4,607,760)	(5,056,351)
Net change in plan fiduciary net position	**$ 134,784,093**	**$ (385,641,138)**	**$ 770,205,421**	**$ 32,929,281**	**$ 90,963,452**
Plan fiduciary net position - beginning	**3,009,879,148**	**3,395,520,286**	**2,625,314,865**	**2,592,385,584**	**2,501,422,132**
Plan fiduciary net position - ending	**$ 3,144,663,241**	**$ 3,009,879,148**	**$ 3,395,520,286**	**$ 2,625,314,865**	**$ 2,592,385,584**
Net pension liability - ending	**$ 288,821,503**	**$ 312,688,342**	**$ (162,401,177)**	**$ 457,774,963**	**$ 365,704,670**
Plan fiduciary net position as a percentage of the TPL	91.59%	90.59%	105.02%	85.15%	87.64%
Covered payroll	$ 297,919,324	$ 279,282,881	$ 272,441,885	$ 264,730,129	$ 253,964,938
Net pension liability as a percentage of covered payroll	96.95%	111.96%	-59.61%	172.92%	144.00%

SECTION V – GASB 67 REPORTING INFORMATION

Table V-3
Schedule of Changes in Collective Net Pension Liability and Related Ratios

	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability					
Service cost (MOY)	$ 61,074,664	$ 57,090,773	$ 55,208,834	$ 49,064,492	$ 49,014,858
Interest	188,096,539	184,139,800	176,564,792	166,718,783	159,521,975
Changes of benefit terms	0	0	0	0	0
Differences between expected and actual experience	(3,412,765)	(904,678)	(212,631)	(31,054,299)	0
Changes of assumptions	40,801,678	0	0	144,753,646	0
Benefit payments, including refunds	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Net change in TPL	**$ 146,703,444**	**$ 108,388,833**	**$ 107,357,476**	**$ 213,497,871**	**$ 99,193,972**
TPL - beginning	**2,685,016,515**	**2,576,627,682**	**2,469,270,206**	**2,255,772,335**	**2,156,578,363**
TPL - ending	**$ 2,831,719,959**	**$ 2,685,016,515**	**$ 2,576,627,682**	**$ 2,469,270,206**	**$ 2,255,772,335**
Plan fiduciary net position					
Contributions - employer	$ 78,754,476	$ 77,502,945	$ 75,260,980	$ 68,915,072	$ 69,980,201
Contributions - member	28,628,627	28,053,775	27,207,157	24,920,493	22,952,689
Net investment income	221,839,196	248,347,501	42,927,728	100,055,573	309,002,468
Benefit payments, including refunds	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Administrative expense	(4,203,705)	(4,404,191)	(4,379,760)	(4,654,623)	(4,503,845)
Net change in plan fiduciary net position	**$ 185,161,922**	**$ 217,562,968**	**$ 16,812,586**	**$ 73,251,763**	**$ 288,088,652**
Plan fiduciary net position - beginning	**2,316,260,210**	**2,098,697,242**	**2,081,884,656**	**2,008,632,893**	**1,720,544,241**
Plan fiduciary net position - ending	**$ 2,501,422,132**	**$ 2,316,260,210**	**$ 2,098,697,242**	**$ 2,081,884,656**	**$ 2,008,632,893**
Net pension liability - ending	**$ 330,297,827**	**$ 368,756,305**	**$ 477,930,440**	**$ 387,385,550**	**$ 247,139,442**
Plan fiduciary net position as a percentage of the TPL	88.34%	86.27%	81.45%	84.31%	89.04%
Covered payroll	$ 248,532,086	$ 242,045,311	$ 238,185,040	$ 223,825,880	$ 218,340,721
Net pension liability as a percentage of covered payroll	132.90%	152.35%	200.66%	173.07%	113.19%

SECTION V – GASB 67 REPORTING INFORMATION

The following schedule shows information on the Actuarially Determined Contributions (ADC) and related contributions.

Table V-4
Schedule of Collective Employer Contributions

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Actuarially Determined Contribution	$ 82,313,307	$ 85,165,422	$ 80,359,731	$ 75,643,074	$ 78,738,814
Contributions in Relation to the Actuarially Determined Contribution	82,313,307	85,165,422	80,359,731	75,643,074	78,738,814
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Covered Payroll	$297,919,324	$279,282,881	$272,441,885	$264,730,129	$253,964,938
Contributions as a Percentage of Covered Payroll	27.63%	30.49%	29.50%	28.57%	31.00%
	FYE 2018	**FYE 2017**	**FYE 2016**	**FYE 2015**	**FYE 2014**
Actuarially Determined Contribution	$ 78,754,476	$ 77,502,945	$ 75,260,980	$ 68,915,072	$ 69,660,201
Contributions in Relation to the Actuarially Determined Contribution	78,754,476	77,502,945	75,260,980	68,595,072	69,980,201
Contribution Deficiency/(Excess)	$ 0	$ 0	$ 0	$ 320,000	$ (320,000)
Covered Payroll	$248,532,086	$242,045,311	$238,185,040	$223,825,880	$218,340,721
Contributions as a Percentage of Covered Payroll	31.69%	32.02%	31.60%	30.65%	32.05%

SECTION V – GASB 67 REPORTING INFORMATION

The following information on key methods and assumptions used to calculate the ADC for FYE 2023 should be presented as notes to the schedule.

Notes to Schedule	
Valuation date	June 30, 2021 (to determine FY2022-23 contribution)
Timing	Actuarially Determined Contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll with separate periods for Extraordinary Actuarial Gains or Loss (17 years remaining as of (6/30/2021), the remaining UAL as of June 20, 2013 (9 years as of 6/30/2021), and additional layers for unexpected changes in UAL after 6/30/2013 (24 years for gains and losses with a 5-year phase in/out and 22 years for assumption changes with a 3-year phase in/out).
Discount rate	6.75%
Amortization growth rate	2.75%
Price Inflation	2.50%
Salary increases	3.00% plus merit component based on employee classification and years of service.
Base Mortality	Sex-distinct Public General 2010 Employee, Healthy Retiree, Disabled Retiree, and Contingent Survivor Mortality Tables, for Miscellaneous actives, healthy retirees (and their beneficiaries prior to the death of the member), disabled retirees, and all beneficiaries in pay status, respectively, with female beneficiaries in pay status adjusted by 105%. Sex-distinct Public Safety 2010 Above-Median Income Employee, Healthy Retiree, and Disabled Retiree Mortality Tables for Safety actives, healthy retirees (and their beneficiaries prior to the death of the member), and disabled retirees, respectively, with male disabled members adjusted by 95%.
Mortality Improvement	All base tables are projected with generational mortality improvements from a base year of 2010 using Projection Scale MP-2020.
A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2023, can be found in the June 30, 2021 actuarial valuation report.	

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

We understand that MCERA's participating employers elected to use the 2014 measurement date for their initial reporting under GASB 68 on their June 30, 2015 reporting dates. As a result, the schedules in this section will be used by employers for their FYE 2024 reporting.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next five years and the total amount recognized thereafter.

Table VI-1
Schedule of Collective Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,735,674	$ 8,631,685
Changes in assumptions	8,418,626	0
Net difference between projected and actual earnings on pension plan investments	80,923,221	0
Total	**$ 94,077,521**	**$ 8,631,685**

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended June 30:	
2024	2,904,025
2025	(25,708,163)
2026	109,540,288
2027	(1,290,314)
2028	0
Thereafter	$ 0

The tables on the following pages provide details on the current balances of deferred inflows and outflows of resources along with the recognition of each base for each of the current and following five years, as well as the total for any years thereafter.

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Table VI-2
Recognition of Experience (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2023	2024	2025	2026	2027
2023	4.0	$ 3,457,427	$ 3,457,427	$ 2,593,070	$ 864,357	$ 864,357	$ 864,357	$ 864,356	$ 0
2022	4.0	(17,263,371)	(12,947,528)	(8,631,685)	(4,315,843)	(4,315,843)	(4,315,842)	0	0
2021	4.0	8,570,419	4,285,209	2,142,604	2,142,605	2,142,604	0	0	0
2020	4.0	15,620,886	3,905,220	0	3,905,220	0	0	0	0
Deferred Outflows			11,647,856	4,735,674	6,912,182	3,006,961	864,357	864,356	0
Deferred (Inflows)			(12,947,528)	(8,631,685)	(4,315,843)	(4,315,843)	(4,315,842)	0	0
Net Change in Pension Expense			$ (1,299,672)	$ (3,896,011)	$ 2,596,339	$ (1,308,882)	$ (3,451,485)	$ 864,356	$ 0

Table VI-3
Recognition of Assumption Changes

Change Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2023	2024	2025	2026	2027
2023	4.0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2022	4.0	0	0	0	0	0	0	0	0
2021	4.0	33,674,504	16,837,252	8,418,626	8,418,626	8,418,626	0	0	0
2020	4.0	0	0	0	0	0	0	0	0
Deferred Outflows			16,837,252	8,418,626	8,418,626	8,418,626	0	0	0
Deferred (Inflows)			0	0	0	0	0	0	0
Net Change in Pension Expense			$ 16,837,252	$ 8,418,626	$ 8,418,626	$ 8,418,626	$ 0	$ 0	$ 0

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Table VI-4
Recognition of Investment (Gains) and Losses

Experience Year	Recognition Period	Total Amount	Beginning Remaining Amount	Ending Remaining Amount	Recognition Year 2023	2024	2025	2026	2027
2023	5.0	$ (6,451,566)	$ (6,451,566)	$ (5,161,253)	$ (1,290,313)	$ (1,290,313)	$ (1,290,313)	$ (1,290,313)	$ (1,290,314)
2022	5.0	549,831,221	439,864,977	329,898,733	109,966,244	109,966,244	109,966,244	109,966,245	0
2021	5.0	(654,663,045)	(392,797,827)	(261,865,218)	(130,932,609)	(130,932,609)	(130,932,609)	0	0
2020	5.0	90,254,799	36,101,919	18,050,959	18,050,960	18,050,959	0	0	0
2019	5.0	37,049,780	7,409,956	0	7,409,956	0	0	0	0
Net Change in Pension Expense			$ 84,127,459	$ 80,923,221	$ 3,204,238	$ (4,205,719)	$ (22,256,678)	$ 108,675,932	$ (1,290,314)

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

The collective annual pension expense recognized by participating employers can be calculated two different ways. First, it is the change in the amounts reported on the participating employers' Statement of Net Position that relate to MCERA and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, annual pension expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of pension expense.

Table VI-5
Calculation of Collective Pension Expense

	Measurement Year Ending 2023	2022
Change in Net Pension Liability	$ (23,866,839)	$ 475,089,519
Change in Deferred Outflows	21,529,185	(71,932,164)
Change in Deferred Inflows	(4,315,843)	(454,002,712)
Employer Contributions	82,313,307	85,165,422
Pension Expense	**$ 75,659,810**	**$ 34,320,065**
Pension Expense as % of Payroll	**25.40%**	**12.29%**
Operating Expenses		
Service cost	$ 72,065,376	$ 69,061,416
Employee contributions	(35,813,903)	(33,878,121)
Administrative expenses	5,431,552	4,960,544
Total	$ 41,683,025	$ 40,143,839
Financing Expenses		
Interest cost	$ 220,519,836	$ 214,652,039
Expected return on assets	(200,762,254)	(227,108,787)
Total	$ 19,757,582	$ (12,456,748)
Changes		
Benefit changes	$ 0	$ 0
Recognition of assumption changes	8,418,626	8,418,626
Recognition of liability gains and losses	2,596,339	5,912,392
Recognition of investment gains and losses	3,204,238	(7,698,044)
Total	$ 14,219,203	$ 6,632,974
Pension Expense	**$ 75,659,810**	**$ 34,320,065**

SECTION VI – GASB 68 COLLECTIVE AMOUNTS

Operating expenses are items directly attributable to the operation of the plan during the measurement year. Service cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating MCERA for the year.

Financing expenses equal the interest on the Total Pension Liability less the expected return on assets. Since, the discount rate is equal to the long-term expected return on assets, the financing expense is primarily the interest on the Net Pension Liability with an adjustment for the difference between the interest on the service cost and contributions.

The recognition of changes will drive most of the volatility in pension expense from year to year. Changes include any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The total pension expense increased from the prior year by about $41 million. In the current year pension expense, the recognition of changes increased by approximately $8 million, operating expenses increased by $1.5 million, and financing expenses increased by $32 million compared to the prior year.

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Proportionate Shares

Because MCERA is a cost-sharing multiple-employer pension plan, each employer participating in MCERA must report a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in its financial statements. GASB 68 requires that the proportionate share for each employer be determined based on the "employer's projected long-term contribution effort to the pension … as compared to the total projected long-term contribution effort of all employers …."

Beginning with the June 30, 2022 measurement date, proportionate shares are determined based on the projected UAL as of the measurement date for each employer. For this report we projected the liabilities for each employer from the June 30, 2022 actuarial valuation to June 30, 2023 using the same procedures used to update the TPL between these dates. We allocated the assets as of June 30, 2023 to each of the three main cost-sharing groups – the County and related employers, the City of San Rafael, and the Novato Fire Protection District – based on the reserves provided by MCERA as of the measurement date, and within each cost-sharing group allocated the assets using the policy adopted by the Board with the June 30, 2021 actuarial valuation to produce an equal funded ratio for each employer within the group.

Table VII-1
Determination of Employers' Proportionate Share*

Employer	June 30, 2023 Projected UAL	June 30, 2023 Proportionate Share	June 30, 2022 Projected UAL	June 30, 2022 Proportionate Share
County	$ 151,192,915	52.3482%	$ 167,182,825	53.4663%
LAFCO	85,362	0.0296%	94,887	0.0303%
Marin City	58,743	0.0203%	74,948	0.0240%
Mosquito District	2,412,781	0.8354%	2,602,440	0.8323%
South Marin Fire	7,153,525	2.4768%	7,896,941	2.5255%
Tamalpais CSD	744,597	0.2578%	826,499	0.2643%
Courts	6,182,527	2.1406%	6,842,623	2.1883%
City of San Rafael	99,372,303	34.4061%	105,476,578	33.7322%
Novato Fire	21,618,751	7.4852%	21,690,607	6.9368%
Total	**$ 288,821,503**	**100.0000%**	**$ 312,688,348**	**100.0000%**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the proportionate share of the collective NPL (under three discount rates), the collective deferred outflows, the collective deferred inflows, and the collective pension expense allocated to each participating employer as of June 30, 2023.

Table VII-2
Schedule of Employers' Proportionate Share of Collective Amounts at June 30, 2023*

Employer	Proportionate Share	Share of NPL @ 5.75%	Share of NPL @ 6.75%	Share of NPL @ 7.75%	Share of Deferred Outflows	Share of Deferred Inflows	Pension Expense
County	52.3482%	380,801,749	151,192,858	(38,334,834)	49,247,889	4,518,532	39,606,549
LAFCO	0.0296%	215,322	85,491	(21,676)	27,847	2,555	22,395
Marin City	0.0203%	147,670	58,631	(14,866)	19,098	1,752	15,359
Mosquito District	0.8354%	6,077,034	2,412,815	(611,767)	785,924	72,109	632,062
South Marin Fire	2.4768%	18,017,234	7,153,531	(1,813,772)	2,330,112	213,790	1,873,942
Tamalpais CSD	0.2578%	1,875,340	744,582	(188,788)	242,532	22,252	195,051
Courts	2.1406%	15,571,581	6,182,513	(1,567,571)	2,013,823	184,770	1,619,574
City of San Rafael	34.4061%	250,283,736	99,372,215	(25,195,749)	32,368,406	2,969,826	26,031,590
Novato Fire	7.4852%	54,450,339	21,618,867	(5,481,447)	7,041,891	646,099	5,663,288
Total	**100.0000%**	**$727,440,005**	**$288,821,503**	**$ (73,230,472)**	**$ 94,077,521**	**$ 8,631,685**	**$ 75,659,810**

* Numbers may not sum to total due to rounding

The proportionate share allocated to each individual employer will change on each measurement date. The net effect of the change in proportion on the share of the collective NPL, collective deferred outflows, and collective deferred inflows allocated to each employer becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of MCERA's active and inactive members (four years).

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

Similarly, the difference between each employer's actual contributions and the employer's proportionate share of collective employer contributions becomes a deferred outflow or inflow for that employer and is recognized over the average future working life of MCERA's active and inactive members (four years).

The table below shows the change in proportion and the impact of that change in proportion on the proportionate share of the collective NPL, collective deferred outflows, and collective deferred inflows. It also shows any contribution differences.

Table VII-3
Schedule of Employers' Changes in Proportion and Contribution Differences*

	Proportionate Shares		Impact of Change in Proportion				Contributions		
Employer	6/30/2022	6/30/2023	Net Pension Liability	Deferred Outflows	Deferred Inflows	Net Effect	Actual	Proportionate Share	Difference
County	53.4663%	52.3482%	$ (3,496,168)	$ (1,292,599)	$ 144,766	$ (2,348,336)	$ 50,371,278	$ 43,089,535	$ 7,281,743
LAFCO	0.0303%	0.0296%	(2,189)	(809)	91	(1,470)	35,373	24,365	11,008
Marin City	0.0240%	0.0203%	(11,569)	(4,277)	479	(7,771)	139,691	16,710	122,981
Mosquito District	0.8323%	0.8354%	9,693	3,584	(401)	6,511	1,754,536	687,645	1,066,891
South Marin Fire	2.5255%	2.4768%	(152,279)	(56,300)	6,305	(102,284)	2,726,587	2,038,736	687,851
Tamalpais CSD	0.2643%	0.2578%	(20,325)	(7,514)	842	(13,652)	352,811	212,204	140,607
Courts	2.1883%	2.1406%	(149,152)	(55,144)	6,176	(100,184)	1,793,008	1,761,999	31,009
City of San Rafael	33.7322%	34.4061%	2,107,207	779,074	(87,253)	1,415,387	20,570,206	28,320,799	(7,750,593)
Novato Fire	6.9368%	7.4852%	1,714,783	633,987	(71,004)	1,151,800	4,569,817	6,161,316	(1,591,499)
Total	**100.0000%**	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$82,313,307**	**$82,313,307**	**$ 0**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to proportion changes for each participating employer from the prior measurement date to the current measurement date.

Table VII-4
Reconciliation of Deferred Outflows and Inflows Due to Proportion Change*

	Deferred Outflows				Deferred Inflows			
Employer	6/30/2022	Current Year Net Effect	Recognition	6/30/2023	6/30/2022	Current Year Net Effect	Recognition	6/30/2023
County	$ 6,891,880	$ 0	$ 4,009,284	$ 2,882,595	$ (4,712,568)	$ (2,348,336)	$ (2,157,940)	$ (4,902,964)
LAFCO	65,569	0	26,046	39,522	(13,222)	(1,470)	(6,978)	(7,713)
Marin City	46,957	0	15,652	31,305	(2,334)	(7,771)	(4,277)	(5,828)
Mosquito District	396,752	6,511	398,380	4,883	(1,411,625)	0	(476,145)	(935,480)
South Marin Fire	1,321,839	0	741,410	580,429	(1,944,428)	(102,284)	(673,714)	(1,372,999)
Tamalpais CSD	385,040	0	132,943	252,097	(260,192)	(13,652)	(263,605)	(10,239)
Courts	602,733	0	400,442	202,291	(250,831)	(100,184)	(108,656)	(242,359)
City of San Rafael	7,957,716	1,415,387	3,006,419	6,366,684	(10,883,765)	0	(6,452,257)	(4,431,507)
Novato Fire	1,946,068	1,151,800	1,458,193	1,639,675	(135,590)	0	(45,197)	(90,393)
Total	**$19,614,554**	**$ 2,573,697**	**$10,188,769**	**$11,999,482**	**$(19,614,554)**	**$ (2,573,697)**	**$(10,188,769)**	**$(11,999,482)**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the reconciliation of deferred outflows and inflows due to contribution differences for each participating employer from the prior measurement date to the current measurement date.

Table VII-5
Reconciliation of Deferred Outflows and Inflows Due to Contribution Differences*

	Deferred Outflows				Deferred Inflows			
Employer	**6/30/2022**	**Current Year Difference**	**Recognition**	**6/30/2023**	**6/30/2022**	**Current Year Difference**	**Recognition**	**6/30/2023**
County	$ 9,128,038	$ 7,281,743	$ 6,322,136	$ 10,087,645	$ 0	$ 0	$ 0	$ 0
LAFCO	45,735	11,008	27,717	29,026	0	0	0	0
Marin City	65,898	122,981	64,201	124,678	0	0	0	0
Mosquito District	316,606	1,066,891	372,258	1,011,238	(157,950)	0	(103,307)	(54,643)
South Marin Fire	716,725	687,851	478,358	926,218	(46,758)	0	(23,379)	(23,379)
Tamalpais CSD	268,111	140,607	199,341	209,377	0	0	0	0
Courts	71,484	31,009	71,235	31,259	(11,273)	0	(3,758)	(7,516)
City of San Rafael	0	0	0	0	(8,812,125)	(7,750,593)	(6,345,578)	(10,217,140)
Novato Fire	0	0	0	0	(1,584,490)	(1,591,499)	(1,059,225)	(2,116,764)
Total	**$ 10,612,596**	**$ 9,342,091**	**$ 7,535,246**	**$ 12,419,441**	**$ (10,612,596)**	**$ (9,342,091)**	**$ (7,535,246)**	**$(12,419,441)**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred outflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-6
Schedule of Employers' Deferred Outflows at June 30, 2023*

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	52.3482%	$ 2,479,040	$ 4,406,999	$ 42,361,850	$ 2,882,595	$ 10,087,645
LAFCO	0.0296%	1,402	2,492	23,953	39,522	29,026
Marin City	0.0203%	961	1,709	16,427	31,305	124,678
Mosquito District	0.8354%	39,562	70,329	676,033	4,883	1,011,238
South Marin Fire	2.4768%	117,293	208,513	2,004,306	580,429	926,218
Tamalpais CSD	0.2578%	12,209	21,703	208,620	252,097	209,377
Courts	2.1406%	101,372	180,209	1,732,242	202,291	31,259
City of San Rafael	34.4061%	1,629,361	2,896,521	27,842,524	6,366,684	0
Novato Fire	7.4852%	354,475	630,151	6,057,265	1,639,675	0
Total	**100.0000%**	**$ 4,735,674**	**$ 8,418,626**	**$ 80,923,221**	**$ 11,999,482**	**$ 12,419,441**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the deferred inflows allocated to each employer for experience, assumption changes, investment returns, proportion changes, and contribution differences.

Table VII-7
Schedule of Employers' Deferred Inflows at June 30, 2023*

Employer	Proportionate Shares	Experience	Assumption Changes	Investment Return	Proportion Change	Contribution Difference
County	52.3482%	$ 4,518,532	$ 0	$ 0	$ 4,902,964	$ 0
LAFCO	0.0296%	2,555	0	0	7,713	0
Marin City	0.0203%	1,752	0	0	5,828	0
Mosquito District	0.8354%	72,109	0	0	935,480	54,643
South Marin Fire	2.4768%	213,790	0	0	1,372,999	23,379
Tamalpais CSD	0.2578%	22,252	0	0	10,239	0
Courts	2.1406%	184,770	0	0	242,359	7,516
City of San Rafael	34.4061%	2,969,826	0	0	4,431,507	10,217,140
Novato Fire	7.4852%	646,099	0	0	90,393	2,116,764
Total	**100.0000%**	**$ 8,631,685**	**$ 0**	**$ 0**	**$ 11,999,482**	**$ 12,419,441**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the net amount of deferred outflows and inflows to be recognized by each participating employer in each of the next four years and the total thereafter.

Table VII-8

Schedule of Employers' Recognition of Deferred Outflows and Inflows at June 30, 2023*

	Recognition for Measurement Year Ending				
Employer	**2024**	**2025**	**2026**	**2027**	**Thereafter**
County	$ 6,966,007	$ (12,069,638)	$ 58,575,721	$ (675,456)	$ 0
LAFCO	30,181	21,520	34,808	(382)	0
Marin City	70,036	46,687	51,039	(262)	0
Mosquito District	(132,642)	(300,215)	1,183,450	(10,779)	0
South Marin Fire	332,390	(933,326)	2,859,486	(31,958)	0
Tamalpais CSD	254,781	105,926	314,134	(3,326)	0
Courts	167,794	(654,971)	2,327,526	(27,620)	0
City of San Rafael	(5,032,160)	(9,512,017)	36,104,739	(443,947)	0
Novato Fire	247,636	(2,412,128)	8,089,385	(96,583)	0
Total	**$ 2,904,025**	**$ (25,708,163)**	**$ 109,540,288**	**$ (1,290,314)**	**$ 0**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below shows the calculation of the pension expense for each participating employer. The calculation is shown first as the sum of the proportionate share of the collective pension expense and the amounts recognized for proportion changes and contribution differences. The right side of the table shows the calculation as the sum of the changes in NPL and deferred amounts not attributable to contributions.

Employers that are using a June 30, 2023 measurement date for their June 30, 2024 financial statements can use this schedule for their annual pension expense.

Table VII-9

Schedule of Employers' Pension Expense for the Measurement Year Ending June 30, 2023*

Employer	Collective Pension Expense	Change in Proportion	Contribution Difference	Employer Pension Expense	Change in Employer Net Pension Liability	Change in Employer Deferred Outflows	Change in Employer Deferred Inflows	Employer Contributions	Employer Pension Expense
County	$ 39,606,549	$ 1,851,344	$ 6,322,136	$ 47,780,029	$ (15,990,029)	$ 15,612,417	$ (2,213,636)	$ 50,371,278	$ 47,780,029
LAFCO	22,395	19,068	27,717	69,180	(9,253)	49,936	(6,876)	35,373	69,180
Marin City	15,359	11,375	64,201	90,935	(16,414)	(34,480)	2,139	139,691	90,935
Mosquito District	632,062	(77,766)	268,951	823,248	(189,690)	(126,493)	(615,105)	1,754,536	823,248
South Marin Fire	1,873,942	67,696	454,979	2,396,618	(743,413)	1,121,453	(708,009)	2,726,587	2,396,618
Tamalpais CSD	195,051	(130,662)	199,341	263,730	(81,853)	254,693	(261,921)	352,811	263,730
Courts	1,619,574	291,786	67,477	1,978,837	(660,046)	956,666	(110,791)	1,793,008	1,978,837
City of San Rafael	26,031,590	(3,445,839)	(6,345,578)	16,240,174	(6,104,442)	8,219,312	(6,444,902)	20,570,206	16,240,174
Novato Fire	5,663,288	1,412,996	(1,059,225)	6,017,059	(71,698)	1,283,908	235,032	4,569,817	6,017,059
Total	**$75,659,810**	**$ 0**	**$ 0**	**$75,659,810**	**$ (23,866,839)**	**$ 27,337,411**	**$ (10,124,069)**	**$82,313,307**	**$75,659,810**

* Numbers may not sum to total due to rounding

SECTION VII – GASB 68 REPORTING INFORMATION FOR PARTICIPATING EMPLOYERS

The table below summarizes the information needed for each employer's schedules of required supplementary information.

Table VII-10
Schedule of Employers' RSI Information at June 30, 2023*

Employer	Proportionate Shares	Proportionate Share of NPL	Covered Payroll	Share of NPL as a % of Payroll	Plan Fiduciary Net Position as % of TPL	Contractually Required Contribution	Actual Contributions	Contribution Deficiency	Contributions as a % of Payroll
County	52.3482%	$ 151,192,858	$ 228,496,505	66.2%	91.6%	$ 50,371,278	$ 50,371,278	$ 0	22.0%
LAFCO	0.0296%	85,491	309,366	27.6%	91.6%	35,373	35,373	0	11.4%
Marin City	0.0203%	58,631	89,818	65.3%	91.6%	139,691	139,691	0	155.5%
Mosquito District	0.8354%	2,412,815	3,750,996	64.3%	91.6%	1,754,536	1,754,536	0	46.8%
South Marin Fire	2.4768%	7,153,531	7,804,465	91.7%	91.6%	2,726,587	2,726,587	0	34.9%
Tamalpais CSD	0.2578%	744,582	1,454,404	51.2%	91.6%	352,811	352,811	0	24.3%
Courts	2.1406%	6,182,513	8,544,361	72.4%	91.6%	1,793,008	1,793,008	0	21.0%
City of San Rafael	34.4061%	99,372,215	36,858,411	269.6%	91.6%	20,570,206	20,570,206	0	55.8%
Novato Fire	7.4852%	21,618,867	10,610,997	203.7%	91.6%	4,569,817	4,569,817	0	43.1%
Total	**100.0000%**	**$288,821,503**	**$297,919,324**	**96.9%**	**91.6%**	**$82,313,307**	**$82,313,307**	**$ 0**	**27.6%**

* Numbers may not sum to total due to rounding

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: County of Marin	Marin County						Marin Special Districts						Total County and Special Districts	
	Miscellaneous		Safety		Total		Miscellaneous		Safety		Total			
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants														
Number	1,706	1,745	356	353	2,062	2,098	163	174	52	50	215	224	2,277	2,322
Average Age	47.39	47.32	40.28	40.39	46.16	46.16	47.79	46.16	41.31	42.41	46.23	45.32	46.17	46.08
Average Service	9.55	9.28	10.75	10.80	9.75	9.53	10.44	9.32	9.46	10.08	10.20	9.49	9.80	9.53
Average Pay*	$97,358	$99,401	$123,044	$127,379	$101,792	$104,108	$87,666	$88,330	$132,414	$139,002	$98,489	$99,641	$101,481	$103,677
Service Retired														
Number	1,710	1,757	290	302	2,000	2,059	151	159	34	36	185	195	2,185	2,254
Average Age	72.80	73.05	64.61	64.74	71.61	71.83	69.99	70.53	63.87	63.50	68.87	69.23	71.38	71.60
Average Total Benefit*	$40,184	$40,681	$72,947	$74,049	$44,935	$45,575	$39,403	$40,455	$72,909	$72,090	$45,561	$46,295	$44,988	$45,638
Beneficiaries														
Number	283	288	78	81	361	369	17	18	8	10	25	28	386	397
Average Age	74.96	75.33	70.16	70.32	73.92	74.23	68.36	69.47	66.33	69.95	67.71	69.64	73.52	73.91
Average Total Benefit*	$27,432	$28,376	$45,530	$48,325	$31,342	$32,755	$26,895	$26,486	$52,394	$58,091	$35,055	$37,774	$31,583	$33,109
Duty Disabled														
Number	83	82	125	129	208	211	6	7	19	17	25	24	233	235
Average Age	69.85	70.50	64.39	64.51	66.57	66.84	66.88	66.07	66.72	66.78	66.76	66.57	66.59	66.81
Average Total Benefit*	$40,146	$41,551	$63,643	$65,553	$54,267	$56,225	$34,947	$35,271	$64,005	$66,058	$57,031	$57,079	$54,563	$56,312
Ordinary Disabled														
Number	28	29	8	8	36	37	2	2	0	0	2	2	38	39
Average Age	72.37	72.94	57.14	58.14	68.98	69.74	66.85	67.85	0.00	0.00	66.85	67.85	68.87	69.65
Average Total Benefit*	$22,712	$23,039	$45,027	$45,963	$27,671	$27,996	$26,917	$27,455	$0	$0	$26,917	$27,455	$27,631	$27,968
Total In Pay														
Number	2,104	2,156	501	520	2,605	2,676	176	186	61	63	237	249	2,842	2,925
Average Age	72.97	73.25	65.30	65.45	71.49	71.74	69.69	70.23	65.08	65.41	68.50	69.01	71.24	71.51
Average Total Benefit*	$38,235	$38,833	$65,911	$67,502	$43,558	$44,404	$37,901	$38,768	$67,445	$68,241	$45,505	$46,225	$43,720	$44,559
Terminated Vested														
Number	261	303	34	36	295	339	20	23	3	4	23	27	318	366
Average Age	48.41	47.62	42.43	42.05	47.72	47.02	48.27	50.69	52.40	47.61	48.81	50.23	47.80	47.26
Average Service	8.20	7.86	7.18	6.28	8.08	7.69	9.15	8.43	7.00	6.00	8.87	8.07	8.14	7.72
Transfers														
Number	170	161	54	50	224	211	28	25	10	9	38	34	262	245
Average Age	50.18	50.19	44.66	45.10	48.85	48.98	48.20	50.03	46.84	47.22	47.84	49.29	48.70	49.02
Average Service	4.96	5.04	4.98	5.04	4.97	5.04	5.18	6.00	5.20	5.00	5.18	5.74	5.00	5.13
Total Inactive														
Number	431	464	88	86	519	550	48	48	13	13	61	61	580	611
Average Age	49.11	48.51	43.80	43.82	48.21	47.77	48.23	50.35	48.12	47.34	48.20	49.70	48.21	47.97
Average Service	6.92	6.88	5.83	5.56	6.74	6.67	6.83	7.17	5.62	5.31	6.57	6.77	6.72	6.68

*All payroll and benefit figures shown are annual.

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: City of San Rafael	Miscellaneous		Police		Fire		Total Safety		Total	
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants										
Number	188	199	68	68	70	63	138	103	326	302
Average Age	46.14	45.13	38.38	39.08	39.08	39.76	38.74	40.86	43.01	43.67
Average Service	9.22	8.64	9.26	9.65	9.37	9.78	9.32	11.20	9.26	9.52
Average Pay*	$85,235	$90,737	$125,863	$132,279	$128,265	$135,095	$127,082	$139,502	$102,949	$107,369
Service Retired										
Number	289	299	82	85	86	85	168	170	457	469
Average Age	70.41	70.70	66.93	67.39	68.95	68.95	67.96	68.17	69.51	69.78
Average Total Benefit*	$41,223	$42,507	$77,125	$77,033	$101,395	$105,420	$89,549	$91,227	$58,988	$60,167
Beneficiaries										
Number	43	43	26	26	22	29	48	55	91	98
Average Age	74.00	74.08	69.92	70.40	75.18	75.18	72.33	72.92	73.12	73.43
Average Total Benefit*	$23,880	$24,448	$39,991	$42,833	$42,833	$43,768	$41,293	$43,326	$33,065	$35,043
Duty Disabled										
Number	18	18	41	39	24	23	65	62	83	80
Average Age	68.93	69.93	62.40	62.68	69.81	70.39	65.14	65.54	65.96	66.53
Average Total Benefit*	$31,312	$32,264	$65,564	$68,114	$99,999	$102,277	$78,278	$80,787	$68,093	$69,870
Ordinary Disabled										
Number	2	1	0	0	0	0	0	0	2	1
Average Age	88.45	80.04	0.00	0.00	0.00	0.00	0.00	0.00	88.45	80.04
Average Total Benefit*	$13,586	$18,482	$0	$0	$0	$0	$0	$0	$13,586	$18,482
Total In Pay										
Number	352	361	149	150	132	137	281	287	633	648
Average Age	70.88	71.09	66.21	66.69	70.14	70.51	68.06	68.51	69.63	69.95
Average Total Benefit*	$38,440	$39,779	$67,464	$68,786	$91,381	$91,842	$78,699	$79,792	$56,312	$57,501
Terminated Vested										
Number	48	52	18	18	6	10	24	25	72	77
Average Age	47.93	48.11	45.17	43.84	37.42	39.78	43.23	43.45	46.36	46.60
Average Service	6.50	6.37	10.50	10.06	6.50	8.90	9.50	10.00	7.50	7.55
Transfers										
Number	78	82	14	15	6	7	20	20	98	102
Average Age	43.31	43.36	48.18	48.50	42.23	41.18	46.40	47.60	43.94	44.19
Average Service	2.72	2.50	4.43	4.47	3.67	3.43	4.20	4.35	3.02	2.86
Total Inactive										
Number	126	134	32	33	12	17	44	45	170	179
Average Age	45.07	45.20	46.49	45.96	39.83	40.36	44.67	45.30	44.96	45.23
Average Service	4.16	4.00	7.84	7.52	5.08	6.65	7.09	7.49	4.92	4.88

**All payroll and benefit figures shown are annual.*

APPENDIX A – MEMBERSHIP INFORMATION

Participant Data as of June 30, 2022: Novato Fire Protection District	Miscellaneous		Safety		Total	
	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022
Active Participants						
Number	10	9	69	66	79	75
Average Age	47.77	51.18	43.99	43.68	44.46	44.58
Average Service	10.70	12.44	13.33	13.21	13.00	13.12
Average Pay*	$108,769	$123,837	$138,224	$142,483	$134,495	$140,246
Service Retired						
Number	5	5	58	63	63	68
Average Age	67.06	68.06	68.78	68.29	68.64	68.27
Average Total Benefit*	$48,044	$49,485	$115,401	$114,310	$110,055	$109,543
Beneficiaries						
Number	1	1	20	20	21	21
Average Age	58.67	59.67	68.35	68.70	67.89	68.27
Average Total Benefit*	$12,990	$13,380	$44,783	$45,470	$43,269	$43,942
Duty Disabled						
Number	0	0	33	35	33	35
Average Age	0.00	0.00	69.81	69.94	69.81	69.94
Average Total Benefit*	$0	$0	$86,393	$88,838	$86,393	$88,838
Ordinary Disabled						
Number	0	0	0	0	0	0
Average Age	0.00	0.00	0.00	0.00	0.00	0.00
Average Total Benefit*	$0	$0	$0	$0	$0	$0
Total In Pay						
Number	6	6	111	118	117	124
Average Age	65.66	66.66	69.01	68.85	68.84	68.74
Average Total Benefit*	$42,201	$43,468	$94,053	$95,087	$91,394	$92,589
Terminated Vested						
Number	1	2	1	0	2	2
Average Age	46.12	47.53	49.63	0.00	47.88	47.53
Average Service	12.00	6.50	9.00	0.00	10.50	6.50
Transfers						
Number	0	1	11	11	11	12
Average Age	0.00	59.73	46.07	47.89	46.07	48.88
Average Service	0.00	1.00	4.27	5.45	4.27	5.08
Total Inactive						
Number	1	3	12	11	13	14
Average Age	46.12	51.60	46.37	47.89	46.35	48.68
Average Service	12.00	4.67	4.67	5.45	5.23	5.29

**All payroll and benefit figures shown are annual.*

Please refer to the June 30, 2022 actuarial valuation report for a more complete summary of the data.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

A summary of the actuarial assumptions and methods used to calculate the Total Pension Liability as of June 30, 2023 is provided below, including any assumptions that differ from those used in the June 30, 2022 actuarial valuation. Please refer to the June 30, 2022 actuarial valuation report for a complete description of all other assumptions. The economic and demographic assumptions were adopted by the Board, based on an experience study performed by Cheiron covering the period from July 1, 2017 through June 30, 2020. The experience study report contains the rationale for all recommended assumptions.

Key Actuarial Assumptions

Expected Return on Assets	6.75 percent per year, net of investment expenses
Discount Rate	6.75 percent per year
Price Inflation	2.50% per year
Salary Increases	3.00% per year plus merit component based on employee classification and years of service
Administrative Expenses	Administrative expenses in the actuarial valuation are assumed to be $5.2788 million for FY2022-23 to be split between employees and employers based on their share of the overall contributions. Administrative expenses shown in this report are based on the actual FY2022-23 amounts.
Post-retirement COLA	Post-retirement COLAs are assumed at the rate of 2.5% for members with a 4% COLA cap, 2.4% for members with a 3% COLA cap, and 1.9% for members with a 2% COLA cap.
Mortality Rates for Active Members	Mortality rates for Miscellaneous active members are based on the sex distinct Public General 2010 Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Mortality rates for Safety active members are based on the sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. 10% of Safety member active deaths are assumed to occur in the line of duty.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates for Retired Healthy Members	Mortality rates for Miscellaneous retired members are based on the sex distinct Public General 2010 Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Mortality rates for Safety retired members are based on the sex distinct Public Safety 2010 Above-Median Income Healthy Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments.
Mortality Rates for Retired Disabled Members	Rates of mortality for Miscellaneous disabled members are based on the sex distinct Public General 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, with no adjustments. Rates of mortality for Safety disabled members are based on the sex distinct Public Safety 2010 Disabled Retiree Mortality Table, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 95% for males with no adjustment for females.
Mortality Rates for Beneficiaries	Rates of mortality for members' beneficiaries once their benefits commence are given by sex distinct Public 2010 Contingent Survivor Mortality Table, using General 2010 Healthy Retiree Mortality Table before age 45, with generational mortality improvements projected from 2010 using Projection Scale MP-2020, adjusted by 105% for females and no adjustments to males. Prior to the death of the member, the mortality of the beneficiaries is assumed to use the same sex distinct assumptions as the retired healthy members.

APPENDIX B – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Methods

1. **Actuarial Cost Method**

   The actuarial valuation is prepared using the Entry Age Actuarial Cost Method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). For members who transferred from outside of MCERA, entry age is based on entry into the system. The normal cost for the Plan is based on the sum of the individual normal costs for each member (Individual Entry Age Method).

   The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MCERA. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013 is amortized over a closed 17-year period (8 years remaining as of June 30, 2022), except for the additional UAL attributable to the extraordinary loss from 2008-2009, which is being amortized over a separate closed period (16 years as of June 30, 2022). Surplus Funding is only amortized if the Plan's Funding Ratio exceeds 120%.

   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/out (three/two years for assumption changes) of the payments/credits for each annual layer.

2. **Valuation Assets**

   As of the June 30, 2014 valuation, assets are valued using the market value. The assets used to compute the UAL are the Market Value of Assets, minus the value of any non-valuation contingency reserves. As of the June 30, 2021 valuation, the assets for each employer are allocated based on the reserves maintained by MCERA for each of the three main cost-sharing groups – the County and related employers, the City of San Rafael, and the Novato Fire Protection District. Within each cost-sharing group, the assets are allocated such that all employers within the group have the same funded ratio.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

The plan provisions are the same as those summarized in the June 30, 2022 actuarial valuation report.

APPENDIX D – GLOSSARY OF TERMS

1. **Actuarially Determined Contribution**

   A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. **Actuarial Valuation Date**

   The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. **Deferred Inflow of Resources**

   An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. **Deferred Outflow of Resources**

   A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. **Entry Age Actuarial Cost Method**

   The actuarial cost method required for GASB 67 and 68 calculations. Under this method, 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. The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. **Measurement Date**

   The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the actuarial valuation date to the measurement date. The measurement date must be the same as the reporting date for the plan.

APPENDIX D – GLOSSARY OF TERMS

7. Net Pension Liability

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling MCERA's benefit obligations in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

8. Plan Fiduciary Net Position

The fair or Market Value of Assets.

9. Reporting Date

The last day of the plan or employer's fiscal year.

10. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The service cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

11. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the Actuarial Liability calculated under the Entry Age Actuarial Cost Method.

Classic Values, Innovative Advice

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORTS TO THE BOARD OF RETIREMENT AND AUDIT COMMITTEE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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REQUIRED COMMUNICATION TO THE BOARD OF RETIREMENT AND AUDIT COMMITTEE IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)

To the Board of Retirement and Audit Committee of
Marin County Employees' Retirement Association
San Rafael, California

We have audited the basic financial statements, and the schedule of cost sharing employer allocations and the schedule of employer pension amounts allocated by cost sharing plan totals for all entities of the columns titled net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals), referred to as the other information, of the Marin County Employees' Retirement Association (MCERA) for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our scope of services to you dated June 13, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MCERA are described in Note 2, Summary of Significant Accounting Policies, to the financial statements. As described in Note 2 of the financial statements, MCERA adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements,* during the fiscal year ended June 30, 2023. We noted no transactions entered into by MCERA during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements and other information in the proper period.

Accounting estimates are an integral part of the financial statements and other information prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and other information and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting MCERA's financial statements and other information were:

- Management's estimate of the fair value of investments which was derived by various methods as detailed in the notes to the financial statements. We evaluated the key factors and assumptions used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

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- The contribution amounts and net pension liability (asset) as detailed in notes to the basic financial statements, which are based on the actuarially-presumed interest rate and assumptions. We evaluated the key factors and assumptions used to develop the estimates of the contribution amounts and net pension liability (asset) in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures for investments in Notes 2, 3, 4, 5, and 6 to the financial statements, Summary of Significant Accounting Policies, Deposits and Investments, Securities Lending, Derivative Financial Instruments, and Real Estate, respectively, were derived from MCERA's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes to the financial statements.

- Additionally, the disclosures related to the funding policies, net pension liability (asset), and actuarial methods and assumptions in Note 1, Plan Description; Note 7, Contributions; and Note 9, Net Pension Liability (Asset), were derived from actuarial valuations, which involved estimates of the value of reported amounts and probabilities about the occurrence of events far into the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements and other information or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated November 21, 2023.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to MCERA's basic financial statements and other information or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as MCERA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, Schedule of Contributions History, Schedule of Investment Returns, and Notes to the Required Supplementary Information, which are Required Supplementary Information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Retirement, the Audit Committee, and management of MCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2023

BROWN ARMSTRONG
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Retirement and Audit Committee of
Marin County Employees' Retirement Association
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, and the schedule of cost sharing employer allocations and the schedule of employer pension amounts allocated by cost sharing plan totals for all entities of the columns titled net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals), referred to as the other information, of the Marin County Employees' Retirement System (MCERA) as of and for the fiscal year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise MCERA's basic financial statements, and have issued our report thereon dated November 21, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements and other information, we considered MCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements and other information, but not for the purpose of expressing an opinion on the effectiveness of MCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of MCERA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MCERA's financial statements and other information are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the financial statements and other information. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MCERA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MCERA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2023

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AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING (MANAGEMENT LETTER)

To the Board of Retirement and Audit Committee of
Marin County Employees' Retirement Association
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, and the schedule of cost sharing employer allocations and the schedule of employer pension amounts allocated by cost sharing plan totals for all entities of the columns titled net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals), referred to as the other information, of the Marin County Employees' Retirement System (MCERA), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated November 21, 2023. In planning and performing our audit of the financial statements and other information, we considered MCERA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements and other information, but not for the purpose of expressing an opinion on the effectiveness of the MCERA's internal control. Accordingly, we do not express an opinion on the effectiveness of MCERA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses may exist that have not been identified.

The results of our audit disclosed no recommendations for the current year, and we are providing the disposition of the prior year comments.

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209-451-4833

Restriction on Use

This information is intended solely for the use of the Board of Retirement, the Audit Committee, and management of MCERA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2023

Current Year Agreed Upon Conditions and Recommendation

No findings or recommendations for the current year.

Status of Prior Year Agreed Upon Conditions and Recommendations

2022-1 – Contributions Error

Condition

During our testing of pensionable pay items for active participants, we noted one out of the forty active participants selected for testing had incorrect employee contribution amounts manually entered to their account in MCERA's pension administration system (CPAS). Rather than receiving the correctly calculated amounts based on the approved Employee Contribution Rates from MCERA's website for both the Employee Normal and Employee COLA categories, the amount from the Employee COLA category was manually entered into both the "Employee Normal" and Employee COLA" categories, resulting in an error. The overall effect of the error was immaterial, and the error was subsequent correct by the MCERA Benefit's Team.

Recommendation

We recommend that the MCERA benefits team perform a more detailed review of all manual entries made to a participant's account. An individual that is knowledgeable of the process should be assigned to perform this review before the changes are made live in CPAS.

Management Response

We thank the auditors for the opportunity to comment on the finding and recommendation regarding the review of the pensionable pay items for active participants with manual entries. MCERA supports continuous improvements and agrees with the auditors' recommendation.

MCERA generally only makes manual adjustments to member records when incorrect information has been reported by an employer and has steps in place for validating these manual adjustments. The item identified by the auditors was an adjustment made to one of more than 30 members due to an employer payroll upload issue. The manual entries were completed to facilitate producing accurate data for the actuary so they can conduct the annual valuation. The files provided to the auditors were the same as actuarial files and did not include the system generated corrections.

Current Year Status

MCERA has implemented a process to document and approve manual changes to member's account in CPAS.

2022-2 – Deceased Member Follow Up

Condition

During our testing of deceased members, we noted two out of the ten deceased members selected for testing did not have any subsequent attempts to contact the beneficiary on file after the initial letter was mailed. Follows up is necessary in order to receive the necessary documents from the beneficiary and begin the benefit payment process.

Recommendation

As any death benefit and appliable continuance payments to a deceased member's beneficiary cannot be processed until the required forms are received from the beneficiary, we recommend that the MCERA benefits team implement and adhere to a formal policy that establishes the procedures and timelines for contacting and following up with beneficiaries going forward.

Management Response

We thank the auditors for the opportunity to comment on the finding and recommendation regarding the review of the process for payments to deceased members' beneficiaries. MCERA supports continuous improvements and agrees with the auditors' recommendation.

MCERA will evaluate our current process and make appropriate changes that ensure timelines for contacting and following up with beneficiaries are followed.

Current Year Status

MCERA has implemented an electronic workflow process for deceased members that ensures all steps are completed in a timely manner.

2022-3 – Benefit Payment Tax Withholding

Condition

During our testing of retired members, we noted one out of the forty retirees selected for testing had federal taxes withheld from their benefit payments when the member had elected to not have either federal or state taxes withheld from their benefit payments per their Service Retirement Application.

Recommendation

As the tax withholdings are elected by the member on their Service Retirement Application, we recommend the MCERA benefits team perform a more detailed review when completing the setup of retiree accounts in CPAS to ensure all elections are entered correctly. An individual that is knowledgeable of the process should be assigned to perform this review before the changes are made live in CPAS.

Management Response

We thank the auditors for the opportunity to comment on the finding and recommendation regarding the review of the Benefit Payment Tax Withholding. MCERA supports continuous improvements and agrees with the auditors' recommendation.

MCERA has reviewed its retirement set up review process and implemented additional steps to ensure that all retiree elections are entered and withheld correctly.

Current Year Status

MCERA continues to follow a process that includes a review of retiree elections in CPAS.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement and Audit Committee of
Marin County Employees' Retirement Association
San Rafael, California

Report on the Audit of the Financial Statements and Other Information

Opinions

We have audited the accompanying statement of fiduciary net position of the Marin County Employees' Retirement Association (MCERA), as of June 30, 2023, the related statements of changes in fiduciary net position for the fiscal year then ended, and the related notes to the basic financial statements, which collectively comprise MCERA's basic financial statements as listed in the table of contents. We have also audited the schedule of cost sharing employer allocations and the schedule of employer pension amounts allocated by cost sharing plan totals for all entities of the columns titled net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals), also referred to as other information, as of and for the fiscal year ended June 30, 2023, listed as other information in the table of contents.

In our opinion, the basic financial statements and other information referred to above present fairly, in all material respects, the fiduciary net position of MCERA as of June 30, 2023; the changes in fiduciary net position for the fiscal year then ended; and the schedule of cost sharing employer allocations and the schedule of employer pension amounts allocated by cost sharing plan totals for all entities of the columns titled net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals), as of and for the fiscal year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Other Information section of our report. We are required to be independent of MCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements and Other Information

Management is responsible for the preparation and fair presentation of these financial statements and other information in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and other information that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all MCERA plan amendments; administering MCERA; and determining that MCERA's transactions that are presented and disclosed in the financial statements and other information are in conformity with MCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements and Other Information

Our objectives are to obtain reasonable assurance about whether the financial statements and other information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements and other information.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements and other information, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and other information.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and other information.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited MCERA's June 30, 2022, basic financial statements and other information, and our report dated December 8, 2022, expressed an unmodified opinion on those audited basic financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent in all material respects, with the audited basic financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023, on our consideration of MCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
November 21, 2023

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

This Management's Discussion and Analysis (MD&A) of the financial activities of the Marin County Employees' Retirement Association (MCERA or the System) is an overview of its fiscal operations for the fiscal year ended June 30, 2023. Readers are encouraged to consider the information presented in conjunction with the Basic Financial Statements and Notes to the Basic Financial Statements.

MCERA is a public employee retirement system established by the County of Marin on July 1, 1950, and is administered by the Board of Retirement to provide retirement, disability, and death and survivor benefits for its members under the County Employees Retirement Law of 1937 (CERL or 1937 Act) and the Public Employees' Pension Reform Act of 2013 (PEPRA).

Financial Highlights

MCERA's fiduciary net position as of June 30, 2023, was $3,144,663,241. The fiduciary net position is restricted for payment of pension benefits to participants and their beneficiaries and is available to meet MCERA's ongoing obligations.

- Fiduciary net position increased by $134,784,093, primarily due to earnings from investments.

- Total additions as reflected in the Statement of Changes in Fiduciary Net Position increased to $325,341,030, which includes employer and employee contributions of $118,127,210, a net investment gain of $206,811,691, and net securities lending income of $402,129.

- Deductions from fiduciary net position increased from $181,962,247 to $190,556,937 from the prior year. The increase was mainly due to an increase in retiree pension benefits.

- MCERA's funding objective is to meet long-term benefit obligations through contributions and investment income. As of June 30, 2022, the date of the last actuarial valuation, the funded ratio for all MCERA agencies was 90.5% based on the ratio of market value of assets over actuarial liability. In general, this indicates that for every dollar of benefits due we had approximately $0.905 of assets available for payment as of that date. The funding ratios of the employer entities included in MCERA were: 92.4% for the County of Marin and Special Districts, 83.5% for the City of San Rafael, and 90.4% for Novato Fire Protection District.

Overview of the Financial Statements

This MD&A serves as an introduction to the basic financial statements, which comprise the following components:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to the Basic Financial Statements

The basic financial statements and the required disclosures are in compliance with the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB) and are prepared utilizing the accrual basis of accounting.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report information about MCERA's activities. These statements include all assets and liabilities using the full accrual basis of accounting as practiced by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Investment gains and losses are reported on a trade-date basis and both realized and unrealized gains and losses on investments are shown.

The Statement of Fiduciary Net Position is the first basic financial report. This is a snapshot of account balances at fiscal year-end. This statement reflects assets available for future payments to retirees and their beneficiaries and any current liabilities that are owed as of fiscal year-end. The net position restricted for pension benefits, which is the assets less the liabilities, reflects the funds available for future use.

The Statement of Changes in Fiduciary Net Position is the second basic financial report. This report reflects the activities that occurred during the fiscal year and shows the impact of those activities as Additions to or Deductions from the plan.

These two statements report MCERA’s net position restricted for pension benefits (net position) – the difference between assets and liabilities – as one way to measure MCERA’s financial position. Over time, increases and decreases in MCERA’s net position are indicators of whether its financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring MCERA’s overall health.

Both statements are in compliance with standards issued by the GASB. These standards require certain disclosures and also require the state and local governments to report using the full accrual method of accounting. MCERA complies with all material requirements of these standards.

The Notes to the Basic Financial Statements (Notes) are an integral part of the financial reports. The Notes provide detailed discussion of key policies, programs, and activities that occurred during the fiscal year.

In addition to the Basic Financial Statements, this report contains required supplementary information and schedules to illustrate the GASB Statement No. 67 financial reporting requirements. These schedules provide a broad scope of financial information, including a pension liability measurement and changes to the liability, historical contributions, money-weighted investment return, and additional actuarial-related disclosures.

Other Information consists of two schedules pertaining to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The two schedules include the Schedule of Cost Sharing Employer Allocations and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan. Under GASB Statement No. 68, plan sponsors are required to report Net Pension Liability on their balance sheets and changes in Net Pension Liability on their operating statements as pension expenses, deferred inflows of resources, and deferred outflows of resources.

Financial Analysis

The reserves needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and through earnings on investments (net of investment expense). Net position restricted for pension benefits as of June 30, 2023, totaled $3,144,663,241, an increase of $134,784,093 from the prior year. MCERA's assets exceeded its liabilities at the end of the fiscal year. Net position restricted for pension benefits represents funds available for future payments. However, of importance is the fact that, unlike private pension funds, public pension funds are not required to report the future liability of obligations owed to retirees in the Statement of Fiduciary Net Position, and only current liabilities are reported. Below is a comparison of current and prior year balances:

	2023	2022	Increase (Decrease) 2023/2022
Investments at fair value	$ 3,053,807,531	$ 2,903,106,791	$ 150,700,740
Cash and cash equivalents	107,124,833	105,664,961	1,459,872
Capital assets (net of accumulated depreciation)	7,171,455	7,777,799	(606,344)
Cash collateral held for securities loaned	143,828,376	91,684,215	52,144,161
Receivables and other assets	17,721,787	22,209,455	(4,487,668)
Total assets	3,329,653,982	3,130,443,221	199,210,761
Total liabilities	184,990,741	120,564,073	64,426,668
Net position restricted for pension benefits	**$ 3,144,663,241**	**$ 3,009,879,148**	**$ 134,784,093**

In order to determine whether the net position restricted for pension benefits will be sufficient to meet future obligations, the actuarial funded status must be calculated. An actuarial valuation is similar to an inventory process. On the valuation date, the assets available for the payment of retirement benefits are appraised. These assets are compared with the actuarial liabilities, which are the actuarial present value of all future benefits expected to be paid for each member. The purpose of the valuation is to determine what future contributions by the members and the employers are needed to pay all expected future benefits.

MCERA's independent actuary, Cheiron, performed an actuarial valuation as of June 30, 2022, and determined that the funded ratio of the actuarial value of assets to the actuarial liability is 90.5%. The actuarial valuation as of June 30, 2021, determined the funded ratio to be 104.5%.

Additions to Fiduciary Net Position

There are three primary sources of funding for MCERA retirement benefits: earnings (losses) on investments of assets and employer and employee contributions. Income sources for the fiscal years ending June 30, 2023 and 2022, totaled $325,341,030 and $(203,678,891), respectively.

	2023	2022	Increase (Decrease) 2023/2022
Employer contributions	$ 82,313,307	$ 85,165,422	$ (2,852,115)
Plan member contributions	35,813,903	33,878,121	1,935,782
Total net investment income (loss)	207,213,820	(322,722,434)	529,936,254
Total additions	**$ 325,341,030**	**$(203,678,891)**	**$ 529,019,921**

Deductions from Fiduciary Net Position

MCERA was created to provide lifetime retirement annuities, survivor benefits, and permanent disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, as designated by the plan; refund of contributions to terminated employees; and the cost of administering the system. Below is a comparison of selected current and prior year balances:

	2023	2022	Increase (Decrease) 2023/2022
Retirement benefits	$ 183,831,271	$ 174,758,842	$ 9,072,429
Refund of contributions	1,294,114	2,242,861	(948,747)
Administrative expenses	4,569,295	4,254,848	314,447
Legal expenses	433,644	240,829	192,815
Computer expenses	247,424	285,250	(37,826)
Actuarial expenses	181,189	179,617	1,572
Total deductions	**$ 190,556,937**	**$ 181,962,247**	**$ 8,594,690**

Change in Fiduciary Net Position

The changes in fiduciary net position during the reporting period was the net effect of factors that either added to or deducted from the fiduciary net position. Below is a summary of the change in fiduciary net position during the reported year, as compared to the prior year:

	2023	2022	Increase (Decrease) 2023/2022
Total Additions (Declines)	$ 325,341,030	$ (203,678,891)	$ 529,019,921
Total Deductions	190,556,937	181,962,247	8,594,690
Change in Fiduciary Net Position	134,784,093	(385,641,138)	520,425,231
Beginning of Year	3,009,879,148	3,395,520,286	(385,641,138)
End of Year	**$ 3,144,663,241**	**$ 3,009,879,148**	**$ 134,784,093**

Reserves

MCERA's reserves are established in accordance with the requirements of the 1937 Act, utilizing contributions and the accumulation of investment income after satisfying administrative and investment expenses. Under GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, investments are stated at fair value instead of cost and include the recognition of unrealized gains and losses.

	2023	2022
Employee reserves	$ 453,873,442	$ 423,364,135
Employer reserves	486,709,326	447,468,229
Retiree reserves	2,285,858,966	2,199,530,926
Contingency reserves	25,245,694	25,245,694
Total reserves - restricted	**3,251,687,428**	**3,095,608,984**
Unrestricted reserves	(26,784,493)	(48,181,136)
Contra - Interest crediting	(80,239,694)	(37,548,700)
Total reserves - unrestricted	**(107,024,187)**	**(85,729,836)**
Total Net Position Restricted for Pension Benefits	**$ 3,144,663,241**	**$ 3,009,879,148**

The Retirement Fund as a Whole

MCERA's management believes that the funding policy adopted by the Board of Retirement, as reflected in the annual actuarial valuation, is reasonable and allows the system to meet its obligations to retirees, beneficiaries, and active members. The current financial position is a result of prudent economic and demographic assumptions, diversified investments, sufficient oversight to manage risk and minimize loss, an effective system of cost control, and strategic planning.

Requests for Information

This financial report is designed to provide the Board of Retirement, our membership, taxpayers, and investment managers with a general overview of MCERA finances and to demonstrate MCERA's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to:

Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, California 94903-2764

Copies of this report are available at the above address and on MCERA's website at www.mcera.org.

Respectfully submitted,

Sandra Arebalo
Chief Financial Officer

BASIC FINANCIAL STATEMENTS

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2023
(WITH COMPARATIVE TOTALS)

	June 30, 2023	June 30, 2022
Assets		
Cash and short-term investments		
Cash and cash equivalents	$ 107,124,833	$ 105,664,961
Cash collateral on loaned securities	143,828,376	91,684,215
Total Cash and Short-Term Investments	250,953,209	197,349,176
Receivables		
Contributions	6,150,230	6,290,667
Interest and dividends	5,526,740	4,506,274
Due from brokers for securities sold	4,457,039	9,621,715
Other receivables	1,324,429	1,527,450
Total Receivables	17,458,438	21,946,106
Investments at fair value		
Domestic fixed income	506,008,969	533,045,310
International fixed income	76,704,324	69,142,524
Domestic equities	969,702,596	820,416,009
International equities	632,767,211	554,453,464
Private equity	354,825,965	381,189,873
Opportunistic	58,855,733	52,423,309
Real estate equity	286,044,803	325,912,457
Real assets	168,897,930	166,523,845
Total Investments at Fair Value	3,053,807,531	2,903,106,791
Capital assets (net of accumulated depreciation)	7,171,455	7,777,799
Prepaid insurance	263,349	263,349
Total Assets	3,329,653,982	3,130,443,221
Liabilities		
Accounts payable and accrued expenses	2,336,512	1,554,586
Due to brokers for securities purchased	38,825,853	27,325,272
Obligations under securities lending program	143,828,376	91,684,215
Total Liabilities	184,990,741	120,564,073
Net Position Restricted for Pension Benefits	**$ 3,144,663,241**	**$ 3,009,879,148**

The accompanying notes are an integral part of these financial statements.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS)

	June 30, 2023	June 30, 2022
Additions		
Contributions		
Employer	$ 82,313,307	$ 85,165,422
Plan member	35,813,903	33,878,121
Total Contributions	118,127,210	119,043,543
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	166,815,123	(358,258,105)
Interest and dividends	48,996,904	44,325,603
Real estate operating income, net	390,014	162,101
Other investment income	2,396,138	1,148,999
Total investment income (loss)	218,598,179	(312,621,402)
Investment expenses	(11,786,488)	(10,296,718)
Net Investment Income (Loss)	206,811,691	(322,918,120)
Securities lending activities		
Securities lending income	574,460	279,336
Less expenses from securities lending activities	(172,331)	(83,650)
Net Securities Lending Activities	402,129	195,686
Total Net Investment Income (Loss)	207,213,820	(322,722,434)
Total Additions (Declines)	325,341,030	(203,678,891)
Deductions		
Benefits	183,831,271	174,758,842
Refunds	1,294,114	2,242,861
Administrative expenses	4,569,295	4,254,848
Legal expenses	433,644	240,829
Computer expenses	247,424	285,250
Actuarial expenses	181,189	179,617
Total Deductions	190,556,937	181,962,247
Change in Fiduciary Net Position	134,784,093	(385,641,138)
Net Position Restricted for Pension Benefits, Beginning of Year	3,009,879,148	3,395,520,286
Net Position Restricted for Pension Benefits, End of Year	**$ 3,144,663,241**	**$ 3,009,879,148**

The accompanying notes are an integral part of these financial statements.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – PLAN DESCRIPTION

The Marin County Employees' Retirement Association (MCERA) was established on July 1, 1950. It is governed by the California Constitution; the County Employees Retirement Law of 1937 (CERL or 1937 Act, Government Code Section 31450 et seq.); the Public Employees' Pension Reform Act of 2013 (PEPRA, Government Code Section 7522); the provisions of California Government Code Section 7500 et seq.; and the bylaws, procedures, and policies adopted by MCERA's Board of Retirement. The Marin County Board of Supervisors may also adopt resolutions, as permitted by the CERL and PEPRA, which may affect the benefits of MCERA members. MCERA operates as a cost-sharing multiple employer defined benefit pension plan for the County of Marin (the County) and eight other participating employers: City of San Rafael, Local Agency Formation Commission (LAFCO), Marin City Community Services District (Marin CSD), Marin County Superior Court (Superior Court), Marin/Sonoma Mosquito and Vector Control District (Mosquito District), Novato Fire Protection District (Novato Fire), Southern Marin Fire Protection District (Southern Marin Fire), and Tamalpais Community Services District (Tamalpais CSD).

Administration

The Board of Retirement is responsible for the general administration and management of the retirement association. All Board of Retirement members, except the County Director of Finance, serve for a term of three years. By statute, Board of Retirement members include the following:

- The Director of Finance of the County (ex-officio).
- Four members who are qualified electors of the County and not connected with County government in any capacity, except that one may be a County Supervisor. The Board of Supervisors appoints these members.
- Two General members of MCERA elected by the General membership.
- One Safety member and one Safety member alternate elected by the Safety membership.
- One retired member and one retired member alternate elected by the retired membership.

Membership

MCERA provides retirement, disability, and death benefits to its general and safety members. Safety membership primarily includes law enforcement and firefighters of MCERA, as well as other classifications as allowed under the CERL and adopted by the employer. General membership is applicable to all other occupational classifications. The retirement benefits within the plan are tiered based on the participating employer and the date of the member's entry into MCERA membership. Additional information regarding the benefit structure is available by contacting MCERA. Membership data as of the current actuarial valuation report (fiscal year ending June 30, 2022):

	2022
Active Members (Vested and Non-Vested)	2,727
Retired Members and Beneficiaries	3,697
Terminated Vested (Deferred)	809
Total Membership	**7,233**

NOTE 1 – PLAN DESCRIPTION (Continued)

Benefit Provisions

Vesting

Members become vested in retirement benefits upon completion of five years of credited service.

Service Retirement

MCERA's regular (service) retirement benefits are based on the years of credited service, final average compensation, and age at retirement, according to the applicable statutory formula. Members who qualify for service retirement are entitled to receive monthly retirement benefits for life.

General County members hired after July 1, 2008, Court members hired after January 1, 2009, and City of San Rafael members hired after July 1, 2011, are eligible to retire at age 55 if they have earned 10 years of credited service, unless they are "new members" as defined by PEPRA (hereinafter "PEPRA members"). All other General and Safety members, except PEPRA members, are eligible to retire at age 50 if they have earned 10 years of credited service. Unless they are PEPRA members, General members can retire at any age with 30 years of service and Safety members can retire at any age with 20 years of service. PEPRA members who are Safety members are eligible to retire after five years of service upon reaching 50 years of age. PEPRA members who are General members are eligible to retire after five years of service upon reaching 52 years of age. All members can retire at age 70 with no service requirement.

Death Benefits

MCERA provides specified death benefits to beneficiaries and members' survivors. The death benefits provided depend on whether the member is active or retired.

The basic active member death benefit consists of a member's retirement contributions plus interest plus one month's pay for each full year of service (up to a maximum of six months pay). Retiring members may choose from five retirement benefit payment options. Most retirees elect to receive the unmodified allowance which provides the maximum benefit to the retiree and a continuance of 60% of the retiree's allowance to the surviving spouse or registered domestic partner after the retiree's death. Other death benefits may be available based on the years of service, marital status, and whether the member has minor children.

Disability Retirement

A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty is eligible to apply for a nonservice-connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty as a result of injury or disease arising out of and in the course of employment is eligible to apply for a service-connected disability retirement, regardless of service length or age.

Cost of Living Adjustment

Retirement allowances are indexed for inflation. Most retirees receive automatic basic cost of living adjustments (COLAs) based upon the Urban Consumer Price Index (UCPI) for the San Francisco Bay Area. These adjustments go into effect on April 1 each year. Annual COLA increases are statutorily capped at 2%, 3%, or 4% depending upon the member's retirement tier. When the UCPI exceeds the maximum statutory COLA for the member's tier, the difference is accumulated for use in future years when the UCPI is less than the maximum statutory COLA. The accumulated percentage carryover is known as the COLA Bank.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

MCERA, with its own governing board, is an independent governmental entity separate and distinct from the County. Actuarially determined financial data for MCERA is included in the County's annual financial report in the "Notes to Financial Statements" section.

Basis of Accounting

MCERA follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB). The financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. This basis of accounting recognizes income when earned and expenses when the obligation is incurred. Member and employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation (depreciation) in fair value of investments consists of realized and unrealized gains and losses on those investments.

Administrative Expenses

MCERA's administrative costs are financed from investment income and are calculated pursuant to Government Code Section 31580.2 which provides that the administrative expenses incurred in any year may not exceed the greater of either 0.21% of the actuarial accrued liability of the system, or $2,000,000, as adjusted annually by the amount of the annual COLA computed in accordance with Article 16.5. Expenses for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of MCERA.

For the fiscal year ended June 30, 2023, administrative expenses were $4,569,295, or 0.14% of the actuarial liability as of June 30, 2021.

Cash and Cash Equivalents

Cash equivalents include deposits in MCERA's custodian bank, a financial institution, and short-term investments. Short-term investments with the custodian bank include foreign currencies, cash held in short-term investment funds, and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value.

Receivables

Receivables consist primarily of interest, dividends, investments in transition (i.e., traded but not yet settled), and contributions owed by the employing entities as of June 30, 2023.

Methods Used to Value Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. MCERA management uses information provided by the investment managers and the custodian bank to determine fair value.

GASB establishes a fair value hierarchy based on the following three distinct types of input to develop the fair value measurements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Methods Used to Value Investments (Continued)

- **Level 1** reflects measurements based on quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2** reflects measurements based on inputs, other than quoted prices, that are observable for an asset or a liability either directly or indirectly.
- **Level 3** reflects measurements based on unobservable inputs for an asset or a liability.

Fixed income securities, real estate investment trusts (REITs), common and preferred stocks, and derivatives are valued based on published market prices and quotations from national security exchanges and securities pricing services. Real estate investment funds are valued using periodic independent appraisals or internal valuation techniques, including discounted cash flows, sales comparisons, and cost approaches. Investments that are not traded on national exchanges or do not have pricing services (such as private equity funds) are valued based on fund share price or percentage of ownership as determined by the fund manager or general partner in accordance with the valuation methodology outlined in the partnership agreement.

Investment Concentrations

As of June 30, 2023, MCERA does not hold a concentration of investments in any one entity that represents five percent or more of the total investment portfolio or the fiduciary net position. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from this requirement.

Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class

The Board of Retirement has adopted an Investment Policy Statement (IPS), which provides the framework for the management of MCERA's investments. The IPS establishes MCERA's investment objectives and defines the principal duties of the Board of Retirement, the custodian bank, and the investment managers. The asset allocation plan is an integral part of the IPS and is designed to provide an optimum and diversified mix of asset classes with return expectations to satisfy expected liabilities while minimizing risk exposure. MCERA currently employs external investment managers to manage its assets subject to the provisions of the policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the plan.

Capital Assets

Capital assets are valued at historical cost less accumulated depreciation. Capital assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year are depreciated. Depreciation is calculated using the straight-line method over the estimated useful lives of the depreciable assets. Equipment has a useful life of five years, leasehold improvements and office space forty years, and twelve years for the benefit administration system.

MCERA signed an agreement on July 2, 2007, for the purchase of a building located at One McInnis Parkway, San Rafael, California 94903. The final purchase price for the building was $17,300,000 and was finalized in October 2007. MCERA occupied the building on November 14, 2008. MCERA occupies 33% of the building and leases the other 67%. Therefore, the portion of the building occupied by MCERA was capitalized and is being depreciated over its useful life. The remaining 67% will be treated as an investment and, accordingly, marked to market value in addition to recognizing any earned income and expenses incurred. As of June 30, 2023, the capitalized portion of the building was $6,894,668 and computers and equipment were $276,787 net of accumulated depreciation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits to Retirees

The County of Marin and special districts provide Other Post-Employment Benefits (OPEB) to retirees. Medical premiums are reimbursed to each retired employee who qualifies for one of the County's Benefit Plan Subsidies. Medicare premiums are also reimbursed to each retired employee who is covered under Medicare Part B and qualifies for one of the County's Benefit Plan Subsidies.

The Plan does not determine eligibility and does not negotiate for healthcare benefits or the Benefit Plan Subsidies, but acts solely as a conduit, which deducts premiums from benefit payments and applies the subsidies. The amount of subsidies applied for payment of medical premiums is billed to the County. Benefit eligibility, coverage and premium cost negotiations are the responsibility of the employer. As such, GASB Statement No. 74 does not apply.

Income Taxes

The plan qualifies under Section 401(a) of the Internal Revenue Code. No provision for income taxes has been made in the accompanying financial statements, as the plan is exempt from federal and state income taxes under the provisions of Internal Revenue Code Section 501 and California Revenue and Taxation Code Section 23701, respectively.

Use of Estimates

The preparation of MCERA’s financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Implementation of Accounting Standards

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs),* which establishes uniform accounting and financial reporting requirements for SBITAs. SBITAs provide governments with access to vendors’ IT software and associated tangible capital assets for subscription payments without granting government perpetual license or title to the IT software and associated tangible capital assets. All vendor-provided software contracts meeting GASB 96 criteria must report a liability and an intangible right to use asset. GASB 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

This pronouncement did not significantly impact MCERA during the current fiscal year. Management will continue to evaluate all information technology software arrangements for future periods. There were no other new accounting standards that were applicable to MCERA.

NOTE 3 – DEPOSITS AND INVESTMENTS

The CERL gives the Board of Retirement exclusive control over MCERA’s investment portfolio. Except as otherwise expressly restricted by the California Constitution or other laws, the CERL allows the Board of Retirement to prudently invest, or delegate the authority to invest, the investment portfolio through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction.

Moreover, the CERL requires the Board of Retirement, its officers, and employees to discharge their duties with respect to MCERA and the investment portfolio under the following rules:

- “The members of the retirement board shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

- The members of the retirement board shall discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- The members of the retirement board shall diversify the investments of the system to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so."

Deposits

MCERA maintains cash deposits to support its investment activities and operational needs. Cash and cash equivalents are carried at cost plus accrued interest, which approximates fair value. As of June 30, 2023, $52.8 million was held with outside financial institutions and $54.3 million was held by MCERA's master custodian, State Street. Substantially all the cash held by State Street is swept daily into collective short-term investment funds.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the plan would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. MCERA's deposits are covered by depository insurance or are collateralized by securities held with a financial institution in MCERA's name. The plan is only exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance. As of June 30, 2023, $1,177,001 of the plan's bank balances of $1,436,418 was uninsured.

Investments

Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. This risk is measured by the assignment of ratings by nationally recognized statistical rating organizations. MCERA has adopted policies specific to each investment manager to manage credit risk. In general, fixed income securities should be well diversified to avoid undue exposure to any single economic sector, industry, or individual security. The credit risk ratings of MCERA's fixed income investments as of June 30, 2023, as rated by Standard & Poor's, are listed below (all dollars in thousands).

Rating Category	Fair Value
AAA	$ 16,611
AA	12,967
A	64,162
BBB	128,079
BB	32,120
B	3,132
CCC	367
CC	86
Agencies	112,741
U.S. Treasuries	54,200
No Rating	158,247
Total	**$ 582,712**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in MCERA's name, and are held by the counterparty. MCERA's investment securities in general are not exposed to custodial credit risk because MCERA's securities are held by MCERA's custodial bank in MCERA's name; however, MCERA participates in securities lending transactions, as lender, and the securities loaned in those circumstances are exposed to some degree of custodial credit risk. MCERA has no general policy on custodial credit risk for investments; however, MCERA does require that its custodian maintain insurance to help protect against losses due to negligence, theft, and certain other events.

Concentrations

Concentration of credit risk is the risk of loss attributed to the concentration of the plan's investment in a single issuer. MCERA's investment policy limits exposure to any single investment manager or product. As of June 30, 2023, MCERA did not hold any investments in any one issuer that would represent five percent or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and pooled investments are excluded from the policy requirement.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

Interest rate risk is managed through MCERA's investment policy and investment guidelines, which require the effective duration of individual fixed income portfolios to remain within a defined range (75% to 125%) of the appropriate benchmark. The primary benchmarks for domestic and global fixed income portfolios are the Barclays Aggregate Bond Index, the Barclays Intermediate Credit Index, and the Citigroup World Government Bond Index. The interest rate risk schedule presents the weighted average duration of fixed income securities by investment category as of June 30, 2023.

June 30, 2023 (all dollars in thousands):

Investment Type	**Fair Value**	**Weighted Average Duration (in Years)**
Mortgage and Asset-Backed	$ 79,436	2.27
Corporate Bonds	210,322	5.89
U.S. Government Agency Securities	112,741	4.93
Government Issues	82,912	12.42
Municipal Obligations	5,070	6.15
Commingled Bond Investments	9,722	0.20
Total	**500,203**	
Other Bonds – No Duration	82,509	
Total	**$ 582,712**	

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. MCERA invests, through its investment managers, in forward currency contracts and currency futures contracts (maturity ranging from at least 30 days and not to exceed one year for either instrument). Any financial results attributable to net currency gains or losses are included in the investment results for MCERA's appropriate asset class and are not reported separately. MCERA has no general investment policy with respect to foreign currency risk.

Forward currency contracts typically range from one to six months and are used to hedge against adverse movement in currency exchange rates and to facilitate settlement of transactions in foreign securities.

Futures currency contracts are used to hedge against a possible increase in the price of currency. Futures contracts are classified by category of underlying instrument such as equity, fixed income, commodity, or cash equivalent.

Although risk exists with respect to foreign currency denominated assets held in commingled vehicles, MCERA's direct foreign currency risk is minimal. The following table presents a summary of securities with non-U.S. Dollars (non-USD) base currencies as of June 30, 2023 (all dollars in thousands):

Base Currency or Country	Base Currency Code	Fair Value in U.S. Dollars
Euro	EUR	$ 4,656
Mexican Peso	MXN	9,557
Great Britain Pound	GBP	14
Indonesian Rupiah	IDR	4,202
	Total Non-USD Securities	**$ 18,429**

Rate of Return

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, was issued to address accounting and financial reporting issues related to fair value measurement. MCERA follows GASB 72. The standard establishes a fair value hierarchy based on three types of inputs that measure the fair value of investments.

- *Level 1:* Reflects quoted prices (unadjusted) for identical assets or liabilities in active markets;
- *Level 2:* Reflects prices that are based on similar observable inputs other than quoted market prices; and
- *Level 3:* Reflects prices that are based on unobservable sources.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy, in which case MCERA defaults to the lowest level input that is significant to the fair value measurement in its entirety. In determining the appropriate levels, a detailed analysis was performed of the assets and liabilities that are subject to GASB 72.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value Measurements (Continued)

At June 30, 2023, MCERA had the following fair value measurements:

Investments by Fair Value Level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt Securities				
Mortgage and Asset-Backed	$ 79,436,481	$ –	$ 79,436,481	$ –
Corporate Bonds	210,322,313	–	210,322,313	–
U.S. Government Agency Securities	112,741,370	–	112,741,370	–
Government Issues	82,911,874	–	82,911,874	–
Municipal Obligations	5,069,874	–	5,069,874	–
Commingled Bond Investments	92,231,382	–	92,231,382	–
Total Debt Securities	**$ 582,713,293**	**$ –**	**$ 582,713,293**	**$ –**
Equity Securities				
Common Stock	$ 980,869,620	$ 980,869,620	$ –	$ –
Preferred Stock	192,764	99,658	93,106	–
Mutual Funds and Commingled Investments	621,407,423	412,162,540	209,244,883	–
Total Equity Securities	**$ 1,602,469,807**	**$ 1,393,131,818**	**$ 209,337,989**	**$ –**
Other Assets				
Private Real Estate - Commingled Investments	$ 268,944,803	$ –	$ 54,312,812	$ 214,631,991
Private Real Estate - Direct Ownership	17,100,000	–	–	17,100,000
Public Real Assets - Mutual Funds and Commingled Investments	168,897,930	59,600,752	109,297,178	–
Securities Lending Cash Collateral	143,828,376	–	143,828,376	–
Total Other Assets	**$ 598,771,109**	**$ 59,600,752**	**$ 307,438,366**	**$ 231,731,991**
Total Investments by Fair Value Level	**$ 2,783,954,210**	**$ 1,452,732,571**	**$ 1,099,489,648**	**$ 231,731,991**
Investments Measured at Net Asset Value (NAV)				
Private Equity Funds	$ 354,825,965			
Opportunistic Funds	58,855,733			
Total NAV Investments	**$ 413,681,698**			
Total Investments	**$ 3,197,635,908**			
Investments in Derivative Instruments (all dollars in thousands)				
Forwards	$ (431)	$ (431)	$ –	$ –
Futures	(2,596)	(2,596)	–	–
Options	(77)	(77)	–	–
Swaps	(652)	–	(652)	–
Total Derivatives	**$ (3,756)**	**$ (3,104)**	**$ (652)**	**$ –**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value Measurements (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund; and
- Commingled and High-Yield Equity Investments: valued using matrix pricing techniques or quoted prices for similar securities in active markets.

Public real assets classified in Level 1 are valued using prices quoted in active markets for those securities. Public real assets and private real estate classified in Level 2 are commingled (collective) investment funds that are valued using matrix pricing techniques maintained by the various pricing vendors for those securities. Derivative instruments classified in Level 1 are valued directly from a predetermined primary external pricing vendor. Derivative instruments classified in Level 2 are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Real estate investments classified in Level 3 are valued using periodic independent appraisals or internal valuation techniques, including discounted cash flows, sales comparisons, and cost approaches.

Investments measured at net asset value (NAV) are considered "alternative investments." Alternative investments are those for which exchange quotations are not readily available and are valued at the estimated fair value based on fund share price or percentage of ownership, as determined by the investment manager or general partner. The following table presents the redemption frequency (if currently eligible) and the redemption notice period for MCERA's alternative investments measured at NAV:

	Fair Value at June 30, 2023	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private Equity Funds (1)	$ 354,825,964	$ 104,542,581	N/A	N/A
Opportunistic Funds (2)	$ 58,855,733	$ 38,701,549	N/A	N/A

(1) Private Equity Funds: MCERA's private equity portfolio is composed of eight funds investing primarily in buyout funds, venture capital, and special debt situations. The fair values of these funds have been determined using audited financial statements or estimates of NAV from the prior quarter plus current quarter cash flows. The funds are not eligible for redemption. At the end of the life of a private equity fund, remaining investments are liquidated, and proceeds are distributed. Limited extensions to the fund term are possible and are usually two years at the discretion of the General Partner and then longer if a majority of investors wish it.

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Fair Value Measurements (Continued)

(2) Opportunistic Funds: MCERA's Opportunistic portfolio is comprised of three funds. The funds are illiquid limited partnerships and are valued at net asset value on a quarterly basis. Due to contractual limitations, the funds are not eligible for redemption but rather distribute capital proceeds over the funds' lifespans. Opportunistic investments are private closed end vehicles seeking investment opportunities resulting from market disruption within the credit and debt markets. All three funds were committed in September 2020 and typically have a lifespan of six to ten years.

NOTE 4 – SECURITIES LENDING

Under provisions of state statutes, the MCERA Board of Retirement permits MCERA to participate in a securities lending program whereby securities are transferred to independent broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities plus a fee in the future. MCERA's custodial bank, State Street, is the agent for its securities lending program. State Street is authorized to lend U.S. government obligations, U.S. bonds and equities, and international bonds and equities that are being held in custody to various borrowers such as banks and brokers. All securities loans can be terminated on demand by either the lender or the borrower.

U.S. securities are loaned versus collateral valued at 102% of the fair value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the fair value of the securities plus any accrued interest. Mark-to-market is performed every business day subject to de minimis rules of change in value, and the borrower is required to deliver additional collateral when necessary so that the total collateral held by the agent will be at least equal to the fair value of the borrowed securities. Collateral received may include cash, any other assets permissible under Rule 15c3-3 under the Exchange Act of 1934, U.S. and non-U.S. equities, and such other collateral as the parties may agree to in writing from time to time. Cash collateral is invested in a short-term investment pool. Non-cash collateral cannot be pledged or sold unless the borrower defaults. The following represents the balances relating to the securities lending transactions at June 30, 2023:

Securities Lent	Fair Value of Underlying Securities	Cash Collateral Investment Value
Lent for Cash Collateral		
U.S. government and agency securities	$ 12,102,112	$ 12,280,516
Domestic equities and corporate fixed-income securities	131,764,089	134,388,164
Total Lent for Cash Collateral	**$ 143,866,202**	**$ 146,668,680**

MCERA and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment fund comprised of a liquidity pool. As of June 30, 2023, the liquidity pool had an average duration of 7.15 days and an average weighted final maturity of 107.11 days for USD collateral. Because the securities lending transactions were terminable at will, their duration did not generally match the duration of the investments made with the cash collateral received from the borrower. At June 30, 2023, MCERA had no credit risk exposure to borrowers.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS

Under the terms of the MCERA's IPS and investment guidelines, investment managers are permitted to use derivative instruments to implement market decisions and to control portfolio risk. Derivatives are contracts or securities whose cash flows or fair values are derived from the values of other securities, indices, or instruments, including, but not limited to, futures, forwards, options, swaps, and options on futures. MCERA's investment managers are not allowed to use derivatives for speculative purposes. Investment managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Derivative instruments are reported at fair value as determined by MCERA's bank custodian. The changes in fair value of derivative instruments are reported within the investment revenue classification. For financial reporting purposes, all MCERA derivatives are classified as investment derivatives.

Types of Permitted Derivative Investments

Futures Contracts

A futures contract represents an agreement to buy (long position) or sell (short position) an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until a future date, which is referred to as the settlement or expiration date. Futures contracts are standardized contracts traded on organized exchanges.

Forward Contracts

A forward contract represents an agreement to buy or sell an underlying asset at a specified date in the future at a specified price. Payment for the transaction is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to manage currency exposure and facilitate the settlement of international security purchase and sale transactions.

Option Contracts

An option contract is a type of derivative in which a buyer (purchaser) has the right, but not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

Swap Agreements

A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows are tied to a "notional" or contract amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Investment Derivatives Summary

The following is a summary of derivative instruments at June 30, 2023, with the net appreciation/(depreciation) that has occurred during the fiscal year (all dollars in thousands):

Investment Derivatives by Type	Net Appreciation/ (Depreciation) in Fair Value Amount	Classification	Fair Value	Notional Amount
Credit Default Swaps Bought	$ (54)	Swaps	$ (72)	$ 2,600
Credit Default Swaps Written	104	Swaps	7	485
Fixed Income Futures Long	(10,809)	Futures	–	246,350
Fixed Income Futures Short	6,271	Futures	–	(69,269)
Foreign Currency Futures Long	(171)	Futures	–	1,800
Foreign Currency Futures Short	7	Futures	–	(4,250)
Futures Options Bought	(1,751)	Options	295	704
Futures Options Written	915	Options	(213)	(1,074)
FX Forwards	(98)	Long-Term Instruments	(431)	14,487
Index Futures Long	6,505	Futures	–	19
Index Futures Short	(2,347)	Futures	–	(23)
Pay Fixed Interest Rate Swaps	592	Swaps	471	12,262
Receive Fixed Interest Rate Swaps	(1,029)	Swaps	(1,059)	40,139
Total	**$ (1,865)**		**$ (1,002)**	**$ 244,230**

Types of Derivative Risk

Counterparty Credit Risk

To minimize counterparty credit risk exposure, MCERA investment managers continuously monitor credit ratings of counterparties. Should there be a counterparty failure, MCERA would be exposed to the loss of fair value of derivatives that are in asset positions and any collateral provided to the counterparty, net of the effect of applicable netting arrangements. Netting arrangements legally provide MCERA with a right of offset in the event of bankruptcy or default by the counterparty. MCERA has no general investment policy with respect to netting arrangements or collateral requirements. As of June 30, 2023, MCERA had no exposure to loss in case of default of a counterparty. In addition, MCERA had no collateral reducing exposure or liabilities subject to netting arrangements.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. MCERA measures derivative interest rate risk using duration. MCERA had no investment derivative interest rate risk as of June 30, 2023.

NOTE 5 – DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Types of Derivative Risk (Continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment. Currency forward contracts represent foreign exchange contracts that are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions. MCERA had the following derivative foreign currency exposures as of June 30, 2023 (all dollars in thousands):

Derivative Type	Currency	Fair Value
Currency Forward Contracts	Australian Dollar	$ (22)
Currency Forward Contracts	Canadian Dollar	82
Currency Forward Contracts	Japanese Yen	(528)
Currency Forward Contracts	Mexican Peso	36
Total Foreign Derivatives		**$ (432)**

NOTE 6 – REAL ESTATE

MCERA holds real estate assets directly and in commingled real estate funds. Real estate investments owned directly are appraised annually by independent third-party appraisers in accordance with the Uniform Standards of Professional Appraisal Practice. Properties held in commingled pools are subject to regular internal valuations by investment management firms/general partners with independent third-party appraisals accomplished at regular intervals. Internal valuation techniques include discounted cash flows, sales comparisons, and cost approaches, which typically involve a degree of expert judgment.

MCERA engages Woodmont Real Estate Services to manage the direct real estate investments and has investments in commingled real estate portfolios with other firms, as listed below. At June 30, 2023, the estimated fair value of MCERA's real estate portfolio was $286,044,803.

MCERA has the following real estate holdings as of June 30, 2023 (all dollars in thousands):

	Fair Value
Direct Investments	
San Rafael	$ 17,100
Total Direct Investments	**$ 17,100**
Commingled Investments	
AEW Core	$ 117,538
Blackrock REIT	54,313
UBS – TPF	97,094
Total Commingled Investments	**$ 268,945**
Total Real Estate Investments	**$ 286,045**

NOTE 7 – CONTRIBUTIONS

The funding objective of the Board of Retirement is to collect sufficient assets to permit the payment of all regular benefits promised under MCERA and to minimize the volatility of contribution rates from year to year as a percentage of covered payroll. As a condition of participation under the provisions of the CERL, members are required to pay a percentage of their salaries depending upon their age at date of entry into the plan, membership type, and benefit tier. There are three sources of funding for retirement benefits: employer contributions, member contributions, and the earnings on investments held by the plan.

Separate annual actuarial valuations are performed for three employer groups for the purpose of determining the funded position of the retirement plan and the employer and member contributions necessary to pay benefits for MCERA members not otherwise funded by current assets or projected member contributions or investment earnings. The three employer groups are: (1) City of San Rafael, (2) Novato Fire Protection District, and (3) County of Marin and the remaining special districts.

Employer Contributions

For fiscal year 2023, the employer contribution rates are actuarially determined by using the Entry Age Normal to Final Decrement funding method. Employer contribution rates are made up of two parts:

1. The Normal Cost or the cost of the employer’s portion of the benefit that is allocated to the current year.

2. The payment to amortize the Unfunded Actuarial Liability (UAL). The UAL is the excess of the plan’s accrued liability over its assets.

Member Contributions

Active members are required by statute to contribute toward pension plan benefits. The member contribution rates for non-PEPRA members are formulated separately for each employer group on the basis of age at the date of entry and actuarially calculated benefits. The member contribution rate for PEPRA members is a flat rate of at least 50 percent of the normal cost for the defined benefit plan, rounded to the nearest quarter of one percent, formulated separately for each employer. The CERL authorizes participating employers to “pickup” all or a portion of an employee’s retirement contribution obligation on the employee’s behalf; however, PEPRA eliminates that authorization as to PEPRA members, with a limited exception relating to contracts in effect on January 1, 2013. Interest is credited to member contributions every six months based on the prior six months ending balance. Members are not permitted to borrow against their contributions. Upon termination of employment, members may withdraw their contributions by requesting a refund of their accumulated contributions and interest. The employer paid contribution pickups are typically not refundable.

General member contributions range from 7.87% to 18.14%; Safety member contributions range from 13.59% to 24.69%. These figures include additional cost sharing for some members determined through labor negotiations.

NOTE 8 – RESERVES

MCERA carries accounts within Net Position Restricted for Pension Benefits as reserve accounts for various operating purposes. Reserves are neither required nor recognized under accounting principles generally accepted in the United States of America. These are not shown separately on the Statement of Fiduciary Net Position, as the sum of these reserves equals the Net Position Restricted for Pension Benefits. Reserves are established from member and employer contributions and the accumulation of investment income (loss) after satisfying investment and administrative expenses.

NOTE 8 – RESERVES (Continued)

Semi-Annual Interest Crediting

MCERA updates reserve balances on a semi-annual basis as of June 30 and December 31 each year. At these times, MCERA carries out a multi-step process to calculate new reserve balances as specified in Article 5 of the CERL. The amount of “net earnings” to be credited for the semi-annual period is calculated based on actuarial smoothing. To the extent that net earnings are available, interest is credited to specified components of reserves in a prescribed sequence according to MCERA policy.

Components of Reserves

Employee Reserve

This represents the total accumulated member contributions of current active and inactive (deferred) members. Additions include member contributions and credited interest. Deductions include refunds of member contributions along with credited interest and transfers to Retiree Member Reserves made when a member retires.

Employer Reserve

This represents the total accumulated employer contributions for future retirement payments to active and deferred members. Additions include contributions from the employers and credited interest. Deductions include transfers to the Retiree Member Reserves made when each member retires. Employer contribution rates are actuarially determined taking into account other events such as members electing refund of contributions.

Retiree Reserves

These represent funds accumulated to pay retirement benefits to retired members, including credited interest, reduced by payments to retired members, beneficiaries, and survivors. The Retiree Pension Reserve and the Retiree Annuity Reserve represent the total net accumulated transfers from the Employer Reserve and the Employee Reserve, respectively, both made at the time each member retires. The Survivor Death Benefit and Continuance Reserve represents the accumulated employer and employee contributions, plus credited interest, to be used to pay death and survivorship benefits. The Cost of Living Reserve represents the accumulated contributions of the employer and the members, plus credited interest, to be used to pay COLAs.

Statutory Contingency Reserve

This represents earnings in excess of the total interest credited to valuation reserves, up to one percent of fair value of MCERA’s total assets. The Contingency Reserve is treated as a non-valuation asset and is used as a reserve against deficiencies in available earnings in other years, as provided in Government Code Sections 31592 and 31592.2.

Unrestricted Earnings Reserve

This represents earnings in excess of the total interest credited to all other reserves that have not been allocated by the Board of Retirement to other reserves.

Contra Account

This is an accounting informational mechanism used to track any historical shortfalls of available earnings credited to valuation reserves other than the Unrestricted Earnings Reserve on or after December 31, 2009, relative to the earnings required to credit interest at the full valuation rate to those valuation reserves.

NOTE 9 – NET PENSION LIABILITY (ASSET)

Net Pension Liability of Employers

The net pension liability (asset) (i.e., the plan's liability (asset) determined in accordance with GASB Statement No. 67 less the fiduciary net position) is shown below:

Change in Net Pension Liability (Asset) from Fiscal Year Ended (FYE) 2022 to FYE 2023 [1, 2]

	Increase (Decrease)		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2022	**$3,322,567,490**	**$3,009,879,148**	**$ 312,688,342**
Changes for the Year:			
Service Cost	72,065,376	–	72,065,376
Interest	220,519,836	–	220,519,836
Changes of Benefits	–	–	–
Differences Between Expected and Actual Experience	3,457,427	–	3,457,427
Changes of Assumptions	–	–	–
Contributions – Employer	–	82,313,307	(82,313,307)
Contributions – Plan Member	–	35,813,903	(35,813,903)
Net Investment Income	–	207,213,820	(207,213,820)
Benefit Payments	(185,125,385)	(185,125,385)	–
Administrative Expenses	–	(5,431,552)	5,431,552
Net Changes	**110,917,254**	**134,784,093**	**(23,866,839)**
Balances at June 30, 2023	**$ 3,433,484,744**	**$ 3,144,663,241**	**$ 288,821,503**

[1] The Net Pension Liability (Asset) was measured as of June 30, 2023 and determined based upon rolling forward the Total Pension Liability from the actuarial valuation as of June 30, 2022.

[2] Amounts may differ from June 30, 2023 Audited Financial Statements due to rounding.

Actuarial Assumptions

MCERA retains an independent actuarial firm to conduct actuarial valuations of the pension plan to monitor MCERA's funding status and to establish the contribution rate requirements for the plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation.

NOTE 9 – NET PENSION LIABILITY (Continued)

Actuarial Assumptions (Continued)

The total pension liability as of June 30, 2023, was determined by an actuarial valuation as of June 30, 2022, updated to June 30, 2023, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 67. Key methods and assumptions used in the latest actuarial valuation are presented below:

Inflation	2.50%
Salary Increases	3.00% plus merit component based on employee classification and years of service
Investment Rate of Return	6.75%, net of pension plan investment expense
Mortality Assumptions	Active General: Sex distinct Public General 2010 Employee Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Active Safety: Sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Retired General: Sex distinct Public General 2010 Healthy Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Retired Safety: Sex distinct Public Safety 2010 Above-Median Income Healthy Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020.
Most Recent Experience Study	June 30, 2020 (conducted every three years)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and projected geometric real rates of return, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption for each major asset class are summarized in the following table:

	June 30, 2023	
Asset Class	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Fixed Income	23.00%	1.75%
Domestic Equities	32.00%	4.85%
International Equities	22.00%	4.95%
Public Real Assets	7.00%	3.70%
Real Estate	8.00%	3.25%
Private Equity	8.00%	6.00%
Opportunistic	0.00%	0.00%
TOTAL	**100.00%**	

NOTE 9 – NET PENSION LIABILITY (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of MCERA as of June 30, 2023, calculated using the discount rate of 6.75%, as well as what MCERA's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Pension Liability	$3,872,103,246	$3,433,484,744	3,071,432,769
Fiduciary Net Position	3,144,663,241	3,144,663,241	3,144,663,241
Net Pension Liability (Asset)	$727,440,005	$288,821,503	$(73,230,472)
Fiduciary Net Position as a Percentage of the Total Pension Liability	81.2%	91.6%	102.4%

NOTE 10 – CAPITAL ASSETS

Capital asset activity for the fiscal year ending June 30, 2023, was as follows (all dollars in thousands):

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets Being Depreciated:				
Building and Building Improvements	$ 4,345	$ –	$ –	$ 4,345
Tenant Improvements	4,354	–	–	4,354
Equipment	245	–	–	245
Computer Software/Hardware	4,374	–	–	4,374
Total Capital Assets Being Depreciated	**13,318**	–	**–**	**13,318**
Less Accumulated Depreciation for:				
Building	(1,113)	(106)	–	(1,219)
Tenant Improvements	(473)	(113)	–	(586)
Equipment	(126)	(24)	–	(150)
Computer Software/Hardware	(3,827)	(364)	–	(4,191)
Total Accumulated Depreciation	**(5,539)**	**(606)**	**–**	**(6,146)**
Total Capital Assets, Net	**$ 7,779**	**$ (606)**	**$ –**	**$ 7,172**

Depreciation expense as of June 30, 2023 was $606,345.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Litigation

MCERA has no pending litigation as of the date of these financial statements.

Securities Litigation

MCERA's Class Action Securities Litigation Policy provides guidelines for monitoring litigation and for determining the appropriate participation by MCERA. Compliance with the policy assures that the Board of Retirement will continue to protect the financial interests of MCERA and its members.

Capital Commitments

MCERA's real estate and private equity investment managers identify and acquire investments on a discretionary basis. Each manager's investment activity and discretion is controlled by MCERA's IPS and the guidelines and limitations set forth in the contract, subscription agreement, limited partnership agreement, and/or other contractual documents applicable to each manager. Such investments are further restricted by the amount of capital allocated or committed to each manager. MCERA's IPS, contractual obligations, and capital commitments are subject to approval by the Board of Retirement and may be updated as often as necessary to reflect MCERA's prudent determinations regarding its investments, as well as changes in market conditions.

During fiscal year 2023, MCERA funded $10,669,735 of its private equity capital commitments and $8,626,464 of its opportunistic capital commitments. As of June 30, 2023, outstanding commitments to the various investment managers, as approved by the Board of Retirement, totaled $104,542,581 for private equity and $38,701,549 for opportunistic.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through November 21, 2023, which is the date the financial statements were available to be issued. There were no subsequent events with a material effect on the financial statements or note disclosures that took place after June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Total Pension Liability					
Service cost	$ 72,065,376	$ 69,061,416	$ 68,379,239	$ 63,855,331	$ 63,587,459
Interest (includes interest on service cost) [1]	220,519,836	214,652,039	207,084,921	203,816,884	195,274,191
Changes of benefit terms	–	–	–	–	–
Differences between expected and actual experience	3,457,427	(17,263,371)	8,570,419	15,620,886	16,721,629
Changes of assumptions	–	–	33,674,504	–	–
Benefit payments, including refunds of employee contributions [1]	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,984)
Net Change in Total Pension Liability	110,917,254	89,448,381	150,029,281	124,999,574	126,370,295
Total Pension Liability - Beginning	3,322,567,490	3,233,119,109	3,083,089,828	2,958,090,254	2,831,719,959
Total Pension Liability - Ending (a)	**$3,433,484,744**	**$3,322,567,490**	**$3,233,119,109**	**$3,083,089,828**	**$2,958,090,254**
Fiduciary Net Position					
Contributions – employer [1]	$ 82,313,307	$ 85,165,422	$ 80,359,731	$ 75,643,074	$ 78,738,814
Contributions - plan member [1]	35,813,903	33,878,121	32,019,007	30,913,996	30,010,459
Net investment income	207,213,820	(322,722,434)	829,890,324	89,273,498	136,483,513
Benefit payments, including refunds of employee contributions [1]	(185,125,385)	(177,001,703)	(167,679,802)	(158,293,527)	(149,212,984)
Administrative expenses [1]	(5,431,552)	(4,960,544)	(4,383,839)	(4,607,760)	(5,056,350)
Net Change in Fiduciary Net Position	134,784,093	(385,641,138)	770,205,421	32,929,281	90,963,452
Fiduciary Net Position - Beginning	3,009,879,148	3,395,520,286	2,625,314,865	2,592,385,584	2,501,422,132
Fiduciary Net Position - Ending (b)	**$3,144,663,241**	**$3,009,879,148**	**$3,395,520,286**	**$2,625,314,865**	**$2,592,385,584**
Net Pension Liability (Asset) (a)-(b)	**$ 288,821,503**	**$ 312,688,342**	**$ (162,401,177)**	**$ 457,774,963**	**$ 365,704,670**
Fiduciary Net Position as a Percentage of the Total Pension Liability	91.59%	90.59%	105.02%	85.15%	87.64%
Covered Payroll	$ 297,919,324	$ 279,282,881	$ 272,441,885	$ 264,730,129	$ 253,964,938
Net Pension Liability (Asset) as a Percentage of Covered Payroll	96.95%	111.96%	(59.61%)	172.92%	144.00%

[1] Amounts may not sum to total due to rounding.

See accompanying notes to the required supplementary information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED) [1]

	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability					
Service cost	$ 61,074,664	$ 57,090,773	$ 55,208,834	$ 49,064,492	$ 49,014,858
Interest (includes interest on service cost) [1]	188,096,539	184,139,800	176,564,792	166,718,783	159,521,975
Changes of benefit terms	–	–	–	–	–
Differences between expected and actual experience	(3,412,765)	(904,678)	(212,631)	(31,054,298)	–
Changes of assumptions	40,801,678	–	–	144,753,646	–
Benefit payments, including refunds of employee contributions [1]	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Net Change in Total Pension Liability	146,703,444	108,388,833	107,357,476	213,497,871	99,193,972
Total Pension Liability - Beginning	2,685,016,515	2,576,627,682	2,469,270,206	2,255,772,335	2,156,578,363
Total Pension Liability - Ending (a)	**$2,831,719,959**	**$2,685,016,515**	**$2,576,627,682**	**$2,469,270,206**	**$2,255,772,335**
Fiduciary Net Position					
Contributions – employer [1]	$ 78,754,476	$ 77,502,945	$ 75,260,980	$ 68,915,072	$ 69,980,201
Contributions - plan member [1]	28,628,627	28,053,775	27,207,157	24,920,493	22,952,689
Net investment income	221,839,196	248,347,501	42,927,728	100,055,573	309,002,468
Benefit payments, including refunds of employee contributions [1]	(139,856,672)	(131,937,062)	(124,203,519)	(115,984,752)	(109,342,861)
Administrative expenses [1]	(4,203,705)	(4,404,191)	(4,379,760)	(4,654,623)	(4,503,845)
Net Change in Fiduciary Net Position	185,161,922	217,562,968	16,812,586	73,251,763	288,088,652
Fiduciary Net Position - Beginning	2,316,260,210	2,098,697,242	2,081,884,656	2,008,632,893	1,720,544,241
Fiduciary Net Position - Ending (b)	**$2,501,422,132**	$2,316,260,210	$2,098,697,242	$2,081,884,656	$2,008,632,893
Net Pension Liability (Asset) (a)-(b)	**$ 330,297,827**	**$ 368,756,305**	**$ 477,930,440**	**$ 387,385,550**	**$ 247,139,442**
Fiduciary Net Position as a Percentage of the Total Pension Liability	88.34%	86.27%	81.45%	84.31%	89.04%
Covered Payroll	$ 248,532,086	$ 242,045,311	$ 238,185,040	$ 223,825,880	$ 218,340,721
Net Pension Liability (Asset) as a Percentage of Covered Payroll	132.90%	152.35%	200.66%	173.07%	113.19%

[1] Amounts may not sum to total due to rounding.

See accompanying notes to the required supplementary information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF CONTRIBUTIONS HISTORY

	FYE 2023	FYE 2022	FYE 2021	FYE 2020	FYE 2019
Actuarially Determined Contributions	$ 82,313,307	$ 85,165,422	$ 80,359,731	$ 75,643,074	$ 78,738,814
Contributions in Relation to the Actuarially Determined Contributions	82,313,307	85,165,422	80,359,731	75,643,074	78,738,814
Contribution Deficiency / (Excess)	$ –	$ –	$ –	$ –	$ –
Covered Payroll[1]	$ 297,919,324	$ 279,282,881	$ 272,441,885	$ 264,730,129	$ 253,964,938
Contributions as a Percentage of Covered Payroll	27.63%	30.49%	29.50%	28.57%	31.00%

	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially Determined Contributions	$ 78,754,476	$ 77,502,945	$ 75,260,980	$ 68,915,072	$ 69,660,201
Contributions in Relation to the Actuarially Determined Contributions	78,754,476	77,502,945	75,260,980	68,915,072	69,660,201
Contribution Deficiency / (Excess)	$ –	$ –	$ –	$ –	$ –
Covered Payroll[1]	$ 248,532,086	$ 242,045,311	$ 238,185,040	$ 223,825,880	$ 218,340,721
Contributions as a Percentage of Covered Payroll	31.69%	32.02%	31.60%	30.79%	31.90%

[1] In accordance with GASB Statement No. 82, Covered Payroll is the payroll on which contributions are based.

See accompanying notes to the required supplementary information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT RETURNS

	FYE 2023[1]	FYE 2022[1]	FYE 2021[1]	FYE 2020[1]	FYE 2019[1]
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.95%	(9.40)%	32.75%	3.25%	5.41%

	FYE 2018[1]	FYE 2017[1]	FYE 2016[1]	FYE 2015	FYE 2014
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.53%	12.21%	2.15%	5.04%	18.16%

[1] These calculations for the money-weighted rate of return, net of investment expense, were provided by MCERA's investment consultant, Callan Associates.

See accompanying notes to the required supplementary information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Total Pension Liability

The total pension liability contained in this schedule was obtained from MCERA's actuary, Cheiron.

Service Cost

The service cost is based on the previous year's valuation, meaning the 2023 and 2022 values are based on the valuations as of June 30, 2022 and June 30, 2021, respectively. The June 30, 2023 service costs have been calculated using the June 30, 2022 actuarial assumptions as described in Note 9 of the Notes to the Basic Financial Statements earlier in this report. The June 30, 2022 service costs have been calculated using the June 30, 2021 actuarial assumptions as described in Note 3 of the Notes to Required Supplementary Information on the following page.

Change in Assumptions

Triennially, MCERA requests that the actuary perform an analysis of all economic and non-economic assumptions in the form of an Experience Study. The most recent triennial Experience Study was for the period July 1, 2017 through June 30, 2020. Based on the results of this study, the Board of Retirement lowered the assumed rate of investment return from 7.00% to 6.75% effective with the June 30, 2020 valuation.

Covered Payroll

Covered payroll shown represents only the Compensation Earnable and Pensionable Compensation that is used in the determination of retirement benefits.

NOTE 2 – SCHEDULE OF INVESTMENT RETURNS

The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 3 – ACTUARIAL ASSUMPTIONS USED IN CALCULATING THE ACTUARIALLY DETERMINED CONTRIBUTIONS

Valuation date	June 30, 2021 (to determine FY 2022-23 contributions)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal to Final Decrement
Asset valuation method	As of the June 30, 2014 valuation, assets are valued using the market value. The assets used to compute the Unfunded Actuarial Liability (UAL) are the market value of assets, minus the value of any non-valuation contingency reserves.
Amortization method	The UAL (or Surplus Funding) is amortized as a percentage of the projected salaries of present and future members of MCERA. Effective with the June 30, 2013 valuation, the UAL as of June 30, 2013, is amortized over a closed 17-year period (9 years remaining as of June 30, 2021), except for the additional UAL attributable to the extraordinary loss from 2009, which is being amortized over a separate closed period (17 years remaining as of June 30, 2021). Subsequent unexpected change in the unfunded actuarial liability after June 30, 2014, is amortized over a closed 24-year period (22 years for assumption changes) that includes a 5-year phase-in/out (3 years for assumption changes) of the payments/credits for each annual layer.
Investment rate of return	6.75%
Inflation rate	2.5%
Cost of living adjustments (COLAs)	2.5% for tiers with a 4.0% COLA cap 2.4% for tiers with a 3.0% COLA cap 1.9% for tiers with a 2.0% COLA cap
Salary increases	3.00% plus merit component based on employee classification and years of service
Active mortality	Active General: Sex distinct Public General 2010 Employee Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Active Safety: Sex distinct Public Safety 2010 Above-Median Income Employee Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020.
Retiree mortality	Retired General: Sex distinct Public General 2010 Healthy Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Retired Safety: Sex distinct Public Safety 2010 Above-Median Income Healthy Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020.

NOTE 3 – ACTUARIAL ASSUMPTIONS USED IN CALCULATING THE ACTUARIALLY DETERMINED CONTRIBUTIONS (Continued)

Disabled mortality	Retired Disabled General: Sex distinct Public General 2010 Disabled Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP-2020. Retired Disabled Safety: Sex distinct Public Safety 2010 Disabled Retiree Mortality Table with generational mortality improvements projected from 2010 using Projection Scale MP 2020 adjusted by 95% for males with no adjustment for females.

A complete description of the methods and assumptions used to determine contribution rates for the fiscal year ending June 30, 2023, can be found in the June 30, 2021 actuarial valuation report.

OTHER INFORMATION

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS
AS OF JUNE 30, 2023 [1]

Employer	Projected Unfunded Liability (from the June 30, 2022 Actuarial Valuation) [2]	Proportionate Share	Net Pension Liability (Asset) [2]
County	$ 151,192,915	52.3482%	$ 151,192,858
LAFCO	85,362	0.0296%	85,491
Marin City CSD	58,743	0.0203%	58,631
Mosquito District	2,412,781	0.8354%	2,412,815
Southern Marin Fire	7,153,525	2.4768%	7,153,531
Tamalpais CSD	744,597	0.2578%	744,582
Courts	6,182,527	2.1406%	6,182,513
City of San Rafael	99,372,303	34.4061%	99,372,215
Novato Fire	21,618,751	7.4852%	21,618,867
Total	**$ 288,821,503**	**100.0000%**	**$ 288,821,503**

[1] Numbers may not sum to total due to rounding.

[2] Proportionate share of net pension liability is based on the actuarial valuation.

See accompanying notes to the other information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS ALLOCATED BY COST SHARING PLAN
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023 [1]

		Deferred Outflows of Resources				
Employer	**Net Pension Liability (Asset)**	**Differences Between Expected and Actual Economic Experience**	**Changes of Assumptions**	**Changes in Investment Return**	**Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions**	**Total Deferred Outflows of Resources**
County	$ 151,192,858	$ 2,479,040	$ 4,406,999	$ 42,361,850	$ 12,970,240	$ 62,218,129
LAFCO	85,491	1,402	2,492	23,953	68,548	96,395
Marin City CSD	58,631	961	1,709	16,427	155,983	175,080
Mosquito District	2,412,815	39,562	70,329	676,033	1,016,121	1,802,045
Southern Marin Fire	7,153,531	117,293	208,513	2,004,306	1,506,647	3,836,759
Tamalpais CSD	744,582	12,209	21,703	208,620	461,474	704,006
Courts	6,182,513	101,372	180,209	1,732,242	233,550	2,247,373
City of San Rafael	99,372,215	1,629,361	2,896,521	27,842,524	6,366,684	38,735,090
Novato Fire	21,618,867	354,475	630,151	6,057,265	1,639,675	8,681,566
Totals	**$ 288,821,503**	**$ 4,735,675**	**$ 8,418,625**	**$ 80,923,221**	**$ 24,418,923**	**$ 118,496,442**

[1] Numbers may not sum to total due to rounding.

See accompanying notes to the other information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS ALLOCATED BY COST SHARING PLAN (Continued)
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023 [1]

	Deferred Inflows of Resources		
Employer	**Differences Between Expected and Actual Economic Experience**	**Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions**	**Total Deferred Inflows of Resources**
County	$ 4,518,532	$ 4,902,964	$ 9,421,496
LAFCO	2,555	7,713	10,268
Marin City CSD	1,752	5,828	7,580
Mosquito District	72,109	990,123	1,062,232
Southern Marin Fire	213,790	1,396,378	1,610,168
Tamalpais CSD	22,252	10,239	32,491
Courts	184,770	249,875	434,645
City of San Rafael	2,969,826	14,648,647	17,618,473
Novato Fire	646,099	2,207,157	2,853,256
Totals	**$ 8,631,686**	**$ 24,418,923**	**$ 33,050,608**

[1] Numbers may not sum to total due to rounding.

See accompanying notes to the other information.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER PENSION AMOUNTS ALLOCATED BY COST SHARING PLAN (Continued)
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023 [1]

	Pension Expense Excluding that Attributable to Employer-Paid Member Contributions		
Employer	**Proportionate Share of Allocable Pension Plan Expense**	**Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions**	**Total Pension Expense Excluding that Attributable to Employer-Paid Member Contributions**
County	$ 39,606,549	$ 8,173,480	$ 47,780,029
LAFCO	22,395	46,785	69,180
Marin City CSD	15,359	75,576	90,935
Mosquito District	632,062	191,185	823,248
Southern Marin Fire	1,873,942	522,675	2,396,618
Tamalpais CSD	195,051	68,679	263,730
Courts	1,619,574	359,263	1,978,837
City of San Rafael	26,031,590	(9,791,417)	16,240,174
Novato Fire	5,663,288	353,771	6,017,059
Totals	**$ 75,659,810**	**$ –**	**$ 75,659,810**

[1] Numbers may not sum to total due to rounding.

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO OTHER INFORMATION

NOTE 1 – BASIS OF PRESENTATION AND BASIS OF ACCOUNTING

Employers participating in Marin County Employees' Retirement Association (MCERA) are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. The Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan and Schedule of Cost Sharing Employer Allocations, along with MCERA's audited financial statements, the GASB Statement No. 67 Actuarial Valuation as of June 30, 2022, and the GASB Statement No. 68 Actuarial Valuation Based on a June 30, 2023 Measurement Date for Employer Reporting as of June 30, 2023, prepared by MCERA's independent actuary, provide the required information for financial reporting related to MCERA that employers may use in their financial statements.

The accompanying schedule was prepared by MCERA's independent actuary and was derived from information provided by MCERA in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations.

NOTE 2 – USE OF ESTIMATES IN THE PREPARATION OF THE SCHEDULES

The preparation of these schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – AMORTIZATION OF DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

The difference between projected and actual investment earnings on pension plan investments is amortized over 5 years on a straight-line basis. One-fifth was recognized in pension expense during the measurement period, and the remaining difference between projected and actual investment earnings on pension plan investments at June 30, 2023, is to be amortized over the remaining periods.

The changes in assumptions and differences between expected and actual experience are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through MCERA (active and inactive employees) determined as of June 30, 2022 (the beginning of the measurement period ending June 30, 2023) and is four years. Prior period changes of assumptions and differences between expected and actual experience are continued to be recognized based on the expected remaining service lives of all employees calculated as of those prior measurement dates.

In addition, the net effect of the change in the employer's proportionate share of the net pension liability and deferred outflows of resources and deferred inflows of resources is also recognized over the average expected remaining service lives of all employees noted above. The difference between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ending on June 30, 2023, is recognized over the same period as noted above. The Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan does not reflect contributions made to MCERA subsequent to the measurement date as defined in GASB Statement No. 68 Paragraphs 54, 55, and 57. Appropriate treatment of such amounts is the responsibility of the employers.

MCERA Board of Retirement
2023-24 Standing Committee Assignments
As of December 13, 2023

INVESTMENT COMMITTEE
Sara Klein, Chair
Chris Cooper
Maya Gladstern
Chris Gullett
Dorothy Jones
Mina Martinovich
Laurie Murphy
Kelsey Poole
Karen Shaw
Steve Silberstein
Daniel Vasquez
Todd Werby

FINANCE & RISK MANAGEMENT COMMITTEE
Todd Werby, Chair
Mina Martinovich
Laurie Murphy
Daniel Vasquez

GOVERNANCE COMMITTEE
Chris Cooper, Chair
Maya Gladstern
Dorothy Jones
Kelsey Poole
Steve Silberstein

AUDIT COMMITTEE
Mina Martinovich, Chair
Laurie Murphy
Steve Silberstein

D.1 Administrator's Report

This is a discussion with no backup.

MCERA Administrative Budget fund #7007
FY 23/24 Quarter Ending September 30, 2023, by month

D.2.a.1

	FY 22/23 Actual Expenses	FY 23/24 Approved Budget	Jul	Aug	Sep	1st Qtr. Total	Percentage of Budget used	Notes
Salaries and Benefits		26 PP	2 PP	2 PP	3 PP	7 PP		**QTD** - Quarter-to-Date, **PY** - Prior Year, **PP** - Pay Period, **GF** - General Fund, **AA** - Accounting Asst., **FTE** - Full Time Equivalent, **SL** - Straight Line, **WCI** - Workers' Comp Ins, **SAA** - Sr. Accounting Asst.
1 Regular Staff Salaries	2,015,170	2,298,321	46,450	187,779	255,685	489,914	21.3%	
2 Extra-Hire	0	0	0	0	0	0	0.0%	
3 Overtime	669	0	0	0	0	0	0.0%	
4 Employee Benefits	250,835	301,845	5,316	21,822	32,121	59,259	19.6%	
5 Retirement Benefits	357,698	432,938	7,844	29,432	44,540	81,816	18.9%	
6 Retirement Benefits - OPEB	116,372	141,131	2,540	9,534	14,425	26,500	18.8%	
7 Ret POB Debt Svc. Misc.	110,852	136,774	4,283	9,339	14,130	27,752	20.3%	
8 Auto Allowance	9,626	9,950	211	738	1,108	2,057	20.7%	
9 Unused Fringe Benefits	18,127	23,753	364	1,268	1,902	3,534	14.9%	
10 Workers Comp. Insurance	39,117	77,176	1,794	6,279	9,497	17,570	22.8%	
11 Medicare	29,214	35,543	670	2,717	3,692	7,079	19.9%	
Total Salaries and Benefits	**2,947,680**	**3,457,431**	**69,471**	**268,910**	**377,099**	**715,480**	**20.7%**	Overall salaries and benefits are slightly under budget due to vacancies.
Services and Supplies								
1 Professional Services	58,404	96,500	5,584	0	1,138	6,722	7.0%	
2 Innovest - Retiree Payroll Processing	47,601	41,000	3,381	3,701	3,606	10,688	26.1%	
3 Records Retention	8,018	6,500	551	551	533	1,634	25.1%	
4 Bank Charges	1,431	6,000	0		0	0	0.0%	
5 Insurance Premiums	114,827	127,000	11,936	13,971	0	25,907	20.4%	
6 Utilities (1 McInnis Owner Allocation)	226,301	192,200	15,500	15,500	15,550	46,550	24.2%	
7 Memberships & Dues	13,041	16,000	4,001	0	0	4,001	25.0%	
8 Subscriptions	10,033	8,000	324	319	0	643	8.0%	
9 Conferences/Training	9,315	26,000	6,435	3,050	150	9,635	37.1%	CALAPRS training x2 | Pension Governance
10 Travel and Mileage	35,992	30,000	1,736	4,097	2,661	8,495	28.3%	
11 Document Reproduction Costs	37,280	30,000	2,973	1,999	1,705	6,676	22.3%	
12 Medical Examinations	0	12,000	0	0	0	0	0.0%	
13 Investigations	4,438	2,000	0	0	0	0	0.0%	
14 Transcribing/Medical Record Review	241,046	200,000	321	17,600	14,949	32,870	16.4%	
15 Hearings	6,602	32,500	0	0	0	0	0.0%	
16 Board Election Fees	700	0	0	0	0	0	0.0%	
17 Board Remuneration (Gross Pay)	7,820	9,214	732	366	549	1,646	17.9%	
18 Board Payments (ER Liab., ADP & Bank fees)	2,734	3,286	252	179	215	646	19.7%	
19 Office Expenses and Supplies	3,670	4,000	280	294	57	630	15.8%	
20 Office Expenses - Phone	5,521	6,000	368	454	479	1,301	21.7%	
21 Electronic Supplies	7,882	7,500	601	185	0	786	10.5%	
22 Ergonomic Supplies	82	500	0	0	0	0	0.0%	
23 Office Supplies - Postage	1,089	1,200	38	63	109	210	17.5%	
24 Miscellaneous - Food	5,701	5,000	410	410	410	1,230	24.6%	
25 Depreciation Expense	279,608	633,000	0	0	158,250	158,250	25.0%	
Total Services and Supplies	**1,129,134**	**1,495,400**	**55,421**	**62,737**	**200,361**	**318,518**	**21.3%**	Overall Services and supplies are within budget.
Interdepartmental Charges								
1 Telephone Charges	0	5,000	0	0	0	0	0.0%	
2 Cost Allocation Plan (Inter-fund Charges)	219,519	375,000	0	0	0	0	0.0%	
Total Interdepartmental Charges	**219,519**	**380,000**	**0**	**0**	**0**	**0**	**0.0%**	Interdepartmental charges will be billed by the County in future quarters.
TOTAL	**4,296,334**	**5,332,831**	**124,892**	**331,646**	**577,460**	**1,033,999**	**19.4%**	

MCERA Administrative Budget fund #7007
FY23/24 Quarter Ending September 30, 2023, by quarter

	FY 22/23 Actual Expenses	FY 23/24 Approved Budget	1st Qtr Total	FYTD	Percentage of Budget used
Salaries and Benefits					
Regular Staff Salaries	2,015,170	2,298,321	489,914	489,914	21%
Extra-Hire	0	0	0	0	0%
Overtime	669	0	0	0	0%
Employee Benefits	250,835	301,845	59,259	59,259	20%
Retirement Benefits	357,698	432,938	81,816	81,816	19%
Retirement Benefits - OPEB	116,372	141,131	26,500	26,500	19%
Ret POB Debt Svc. Misc.	110,852	136,774	27,752	27,752	20%
Auto Allowance	9,626	9,950	2,057	2,057	21%
Unused Fringe Benefits	18,127	23,753	3,534	3,534	15%
Workers Comp. Insurance	39,117	77,176	17,570	17,570	23%
Medicare	29,214	35,543	7,079	7,079	20%
Total Salaries and Benefits	**2,947,680**	**3,457,431**	**715,480**	**715,480**	**21%**
Services and Supplies					
Professional Services	58,404	96,500	6,722	6,722	7%
Innovest - Retiree payroll processing	47,601	41,000	10,688	10,688	26%
Records Retention	8,018	6,500	1,634	1,634	25%
Bank Charges	1,431	6,000	0	0	0%
Insurance Premiums	114,827	127,000	25,907	25,907	20%
Utilities (1 McInnis owner allocation)	226,301	192,200	46,550	46,550	24%
Memberships & Dues	13,041	16,000	4,001	4,001	25%
Subscriptions	10,033	8,000	643	643	8%
Conferences/Training	9,315	26,000	9,635	9,635	37%
Travel and Mileage	35,992	30,000	8,495	8,495	28%
Document Reproduction Costs	37,280	30,000	6,676	6,676	22%
Medical Examinations	0	12,000	0	0	0%
Investigations	4,438	2,000	0	0	0%
Transcribing/Medical Record Review	241,046	200,000	32,870	32,870	16%
Hearings	6,602	32,500	0	0	0%
Board Election Fees	700	0	0	0	0%
Board Remuneration (Gross Pay)	7,820	9,214	1,646	1,646	18%
Board Payments (ER Liab., ADP & Bank fees)	2,734	3,286	646	646	20%
Office Expenses and Supplies	3,670	4,000	630	630	16%
Office Expenses - Phone	5,521	6,000	1,301	1,301	22%
Electronic Supplies	7,882	7,500	786	786	10%
Ergonomic Supplies	82	500	0	0	0%
Office Supplies - Postage	1,089	1,200	210	210	17%
Miscellaneous - Food	5,701	5,000	1,230	1,230	25%
Depreciation Expense	279,608	633,000	158,250	158,250	25%
Total Services and Supplies	**1,129,134**	**1,495,400**	**318,518**	**318,518**	**21%**
Interdepartmental Charges					
Telephone Charges	0	5,000	0	0	0%
Cost Allocation Plan (Inter-fund Charges)	219,519	375,000	0	0	0%
Total Interdepartmental Charges	**219,519**	**380,000**	**0**	**0**	**0%**
TOTAL	**4,296,334**	**$5,332,831**	**$1,033,999**	**$1,033,999**	**19%**

MCERA Non-Budgeted Expenses

FY 23/24 Quarter Ending September 30, 2023, by month

	Jul	Aug	Sep	1st Qtr. Expenses
Retiree Payroll	15,847,808	15,769,726	15,882,690	47,500,223
Retiree Death Benefit Paid	30,000	40,000	10,000	80,000
Active Member Death Benefit	0	31,690	203,615	235,304
Refund of Contributions	145,642	41,800	65,730	253,172
Total Retirement Member Expense	**16,023,450**	**15,883,216**	**16,162,034**	**48,068,699**
Personal Computer Lease (Accrual)	0	0	0	0
CPAS (Avenu)	16,300	25,000	8,150	49,450
Business Systems (Accountmate/iSoft)	46	0	0	46
IBM - Cognos systems	0	0	0	0
Oracle America	0	0	0	0
Total Computer Expense	**16,346**	**25,000**	**8,150**	**49,496**
Linea Secure, LLC (Cybersecurity)	4,167	4,167	4,167	12,500
Insight Public Sector, Inc.	0	0	0	0
Total Security Services Expense	**4,167**	**4,167**	**4,167**	**12,500**
Legal	**83,209**	**38,258**	**0**	**121,467**
County Counsel	0	22,246	0	22,246
Ice Miller LLP				0
Nossaman	83,209	16,013	0	99,221
Cheiron Inc. (Actuary)	18,143	0	0	18,143
Newmark Appraisals (1 McInnis)	0	0	0	0
Investment Managers	604,900	371,423	0	976,323
Callan (Investment Consultant)	80,750	0	0	80,750
Alliance Resource Consulting LLC	0	0	0	0
State Street (Custodian)	0	105,500	0	105,500
Woodmont Consulting Services	0	3,325	0	3,325
Investment Education Expense	0		0	0
Total Legal, Actuary & Investment Expense	**787,002**	**518,506**	**0**	**1,305,508**
Total Fund Expenses	**16,830,965**	**16,430,889**	**16,174,351**	**49,436,204**
Nossaman				
General Counsel	62,035	12,607	0	74,642
1 McInnis Parkway Leasing	13,021	63	0	13,083
Bankruptcy Related	329	2,141	0	2,471
Technology Projects	0	0	0	0
Employment Law Advice & Training	324		0	324
Negotiate Insurance Policies	4,680	527	0	5,207
Investment	2,820	675	0	3,495
Elections	0	0	0	0
Total Nossaman Expense	**83,209**	**16,013**	**0**	**99,221**

MCERA Non-Budgeted Expenses

FY 23/24 Quarter Ending September 30, 2023, by quarter

	FY 22/23 Actual Expenses	1st Qtr. Expenses	FYTD Total
Retiree Payroll	183,565,002	47,500,223	47,500,223
Retiree Death Benefit Paid	305,000	80,000	80,000
Active Member Death Benefit	388,791	235,304	235,304
Refund of Contributions	957,551	253,172	253,172
Total Retirement Member Expense	**185,216,343**	**48,068,699**	**48,068,699**
Personal Computer Lease (Accrual)	0	0	0
CPAS	198,185	49,450	49,450
Business Systems (Accountmate)	2,710	46	46
IBM - Cognos systems	21,529	0	0
Oracle America	0	0	0
Total Computer Expense	**222,423**	**49,496**	**49,496**
Linea Secure, LLC (Cybersecurity)	20,833	12,500	12,500
Insight Public Sector, Inc.	0	0	0
Total Security Services Expense	**20,833**	**12,500**	**12,500**
Legal	**349,512**	**121,467**	**121,467**
County Counsel	66,079	22,246	22,246
Ice Miller LLP	6,106	0	0
Nossaman	277,328	99,221	99,221
Cheiron Inc. (Actuary)	193,426	18,143	18,143
Appraisals (1 McInnis)	4,500	0	0
Investment Managers	3,569,023	976,323	976,323
Callan (Investment Consultant)	255,500	80,750	80,750
Alliance Resource Consulting LLC	32,000	0	0
State Street (Custodian)	466,481	105,500	105,500
Woodmont Consulting Services	13,213	3,325	3,325
Investment Education Expense	49,250	0	0
Total Legal, Actuary & Investment Expense	**4,932,905**	**1,305,508**	**1,305,508**
Total Fund Expenses	**190,392,505**	**49,436,204**	**49,436,204**
Nossaman			
General Counsel	199,129	74,642	74,642
One McInnis Parkway Leasing	10,426	13,083	13,083
Bankruptcy Related	4,886	2,471	2,471
Technology Projects	9,990	0	0
Employment Law Advice & Training	1,485	324	324
Negotiate Insurance Policies	5,338	5,207	5,207
Investment	31,414	3,495	3,495
Elections	2,111	0	0
Total Nossaman Expense	**264,777**	**99,221**	**99,221**

D.2.a.2

Investment Managers' Fees
FY 23/24 Quarter Ending September 30, 2023

Investment Manager	Market Value	Annualized %	Fees: July	August	September	Quarter Total	FY 22/23 IM fees
AEW Core Property Trust [1]	115,328,970	0.8450%	0	0	256,881	256,881	1,127,108
Abbott Fund VI [2]	36,966,004	0.8500%	0	0	0	0	274,421
Abbott Fund VII [3]	39,684,680	0.2429%	68,850	0	0	68,850	283,050
Abbott Investors 2016 [4]	70,196,432	0.5300%	66,250	0	0	66,250	264,999
Abbott Investors 2017 [5]	20,205,504	0.5000%	18,750	0	0	18,750	75,000
Abbott Investors 2021 [6]	9,956,046	0.6000%	28,125	0	0	28,125	93,750
Abbott Investors 2023	1,625,000	n/a	0	0	0	0	0
Artisan International Growth Fund	186,217,692	0.8000%	0	0	390,044	390,044	1,437,759
BlackRock TIPS	55,459,496	0.0300%	0	0	4,258	4,258	16,832
BlackRock US Real Estate	50,318,943	0.0600%	0	0	8,081	8,081	32,317
ABCarVal [7]	23,871,502	1.5000%	0	0	80,617	80,617	299,487
DFA Small Cap Core	229,927,159	0.0025%	0	0	150,707	150,707	573,481
Fidelity Institutional Asset Management (FIAM)	98,236,740	0.5762%	0	0	146,927	146,927	568,927
Fortress [7] (as of 6.30.23)	13,004,006	1.5000%	0	0	39,121	39,121	171,314
Invesco	55,899,074	0.7000%	32,033	32,775	32,470	97,278	378,812
KBI Global Resources Solutions	54,592,286	0.8500%	0	0	105,957	105,957	452,209
Morgan Stanley International Equity [9]	193,197,927	0.5666%	0	0	285,148	285,148	1,064,055
Parametric (overlay program) [10]	26,167,685	0.1529%	0	0	49,025	49,025	183,334
Pathway 2008 [11]	37,924,456	0.9000%	67,500	0	0	67,500	313,533
Pathway I-7 [11]	32,269,212	0.9000%	55,125	0	0	55,125	239,488
Pathway I-8 [11]	58,358,753	0.9000%	0	90,798	0	90,798	291,564
Pathway I-9 [12]	16,971,208	0.8000%	0	28,751	0	28,751	86,252
Pathway I-10 [13]	22,236,061	0.7300%	0	0	41,728	41,728	117,598
Pathway I-11-7	1,226,407	n/a	0	0	0	0	0
SSgA Russell 1000 Index Strategy [14]	720,449,629	0.0239%	0	0	43,750	43,750	175,000
TimesSquare International Small Cap	97,181,608	0.8500%	74,557	71,620	72,844	219,021	820,732
UBS Trumbull Property Fund [15]	94,838,637	0.6169%	0	0	150,507	150,507	696,391
Varde [7]	23,309,682	1.5000%	0	0	71,793	71,793	366,575
Wellington [16]	270,724,763	0.1848%	0	0	128,362	128,362	526,565
Western Asset [17]	284,710,779	0.2007%	0	0	171,560	171,560	591,627
Total	**$2,941,056,341**	**0.6397%**	**$411,190**	**$223,944**	**$2,229,782**	**$2,864,916**	**$11,522,178**

Manager Fee Details

[1] AEW Core Property Trust: 110 bps on the first $10m. 100 bps on $10m to $25m. 85 bps on $25m to $50m. 80 bps on $50m to $100m. 75bps over $100m
[2] ACE VI: Fees based on Committeed Capital ($100m). 100 bps up to $25m. 90 bps on $25m to $50m. 75bps over $100m. Fees scaled in: 50% Year 1, 75% year 2, 100% year 3.
[3] ACE VII: Fees based on Committeed Capital ($35m). 100 bps up to $25m. 90 bps on $25m to $50m. 75bps over $100m. Fees scaled in: 25% Year 1, 50% year 2, 75% year 3 and 100% year 4.
[4] AP 2016: Fees based on Committeed Capital ($50m). 60 bps up to $15m. 50 bps over $15m. Fees scaled in: 25% Year 1, 50% year 2, 75% year 3 and 100% year 4.
[5] AP 2017: Fees based on Committeed Capital ($15m). 50 bps up to $15m.
[6] AP 2021: Fees based on prior commitments over the last 10 years. Approximately 36 bps.
[7] ABCarval, Fortress and Varde Fees on invested capital
[8] Fidelity EM: 60 bps up to $50m, 55 bps on $50m to $200m
[9] Morgan Stanley:75 bps up $25m, 65 bps $25m to $75m, 60 bps $75m to $100m, 45 bps over $100m
[10] Parametric Overlay: 20 bps on first $25m, 10 bps on amounts over $25m
[11] Pathway: Fees based on committed capital $100m (2008), $35m (I-7) and $50m (I-8).
[12] Pathway: Fee based on committeed capital ($15m). Fee rate considers prior commitments. Fee scaled in: 25% Year 1, 50% year 2, 75% year 3 and 100% year 4.
[13] Pathway: Fee based on committeed capital ($25m). Fee rate considers prior commitments. Fee scaled in: 25% Year 1, 50% year 2, 75% year 3 and 100% year 4.
[14] SSGA: 5 bps up $50m, 4 bps $50m to $100m, 2 bps over $100m
[15] UBS Trumbull Property Fund: Original fee 95.50 bps on the first $10m. 82.50 bps on $10m to $25m. 80.50 bps on $25m to $50m. 79 bps on $50m to $100m. 67 bps on $100m to $250.
UBS Trumbull Property Fund: Current split fee. Up to $100m 61.69% with 25% loyalty discount. 80.24 bps for amount over $100m.
[16] Wellington: 30 bps on the first $25m. 25 bps on $25m to $50m. 22 bps on $50m to $100m. 15 bps over $100m.
[17] Western Asset: 30 bps on the first $100m. 15 bps over $100m.

D.2.a.3.a

MCERA Credit Card Transactions
FY 2023/2024 Q1

Statement Date	Card Used	Transaction Date	Vendor	Amount Charged	Receipt (Yes/No/Other)	Dept or Area Served	Reason/Item Purchased
7/18/23-8/17/23	Dale 4021	7/19/2023	Claremont Club	$ 1,722.64	Y	MCERA Board	Travel-Hotel
	Dale 4021	7/19/2023	Claremont Club	$ 1,697.64	Y	MCERA Board	Travel-Hotel
	Kiana 8171	7/24/2023	Amazon Marketplace	$ 9.49	Y	MCERA Staff	Office Supplies
	Kiana 8171	7/25/2023	Amazon Marketplace	$ 25.12	Y	MCERA Staff	Electronic Supplies
	Kiana 8171	7/25/2023	Amazon Marketplace	$ 12.00	Y	MCERA Staff	Office Supplies
	Kiana 8171	7/26/2023	Amazon Marketplace	$ 6.54	Y	MCERA Staff	Office Supplies
	Kiana 8171	7/26/2023	Amazon Marketplace	$ 31.50	Y	MCERA Staff	Office Supplies
	Kiana 8171	7/26/2023	Amazon Marketplace	$ 184.79	Y	MCERA Staff	Electronic Supplies
	Deanna 7558	7/27/2023	CDW Govt (Adobe Software)	$ 18.59	y	MCERA Staff	Subscriptions
	Dale 4021	7/28/2023	CALAPRS - AD Attorney's RT	$ 50.00	Y	MCERA Board	Conference/Training
	Kiana 8171	7/31/2023	ODP Business Solutions	$ 152.05	Y	MCERA Staff	Office Supplies
	Jeff 3902	8/4/2023	Zoom	$ 119.95	Y	MCERA Board	Subscriptions
	Jeff 3902	8/8/2023	Apple.com	$ 0.99	Y	MCERA Staff	Memberships
	Kiana 8171	8/9/2023	WSJ/Barron's Subscription	$ 180.23	y	MCERA Board	Subscriptions
			7/18/23-8/17/23 Statement Total	**$ 4,211.53**			

Statement Date	Card Used	Transaction Date	Vendor	Amount Charged	Receipt (Yes/No/Other)	Dept or Area Served	Reason/Item Purchased
8/18/23-9/17/23	Jeff 3902	8/18/2023	FSP SACRS	$ 135.00	y	MCERA Staff	Conference/Training
	Jeff 3902	8/18/2023	FSP SACRS	$ 100.00	y	MCERA Board	Conference/Training
	Kiana 8171	8/21/2023	ODP Business Solutions	$ 62.38	y	MCERA Staff	Office Supplies
	Dale 4021	8/22/2023	FSP SACRS	$ 360.00	y	MCERA Board	Conference/Training
	Kiana 8171	8/27/2023	B2B Prime	$ 195.56	y	MCERA Staff	Memberships
	Kiana 8171	8/31/2023	ODP Business Solutions	$ 346.02	y	MCERA Staff	Office Supplies
	Jeff 3902	9/4/2023	Zoom	$ 119.95	y	MCERA Board	Subscriptions
	Jeff 3902	9/8/2023	Apple.com	$ 0.99	y	MCERA Staff	Memberships
	Kiana 8171	9/10/2023	The Economist	$ 87.25	y	MCERA Board	Subscriptions
	Dale 4021	9/14/2023	FSP SACRS	$ 120.00	y	MCERA Board	Conference/Training
			8/18/23-9/17/23 Statement Total	**$ 1,527.15**			

Statement Date	Card Used	Transaction Date	Vendor	Amount Charged	Receipt (Yes/No/Other)	Dept or Area Served	Reason/Item Purchased
9/18/23-10/17/23	Dale 4021	9/12/2023	Westin Hotels	$ (249.29)	Y	MCERA Board	Travel-Hotel
	Dale 4021	9/28/2023	Omni Hotels - SACRS 11/23	$ 760.68	Y	MCERA Board	Travel-Hotel
	Dale 4021	9/28/2023	Omni Hotels - SACRS 11/23	$ 760.68	Y	MCERA Board	Travel-Hotel
	Dale 4021	9/28/2023	Omni Hotels - SACRS 11/23	$ 760.68	Y	MCERA Board	Travel-Hotel
	Dale 4021	9/28/2023	Omni Hotels - SACRS 11/23	$ 760.68	Y	MCERA Board	Travel-Hotel
	Dale 4021	9/28/2023	Omni Hotels - SACRS 11/23	$ 252.06	Y	MCERA Board	Travel-Hotel
	Deanna 7558	10/3/2023	CDW Govt (Adobe Software)	$ 1,112.80	Y	MCERA Staff	Subscriptions
	Jeff 3902	10/3/2023	WSJ Barrons Subscription	$ 116.97	y	MCERA Board	Subscriptions
	Jeff 3902	10/4/2023	Zoom.US	$ 119.95	y	MCERA Board	Subscriptions
	Kiana 8171	10/7/2023	Amazon Marketplace	$ 53.35	Y	MCERA Staff	Office Supplies
	Jeff 3902	10/8/2023	Apple.com	$ 0.99	Y	MCERA Staff	Memberships
	Kiana 8171	10/9/2023	Amazon Marketplace	$ 114.91	Y	MCERA Staff	Office/Electronic Supplies
	Kiana 8171	10/10/2023	ODP Business Solutions	$ 141.03	Y	MCERA Staff	Office Supplies
	Kiana 8171	10/10/2023	ODP Business Solutions	$ 59.95	Y	MCERA Staff	Office Supplies
			9/18/23-10/17/23 Statement Total	**$ 4,765.44**			

2023/2024 Q1 Total	**$ 10,504.12**

MCERA Education and Due Diligence Expense Summary FY 23/24
FY 23/24 Quarter Ending September 30, 2023

Trustee	Date	Conference	Location	1st quarter	Year to Date
M. Martinovich	7/15-19/2023	SACRS UC Berkeley	Berkeley, CA	1,993.16	$ **1,993.16**
K. Poole	8/28-31/2023	CALAPRS Principles of Pension Pepperdine University	Mailbu, CA	3,799.79	$ **3,799.79**
S. Silberstein	9/10-13/2023	Council of Institutional Investors Conference	Long Beach, CA	1,586.03	$ **1,586.03**
D. Vasquez	7/15-19/2023	SACRS UC Berkeley	Berkeley, CA	2,104.14	$ **2,104.14**
	8/28-31/2023	CALAPRS Principles of Pension Pepperdine University	Malibu, CA	3,446.18	$ **3,446.18**
	9/10-13/2023	Council of Institutional Investors Conference	Long Beach, CA	1,565.21	$ **1,565.21**
Trustee expense				**$ 14,494.51**	**$ 14,494.51**

Employee	Date	Conference	Location	1st quarter	Year to Date
S. Arebalo	9/15/2023	CALAPRS Accountants Round Table	Virtual	50.00	$ **50.00**
A. Bakerink	9/15/2023	CALAPRS Accountants Round Table	Virtual	50.00	$ **50.00**
D. Barre	11/6-8/2023	California Special Districts Association Board Secretary Conference	Monterey, CA	935.00	$ **935.00**
J. Wickman	9/27-29/2023	CALAPRS Administrators Institute 2023	Carmel Valley, CA	2,500.00	$ **2,500.00**
					$ **-**
V. Matyurin	10/6/2023	CALAPRS Virtual Information Technology Round Table	Virtual	50.00	$ **50.00**
Administrator and Employee expense				**$ 3,585.00**	**$ 3,585.00**

Counsel/Other	Date	Conference	Location	1st quarter	Year to Date
A. Taufiq (for A. Dunning	9/8/2023	CALAPRS Attorneys Round Table	Virtual	50.00	$ **50.00**
Counsel/Other expense				**$ 50.00**	**$ 50.00**
TOTAL MCERA Education and Due Diligence Expense				**$ 18,129.51**	**$ 18,129.51**

D.2.a.3.d

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CONTINUING TRUSTEE EDUCATION SUMMARY
Saturday, September 30, 2023

24 hours required by August 25, 2023

Trustee Murphy 65.95

24 hours required by October 17, 2023

Trustee Klein 48.45

24 hours required by November 1, 2023

Trustee Gladstern 55.20
Trustee Werby 120.70

24 hours required by January 1, 2024

Trustee Martinovich 51.74

24 hours required by April 13, 2024

Trustee Shaw 26.25

24 hours required by September 1, 2024

Trustee Jones 20.75

24 hours required by September 20, 2024

Trustee Vasquez 131.08

24 hours required by November 1, 2024

Trustee Gullett 7.25

24 hours required by December 31, 2024

Trustee Cooper 22.75

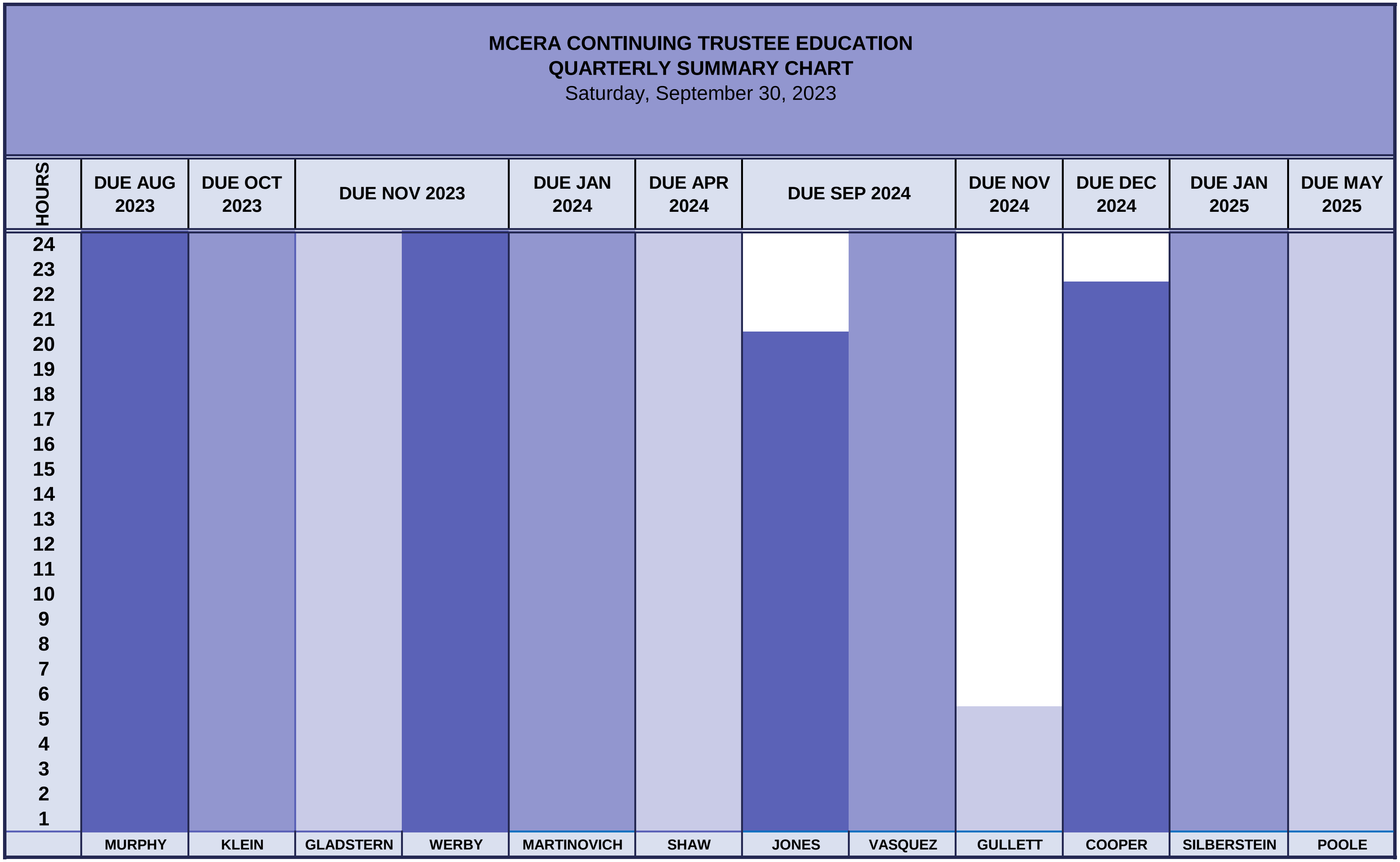
24 hours required by January 24, 2025

Trustee Silberstein 40.08

24 hours required by May 16, 2025

Trustee Poole 27.58

D.2.a.3.d


MCERA CONTINUING TRUSTEE EDUCATION
QUARTERLY SUMMARY CHART
Saturday, September 30, 2023
HOURS
DUE AUG 2023
DUE OCT 2023
DUE NOV 2023
DUE JAN 2024
DUE APR 2024
DUE SEP 2024
DUE NOV 2024
DUE DEC 2024
DUE JAN 2025
DUE MAY 2025
24
23
22
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7
6
5
4
3
2
1
MURPHY
KLEIN
GLADSTERN
WERBY
MARTINOVICH
SHAW
JONES
VASQUEZ
GULLETT
COOPER
SILBERSTEIN
POOLE

	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
3	TRUSTEE	Master Log										
4					TOPIC							
6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
7	**24.00**	**HOURS DUE by >**		**The later of December 31, 2014, or two years after assuming office, and biannually thereafter.**								
8				***See prior reports by date for earlier data.***								
9	0.50	1/13/2021	MCERA	Experience Study				X				
10	0.75	2/10/2021	MCERA	Actuarial Valuation Report as of June 30, 2020				X				
11	0.25	2/10/2021	MCERA	Cost of Living Adjustment				X			X	
12	0.50	2/20/2021	MCERA	Form 700 Refresher							X	
13			CalAPRS	GENERAL ASSEMBLY								
14	1.00	3/8/2021	CalAPRS	Fort Knox or In Knots: Unraveling the Mystery of Cybersecurity					X			
15	1.00	3/8/2021	CalAPRS	COVID: One-Year Later - What's Changed?			X					
16				*TABLE TOPIC BREAKOUT SESSIONS*								
17	1.00	3/8/2021	CalAPRS	*Capital Markets & Economic Outlook*			X					
18	1.00	3/8/2021	CalAPRS	*Technology*					X			
19	1.00	3/8/2021	CalAPRS	*COVID 19 - An Actuarial Perspective on Experience, Assumptions, and Policies*				X				
20	1.00	3/8/2021	CalAPRS	*Legal & Legislative Updates*	X							
21	1.00	3/8/2021	CalAPRS	*Investments*			X					
22	2.00	3/8/2021	CalAPRS	AB1234 Ethics for Public Pension Trustees							X	
23	1.00	3/9/2021	CalAPRS	Unconscious Bias: A Quiet Performance Killer							X	
24	1.00	3/9/2021	CalAPRS	Evaluating the Risk of Investing in China			X					
25	1.00	3/9/2021	CalAPRS	The Australian Model – Understanding the Approach Taken by Super Annuation Funds			X					
26	2.00	3/16/2021	MCERA	Prevention of Sexual Harassment Training							X	
27	**#REF!**	**Hours for Quarter Ending March 31, 2021**										
28	0.75	4/27/2021	MCERA	Asset-Liability Study Process Overview				X				
29	0.75	4/27/2021	MCERA	Measuring Pension Liabilities				X				
30	0.50	4/27/2021	MCERA	Modern Portfolio Theory: How do investment risk and diversification affect returns			X					
31	0.50	4/27/2021	MCERA	The Case for Reversion to the Mean			X					
32	1.00	4/27/2021	MCERA	Domestic Equity Structure Review			X					
33	1.00	4/27/2021	MCERA	Absolute Return - Multi-Asset Class Investments			X					
34	1.00	4/28/2021	MCERA	Review and Discussion of Operational Performance Measures					X			
35	1.25	5/10/2021	CalAPRS	Trustees' Round Table - Public Pension Reform: Lessons from Canada for the U.S.					X			
36	2.25	5/10/2021	CalAPRS	Trustees' Round Table - Understanding the Role of Public Pension Funds in Shareholder Litigation and Other Options for Exercising Shareholder Rights	X							
37				SACRS SPRING CONFERENCE								

	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
3	TRUSTEE	Master Log										
4					TOPIC							
6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
38	2.00	5/11/2021	SACRS	Ethics Training for Trustees and Staff							X	
39	2.00	5/11/2021	SACRS	Sexual Harassment Prevention Training for Local Agency Officials							X	
40	1.00	5/12/2021	SACRS	General Session - Keynote Speaker David Kelly			X					
41	1.00	5/12/2021	SACRS	General Session - A CIO Perspective in a Time of Disruption			X					
42	1.00	5/12/2021	SACRS	General Session - A Private Market Lens into Washington & the Biden Administration			X					
43		5/12/2021	SACRS	*BREAKOUT SESSIONS*								
44	2.50	5/12/2021	SACRS	*Ops/Benefits & Disability Breakout*						X		
45	2.50	5/12/2021	SACRS	*Attorney Breakout*	X							
46	2.50	5/12/2021	SACRS	*Internal Auditors Breakout*								X
47	2.50	5/12/2021	SACRS	*Administrators Breakout*					X			
48	2.50	5/12/2021	SACRS	*Investment Breakout*			X					
49	2.50	5/12/2021	SACRS	*Trustee Breakout*							X	
50	2.50	5/12/2021	SACRS	*Safety Breakout*					X			
51	1.00	5/13/2021	SACRS	General Session - Why You Should See the World Through the Eyes of a Bond Investor			X					
52	1.00	5/13/2021	SACRS	General Session - Diversity Equity and Inclusion							X	
53	1.00	5/13/2021	SACRS	General Session - How California is Leading the Revolution in Sustainable Energy and the Future of Transportation			X					
54		5/13/2021	SACRS	*CONCURRENT SESSIONS*								
55	1.00	5/13/2021	SACRS	*A - Double Bottom Line: Investing in Your Community - Education on How it can be Done in your Asset Allocation Investment*			X					
56	1.00	5/13/2021	SACRS	*B- The Next Stage of PEPRA: Implementing the Alameda Decision and Update on the Administrative Appeals and Litigation That Have Followed*					X			
57	1.00	5/13/2021	SACRS	*C - Cyber Self-Defense, Practical advice to protect your digital life*					X			
58		5/13/2021	SACRS	*CONCURRENT SESSIONS*								
59	1.00	5/13/2021	SACRS	*A - What Now for China's Public and Private Equity Markets?*			X					
60	1.00	5/13/2021	SACRS	*B - Legislative Update 2021*	X							
61	1.00	5/14/2021	SACRS	General Session - COVID-19 Update					X			
62	2.00	6/30/2021	Marin County	Preventing Discrimination & Harassment: CA Managers							X	
63	**44.50**	**Hours for Quarter Ending June 30, 2021**										
64			Callan	CALLAN NATIONAL CONFERENCE								
65	1.25	7/20/2021	Callan	Keynote Speaker: Niall Ferguson, MA, D.Phil.			X					
66	1.25	7/20/2021	Callan	Diversity, Equity and Inclusion Panel							X	

D.2.a.3.d

	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
3	TRUSTEE	Master Log										
4					TOPIC							
6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
67	1.25	7/20/2021	Callan	Janet Napolitano			X					
68	1.00	7/20/2021	Callan	Callan Workshop: The Role of Real Estate and Infrastructure Debt In a Portfolio			X					
69	1.25	7/21/2021	Callan	Keynote Speaker: Scott Gottlieb, M.D.			X					
70	1.25	7/21/2021	Callan	Climate Change and the Impact on Capital Markets			X					
71	1.00	7/21/2021	Callan	Callan Workshop: How to Navigate Your Corporate DB Plan in This Low-Rate Era			X					
72	1.00	7/21/2021	Callan	Callan Workshop: The Role of Real Estate and Infrastructure Debt In a Portfolio			X					
73	2.00	7/29/2021	MCERA	Sexual Harassment Prevention Education							X	
74	1.00	8/12/2021	SACRS	WEBINAR: Sonoma CERA & Tulare CERA					X			
75	1.00	8/24/2021	SACRS	WEBINAR: What is really happening on the ground in the major real estate markets?			X					
76	1.00	various	CII	WEBINAR: Moving Beyond Modern Portfolio Theory			X					
77			CII	FALL CONFERENCE								
78	0.75	9/22/2021	CII	Plenary 1: Lessons from the ExxonMobil Proxy Contest							X	
79	0.50	9/22/2021	CII	Plenary 2: What's Next at the SEC?							X	
80	0.50	9/22/2021	CII	Plenary 3: New Era for Nasdaq							X	
81	1.00	9/22/2021	CII	The Future of Capitalism: Why Fiduciaries Must Address Climate Risks and Racial Inequality							X	
82	1.00	9/22/2021	CII	No "S" Without "G"							X	
83	0.75	9/23/2021	CII	Plenary 4: Executive Compensation - Where do ESG Metrics Fit?							X	
84	0.83	9/23/2021	CII	Plenary 5: The Role of the Corporation in Society							X	
85	0.50	9/23/2021	CII	Plenary 6: Expanding Employee Ownership							X	
86	0.92	9/23/2021	CII	Breakout Session: Cybersecurity Risk					X			
87	0.92	9/23/2021	CII	Breakout Session: Governance of Private Companies							X	
88	0.75	9/23/2021	CII	Plenary 7: Tracking Net Zero Progress							X	
89	0.75	9/23/2021	CII	Plenary 8: Board Oversight of Diversity & Inclusion							X	
90	1.00	9/23/2021	CII	Shedding Light on Investment Management Fees: How Fee Transparency Can Improve Value for Public Pension Funds		X						
91	1.00	9/23/2021	CII	Shareholder Engagement: Shaping Corporate Sustainability in the Real Economy							X	
92	1.00	9/24/2021	CII	Evaluating Asset Managers' Commitment Level to Integrating ESG Considerations							X	
93	0.75	9/24/2021	CII	Plenary 9: International Governance Committee: Breakdowns in Voting Integrity							X	
94	0.75	9/24/2021	CII	Project on Japanese Corporate Governance and Stewardship							X	
95	0.75	9/24/2021	CII	Plenary 10: Shareholder Advocacy Committee: Shareholder Advocacy on Worker Health & Safety							X	
96	0.75	9/24/2021	CII	Plenary 11: Shareholder Advocacy Committee's Lightning Round							X	
97	**29.42**	**Hours for Quarter Ending September 30, 2021**										
98	1.50	10/21/2021	BlackRock	Future Forum			X					

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6	**HOURS**	**DATE**	**SPONSOR**	**EVENT/SEMINAR**	**PENSION LAW**	**INVESTMENT PERFORMANCE MEASUREMENT**	**ASSET ALLOCATION AND INVESTMENT MANAGEMENT**	**ACTUARIAL EVALUATION AND PROCESS**	**BENEFITS ADMINISTRATION**	**DISABILITY RETIREMENT**	**BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS**	**ORGANIZATION BUDGET & AUDIT PROCEDURES**
99	1.00	10/26/2021	MCERA	Asset/Liability Study Update			X					
100	2.00	10/26/2021	MCERA	Annual Actuarial Valuation Funding Methods and Discount Rate Review				X				
101	1.00	10/26/2021	MCERA	China Investment Considerations			X					
102	0.50	10/27/2021	MCERA	Breakdown of MCERA Retiree Population by Location					X			
103	1.00	10/27/2021	MCERA	Review of MCERA's Annual Processes and Contingencies					X			
104	2.41	10/29/2021	CalAPRS	Trustees' Round Table - Trustees' Fiduciary Responsibilities Revisited/Reimagined:							X	
105		10/29/2021	CalAPRS	Topic #1 - Loyalty and Care as Applied to ESG								
106		10/29/2021	CalAPRS	Topic #2 - Climate Change and Fiduciary Responsibility								
107	2.33	10/29/2021	CalAPRS	Trustees' Round Table - How Trustees Can Exert Leadership in the Investment Arena:							X	
108		10/29/2021	CalAPRS	Topic #1 - Racial Justice - Emerging Managers - DEI Initiatives								
109		10/29/2021	CalAPRS	Topic #2 - Sustainable and Initiatives for Impact by State Treasurers for Pension Plans								
110			**SACRS**	**Fall Conference**								
111	2.00	11/9/2021	SACRS	Ethics Training for Trustees and Staff							X	
112	2.00	11/9/2021	SACRS	Sexual Harassment Prevention Training for Local Agency Officials							X	
113	1.50	11/10/2021	SACRS	Perseverance and Triumph							X	
114	1.00	11/10/2021	SACRS	What Can We Learn From Each Other?							X	
115	1.00	11/10/2021	SACRS	Best Team Ever: The Surprising Science of High-Performing Teams							X	
116		11/10/2021	SACRS	**Concurrent Sessions:**								
117	2.50	11/10/2021	SACRS	Administrators Breakout					X			
118	2.50	11/10/2021	SACRS	Attorneys Breakout	X							
119	2.50	11/10/2021	SACRS	Internal Auditors Breakout								X
120	2.50	11/10/2021	SACRS	Investment Breakout			X					
121	2.50	11/10/2021	SACRS	Operations/Benefits Breakout					X			
122	2.50	11/10/2021	SACRS	Safety Breakout					X			
123	2.50	11/10/2021	SACRS	Trustee Breakout							X	
124	1.25	11/11/2021	SACRS	Keynote: NOT Your Standard Economic Update...The Big Questions of the Day Post COVID			X					
125	1.00	11/11/2021	SACRS	Transitioning to a Low Carbon Economy			X					
126	1.00	11/11/2021	SACRS	Mega Trends Impacting Urban Real Estate			X					
127		11/11/2021	SACRS	**Concurrent Sessions:**								
128	1.00	11/11/2021	SACRS	A - The "B" Word; Institutional Considerations for Exploring Bitcoin & Cryptocurrency Adoption			X					
129	1.00	11/11/2021	SACRS	B - Capitalizing on Controversy: Demystifying SPACs and PIPEs			X					
130	1.00	11/11/2021	SACRS	C - Diversification vs. Overconfidence			X					
131		11/11/2021	SACRS	**Concurrent Sessions:**								

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132	1.00	11/11/2021	SACRS	Why Infrastructure Debt & Equity Investing Makes Sense for Public Pensions			X					
133	1.00	11/11/2021	SACRS	SACRS Legislative Update 2021	X							
134	1.00	11/11/2021	SACRS	Real Estate Private Credit - Who Says You Can't Have It All?			X					
135			**Nossaman**	**Public Pensions & Investments Fiduciaries' Forum**								
136	2.00	12/6/2021	Nossaman	Litigation Impacting the Operation of Public Pension Systems	X							
137	2.00	12/6/2021	Nossaman	Investment Considerations for Public Plan Investment Officers	X							
138	2.00	12/6/2021	Nossaman	Administrative Issues Facing Fiduciaries							X	
139	0.25	12/15/2021	MCERA	GASB 67/68 Report				X				
140	0.20	12/15/2021	MCERA	Audited Financial Statements as of June 30, 2021								X
141	**52.44**	**Hours for Quarter Ending December 31, 2021**										
142	1.00	1/12/2022	MCERA	Preliminary Valuation Results				X				
143	2.00	1/24/2022	FPPC	Public Service Ethics Education							X	
144	2.00	2/8/2022	FPPC	Public Service Ethics Education							X	
145	0.75	2/9/2022	MCERA	Actuarial Valuation Report as of June 30, 2021				X				
146	2.00	2/25/2022	FPPC	Public Service Ethics Education							X	
147	**7.75**	**Hours for Quarter Ending March 31, 2022**										
148	2.00	4/18/2022	FPPC	Public Service Ethics Education							X	
149	2.00	4/20/2022	FPPC	Public Service Ethics Education							X	
150	1.25	4/26/2022	Callan	National Conference - Keynote Speaker Bob Woodward			X					
151	1.25	4/26/2022	Callan	National Conference - The Global Energy Challenge for Investors							X	
152	1.00	4/26/2022	Callan	National Conference - Shawn Achor					X			
153	1.00	4/26/2022	Callan	National Conference - Evaluating Total Fund Leverage Strategies			X					
154	1.25	4/27/2022	Callan	National Conference - Keynote Speaker Anja Manuel			X					
155	1.25	4/27/2022	Callan	National Conference - Capital Markets Panel			X					
156	1.00	4/27/2022	Callan	National Conference - Joan Higginbotham			X					
157	1.00	4/27/2022	Callan	National Conference - Evaluating Total Fund Leverage Strategies			X					
158	1.00	4/27/2022	Callan	National Conference - DEI: Taking Action, Measuring Progress							X	
159	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - Introduction to Private Equity			X					
160	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - PE Economics & Fees - Fund Life Cycle & Fees		X						
161	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - Regulatory, Governance & Legal	X							
162	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - Fund Selection & Portfolio Construction			X					
163	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - Measuring Performance - Monitoring Life Cycle		X						
164	0.75	4/29/2022	CalAPRS	Trustees' Roundtable - Measuring Performance - PE Resourcing & Trends		X						
165			SACRS	SPRING CONFERENCE								

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE **Master Log**

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6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
166	2.00	5/10/2022	SACRS	Ethics Training for Trustees and Staff							X	
167	2.00	5/10/2022	SACRS	Sexual Harassment Prevention Training for Local Agency Officials							X	
168	1.00	5/11/2022	SACRS	General Session: Leadership in the Toughest of Times with Keisha Lance Bottoms							X	
169	1.00	5/11/2022	SACRS	General Session: Inflation: What It Is, Where It's Coming From, and What It Means for Your Retirement Plan					X			
170	1.00	5/11/2022	SACRS	General Session: Crypto 101: Everything You Wanted to Know but are Afraid to Ask			X					
171		5/11/2022	SACRS	CONCURRENT SESSIONS								
172	2.50	5/11/2022	SACRS	Administrator's Breakout					X			
173	2.50	5/11/2022	SACRS	Investment Breakout			X					
174	2.50	5/11/2022	SACRS	Operations-Benefits Breakout					X			
175	2.50	5/11/2022	SACRS	Safety Breakout					X			
176	2.50	5/11/2022	SACRS	Trustee Breakout							X	
177	1.25	5/12/2022	SACRS	Keynote Speaker: Perspectives on the Russia-Ukraine Invasion with General David Petraeus			X					
178	1.00	5/12/2022	SACRS	General Session: The Future of Business in the Metaverse Economy			X					
179	1.00	5/12/2022	SACRS	General Session: Navigating China, and Why It Matters			X					
180		5/12/2022	SACRS	CONCURRENT SESSIONS								
181	1.00	5/12/2022	SACRS	A - Investing in Crypto Currency: A Public Fund Roadmap			X					
182	1.00	5/12/2022	SACRS	B - Impact Investing and Affordable Housing			X					
183	1.00	5/12/2022	SACRS	C - Sacramento CERS Spotlight					X			
184	1.00	5/12/2022	SACRS	A - Private Credit Outlook: Key Trends and the Road Ahead			X					
185	1.00	5/12/2022	SACRS	B - SACRS 2022 Legislative Update	X							
186	1.00	5/12/2022	SACRS	C - Inflation Part II: Investment Risk and Opportunities in an Inflationary Environment			X					
187	1.00	5/16/2022	MCERA	China Investment Considerations			X					
188	1.00	5/16/2022	MCERA	Inflation: A Historical Perspective and Looking Forward			X					
189	1.00	5/16/2022	MCERA	COVID-19 Mortality Impacts and Projections				X				
190	1.00	5/16/2022	MCERA	Tail Risk Hedging			X					
191	1.00	5/17/2022	MCERA	Meet MCERA Members					X			
192	1.00	5/15/2022	MCERA	MCERA Retiree Population by Geography and Economic Impact					X			
193	2.00	6/30/2022	California	Sexual Harassment and Abusive Conduct Prevention Training (Department of Fair Employment and Housing)							X	
194	51.25	Hours for Quarter Ending June 30, 2022										

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195	2.00	9/2/2022	California	Sexual Harassment and Abusive Conduct Prevention Training (Department of Fair Employment and Housing)							X	
196	1.00	9/21/2022	CII	2:15 to 3:15 pm - Decarbonizing Emerging Markets			X					
197	1.00	9/21/2022	CII	2:15 to 3:15 pm - End to End Vote Confirmation Process							X	
198	1.00	9/21/2022	CII	2:15 to 3:15 pm - Responsible Investment in Residential Real Estate			X					
199	0.50	9/21/2022	CII	Plenary 1 - Exploring Empirical Evidence on ESG and Corporate Performance							X	
200	0.75	9/21/2022	CII	Plenary 2 - Navigating Global Conflict & Geopolitical Risk: Takeaways for Boards and Investors			X					
201	0.75	9/22/2022	CII	Plenary 3 - The Governance Gap: Spotlight on Small- and Mid-Cap Companies							X	
202	0.50	9/22/2022	CII	Plenary 4 - What's Next for the PCAOB							X	
203	1.00	9/22/2022	CII	Breakout Session 1: Strategies to Incorporate ESG into Fund Due Diligence and Contracts							X	
204	1.00	9/22/2022	CII	Breakout Session 2: The Public/Private Company Divide on Disclosure							X	
205	1.25	9/22/2022	CII	Plenary 5 - The Road Ahead for the U.S. & Global Economy			X					
206	1.00	9/22/2022	CII	1:45 to 2:45 pm - London Calling: Why Can't We be Tougher on Executive Pay Across the Pond?							X	
207	1.00	9/22/2022	CII	1:45 to 2:45 pm - Using System-Level Investing & Engagement to Mitigate E&S Threats to Markets							X	
208	1.00	9/22/2022	CII	1:45 to 2:45 pm - The Materiality of Labor Rights: Research & Experience from the US and Europe							X	
209	0.75	9/22/2022	CII	Plenary 6 - ESG & Private Markets: Reporting and Integration Strategies			X					
210	0.75	9/22/2022	CII	Plenary 7 - Washington Outlook: The SEC and Congress	X							
211	1.00	9/23/2022	CII	9 to 10 am - Aligning Investment Activity With Sustainable Development Goals							X	
212	1.00	9/23/2022	CII	9 to 10 am - Cyber-Risk in "Plain English" - No Acronyms Allowed					X			
213	1.00	9/23/2022	CII	9 to 10 am - What Does the Infrastructure Investment and Jobs Act Bill Mean for Investors?			X					
214	0.75	9/23/2022	CII	Plenary 8 - International Governance Committee - Emerging Markets: Investment & Governance							X	
215	0.50	9/23/2022	CII	Plenary 9 - Shareholder Advocacy Committee - New Research on Engagement to Mitigate Climate Risks							X	
216	0.50	9/28/2022	MCERA	Investment Committee - Fixed Income Structure			X					
217	**20.00**	**Hours for Quarter Ending September 30, 2022**										
218			**Nossaman**	**Public Pensions & Investments Fiduciaries' Forum**								
219	1.50	10/17/2022	Nossaman	New SEC Rules & Their Impact on Public Pension Plan Investors in Private Funds	X							
220	1.25	10/17/2022	Nossaman	Fund of One vs. Commingled Funds & Tax Developments	X							

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221	1.25	10/17/2022	Nossaman	Global & National Perspectives on Real Estate Developments & Investment Opportunities for Public Pension Funds			X					
222	0.83	10/18/2022	Nossaman	Litigation Against Public Retirement Systems: What Are the Trends & How Do Fiduciaries Prepare?	X							
223	0.83	10/18/2022	Nossaman	Fiduciary Governance: Mitigating Organizational, Operational & Investment Risk							X	
224	0.83	10/18/2022	Nossaman	Tales from the Trenches: Insights on Best Practices for Supervisors from Seasoned Employment Counsel					X			
225			**NCPERS**	**Public Safety Conference**								
226	0.75	10/23/2022	NCPERS	Capital Market Development for Public Safety Funds			X					
227	0.75	10/24/2022	NCPERS	Historic and Current Market Volatility			X					
228	0.75	10/24/2022	NCPERS	Dispelling Presumptions about My Assumptions				X				
229	0.75	10/24/2022	NCPERS	Police and Firemen's Retirement System of New Jersey - Path to True Pension Reform					X			
230	0.75	10/24/2022	NCPERS	Surprise Healthcare Bill Regulatory and Litigation Developments	X							
231	0.75	10/24/2022	NCPERS	Economic Outlook and Investment Opportunities for Public Plans			X					
232	1.00	10/24/2022	NCPERS	Actuarial Assumptions Unique to Public Safety Pensions				X				
233	0.75	10/25/2022	NCPERS	Federal Legislative and Regulatory Update	X							
234	0.75	10/25/2022	NCPERS	Reducing Retiree Healthcare Costs and HELPS					X			
235	0.75	10/25/2022	NCPERS	Inflation Considerations			X					
236	0.75	10/25/2022	NCPERS	Public Safety - Who We Are and Why It Matters					X			
237	0.75	10/25/2022	NCPERS	Private Alternative Considerations in a Public Safety Pension Plan			X					
238	0.50	10/25/2022	NCPERS	Cybersecurity and Pension Websites					X			
239	0.50	10/25/2022	NCPERS	Hidden Challenges Ahead for the Public Safety Workforce					X			
240	0.75	10/26/2022	NCPERS	Healthcare Costs and Setting Up a Retiree Medical Trust					X			
241	0.75	10/26/2022	NCPERS	Applying the Principles and Methods of Journalism to Pension Communications					X			
242	0.75	10/26/2022	NCPERS	The Emergence of Secondaries as a Mainstream Private Equity Investment Category			X					
243	0.75	10/26/2022	NCPERS	The Application of New Metrics to Measure Pension Health					X			
244	0.75	10/26/2022	NCPERS	The Real Deal for the Public Sector: Retirement Income Adequacy Study					X			
245	0.75	10/26/2022	NCPERS	Retooling Communication: Why Pension Plans Are Indispensable Tools					X			
246	1.00	10/25/2022	MCERA	Strategic Workshop - Investment Manager Due Diligence - Prudent Practices for the Board							X	
247	1.00	10/25/2022	MCERA	Strategic Workshop - Overview of the Annual Actuarial Valuation Process				X				
248	1.00	10/25/2022	MCERA	Strategic Workshop - Overview of the Asset Allocation Process			X					
249	1.00	10/25/2022	MCERA	Strategic Workshop - Real Asset Allocation Structure Review			X					

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250	1.00	10/26/2022	MCERA	Strategic Workshop - MCERA Business Priorities for the Next 2-3 Years							X	
251	1.00	10/26/2022	MCERA	Strategic Workshop - Service Enhancement - Overview of Potential Member Portal					X			
252	2.00	11/7/2022	Nossaman	Sexual Harassment Prevention Training							X	
253			**SACRS**	**FALL CONFERENCE**								
254	2.00	11/8/2022	SACRS	Sexual Harassment Prevention Training for Local Agency Officials (AB1661)							X	
255	1.00	11/9/2022	SACRS	Keynote General Session - Navigating Uncertainty: Identifying Opportunities & Spotting Risks			X					
256	1.00	11/9/2022	SACRS	General Session - What's Next for Real Estate?			X					
257	1.00	11/9/2022	SACRS	General Session - Water Resources and The Impact On Economy			X					
258	2.50	11/9/2022	SACRS	Private Equity			X					
259	2.50	11/9/2022	SACRS	Diversifying Assets: Private Credit and Real Assets			X					
260	2.50	11/9/2022	SACRS	Safety Breakout							X	
261	2.50	11/9/2022	SACRS	Trustee Breakout							X	
262	1.00	11/10/2022	SACRS	General Session - Retired Four-Star Admiral Bill McRaven			X					
263	1.00	11/10/2022	SACRS	General Session - CIO Panel: Investment Leadership Through Changing and Unpredictable Markets			X					
264	1.00	11/10/2022	SACRS	General Session - Nice Bike: Creating Authentic Connections							X	
265	1.00	11/10/2022	SACRS	Concurrent Session A - What Does The Past Tell Us About The Future?			X					
266	1.00	11/10/2022	SACRS	Concurrent Session B - Specialist Manager Asset Allocation and Outperformance: Growth and Perpetual Value and Reason For Optimism			X					
267	1.00	11/10/2022	SACRS	Concurrent Session C - Profits, Pay and the Pandemic: How shareholders and CEOs continued to get richer, while front-line workers were again left behind							X	
268	1.00	11/10/2022	SACRS	Concurrent Session A - The Perfect Storm: Global tensions, rising rates, and high volatility. What does it mean for currency risk?			X					
269	1.00	11/10/2022	SACRS	Concurrent Session B - SACRS 2022 Legislative Update	X							
270	1.00	11/10/2022	SACRS	Concurrent Session C - Operations and Benefits - Millennial Leaders - Effective Hiring Practices					X			
271	1.00	11/11/2022	SACRS	General Session - Risk Mitigation 101			X					
272	0.50	12/14/2022	MCERA	GASB 67/68 Report				X				
273	**54.75**	**Hours for Quarter Ending December 31, 2022**										
274	0.50	1/11/2023	MCERA	Preliminary Actuarial Valuation Results				X				
275	0.50	1/18/2023	MCERA	International Equity Structure Review			X					
276	2.00	2/1/2023	FPPC	Public Service Ethics Education							X	
277	2.00	2/5/2023	FPPC	Public Service Ethics Education							X	

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3	**TRUSTEE**	**Master Log**										
4					**TOPIC**							
6	**HOURS**	**DATE**	**SPONSOR**	**EVENT/SEMINAR**	**PENSION LAW**	**INVESTMENT PERFORMANCE MEASUREMENT**	**ASSET ALLOCATION AND INVESTMENT MANAGEMENT**	**ACTUARIAL EVALUATION AND PROCESS**	**BENEFITS ADMINISTRATION**	**DISABILITY RETIREMENT**	**BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS**	**ORGANIZATION BUDGET & AUDIT PROCEDURES**
278	2.00	2/6/2023	FPPC	Public Service Ethics Education							X	
279	0.50	2/8/2023	MCERA	Actuarial Valuation Report as of June 30, 2022				X				
280	0.25	2/8/2023	MCERA	Form 700 Refresher							X	
281			**CalAPRS**	**General Assembly**								
282	2.00	3/5/2023	CalAPRS	AB1234 Ethics for Trustees							X	
283	1.00	3/5/2023	CalAPRS	Public Pension Issues and Trends					X			
284	1.00	3/5/2023	CalAPRS	Into the Breach: How Retirement Boards Can Get Into Trouble and How Not to Be One of Them							X	
285	1.00	3/6/2023	CalAPRS	Searching for a Soft Landing in 2023			X					
286	1.00	3/6/2023	CalAPRS	Geopolitical Risks Not Yet Resolved in 2023			X					
287	1.00	3/6/2023	CalAPRS	Investments in 2023 - What You Need to Know			X					
288	1.00	3/6/2023	CalAPRS	Intelligent Automation Transformation within Public Sector - A Point of View					X			
289	1.00	3/6/2023	CalAPRS	Tracking Productivity & Performance Measures					X			
290	1.50	3/7/2023	CalAPRS	Digital Opportunities Panel: Online Retirement Process, Trustee Electronic Elections, and Multi-Factor Authentication/ID-ME					X			
291	0.75	3/7/2023	CalAPRS	LDROM & The Impact of Inflation on Liabilities				X				
292			**CII**	**Spring Conference**								
293	1.00	3/6/2023	CII	Plenary 1: What's Next for Activism: Perspectives from Starboard							X	
294	1.00	3/6/2023	CII	Plenary 2: View from the Boardroom - Director Panel							X	
295	0.75	3/7/2023	CII	Plenary 3: What's Next for Global Markets			X					
296	1.00	3/7/2023	CII	Plenary 4: The Future of China as an Investible Market			X					
297	1.00	3/7/2023	CII	Breakout 1: Washington Update - Key SEC Rules and Climate Legislation	X							
298	1.00	3/7/2023	CII	Breakout 2: Tools for Funds to Advance DEI at External Money Managers							X	
299	1.00	3/7/2023	CII	Lunch and Plenary 5: Matt Levine on the Markets			X					
300	0.75	3/7/2023	CII	Plenary 6: The Future of Work					X			
301	0.75	3/7/2023	CII	Member-hosted meeting: Investment Risks in Tech - Engaging with Companies to Create Long-Term Value							X	
302	0.75	3/7/2023	CII	Member-hosted meeting: Best Practices for ESG Investor Relations and Stewardship Teams							X	
303	0.75	3/7/2023	CII	Member-hosted meeting: Making the Investment Case for Good Labor Practices							X	
304	0.75	3/7/2023	CII	Member-hosted meeting: Assessing the Credibility of Published Targets on the Path to Net-Zero							X	
305	0.75	3/7/2023	CII	Member-hosted meeting: Digital Rights and Big Tech in the U.S. Fiduciary Context							X	
306	0.75	3/7/2023	CII	Member-hosted meeting: CEO Compensation in 2023							X	

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	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
3	TRUSTEE	Master Log										
4					TOPIC							
6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
307	0.75	3/7/2023	CII	Member-hosted meeting: Transparency and Data Quality - Energy Transition in the Automotive Sector							X	
308	0.75	3/7/2023	CII	Member-hosted meeting: Evaluating General Obligation Bonds through an ESG Lens			X					
309	0.75	3/7/2023	CII	Member-hosted meeting: Protecting Diversified Portfolios through Systems-Level Stewardship			X					
310	0.75	3/8/2023	CII	Plenary 8: Shareholder Advocacy Committee - Can We Take Politics Out of ESG?							X	
311	1.50	3/29/2023	MCERA	Capital Market Assumptions			X					
312	35.50 Hours for Quarter Ending March 31, 2023											
313			Callan	NATIONAL CONFERENCE								
314	1.25	4/3/2023	Callan	Keynote Speaker: Rana Foroohar on Geopolitics			X					
315	1.25	4/3/2023	Callan	Capital Markets Panel			X					
316	1.25	4/3/2023	Callan	Erica Dhawan on teamwork, collaboration and innovation					X			
317	1.00	4/3/2023	Callan	Workshop: Best Practices for Evaluating Managed Accounts		X						
318	1.00	4/3/2023	Callan	Workshop: Opportunities in Private Assets			X					
319	1.00	4/3/2023	Callan	Workshop: Callan's Search for the Holy Grail: the Keys to Identifying Total Plan Costs					X			
320	1.25	4/4/2023	Callan	Keynote Speaker: Tyler Cowen on Economics			X					
321	1.25	4/4/2023	Callan	Marc Milstein on human health, productivity and happiness							X	
322	1.50	4/4/2023	Callan	David Epstein on the workforce of the future							X	
323	1.00	4/4/2023	Callan	Workshop: Market Intel Live!			X					
324			Wharton	INVESTMENT STRATEGIES & PORTFOLIO MANAGEMENT								
325	0.75	4/17/2023	Wharton	The Asset Menu			X					
326	3.50	4/17/2023	Wharton	Enhanced Portfolio Theory			X					
327	1.50	4/17/2023	Wharton	Performance Measurement vs. Skill		X						
328	1.50	4/18/2023	Wharton	Behavioral Finance			X					
329	3.25	4/18/2023	Wharton	Evaluating & Rating Managers			X					
330	1.50	4/18/2023	Wharton	Bond Management			X					
331	1.50	4/18/2023	Wharton	The Impact of Impact Investing							X	
332	3.25	4/19/2023	Wharton	Private Equity			X					
333	2.75	4/19/2023	Wharton	Real Estate			X					
334	2.75	4/20/2023	Wharton	Hedge Funds			X					
335	3.00	4/20/2023	Wharton	Stock Markets Vs. Bond Markets			X					
336	1.25	4/20/2023	Wharton	Risk Management			X					
337	3.00	4/21/2023	Wharton	International Investing			X					

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE: Master Log

Row	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
338			CalAPRS	TRUSTEES' ROUND TABLE								
339	1.00	5/5/2023	CalAPRS	The Basics of Asset Allocation			X					
340	0.50	5/5/2023	CalAPRS	Are There Other Ways to Approach Asset Allocation?			X					
341	0.75	5/5/2023	CalAPRS	How Does a Consultant Advise Boards to Do Asset Allocation?			X					
342	1.00	5/5/2023	CalAPRS	What Tools Do Our CIOs Provide to Trustees to Monitor Asset Allocation?			X					
343			SACRS	SPRING CONFERENCE								
344	2.00	5/9/2023	SACRS	Ethics Training for Trustees and Staff							X	
345	2.00	5/9/2023	SACRS	Sexual Harassment Prevention Training for Local Agency Officials							X	
346	1.00	5/9/2023	SACRS	In Solidarity - Labor and Labor Allies Networking							X	
347	1.00	5/10/2023	SACRS	Keynote General Session - China: Friendly Competitor or Geopolitical Threat, Implications for the Fiduciary							X	
348	1.00	5/10/2023	SACRS	General Session - Practical Leadership Lessons							X	
349	1.00	5/10/2023	SACRS	General Session - Girls Who Invest			X					
350	2.50	5/10/2023	SACRS	Concurrent Sessions - Administrators Breakout					X			
351	2.50	5/10/2023	SACRS	Concurrent Sessions - Attorneys Breakout	X							
352	2.50	5/10/2023	SACRS	Concurrent Sessions - Operations/Benefits Breakout					X			
353	2.50	5/10/2023	SACRS	Concurrent Sessions - Safety Breakout							X	
354	2.50	5/10/2023	SACRS	Concurrent Sessions - Trustee Breakout							X	
355	1.00	5/11/2023	SACRS	General Session - Ukraine and Beyond: The Geopolitics of 2023							X	
356	1.00	5/11/2023	SACRS	General Session - DEI - An Integrated Approach							X	
357	1.00	5/11/2023	SACRS	General Session - Sea Change - A Profound or Notable Transformation			X					
358	1.00	5/11/2023	SACRS	Concurrent Session A - Fixed Income - In Vogue and Sexy Even!			X					
359	1.00	5/11/2023	SACRS	Concurrent Session B - ASOP 4 and LDROM: What Do We Do With Some Not So Bad and Not So Good News From the Actuaries?				X				
360	1.00	5/11/2023	SACRS	Concurrent Session C - Digital Assets: Your Portfolio is Likely Under-Allocated			X					
361	1.00	5/11/2023	SACRS	Concurrent Session A - Legislative Update 2023	X							
362	1.00	5/11/2023	SACRS	Concurrent Session B - Private Equity Co-Investing in 2023			X					
363	1.00	5/11/2023	SACRS	Concurrent Session C - Developing a Risk Mitigating Strategies (RMS) Action Plan			X					
364	1.00	5/12/2023	SACRS	General Session - Examining the Experiences of Public Pension Plans Since the Great Recession					X			
365	1.00	5/16/2023	MCERA	Change to Actuarial Standards of Practice #4: New Low Default Risk Obligation Measure				X				
366	1.00	5/16/2023	MCERA	Overview of the Triennial Experience Study Process				X				
367	1.00	5/16/2023	MCERA	Inflation Drivers: Where is it going in 2023 and beyond			X					
368	1.00	5/16/2023	MCERA	The Fiscal Cliff: What is the potential impact to markets?			X					

	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
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6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
369	1.00	5/16/2023	MCERA	The Private Equity Policy Environment			X					
370	1.00	5/16/2023	MCERA	MCERA Investment Management Process and Structure					X			
371	1.00	5/16/2023	MCERA	MCERA Investment Beliefs: Review and Discussion							X	
372	1.00	6/21/2023	MCERA	International Equity Structure			X					
373	83.00	Hours for Quarter Ending June 30, 2023										
374			**SACRS**	**MODERN INVESTMENT THEORY & PRACTICE FOR RETIREMENT SYSTEMS**								
375	1.50	7/16/2023	SACRS	Pension Fund & Investment Basics			X					
376	1.50	7/16/2023	SACRS	Return, Risk, and Diversification			X					
377	1.50	7/16/2023	SACRS	Practical Mean-Variance Analysis		X						
378	1.50	7/16/2023	SACRS	Asset Classes & Asset Management			X					
379	2.33	7/17/2023	SACRS	Actuarial-Actuarial Considerations				X				
380	1.50	7/17/2023	SACRS	Pension Fund Dynamics & Review of Investing Fundamentals			X					
381	1.50	7/17/2023	SACRS	The Macro Environment for Pension Funds			X					
382	1.50	7/18/2023	SACRS	Public Pension Landscape Today					X			
383	2.33	7/18/2023	SACRS	Private Equity: How to manage your portfolio			X					
384	2.50	7/18/2023	SACRS	Digital Assets			X					
385	0.50	7/18/2023	SACRS	The Investment Scenario Today			X					
386	1.50	7/19/2023	SACRS	Governance Basics or Governance Panel							X	
387	1.83	7/19/2023	SACRS	ESG Panel or ESG Case Study							X	
388	1.50	7/19/2023	SACRS	Behavioral Finance - Impact on Markets			X					
389	1.25	7/19/2023	SACRS	Team Building - Team Management							X	
390			**CalAPRS**	**PRINCIPLES OF PENSION GOVERNANCE FOR TRUSTEES**								
391	1.50	8/29/2023	CalAPRS	What's the Big Deal About Being a Fiduciary?							X	
392	1.75	8/29/2023	CalAPRS	How Should a Board Function?							X	
393	1.25	8/29/2023	CalAPRS	What Benefits Do We Provide - What is the Board's Role?					X			
394	1.67	8/29/2023	CalAPRS	What Are the Key Issues in Disability Retirement?						X		
395	1.17	8/29/2023	CalAPRS	Disability Hearing: Case Study						X		
396	3.25	8/30/2023	CalAPRS	How Should We Manage Our Pension Liabilities?				X				
397	2.00	8/30/2023	CalAPRS	Investment Basics			X					
398	1.25	8/30/2023	CalAPRS	How Should We Manage Our Investment Program?			X					
399	0.50	8/30/2023	CalAPRS	Investments Case Study			X					
400	1.00	8/30/2023	CalAPRS	Case Study: Who Are Our Stakeholders - What Are Our Roles?							X	
401	2.00	8/31/2023	CalAPRS	AB1234 Ethics Training							X	
402	1.33	8/31/2023	CalAPRS	Course Summary							X	
403			**CII**	**FALL CONFERENCE**								

	A	B	C	D	E	F	G	H	I	J	K	L
1	MCERA CONTINUING TRUSTEE EDUCATION LOG											
2												
3	TRUSTEE	Master Log										
4					TOPIC							
6	HOURS	DATE	SPONSOR	EVENT/SEMINAR	PENSION LAW	INVESTMENT PERFORMANCE MEASUREMENT	ASSET ALLOCATION AND INVESTMENT MANAGEMENT	ACTUARIAL EVALUATION AND PROCESS	BENEFITS ADMINISTRATION	DISABILITY RETIREMENT	BOARD GOVERNANCE, ETHICS, & FIDUCIARY OBLIGATIONS	ORGANIZATION BUDGET & AUDIT PROCEDURES
404	0.75	9/11/2023	CII	Plenary 1: Takeaways from the Silicon Valley Bank Collapse							X	
405	0.92	9/11/2023	CII	Plenary 2: View from the Boardroom							X	
406	0.75	9/11/2023	CII	Plenary 3: CIO's Speak			X					
407	0.58	9/12/2023	CII	Plenary 4: Navigating Global Issues - Fireside Chat with Lionel Johnson							X	
408	0.58	9/12/2023	CII	Plenary 5: Engaging on Dual-Class Stock			X					
409	1.00	9/12/2023	CII	Plenary 6: Generative AI and Business Transformation							X	
410	1.00	9/12/2023	CII	Breakout 1: Evolution of Pass-through Voting							X	
411	1.00	9/12/2023	CII	Breakout 2: What's on the Horizon for Executive Compensation							X	
412	1.00	9/12/2023	CII	Plenary 7 and lunch: Marline Saintil on Trends in Diversity - Boards and in the Tech Sector							X	
413	0.75	9/12/2023	CII	Member-Hosted Meeting: International Litigation Spotlight & Industry State of the Union	X							
414	0.75	9/12/2023	CII	Member-Hosted Meeting: Private Equity Principles: The Next Frontier in Responsible Investment			X					
415	0.75	9/12/2023	CII	Member-Hosted Meeting: Assessing Companies Contribution to Inequality							X	
416	0.75	9/12/2023	CII	Member-Hosted Meeting: License to Skill: How Investors can Assess Board Skills and Effectiveness							X	
417	0.75	9/12/2023	CII	Member-Hosted Meeting: The Investment Case for Biodiversity			X					
418	0.75	9/12/2023	CII	Member-Hosted Meeting: Rethinking How We Value Human Capital							X	
419	0.75	9/12/2023	CII	Member-Hosted Meeting: Climate Action 100+'s 2030 Vision - From Disclosure to Action							X	
420	0.75	9/12/2023	CII	Member-Hosted Meeting: Securities Litigation Update for Institutional Investors	X							
421	0.75	9/13/2023	CII	Plenary 8: International Governance - Activism Comes of Age in Japan							X	
422	1.00	9/13/2023	CII	Plenary 9: Shareholder Advocacy Committee - What the ESG Backlash Means for Shareholder Advocacy							X	
423	2.00	9/15/2023	FPPC	Public Service Ethics Education							X	
424	0.92	9/26/2023	Callan	Introduction to Investments - Role of the Fiduciary and Investment Policy Statements							X	
425	1.50	9/26/2023	Callan	Introduction to Investments - Capital Market Theory and Asset Allocation			X					
426	1.75	9/27/2023	Callan	Introduction to Investments - Manager Structure			X					
427	1.00	9/27/2023	Callan	Introduction to Investments - Defined Contribution Investment Structure			X					
428	1.00	9/28/2023	Callan	Introduction to Investments - Manager Search			X					
429	1.75	9/28/2023	Callan	Introduction to Investments - Performance Measurement		X						
430	1.00	9/27/2023	MCERA	International Equity Allocation and Manager Search			X					
431	69.16 Hours for Quarter Ending September 30, 2023											

D.2.a.3.e

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY23/24 Quarter Ending September 30, 2023

INVESTMENT: PRIVATE EQUITY

Abbott Fund VI

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
9/15/2023		(2,000,000)	100,000,000				
Total	**0**	**(2,000,000)**	**100,000,000**	**99,500,000**	**156,191,094**	**500,000**	**36,099,702**

Abbott Fund VII

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
8/10/2023		(1,400,000)	35,000,000				
Total	**0**	**(1,400,000)**	**35,000,000**	**34,650,000**	**42,045,038**	**350,000**	**41,821,073**

Abbott Investors 2016

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
Total	**0**	**0**	**50,000,000**	**48,861,242**	**22,737,500**	**1,138,758**	**71,529,891**

Abbott Investors 2017

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
Total	**0**	**0**	**15,000,000**	**13,635,002**	**4,749,375**	**1,364,998**	**19,848,114**

Abbott Investors 2021

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
Total	**0**	**0**	**25,000,000**	**7,937,186**	**0**	**17,062,814**	**8,370,310**

Abbott Investors 2023

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
7/19/2023	250,000						
8/9/2023	375,000						
9/22/2023	1,000,000						
Total	**1,625,000**	**0**	**25,000,000**	**0**	**0**	**0**	**0**

Total Abbott Commitment	**1,625,000**	**(3,400,000)**	**250,000,000**	**204,583,430**	**225,723,007**	**20,416,570**	**177,669,090**

D.2.a.3.e

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY23/24 Quarter Ending September 30, 2023

INVESTMENT: PRIVATE EQUITY

Pathway Fund 2008							
Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			100,000,000				
7/31/2023		(949,001)					
8/31/2023		(1,158,362)					
9/29/2023		(327,131)					
Total	**0**	**(2,434,494)**	**100,000,000**	**100,446,104**	**168,649,309**	**9,194,971**	**43,685,835**

Pathway Fund I7-3							
Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			35,000,000				
7/31/2023		(631,696)					
8/31/2023		(135,684)					
9/29/2023		(206,407)					
Total	**0**	**(973,787)**	**35,000,000**	**34,697,154**	**40,390,957**	**2,831,239**	**34,449,316**

Pathway Fund I8-9							
Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
8/4/2023		(1,308,277)					
8/28/2023		(1,149,005)					
9/29/2023		(1,401,812)					
Total	**0**	**(3,859,094)**	**50,000,000**	**44,374,376**	**28,107,335**	**8,049,858**	**64,409,837**

Pathway Fund I9-3							
Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
7/19/2023		(246,083)					
8/9/2023		(97,952)					
8/31/2023		(57,219)					
Total	**0**	**(401,255)**	**15,000,000**	**11,036,065**	**2,213,118**	**4,528,988**	**17,131,607**

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY23/24 Quarter Ending September 30, 2023

Pathway Fund I10-10

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
9/6/2023	972,983						
Total	**972,983**	**0**	**25,000,000**	**15,900,218**	**293,843**	**9,520,954**	**18,379,263**

Pathway Fund I11-7

Quarter				Since Inception			March 31, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
7/28/2023	684,139						
9/26/2023		(25,184)					
Total	**684,139**	**(25,184)**	**25,000,000**	**0**	**0**	**0**	**0**
Total Pathway Commitment	**1,657,122**	**(7,693,814)**	**250,000,000**	**206,453,917**	**239,654,562**	**34,126,010**	**178,055,858**
Total Private Equity	**3,282,122**	**(11,093,814)**	**500,000,000**	**411,037,347**	**465,377,569**	**54,542,580**	**355,724,948**

INVESTMENT: OPPORTUNISTIC

CarVal Credit Value V

Quarter				Since Inception			June 30, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
Total	**0**	**0**	**33,500,000**	**21,847,955**	**0**	**11,725,000**	**23,354,245**

Fortress Credit Opps Value V

Quarter				Since Inception			June 30, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,000,000				
9/27/2023	970,611						
Total	**970,611**	**0**	**33,000,000**	**14,646,905**	**3,484,310**	**20,109,049**	**13,004,006**

Varde Dislocation Fund

Quarter				Since Inception			June 30, 2023
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
Total	**0**	**0**	**33,500,000**	**26,632,500**	**8,320,046**	**6,867,500**	**22,497,482**
Total Opportunistic	**970,611**	**0**	**100,000,000**	**63,127,360**	**11,804,356**	**38,701,549**	**58,855,733**

Note:
Private Equity Net Asset Values are as of March 31, 2023 as reported in the Callan report as of June 30, 2023.

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY23/24 Quarter Ending September 30, 2023

OTHER TRANSFERS and PORTFOLIO REBALANCE

Transfers, Redemptions and Dividends through September 30, 2023

DIVIDENDS

MCRI - UBS Trumbull Property Fund

Date	Amount
7/21/2023	(734,770)
Total	**(734,770)**

MCRI - AEW Core Property

Date	Amount
8/15/2023	(1,020,653)
Total	**(1,020,653)**

D.2.a.3.e

MCERA Investment Manager Capital Calls, Distributions and Dividends
FY23/24 Post September 30, 2023

INVESTMENT: PRIVATE EQUITY

Abbott Fund VI			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			100,000,000
Total	**0**	**0**	**100,000,000**

Abbott Fund VII			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			35,000,000
11/14/2023		(1,050,000)	
Total	**0**	**(1,050,000)**	**35,000,000**

Abbott Investors 2016			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			50,000,000
10/26/2023		(1,437,500)	
Total	**0**	**(1,437,500)**	**50,000,000**

Abbott Investors 2017			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			15,000,000
Total	**0**	**0**	**15,000,000**

Abbott Investors 2021			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			25,000,000
Total	**0**	**0**	**25,000,000**

MCERA Investment Manager Capital Calls, Distributions and Dividends
FY23/24 Post September 30, 2023

Abbott Investors 2023			
Quarter			
Date	Capital Call	Distribution	Initial Commitment
			25,000,000
Total	**0**	**0**	**25,000,000**

Total Abbott	**0**	**(2,487,500)**	**250,000,000**

INVESTMENT: PRIVATE EQUITY

Pathway Fund 2008			
Quarter			
Date	Capital Call	Distribution	Initial Commitment
			100,000,000
10/31/2023	14,024	(128,522)	
Total	**14,024**	**(128,522)**	**100,000,000**

Pathway Fund I7-3			
Quarter			
Date	Capital Call	Distribution	Initial Commitment
			35,000,000
10/31/2023		(1,142,813)	
Total	**0**	**(1,142,813)**	**35,000,000**

Pathway Fund I8-9			
Quarter			
Date	Capital Call	Distribution	Initial Commitment
			50,000,000
Total	**0**	**0**	**50,000,000**

Pathway Fund I9-3			
Quarter			
Date	Capital Call	Distribution	Initial Commitment
			15,000,000
10/20/2023		(134,865)	
Total	**0**	**(134,865)**	**15,000,000**

D.2.a.3.e

MCERA Investment Manager Capital Calls, Distributions and Dividends
FY23/24 Post September 30, 2023

Pathway Fund I10-10			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			25,000,000
Total	**0**	**0**	**25,000,000**

Pathway Fund I11-7			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
11/17/2023	691,547		25,000,000
Total	**691,547**	**0**	**25,000,000**
Total Pathway	**705,571**	**(1,406,200)**	**250,000,000**
Total Private Equity	**705,571**	**(3,893,700)**	**500,000,000**

INVESTMENT: OPPORTUNISTIC

CarVal Credit Value V			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			33,500,000
10/16/2023	1,675,000		
Total	**1,675,000**	**0**	**33,500,000**

Fortress Credit Opps Value V			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			33,000,000
11/6/2023	1,650,000		
Total	**1,650,000**	**0**	**33,000,000**

Varde Dislocation Fund			
Quarter			
Date	**Capital Call**	**Distribution**	**Initial Commitment**
			33,500,000
Total	**0**	**0**	**33,500,000**
Total Opportunistic	**3,325,000**	**0**	**100,000,000**

MCERA Investment Manager Capital Calls, Distributions and Dividends
FY23/24 Post September 30, 2023

DIVIDENDS

MCRI - UBS Trumbull Property Fund

Date	Amount
10/19/2023	(737,833)
Total	**(737,833)**

MCRI - AEW Core Property

Date	Amount
11/15/2023	(974,436)
Total	**(974,436)**

D.2.a.4 Annual Audit of Financial Statements Update

This is a discussion with no backup.

RESULTS OF MCERA'S FINANCIAL STATEMENT AUDIT

for the Fiscal Year Ended June 30, 2023

BROWN ARMSTRONG ACCOUNTANCY CORPORATION
4200 Truxtun Avenue, Ste. 300, Bakersfield California, 93309
T: 661-324-4971 | F: 661-324-4997 | www.ba.cpa

Contacts: Andrew J. Paulden, CPA | apaulden@ba.cpa
Neeraj Datta, CPA, CGMA | ndatta@ba.cpa

November 29, 2023

Audit Committee
Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903

We are pleased to present to you the results of our audit of the Marin County Employees' Retirement Association (MCERA) financial statements for the fiscal year ended June 30, 2023.

We look forward to presenting the results of the audit and addressing your questions.

Sincerely,
Andrew J. Paulden, CPA
Managing Partner

Neeraj Datta, CPA, CGMA,
Audit Engagement Partner

BROWN ARMSTRONG ACCOUNTANCY CORPORATION

AGENDA

SCOPE OF SERVICES

Audit of MCERA's financial statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States

Other **communications and reports** required by professional standards including:

- Required Communication at the Conclusion of an Audit in Accordance with Professional Standards (SAS 114)
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters in Accordance with GAS
- Agreed Upon Conditions Report Designed to Improve Efficiency, Internal Controls, and/or Financial Reporting (Management Letter)

AUDIT TIMELINE & CRITICAL DATES

- First Week of Fieldwork (Remote) – August 28, 2023
  - Testing of Internal Controls
  - Walkthroughs and Understanding of Key Accounting Areas
  - Update Minutes and Agreements
- Second Week of Fieldwork (Onsite) – October 16, 2023
  - Substantiate all Accounts and Balances
  - Review Confirmation Responses
- Financial Statement Review and Draft Reports – November 2023
- Draft Reports Presentation to Audit Committee– November 29, 2023

AUDIT AREAS OF FOCUS

SIGNIFICANT RISK AREA	BROWN ARMSTRONG'S RESPONSE
Revenue recognition	• Test of controls was performed over contribution amounts as part of participant data • Confirmations from third parties • Other substantive analytics were also performed
Management override of controls	• An understanding of controls over journal entries was obtained and a sample testing of individual journal entries was performed • Inquiries performed with individual(s) involved in the financial reporting process, and ensuring no inappropriate or unusual activity was noted relating to journal entry processing • Performed walkthroughs of significant audit areas to review adequate segregation of duties

AUDIT AREAS OF FOCUS (CONTINUED)

SIGNIFICANT AUDIT AREA	BROWN ARMSTRONG'S RESPONSE
Investments and related earnings	• Walkthrough of controls performed • High level analytics performed on investment income • Confirmation with custodian, investment manager, and consultant • Reviewed GASB Statement No. 72 valuation inputs and testing of level determinations • Obtained audited financial statements and SOC reports
Employer and employee contributions	• Walkthrough and test of controls • Testing of contributions • High level analytics

AUDIT AREAS OF FOCUS (CONTINUED)

SIGNIFICANT AUDIT AREA	BROWN ARMSTRONG'S RESPONSE

Participant data and actuary	• Walkthrough and test of controls
	• Testing of participant data, including active and terminated members, and employer payroll
	  ◦ Confirmed directly with actuary and employers
	• GASB Statement No. 67
	  ◦ Money-weighted return
	  ◦ RSI and other information schedules

Benefit payments	• Walkthrough and test of controls • Testing of benefit payments • High level analytics

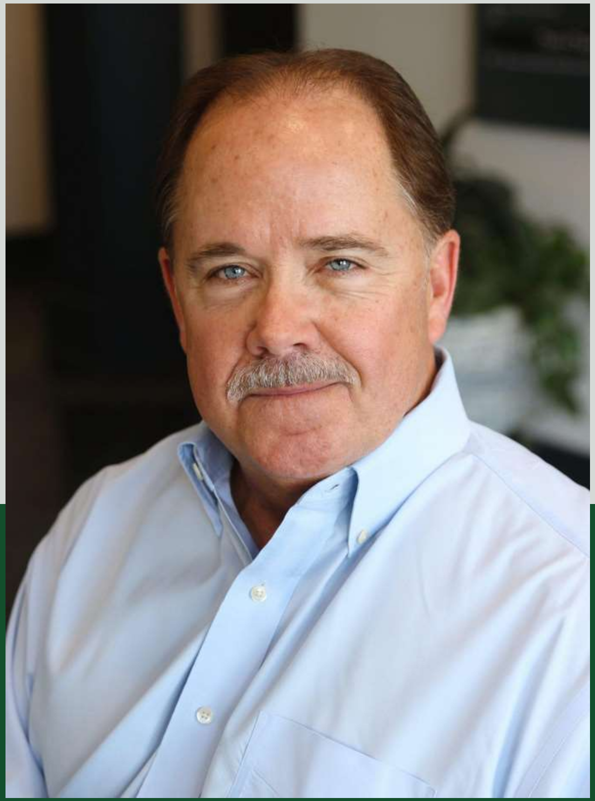
RESULTS OF THE AUDIT

REPORT	SUMMARY OF OPINION / REQUIRED COMMUNICATION
Report on Financial Statements (Opinion)	• Unmodified (Clean)
Required Communication to the Board of Retirement and Audit Committee in Accordance with Professional Standards (SAS 114)	• New Accounting Standards Implemented - GASB 96 *SBITAs* • Significant Estimates and Sensitive Disclosures Reviewed ∘ Fair Value of Investments ∘ Contributions and Net Pension Liability Estimates ▪ Based on actuary assumptions • Corrected and Uncorrected Misstatements – None • Disagreements with Management – None
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	• No noncompliance noted • No material weaknesses, significant deficiencies, or control deficiencies identified
Agreed Upon Conditions Report Designed to Improve Efficiency, Internal Controls, and/or Financial Reporting (Management Letter)	• No recommendations in current year • Reviewed status of prior year recommendations

FINANCIAL STATEMENT REVIEW PROCESS

- Review Process
  - Administrative Review
  - Engagement Team Review
  - Quality Control Review

THANK YOU!
QUESTIONS?



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D.2.b.2

Financial Statements

See Agenda Item B.2, Audited Financial
Statements for Fiscal Year Ending June 30, 2023.

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • RANCHO MIRAGE, CA

AGENDA

TUESDAY, NOVEMBER 7

2:00 PM - 6:30 PM ▸ LOCATION: Fiesta Ballroom Pre-Function

SACRS CONFERENCE REGISTRATION DESK

3:00 PM - 5:00 PM - PRE-CONFERENCE CERTIFICATION SESSIONS

DISABILITY TRAINING – NAVIGATING DISABILITY RIGHTS IN CALIFORNIA: A COMPARATIVE ANALYSIS OF CERL VS. LABOR CODE ▸ LOCATION: Salons F-G

In an era where inclusivity and equality are paramount, understanding the intricacies of disability rights and benefits is crucial. This session aims to shed light on the complex landscape of disability-related topics, highlighting how they can lead to divergent outcomes under the County Employees Retirement Law and the California Labor Code. The session is designed to equip attendees with a nuanced understanding of disability-related topics and their divergent outcomes within the Labor Code and the CERL. Examples include the difference between permanent incapacity and disability, causation presumptions, the good faith personnel defense, and felony forfeiture of benefits. By the end of the session, participants will be better prepared to navigate the complex landscape of disability rights, make informed decisions, and contribute to the ongoing dialogue surrounding legislative changes such as AB 1020. Join us in this enlightening exploration of disability rights in California!

SPEAKERS: Nicole McIntosh, Director of Disability, Orange CERS; Barry Lew, Legislative Affairs Officer, Los Angeles CERA; Frank Boyd, Senior Staff Counsel, Los Angeles CERA and Joon Kim, Staff Attorney, Orange CERS

MODERATORS: Nicole McIntosh, Director of Disability, Orange CERS and Tamara Caldwell, Disability Retirement Specialist, Supervisor, Los Angeles CERA

ETHICS TRAINING FOR TRUSTEES AND STAFF: MORE THAN A CONCEPT ▸ LOCATION: Salons 1-2

This session provides the information required by AB 1234 for bi-annual ethics training of public officials in California, as well as addresses key considerations for those public officials whose responsibilities arise from their role as trustees or executives of public retirement systems.

*This class is pending approval for MCLE credit.

SPEAKER: Ashley Dunning, Partner, Nossaman, LLP

SEXUAL HARASSMENT PREVENTION TRAINING FOR LOCAL AGENCY OFFICIALS ▸ LOCATION: Salons 6-7

AB 1661 states that if a local agency provides any type of compensation, salary, or stipend to its officials, then all local agency officials of the agency are required to receive at least two hours of sexual harassment prevention and education training within the first six months of taking office or commencing employment and every two years thereafter. This interactive training session will meet the requirements under AB 1661 and AB 1825 (sexual harassment prevention training to employees who perform supervisory functions) and assist attendees in preventing inappropriate conduct in the workplace.

*This class is pending approval for MCLE credit.

SPEAKERS: John Kennedy, Partner, Nossaman, LLP and Allison Callaghan, Partner, Nossaman, LLP

5:30 PM - 6:30 PM ▸ LOCATION: Starlight Terrace

SACRS NETWORKING RECEPTION

The official start to SACRS Fall Conference begins with time to catch up with colleagues and make new connections.

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • RANCHO MIRAGE, CA

AGENDA

WEDNESDAY, NOVEMBER 8

7:00 AM - 8:00 AM ▶ LOCATION: Las Palmas Lawn

SACRS WELLNESS SESSION - YOGA

Fitting in fitness when away from home is often difficult, but not during SACRS 2023 Fall Conference! We bring a yoga class onsite to start your day the right way. This class, led by a certified yoga instructor, is intended for everyone, beginner to expert. Water and towels provided. Pre-registration is required and there is a $15 participation fee per conference attendee.

7:30 AM - 6:00 PM ▶ LOCATION: Fiesta Ballroom Pre-Function

SACRS CONFERENCE REGISTRATION DESK

7:30 AM - 8:30 AM ▶ LOCATION: Starlight Terrace

SACRS BREAKFAST

8:45 AM - 9:00 AM ▶ LOCATION: Las Palmas Ballroom

SACRS WELCOME – David MacDonald, Trustee, Contra Costa CERA and SACRS President

Opening Ceremonies - Presentation of the Flags, Pledge of Allegiance, and National Anthem.

9:00 AM - 10:00 AM ▶ LOCATION: Las Palmas Ballroom

KEYNOTE GENERAL SESSION

The first Vietnamese American woman ever to be elected to the U.S. House of Representatives, Stephanie Murphy provides incisive examination and unique insights on how politics, national security, and business intersect at a time of profound global change. With the expanded use of export controls, sanctions, and industrial policy, Stephanie will draw on her foreign policy, national security, and global business experience to identify opportunities and challenges.

Stephanie is a dynamic speaker with an inspiring personal life story to tell. As a refugee escaping communism, rescued at sea by the U.S. Navy and given a chance at the American Dream, her journey from poverty to policymaking is both improbable and inspiring. She is known for being a pragmatic moderate with a significant bipartisan legislative record of achievement informed by prior experiences in strategy consulting, investment management, defense policy and academia. Her commitment to American ideals of democracy and democratic capitalism as the best ways to promote security, justice, and prosperity comes from her experience as an immigrant who saw her native country disfigured by authoritarianism.

Candid, insightful and infused with humor, Stephanie will inspire, inform, and entertain SACRS Fall Conference attendees with authenticity, lived experience, and insider Washington stories.

SPEAKER: Stephanie Murphy, Policy Expert, Former U.S. Congresswoman

MODERATOR: Kellie DeMarco, President, Kellie DeMarco Communications

10:00 AM - 10:30 AM ▶ LOCATION: Las Palmas Ballroom Foyer

SACRS NETWORKING BREAK

10:30 AM - 11:30 AM ▶ LOCATION: Las Palmas Ballroom

GENERAL SESSION – ENERGY SECURITY AND THE PRACTICAL REALITIES OF THE ENERGY TRANSITION

Global energy markets are constantly evolving, and the industry is in the early innings of another major energy transition. This transition is one of the greatest challenges of the current era, as it is essential that humankind reduces carbon emissions to mitigate the impacts of climate change, while also ensuring access to affordable and reliable energy for economic development and overall quality of life around the world. This session will explore both the challenges and opportunities associated with the energy transition, while enabling energy security.

SPEAKER: Wil VanLoh, Founder and Chief Executive Officer, Quantum Capital Group

MODERATOR: Kellie DeMarco, President, Kellie DeMarco Communications

SACRS

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • **RANCHO MIRAGE, CA**

AGENDA

WEDNESDAY, NOVEMBER 8 CONTINUED

11:40 AM - 12:40 PM ▸ LOCATION: Las Palmas Ballroom

GENERAL SESSION – INNOVATIVE CONCEPTS IN PUBLIC PENSION PLAN INVESTMENT PORTFOLIOS: A CONVERSATION WITH CHIEF INVESTMENT OFFICERS FROM OUTSIDE CALIFORNIA

This panel provides an opportunity for the audience to hear from thoughtful investment professionals on how they have researched and implemented new ideas to the benefit of their stakeholders. A goal of this session is to spark ideas that all SACRS members can take back to their organizations for further conversations.

SPEAKERS: Jason Malinowski, Chief Investment Officer, Seattle City Employees' Retirement System and Mark Steed, Chief Investment Officer, Arizona Public Safety Personnel Retirement System

MODERATOR: Cary Hally, Chief Investment Officer, San Antonio Fire and Police Pension Fund

12:45 PM - 1:45 PM ▸ LOCATION: Starlight Terrace

SACRS LUNCH

2:00 PM - 4:30 PM | CONCURRENT SESSIONS

ADMINISTRATORS BREAKOUT ▸ LOCATION: Salons G-H - Closed Session

MODERATOR: Eric Stern, Chief Executive Officer, Sacramento CERS

AFFILIATE BREAKOUT ▸ LOCATION: Las Palmas Ballroom (Salons D-E)

A CURRENT VIEW OF ASSET ALLOCATION ASSUMPTIONS; WHERE ARE WE AND WHERE DO WE GO FROM HERE?

Join us for a panel discussion with senior Consultants regarding what they see today in capital market assumptions, how they dealt with last year, and what might be ahead.

The past few years have been a period of extraordinary investment challenges. 2022 saw sharp losses around the world and across all major asset classes. This led many institutional investors to do asset liability studies in 2023/2024 to reassess longer-term portfolio expectations. This panel will discuss the results of those asset liability studies, the current market assumptions, the return assumptions per asset class, and what asset classes will likely grow over the next one to five years. Don't miss this interactive panel and a chance to get your questions answered.

SPEAKERS: Mika Malone, Managing Principal, Meketa Investment Group, Inc.; Dan Hennessy, Senior Consultant, NEPC; and Scott Whalen, CFA, Executive Vice President, Senior Consultant, Verus

MODERATORS: Michael Bowman, Senior Vice President, Intermediate Capital Group (ICG) and JoAnne Svendsgaard, Affiliate Committee Chair

ATTORNEYS BREAKOUT ▸ LOCATION: Salons 6-8

THE MOVEIT HACK: LESSONS LEARNED AND COMPLIANCE REFRESHER FROM THE BIGGEST HACK OF 2023

*This class is pending approval for MCLE credit.

SPEAKER: Michelle McCarthy, Partner, Nossaman LLP

MODERATOR: Aaron Zaheen, Deputy Attorney, Tulare CERA

INTERNAL AUDITORS BREAKOUT ▸ LOCATION: Salon 1-2

LAST PIECE OF THE PUZZLE...DON'T FORGET THE NEW STANDARD OPERATION PROCEDURES TO GO WITH YOUR NEW PAS REPLACEMENT

SPEAKERS: John Katalinich, Senior Account Representative, Levi, Ray & Shoup, Inc.; Kathy Foster, Retired Assistant Chief Executive Officer, Alameda CERA; Cleopatra 'Cleo' Jones, Senior Quality Assurance Analyst, Levi, Ray & Shoup, Inc.; and Jefferey Mills, Vice President, Senior Consultant, Segal

MODERATOR: Harsh Jadhav, Chief of Internal Audit, Alameda CERA

INVESTMENT OFFICERS & STAFF BREAKOUT ▸ LOCATION: Salon F - Closed Session

MODERATOR: Daryn Miller, Chief Investment Officer, Kern CERA

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • RANCHO MIRAGE, CA

AGENDA

WEDNESDAY, NOVEMBER 8 CONTINUED

OPERATIONS/BENEFITS BREAKOUT ▸ LOCATION: Desert Suite 1-2

ACTIVE DEATH PRE-DISABILITY APPLICATION WITH OPTIONAL SETTLEMENT

This session offers a discussion to consider a contingent application for disability retirement with selection of optional settlement two or four to reduce the disparity between those members who are and are not able to select the retirement option before death.

MODERATOR: Carlos Barrios, Assistant Chief Executive Officer, Alameda CERA

SAFETY BREAKOUT ▸ LOCATION: Salon 3

MODERATOR: Brian Williams, Trustee, Deputy Sheriff, SACRS Board of Director, Sonoma CERA

TRUSTEE BREAKOUT ▸ LOCATION: Salons A-C

GOOD GOVERNANCE WILL SAVE YOU FROM GOOD GRIEF!

What will keep you out of court and provide a good defense if sued as a board of retirement? Good governance! Attend an interactive session with fiduciary counsel Maytak Chin to hear how to flex your duty of prudence while developing a strong record to defend against allegations of abuse of discretion as a board.

SPEAKER: Maytak Chin, Partner, Reed Smith LLP

MODERATOR: Adele Tagaloa, Trustee, SACRS Vice President, Program Committee Chair, Orange CERS

6:30 PM - 9:30 PM ▸ LOCATION: The Plaza

SACRS ANNUAL WEDNESDAY NIGHT EVENT

Join us on the Plaza under the stars for a magical evening at the Omni Rancho Las Palmas Resort & Spa. The evening will include a casual reception, delicious dinner, an opportunity to catch up with friends and colleagues. All registered attendees are welcome to join this spectacular get-together.

THURSDAY, NOVEMBER 9

7:00 AM - 8:00 AM ▸ LOCATION: Fiesta Ballroom Pre-Function

SACRS WELLNESS SESSION – FUN RUN

Your morning starts off with an additional opportunity for teambuilding and networking, while enjoying the early morning air. A SACRS tradition, the 3-mile Fun Run and Walk course is the perfect way to get energized for the conference day ahead. Designed for the walker, jogger, or runner, the course is flat and paved. Fun Run Swag, water, and a snack at the end of the course will be provided. Volunteers will be located along the route to assist with directions and encouragement. Pre-registration is required and there is a $15 participation fee per conference attendee.

7:30 AM - 6:00 PM ▸ LOCATION: Fiesta Ballroom Pre-Function

SACRS CONFERENCE REGISTRATION DESK

7:30 AM - 8:30 AM ▸ LOCATION: Starlight Terrace

SACRS BREAKFAST

8:45 AM - 9:00 AM ▸ LOCATION: Las Palmas Ballroom

SACRS VOLUNTEER AWARDS – David MacDonald, Trustee, Contra Costa CERA and SACRS President

Vere Williams, Retired, Past SACRS Board of Director, Former Trustee, San Bernardino CERA

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • RANCHO MIRAGE, CA

AGENDA

THURSDAY, NOVEMBER 9 CONTINUED

9:00 AM - 10:00 AM ▸ LOCATION: Las Palmas Ballroom

GENERAL SESSION – AI - INTEGRATING MACHINE LEARNING INTO PRIVATE MARKET INVESTMENT

Explore ways that machine learning can be integrated into the investment process and discuss common issues that arise when trying to build-out these capabilities.

SPEAKER: Jonathan Hsu, Co-Founder and General Partner, Tribe Capital

MODERATOR: Greg LaBlanc, Lecturer, Distinguished Teaching Fellow, Economic Analysis and Policy, Finance, Haas School of Finance, UC Berkeley

10:00 AM - 10:30 AM ▸ LOCATION: Las Palmas Ballroom Foyer

SACRS NETWORKING BREAK

10:30 AM - 11:30 AM ▸ LOCATION: Las Palmas Ballroom

GENERAL SESSION – CYBERATTACKS ARE INEVITABLE - IS YOUR SYSTEM OR FIRM PREPARED?

This essential presentation will focus on the ever-evolving landscape of cyber-enabled crime. Attendees can expect to explore real-world case examples and gain access to simple tools that empower them to not only spot the warning signs, but to also effectively confront this multi-billion-dollar criminal enterprise. Don't miss this opportunity to stay ahead of the curve and to better protect yourself in the digital age.

SPEAKERS: Jamil Hassani, FBI Veteran and Yana Nebyshinets, Victim Specialist, FBI

MODERATOR: Kellie DeMarco, President, Kellie DeMarco Communications

11:40 AM - 12:40 PM ▸ LOCATION: Las Palmas Ballroom

GENERAL SESSION – EXPLORING AFRICA AS AN INVESTMENT OPPORTUNITY

As emerging markets opportunities evolve, this panel will provide pension plans, consultants, and key stakeholders with an overview of the investment landscape in Africa and how U.S. pension plans can benefit from investing in the Continent. Speakers will share insights about the opportunities, including true portfolio diversification, attractive risk adjusted returns, and social/environmental impact. The panel will discuss real versus perceived risks, and risk mitigants that can be utilized. This session will also explore various initiatives of the U.S. Government through Prosper Africa to educate investors, facilitate connections and support mobilizing U.S. capital into Africa.

SPEAKERS: Romi Bhatia, Senior Finance and Investment Officer, United States Agency for International Development, Africa Bureau, Office of Sustainable Development; Nadine Mentor Williams, Senior Managing Director, MiDA Advisors; and Vivian Gray, Trustee, Los Angeles CERA

MODERATOR: Kellie DeMarco, President, Kellie DeMarco Communications

12:45 PM - 1:45 PM ▸ LOCATION: Starlight Terrace

SACRS LUNCH

2:00 PM - 3:00 PM | CONCURRENT SESSIONS

CONCURRENT SESSION A ▸ LOCATION: Salons 1-4

OPPORTUNITIES POST REGIONAL BANKING CRISIS

In the wake of the 2023 regional banking crisis, it is expected that there will be several changes to banking practices, particularly regarding lending and risk management. This session will discuss what led to the crisis, what happened during March 2023, and what opportunities can be seen in the market for private markets investors going forward.

SPEAKER: Jon Imundo, Co-Head of Credit Risk Sharing, MAN GPM

MODERATOR: Mitchell Taylor, Investment Officer, Contra Costa CERA

SACRS

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • **RANCHO MIRAGE, CA**

AGENDA

THURSDAY, NOVEMBER 9 CONTINUED

CONCURRENT SESSION B ▸ LOCATION: Salons 5-8

ARE YOU READY FOR THE NEXT BLACK SWAN?

Crashes are regular features of markets, and they can have a dramatic impact on long-term total returns. Even so, investors inconsistently factor crash risk into the design of their portfolios. In this session, we'll discuss how asset owners can prepare for the next black swan. Topics covered will include potential challenges for risk measurement, sources of hidden crash risk exposure in portfolios, and a comparison of crash risk mitigation and premium harvesting approaches.

SPEAKERS: Seth Weingram, Senior Vice President, Acadian Asset Management and Don Pierce, Chief Investment Officer, San Bernardino CERA

MODERATOR: Rebecca Valdez, Chief Investment Officer, Santa Barbara CERS

CONCURRENT SESSION C ▸ LOCATION: Salons A-E

OPERATIONS/BENEFITS – GENERATIVE AI FOR MARKETING AND COMMUNICATION TEAMS

There is a growing anticipation among experts that such generative AI tools will significantly impact the way we work. There is also widespread debate over the opportunities, benefits, and risks. In this session we will discuss these topics and more.

SPEAKER: Sandeep Mehta, Chief Technology Officer, Digital Deployment

MODERATOR: Scott Hood, Chief Executive Officer, San Mateo CERA

3:00 PM - 3:30 PM ▸ LOCATION: Las Palmas Ballroom Foyer

SACRS NETWORKING BREAK

3:30 PM - 4:30 PM | CONCURRENT SESSIONS

CONCURRENT SESSION A ▸ LOCATION: Salons 1-4

LEGISLATIVE UPDATE 2023

SPEAKER: Trent Smith, Partner, Edelstein Gilbert Robson & Smith, SACRS Lobbyist

MODERATORS: Eric Stern, Chief Executive Officer, Sacramento CERS and Dave Nelsen, Chief Executive Officer, Alameda CERA

CONCURRENT SESSION B ▸ LOCATION: Salons 5-8

THE IMPACT OF GENERATIVE AI ON INVESTMENT THEORY AND PRACTICE

Generative AI has the potential to have an Industrial Revolution-level impact on our society. It also has the potential to be ridiculously hyped and misapplied. In this session, join in a conversation with Ben Hunt, a 35-year veteran of AI, language models and their application to investment strategies, to hear how to use this technology effectively to improve your portfolio allocation and investment management processes.

SPEAKER: Ben Hunt, Co-Founder and Chief Executive Officer, Epsilon Theory

MODERATOR: Tim Price, Chief Investment Officer, Contra Costa CERA

CONCURRENT SESSION C ▸ LOCATION: Salons A-E

HUMAN RESOURCES, EMOTIONAL INTELLIGENCE, CREATING PSYCHOLOGICAL SAFETY, EMPLOYEE RETENTION - WHAT'S HAPPENING BEHIND THE SCENES IN THE HR OFFICE?

Employee engagement is more than giving occasional recognition or a certificate at a five-year service anniversary. It's about emotional connection. People have experiences in the workplace that affect their engagement. When those experiences are positive, employee satisfaction and engagement levels rise and cultures thrive, positively impacting business outcomes like productivity and profitability.

This is the first session in a new series "Operations Strategies" that will be included in future conferences.

SPEAKER: Pamela Derby, Manager, Executive Recruiter, CPS HR Consulting

MODERATOR: Christina Dunn, Acting Administrator, Contra Costa CERA

SACRS FALL CONFERENCE

NOV. 7-10, 2023 • OMNI RANCHO LAS PALMAS RESORT & SPA • RANCHO MIRAGE, CA

AGENDA

THURSDAY, NOVEMBER 9 CONTINUED

CONCURRENT SESSION D ▸ LOCATION: Salons F-H

IN SOLIDARITY: COLLECTIVE BARGAINING RIGHTS FOR WORKERS, A FIDUCIARY RISK MANAGEMENT FOR PENSION FUND INVESTORS?

Join us for a conversation with California labor leaders and pension plan trustees to discuss the possible alignment of workers' right to freely choose representation on the job and investors' fiduciary duty to prudently manage retirement assets for plan beneficiaries. In light of recent major labor related events in entertainment, manufacturing, hospitality and other key industries, learn more about how support for worker representation may be a tool for investors to contribute to risk management, data collection, opportunity sourcing and sustainable investment practices.

SPEAKERS: Michael Ring, Capital Stewardship Program, SEIU and Jen Suh, Senior Research, Policy Analyst, Writers Guild of America West (WGAW)

MODERATOR: Adele Tagaloa, Trustee, SACRS Vice President, Program Committee Chair, Orange CERS

4:30 PM - 5:30 PM ▸ LOCATION: Desert Suite 1

SACRS EDUCATION COMMITTEE MEETING

MODERATOR: JJ Popowich, Assistant Executive Officer, SACRS Education Committee Chair, Los Angeles CERA

4:30 PM - 5:30 PM ▸ LOCATION: Desert Suite 2

SACRS NOMINATING COMMITTEE MEETING

MODERATOR: Vivian Gray, Trustee, SACRS Immediate Past President, Nominating Committee Chair, Los Angeles CERA

5:30 PM - 6:30 PM ▸ LOCATION: Starlight Terrace

SACRS RECEPTION

Enjoy one last conference evening together with your SACRS colleagues, as you discuss the day and how much you learned.

FRIDAY, NOVEMBER 10

7:30 AM - 8:30 AM ▸ LOCATION: Starlight Terrace

SACRS BREAKFAST

9:00 AM - 10:00 AM ▸ LOCATION: Las Palmas Ballroom

GENERAL SESSION – CHANGES IN THE ACTUARIAL LANDSCAPE FOR 2023

Update on changes in actuary-land for 2023, including examples and lessons learned from the new LDROM disclosures, trends in actuarial assumptions, and other hot topics.

SPEAKERS: Graham Schmidt, ASA, Consulting Actuary, Cheiron and Anne D. Harper, FSA, EA, MAAA, Principal Consulting Actuary, Cheiron

MODERATOR: David MacDonald, Trustee, SACRS President, Contra Costa CERA

10:00 AM - 10:15 AM ▸ LOCATION: Las Palmas Ballroom Foyer

SACRS NETWORK BREAK

10:15 AM - 11:30 AM ▸ LOCATION: Las Palmas Ballroom

SACRS ANNUAL BUSINESS MEETING

D.3.b Other Comments

This is a discussion with no backup.

ERIC
SMITH

F.1 Future Meetings

This is a discussion with no backup.

G.1

MCERA
Conference and Training Calendar
December 2023

Cooper	Gladstern	Gullett	Jones	Klein	Martinovich	Murphy	Poole	Shaw	Silberstein	Vasquez	Werby	Wickman	Bakerink	Date	Approved	Sponsor	Program	Location
														12/1/2023	*	CalAPRS	Benefits Round Table	Virtual
														12/6-8/2023	*	CalAPRS	Advanced Course in Retirement Plan Administration	Burbank, CA
									✪					2/28-29/2024	**	DFA	Institutional Symposium	Santa Monica, CA
														3/2-5/2024	*	CalAPRS	General Assembly	Rancho Mirage, CA
														3/4-6/2024	*	CII	Spring Conference	Washington, DC
														3/19-21/2024	*	Callan	Introduction to Investments	Virtual
														4/8-10/2024	*	Callan	National Conference	San Francisco, CA
														4/15-17/2024	**	With Intelligence	Pension Bridge Annual	Half Moon Bay, CA
														4/15-19/2024	**	Wharton	Investment Strategies & Portfolio Management	Philadelphia, PA
									✪					5/7-10/2024	*	SACRS	Spring Conference	Santa Barbara, CA
														5/19-22/2024	*	NCPERS	Annual Conference	Seattle, WA
														7/14-17/2024	*	SACRS	Public Pension Investment Management	UC Berkeley, CA
														8/18-20/2024	*	NCPERS	Public Pension Funding Forum	Boston, MA
														9/9-11/2024	*	CII	Fall Conference	Brooklyn, NY
														9/24-26/2024	*	Callan	Introduction to Investments	Virtual
														10/14-18/2024		Wharton	Investment Strategies & Portfolio Management	Philadelphia, PA
														11/12-15/2024	*	SACRS	Fall Conference	Monterey, CA

*Pre-approved events: CalAPRS; Callan; CII; Nossaman LLP; NCPERS; SACRS – ** Board-approved events – New event or attendee

CALLAN	Callan College http://www.callan.com/education/college Callan investment Institute http://www.callan.com/education/cii/conferences.asp	NCPERS SACRS CSDA	National Conference of Public Employee Retirement Systems State Association of County Retirement Systems http://www.sacrs.org California Special Districts Association

H

CONSENT CALENDAR
MCERA BOARD MEETING, WEDNESDAY, DECEMBER 13, 2023

NOVEMBER 2023

RETURN OF CONTRIBUTIONS			
Bishal Basnet	Full Refund - Termination	$	7,309.64
Daniel Curry	Partial Refund - Age change	$	50,879.60
Cynthia Green	Full Refund - Termination	$	2,378.65
Shane Hudlin	Full Refund - Termination	$	42,265.92
Stephen Prince	Full Refund - Termination	$	36,083.37
Maria Ramirez	Full Refund - Termination	$	8,960.02
Annette Rodriguez	Full Refund - Termination	$	23,021.60

BUYBACKS			
Christine Wheeler		$	19,780.83

NEW RETIREES	
Anne Battaglia	County of Marin - Retirement
Ladan Brabo	County of Marin - Health & Human Services
Daniel Curry	County of Marin - Health & Human Services
Ryan Dunnigan	County of Marin - Health & Human Services
Laura Leclerc	City of San Rafael - DRO
Murat Ozgur	County of Marin - District Attorney
Virgil Pina	County of Marin - Public Works
Rafat Raie	City of San Rafael

DECEASED RETIREES	
Judith Brusati	County of Marin - County Counsel
Gay Lilly Cavagnolo	County of Marin - Public Works
Jeffrey Davis	Novato Fire District
Evangeline Gillespie	County of Marin - Board of Supervisors
Glenn Godfrey	County of Marin - Sheriff/Coroner
David Hill	County of Marin - Information Services & Technology
Joan Latty	County of Marin - Beneficiary
William Le Noue	City of San Rafael
Marjorie Macris	County of Marin - Community Development
Virginia Rayment	County of Marin - Health & Human Services
Marsha Toll	County of Marin - Health & Human Services