

AGENDA

FINANCE AND RISK MANAGEMENT COMMITTEE MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

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

March 23, 2022 – 9:00 a.m.

This meeting will be held via videoconference pursuant to MCERA Board of Retirement Resolution 2021-22/01, which invoked Government Code section 54953(e) for all MCERA Board and standing committee meetings through April 1, 2022.

Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the [Watch & Attend Meetings](https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings) 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 Committee. The Committee, 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 Committee meetings.

CALL TO ORDER

ROLL CALL

MINUTES

August 18, 2021 Finance and Risk Management Committee meeting

A. OPEN TIME FOR PUBLIC EXPRESSION

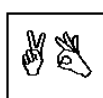
Note: The public may also address the Board regarding any agenda item when the Board considers the item.

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. NEW BUSINESS

1. Administrative Budget Fiscal Year 2021/22 Quarterly Review
Consider and review expenses for quarters ending September 30, 2021 and December 31, 2021
2. Non-budgeted Expenses
Consider and review non-budgeted expenses for the quarters
3. Quarterly Checklist
Consider, review and updates on the following:
 - a. MCERA educational and event-related expenses
 - b. Continuing Trustee Education Log
 - c. Other expenses per Checklist Guidelines
 - d. Variances in the MCERA administrative budget in excess of 10%
 - e. Vendor services provided to MCERA
 - f. MCERA staffing status
 - g. Internal controls, compliance activities and capital calls
 - h. Audits, examinations, investigations or inquiries from governmental agencies
 - i. Other items from the Administrator related to risk and finance
4. Budget Priorities for Fiscal Year 2022/23 (ACTION)
Consider and take possible action on recommendation to adopt budget priorities for fiscal year 2022/23
5. Information Technology Security Assessment Report
Staff report on risk planning and processes for MCERA
6. MCERA Insurance Review
Review, discuss and consider MCERA's insurance coverage
7. Future Meetings
Consider and discuss agenda items for future meetings.

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



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 March 2022 Committee meeting

MINUTES

FINANCE AND RISK MANAGEMENT COMMITTEE MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

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

August 18, 2021 – 9:00 a.m.

This meeting was held via videoconference pursuant to Executive Order N-25-20, issued by Governor Newsom on March 12, 2020, Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and Executive Order N-35-20, issued by Governor Newsom on March 21, 2020. The public was able to listen to and observe the meeting and provide comment through Zoom.

CALL TO ORDER

Chair Werby called the meeting to order at 9:00 a.m.

ROLL CALL

PRESENT: Block, Klein, Murphy, Werby

ABSENT: Given

MINUTES

It was M/S Block/Klein to approve the May 19, 2021 Finance and Risk Management Committee Meeting Minutes as submitted. The motion was approved by a vote of 4-0-1 as follows:

AYES: Block, Klein, Murphy, Werby

NOES: None

ABSTAIN: None

ABSENT: Given

A. OPEN TIME FOR PUBLIC EXPRESSION

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

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No members of the public provided comment.

B. NEW BUSINESS

1. Administrative Budget Fiscal Year 2020/21 Review

Consider and review expenses for fiscal year ending June 30, 2021

Accounting Unit Manager La Valda Marshall reported that fourth quarter expenses were \$1 million, 21.7% of the annual budget. In the Salaries and Benefits category expenses for the quarter were \$773 thousand, 25% of annual budgeted amount. Services and Supplies expenses for the quarter were \$225.7 thousand, 18.7% of the budgeted amount for the year.

For the fiscal year ending June 30, 2021 total administrative expenditures were \$4.2 million, 91% of the \$4.6 million budget. Salaries and Benefits expenses were \$2.8 million, 91% of the \$3.1 million budgeted amount, and Services and Supplies expenses were \$1.1 million, 91% of the \$1.2 million budgeted amount. Within that category expenses for phones and electronic and ergonomic supplies were over budget to support the equipment needs of staff working remotely and remote meetings. Interdepartmental Charges were \$275 thousand, 82.4% of the \$333.8 thousand budgeted amount for the fiscal year.

Chair Werby inquired about Salaries and Benefits being under budget. In response Mr. Wickman explained that there were savings during the year as a result of having vacant positions. There are vacant positions at the start of the 2021/2022 Fiscal Year, so some salary and benefits savings will continue to occur. Once recruitments for open Senior Accountant and Benefit Technician positions are filled, consideration will be given to the remaining vacant positions and how they can be best utilized.

2. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter

Ms. Marshall reported non-budgeted expenses were \$182 million for the fiscal year ending June 30, 2021 and \$46.8 million in the fourth quarter. She stated most of these expenditures consist of retiree payroll and related expenses totaling \$167.8 million for the fiscal year ending June 30, 2021 and \$43.1 million for the fourth quarter. Also in this category are computer, security services, legal, actuarial, investment management and consulting, and custodial fees and expenses.

Legal fees totaled \$377 thousand for the fiscal year and \$68.2 thousand for the fourth quarter. Ms. Marshall pointed out that the largest categories in Nossaman's \$328 thousand in expenses are for general counsel and investment consulting. MCERA's other legal consultants are County Counsel and Ice Miller. Callan investment consultant fees were \$407 thousand for the fiscal year and \$77 thousand for the fourth quarter. Fees for actuary Cheiron were \$165 thousand for the fiscal year and none in the fourth quarter. Mr. Wickman presented Investment Manager Fees for the Committee to review, which were \$12.5 million for the fiscal year and \$3.6 million for the fourth quarter.

Chair Werby asked about Ice Miller fees. Mr. Wickman said Ice Miller is MCERA's tax counsel and occasionally there is the need to seek their advice on benefit questions. Trustee Block asked if additional cybersecurity consulting is expected over the next year or two. Mr. Wickman replied after Linea Secure completes its work on the current contract, further

For consideration at March 2022 Committee meeting

consulting on cybersecurity is not planned; however, the need to conduct recurring cybersecurity assessments will be a topic that will be discussed with the Committee in the future.

3. Quarterly Checklist

Consider, review and updates on the following:

a. MCERA educational and event-related expenses

Mr. Wickman presented educational and event-related expenses totaling \$7,800 for the fiscal year. Event expenses included the SACRS Fall Conference and the CalAPRS General Assembly. Staff continue to attend work-related CalAPRS round tables. Event expenses were less than some years due to having numerous virtual conferences in the pandemic environment.

b. Continuing Trustee Education Log

The Continuing Education Log shows that trustees are meeting deadlines for the legal requirement of 24 hours of education every two years.

c. Other expenses per Checklist Guidelines

The Administrator reviewed other expenses summarizing monthly credit card purchases for the quarter. The charges included supplies to support staff working remotely, such as laptops, cameras, and ergonomic equipment to make sure staff are set up correctly. Other charges are for Zoom meetings, the annual renewal of the Global Market Equity Identifier to validate MCERA as an organization that engages managers to conduct international transactions, and selected newspaper subscriptions.

d. Variances in the MCERA administrative budget in excess of 10%

See discussion above.

e. Vendor services provided to MCERA

No new vendor services to report.

f. MCERA staffing status

MCERA made an offer to a candidate for the Senior Accountant position which was declined. Staff will be reviewing the original list of applicants to determine if additional interviews would help identify potential new candidates.

g. Internal controls, compliance activities and capital calls

Mr. Wickman reported MCERA is receiving mostly distributions from its original private equity investments in 2008 managed by Abbott Capital Management and Pathway Capital Management. For this fiscal year ending June 30, 2021 MCERA received from Abbott distributions of \$44.96 million and paid \$20 million in capital

For consideration at March 2022 Committee meeting

calls to Abbott. Similarly for Pathway, MCERA received a total of \$57.3 million in distributions and paid \$13.1 million in capital calls. For the total private equity program MCERA received \$102.26 million in distributions and paid \$33.1 million in capital calls for the fiscal year. The Administrator stated this means that MCERA is getting the benefit of receiving distributions that cover capital calls for the newer funds.

Distributions and capital calls since inception through December 31, 2020, for the private equity program are presented in the report, the Administrator said. At the request of Trustee Klein, Mr. Wickman will look into having the since-inception private equity data from the Callan quarterly report line up with the accounting capital call and distribution reporting period.

In reviewing the activity of the three new Opportunistic managers, Mr. Wickman noted that Varde has called more capital for investing than the other managers. Chair Werby asked about investment reports from the Opportunistic managers. The Administrator replied MCERA is receiving investment reporting and he will ask Callan to provide an update at the September Investment Committee meeting. The Opportunistic managers will be providing portfolio reviews at the December Investment Committee meeting.

Mr. Wickman stated of the \$20 million in redemptions requested from the UBS Trumbull Property Fund, MCERA has received \$12.87 million so far. Both core real estate funds are distributing dividends to MCERA, based on the change in MCERA's dividend policy.

- h. Audits, examinations, investigations or inquiries from governmental agencies

Nothing to report on this agenda item.

- i. Other items from the Administrator related to risk and finance

Chair Werby posed the question of MCERA's response to a potential internet outage. Mr. Wickman said he would discuss this question with MCERA's cyber security vendor, but if a broad shutdown of the internet and corresponding communications were to occur MCERA could likely operate for a couple of weeks before seeing a major impact.

- j. Form 700 Summary

Counsel Dunning presented the Form 700 Summary listing economic interests trustees and consultants identified on their Form 700. She stated there were no gifts reported in excess of the new \$520 gift limit. Ms. Dunning pointed to highlighted UBS and Invesco interests trustees were identified as having to be aware of.

For consideration at March 2022 Committee meeting

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

Mr. Wickman reported at its meeting a few weeks ago the Audit Committee received a report on the annual financial statements audit from the auditors, who are making good progress. The first phase of the audit on internal controls and validating member and payroll data is completed. Auditors will be reviewing audited financial statements with the Audit Committee in the fall. In the interim the actuary will use information received from MCERA after the books are closed to complete the GASB 67/68 Reports, which are included with MCERA's financial statements. The Administrator explained that due to the lag in private equity program valuations, updated June 30, 2021 values will be an adjustment after the books are closed. Trustee Block asked if lagging private equity valuations and GASB 67/68 reporting comes up in discussions with public pension fund peers. Mr. Wickman replied that it is not a significant topic of discussion because each retirement system faces the same issue. The structure of MCERA's Plan with multiple valuation groups and 48 benefit tiers requires additional work by the staff and actuary to prepare annual reports. Other retirement systems have fewer tiers which can lead to being able to produce reports on a more streamlined basis.

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

Chair Werby invited ideas on topics for future Committee meetings. Mr. Wickman said at the next meeting the Information Technology Risk Assessment Report and the Phase 2 cybersecurity report by Linea Secure will be presented. In addition, Nossaman will conduct the annual review of insurance policies and industry trends as requested by the Committee.

There being no further business, Chair Werby adjourned the meeting at 9:55 a.m.

Jeff Wickman
Retirement Administrator

On behalf of:
Todd Werby
Finance and Risk Management Committee Chair

Michelle Hardesty
Assistant Retirement Administrator

On behalf of:
Jeff Wickman
Retirement Administrator

B.1

	FY 20/21 Actual Expenses	FY 21/22 Approved Budget	July	August	September	1st Qtr. Total ¹	Percentage of Budget used	Notes
Salaries and Benefits		26 PP	2 PP	2 PP	2 PP	6 PP		QTD - Quarter-to-Date SL - Straight Line WCI - Workers' Comp Ins SAA - Sr. Accounting Asst. FTE - Full Time Equivalent PP - Payperiod GF - General Fund AA - Accounting Asst.
Regular Staff Salaries	1,847,077	2,025,852	45,527	128,215	128,317	302,059	14.9%	QTD actual is 10.1% under the SL budget. There is a 1.0 FTE vacancy factor and July 2021 Salary expense includes a FY 20-21 accrual reversal. July 2021's PP14 & 15 gross Salary expense is \$127.4K; offset by, a (\$63.7K) FY 20-21 PP14 14 day and (\$18.2K) PP15 4 day Salary accrual reversal.
Extra-Hire	0	0	0	0	0	0	0.0%	
Overtime	2,521	2,769	166	2,191	319	2,676	96.6%	QTD actual is 71.6% over the SL budget due to as needed projects.
Employee Benefits	261,748	288,358	5,909	16,440	16,219	38,568	13.4%	QTD actual is 11.6% under the SL budget. July 2021's PP14 & 15 gross Employee Benefits expense is \$16.5K; offset by, a (\$8.2K) FY 20-21 PP14 14 day and (\$2.4K) PP15 4 day Employee Benefits accrual reversal.
Retirement Benefits	359,866	396,451	8,961	25,907	25,824	60,692	15.3%	
Retirement Benefits - OPEB	150,599	165,910	3,614	9,885	9,853	23,352	14.1%	QTD actual is 10.9% under the SL budget. July 2021's PP14 & 15 gross Retirement Benefits - OPEB expense is \$10.1K; offset by a (\$5.1K) FY 20-21 PP14 4 day and (\$1.4K) PP15 4 day Retirement Benefits - OPEB accrual reversal.
Ret POB Debt Svc. Misc.	97,213	107,096	3,405	6,945	6,923	17,273	16.1%	
Auto Allowance	10,071	9,950	264	738	738	1,740	17.5%	
Unused Fringe Benefits	19,869	21,889	563	1,577	1,577	3,717	17.0%	
Workers Comp. Insurance	41,347	45,551	2,053	5,898	5,903	13,854	30.4%	
Medicare	26,894	29,628	668	1,902	1,877	4,447	15.0%	
Total Salaries and Benefits	2,817,205	3,093,454	71,130	199,698	197,550	468,378	15.1%	QTD actual is 9.9% under the SL budget.
Services and Supplies								
Professional Services	48,226	51,000	1,851	10,424	8,837	21,112	41.4%	QTD actual is 16.4% over the SL budget due to Brown Armstrong auditing services.
Innovest - Retiree Payroll Processing	40,291	38,000	0	2,991	0	2,991	7.9%	QTD actual is 17.1% under the SL budget due to Innovest billing delay. Quarter 1 expense is for July 2021 services.
Records Retention	3,085	3,800	260	260	260	780	20.5%	
Bank Charges	9,041	6,000	567	563	833	1,963	32.7%	
Insurance Premiums	98,603	96,800	13,674	0	0	13,674	14.1%	QTD actual is 10.9% under the SL budget due to \$13.7K master crime insurance premium payment to PRISM for coverage through June 2022 as the only expense this quarter.
Utilities (1 McInnis Owner Allocation)	209,826	245,200	39,934	0	20,017	59,951	24.4%	
Memberships & Dues	8,406	15,000	4,014	303	14	4,331	28.9%	
Subscriptions	5,874	7,500	232	328	115	675	9.0%	QTD actual is 16.0% under the SL budget due to lower department demand for new and renewal subscriptions.
Conferences/Training	7,705	26,000	50	650	630	1,330	5.1%	QTD actual is 19.9% under the SL budget due to lower department demand to attend conferences and trainings.
Travel and Mileage	156	20,000	0	0	0	0	0.0%	
Document Reproduction Costs	27,008	29,000	5,363	2,198	8,789	16,350	56.4%	QTD actual is 31.4% over the SL budget due to 3rd member representing general members' election and newsletter expenses. QTD 6 page newsletter expense is \$6.4K. QTD election (i.e. candidate statements, voter information envelopes, blank envelopes, postage and prepaid return envelope postage) expense is \$5.0K. QTD copier expense is \$5.0K.
Medical Examinations	1,150	12,000	0	0	0	0	0.0%	
Investigations	2,524	3,000	0	0	0	0	17.6%	
Transcribing/Medical Record Review	33,801	130,000	500	7,689	26,725	34,914		
Hearings	38,631	65,000	0	0	0	0		
Board Election Fees	100	1,000	0	0	0	0	0.0%	
Board Remuneration (Gross Pay)	9,700	10,421	800	600	600	2,000	19.5%	
Board Payments (ER Liab., ADP & Bank fees)	2,121	2,279	169	154	154	477		
Office Expenses and Supplies	10,700	8,000	108	157	100	365	4.6%	QTD actual is 20.4% under the SL budget due to lower department demand for office expenses and supplies.
Office Expenses - Phone	6,021	7,500	244	1,790	244	2,278	30.4%	
Electronic Supplies	15,390	3,500	0	0	0	0	0.0%	
Ergonomic Supplies	1,704	500	0	0	0	0	0.0%	
Office Supplies - Postage	1,092	1,100	19	71	68	158	14.4%	QTD actual is 10.6% under the SL budget due to lower department demand for office supplies - postage.
Miscellaneous - Food	0	5,000	0	0	0	0	0.0%	
Depreciation Expense	517,520	517,521	0	0	0	129,380	25.0%	This is a QTD accrual.
Total Services and Supplies	1,098,675	1,305,121	67,785	28,178	196,766	292,729	22.4%	QTD actual is 2.6% under the SL budget.
Interdepartmental Charges								
Telephone Charges	25,900	25,900	0	0	6,475	6,475	25.0%	This is a QTD accrual.
Cost Allocation Plan (Inter-fund Charges)	249,003	332,061	0	0	83,015	83,015	25.0%	This is a QTD accrual.
Total Interdepartmental Charges	274,903	357,961	0	0	89,490	89,490	25.0%	QTD accrual is at the SL budget.
TOTAL	4,190,783	4,756,536	138,915	227,876	483,806	850,597	17.9%	QTD actual is 7.1% under the SL budget.

¹ Amounts may differ from the Administrative budget YTD at 2nd Qtr. report due to rounding.

B.1

	FY 20/21 Actual Expenses	FY 21/22 Approved Budget	October	November	December	2nd Qtr. Total	Percentage of Budget used	Notes
Salaries and Benefits		26 PP	3 PP	2 PP	2 PP	7 PP		
								QTD - Quarter-to-Date SL - Straight Line WCI - Workers' Comp Ins SAA - Sr. Accounting Asst.
								FTE - Full Time Equivalent PP - Payperiod GF - General Fund AA - Accounting Asst.
Regular Staff Salaries	1,847,077	2,025,852	194,641	159,811	129,845	484,297	23.9%	QTD actual is 1.1% under the SL budget. There is a 1.0 FTE vacancy factor.
Extra-Hire	0	0	0	0	0	0	0.0%	
Overtime	2,521	2,769	1,149	740	2,125	4,014	145.0%	QTD actual is 4.8 times over the SL budget due to as needed special projects.
Employee Benefits	261,748	288,358	24,003	15,200	15,250	54,453	18.9%	
Retirement Benefits	359,866	396,451	39,216	25,652	24,960	89,828	22.7%	
Retirement Benefits - OPEB	150,599	165,910	14,963	9,788	9,983	34,734	20.9%	
Ret POB Debt Svc. Misc.	97,213	107,096	10,513	6,877	7,014	24,404	22.8%	
Auto Allowance	10,071	9,950	1,108	738	738	2,584	26.0%	
Unused Fringe Benefits	19,869	21,889	2,364	1,676	1,776	5,816	0.0%	
Workers Comp. Insurance	41,347	45,551	8,937	(3,727)	(8,424)	(3,214)	(7.1%)	QTD actual is 32.1% under the SL budget due to the \$14.4K QTD workers comp Q-1 & Q-2 refund receipt.
Medicare	26,894	29,628	2,859	2,342	1,930	7,131	24.1%	
Total Salaries and Benefits	2,817,205	3,093,454	299,753	219,097	185,197	704,047	22.8%	QTD actual is 2.2% under the SL budget.
Services and Supplies								
Professional Services	48,226	51,000	9,937	2,694	7,436	20,067	39.3%	QTD actual is 14.3% over the SL budget due to Brown Armstrong auditing services.
Innovest - Retiree Payroll Processing	40,291	38,000	0	9,322	0	9,322	24.5%	
Records Retention	3,085	3,800	260	260	0	520	13.7%	
Bank Charges	9,041	6,000	814	549	0	1,363	22.7%	
Insurance Premiums	98,603	96,800	8,692	0	0	8,692	9.0%	QTD actual is 16.0% under the SL budget due to cyber liability insurance premium payment for coverage through Aug. 2022 as the only expense this quarter.
Utilities (1 McInnis Owner Allocation)	209,826	245,200	39,934	19,967	0	59,901	24.4%	
Memberships & Dues	8,406	15,000	564	5,014	200	5,778	38.5%	QTD actual is 13.5% over the SL budget due to the \$5.0K Council of Institutional Investors payment for annual membership.
Subscriptions	5,874	7,500	232	1,341	0	1,573	21.0%	
Conferences/Training	7,705	26,000	500	1,656	0	2,156	8.3%	QTD actual is 16.7% under the SL budget due to lower department demand to attend conferences and trainings.
Travel and Mileage	156	20,000	0	0	2,546	2,546	12.7%	QTD actual is 12.3% under the SL budget due to lower department demand for travel and mileage.
Document Reproduction Costs	27,008	29,000	1,784	1,704	1,668	5,156	17.8%	
Medical Examinations	1,150	12,000	0	0	0	0	0.0%	
Investigations	2,524	3,000	0	0	0	0	42.3%	Combined Investigations, Transcribing, Medical Record Review and Hearing utilization is 17.2% over the SL budget due to medical record review and transcribing demand. Crosspoint Evaluations at \$74.0K, Center for Occupational Psychiatry at \$6.8K and Doctors at \$2.9K.
Transcribing/Medical Record Review	33,801	130,000	25,300	10,525	47,800	83,625		
Hearings	38,631	65,000	0	209	0	209		
Board Election Fees	100	1,000	700	0	0	700	70.0%	QTD actual is 45.0% over the SL budget due to the August 2021 election.
Board Remuneration (Gross Pay)	9,700	10,421	700	1,000	1,500	3,200	29.9%	
Board Payments (ER Liab., ADP & Bank fees)	2,121	2,279	163	193	242	598		
Office Expenses and Supplies	10,700	8,000	236	471	32	739	9.2%	QTD actual is 15.8% under the SL budget due to lower department demand for office expenses and supplies.
Office Expenses - Phone	6,021	7,500	844	418	112	1,374	18.3%	QTD actual is 6.7% under the SL budget due to timing of staff personal phone stipend and mobile phone payments occurring in Q-1. Mid year actual is at budget.
Electronic Supplies	15,390	3,500	3,791	1	0	3,792	108.3%	QTD actual is 83.3% over the SL budget due to increased department demand for Electronic supplies to accommodate in-office, telework and virtual meetings.
Ergonomic Supplies	1,704	500	0	0	0	0	0.0%	
Office Supplies - Postage	1,092	1,100	38	90	69	197	17.9%	
Miscellaneous - Food	0	5,000	0	0	0	0	0.0%	
Depreciation Expense	517,520	517,521	0	0	129,380	129,380	25.0%	This is a QTD accrual.
Total Services and Supplies	1,098,675	1,305,121	94,489	55,414	190,985	340,888	26.1%	QTD actual is 1.1% over the SL budget.
Interdepartmental Charges								
Telephone Charges	25,900	25,900	0	0	6,475	6,475	25.0%	This is a QTD accrual.
Cost Allocation Plan (Inter-fund Charges)	249,003	332,061	(83,015)	0	294,541	211,526	63.7%	QTD actual is 38.7% over budget due to the Cost Allocation Plan (CAP) being billed and paid in full at Q-2.
Total Interdepartmental Charges	274,903	357,961	(83,015)	0	301,016	218,001	60.9%	QTD accrual + actual at 35.9% over the SL budget.
TOTAL	4,190,783	4,756,536	311,227	274,511	677,198	1,262,936	26.6%	QTD actual is 1.1% over the SL budget.

B.1

	FY 20/21 Actual Expenses	FY 21/22 Approved Budget	1st Qtr. Total	2nd Qtr. Total	FYTD	Percentage of Budget Used
Salaries and Benefits						
		26 PP	6 PP	7 PP	13 PP	
Regular Staff Salaries	1,847,077	2,025,852	302,059	484,297	786,356	38.8%
Extra-Hire	0	0	0	0	0	0.0%
Overtime	2,521	2,769	2,675	4,014	6,689	0.0%
Employee Benefits	261,748	288,358	38,568	54,453	93,021	32.3%
Retirement Benefits	359,866	396,451	60,691	89,828	150,519	38.0%
Retirement Benefits - OPEB	150,599	165,910	23,352	34,734	58,086	35.0%
Ret POB Debt Svc. Misc.	97,213	107,096	17,273	24,404	41,677	38.9%
Auto Allowance	10,071	9,950	1,741	2,584	4,325	43.5%
Unused Fringe Benefits	19,869	21,889	3,717	5,816	9,533	0.0%
Workers Comp. Insurance	41,347	45,551	13,854	(3,214)	10,640	23.4%
Medicare	26,894	29,628	4,446	7,131	11,577	39.1%
Total Salaries and Benefits	2,817,205	3,093,454	468,376	704,047	1,172,423	37.9%
Services and Supplies						
Professional Services	48,226	51,000	21,113	20,067	41,180	80.7%
Innovest - Retiree Payroll Processing	40,291	38,000	2,991	9,322	12,313	32.4%
Records Retention	3,085	3,800	781	520	1,301	34.2%
Bank Charges	9,041	6,000	1,963	1,363	3,326	55.4%
Insurance Premiums	98,603	96,800	13,674	8,692	22,366	23.1%
Utilities (1 McInnis Owner Allocation)	209,826	245,200	59,950	59,901	119,851	48.9%
Memberships & Dues	8,406	15,000	4,332	5,778	10,110	67.4%
Subscriptions	5,874	7,500	675	1,573	2,248	30.0%
Conferences/Training	7,705	26,000	1,330	2,156	3,486	13.4%
Travel and Mileage	156	20,000	0	2,546	2,546	12.7%
Document Reproduction Costs	27,008	29,000	16,350	5,156	21,506	74.2%
Medical Examinations	1,150	12,000	0	0	0	0.0%
Investigations	2,524	3,000	0	0	0	0.0%
Transcribing/Medical Record Review	33,801	130,000	34,914	83,625	118,539	91.2%
Hearings	38,631	65,000	0	209	209	0.3%
Board Election Fees	100	1,000	0	700	700	70.0%
Board Remuneration (Gross Pay)	9,700	10,421	2,000	3,200	5,200	49.9%
Board Payments (ER Liab., ADP & Bank fees)	2,121	2,279	476	598	1,074	47.1%
Office Expenses and Supplies	10,700	8,000	364	739	1,103	13.8%
Office Expenses - Phone	6,021	7,500	2,277	1,374	3,651	48.7%
Electronic Supplies	15,390	3,500	0	3,792	3,792	108.3%
Ergonomic Supplies	1,704	500	0	0	0	0.0%
Office Supplies - Postage	1,092	1,100	158	197	355	32.3%
Miscellaneous - Food	0	5,000	0	0	0	0.0%
Depreciation Expense	517,520	517,521	129,380	129,380	258,760	50.0%
Total Services and Supplies	1,098,675	1,305,121	292,728	340,888	633,616	48.5%
Interdepartmental Charges						
Telephone Charges	25,900	25,900	6,475	6,475	12,950	50.0%
Cost Allocation Plan (Inter-fund Charges)	249,003	332,061	83,015	211,526	294,541	88.7%
Total Interdepartmental Charges	274,903	357,961	89,490	218,001	307,491	85.9%
TOTAL	4,190,783	4,756,536	850,594	1,262,936	2,113,530	44.4%

MCERA Non-Budgeted Expenses

FY 21/22 Quarter Ending September 30, 2021, by month

B.2

	July	August	September	1st Qtr. Expenses ¹
Retiree Payroll	14,215,701	14,230,862	14,386,981	42,833,544
Retiree Death Benefit Paid	25,000	55,000	20,000	100,000
Active Member Death Benefit	0	0	0	0
Refund of Contributions	265,103	150,438	64,989	480,530
Total Retirement Member Expense	14,505,804	14,436,300	14,471,970	43,414,074
Personal Computer Lease (Accrual)	0	0	0	0
CPAS	8,150	8,150	23,750	40,050
Business Systems (Accountmate)	0	0	0	0
IBM - Cognos systems	0	0	0	0
Oracle America	0	0	0	0
Total Computer Expense	8,150	8,150	23,750	40,050
Linea Secure, LLC (Cybersecurity)	0	0	25,000	25,000
Insight Public Sector, Inc.	0	0	0	0
Total Security Services Expense	0	0	25,000	25,000
Legal	24,553	17,122	14,913	56,588
County Counsel	8,989	0	0	8,989
Ice Miller LLP	0	0	801	801
Nossaman	15,564	17,122	14,112	46,798
Cheiron Inc. (Actuary)	25,314	0	0	25,314
Appraisals (1 McInnis)	0	0	0	0
Investment Managers	573,826	247,089	2,497,852	3,318,767
Callan (Investment Consultant)	0	0	0	0
State Street (Custodian)	0	0	0	0
Woodmont Consulting Services	3,675	3,150	4,725	11,550
Investment Education Expense	0	0	0	0
Total Legal, Actuary & Investment Expense	627,368	267,361	2,517,490	3,412,219
Total Fund Expenses	15,141,322	14,711,811	17,038,210	46,891,343
Nossaman				
General Counsel	13,453	11,802	10,428	35,683
1 McInnis Parkway Leasing	0	0	0	0
Bankruptcy Related	0	0	0	0
Technology Projects	0	0	0	0
Employment Law Advice & Training	0	3,146	0	3,146
Negotiate Insurance Policies	0	0	858	858
Investment	2,111	2,174	2,826	7,111
MAPE	0	0	0	0
Greene	0	0	0	0
Brown	0	0	0	0
Rose	0	0	0	0
Total Nossaman Expense	15,564	17,122	14,112	46,798
Reimbursement from Hudson Ins. Regarding V. Greene	0	0	0	0
D. Brown	0	0	0	0
MAPE vs. MCERA	0	0	0	0
Total Legal Reimbursement	0	0	0	0

¹ Amounts may differ from the Non Administrative budget YTD at Q-2 report due to rounding.

MCERA Non-Budgeted Expenses

FY 21/22 Quarter Ending December 31, 2021, by month

B.2

	October	November	December	2nd Qtr. Expenses
Retiree Payroll	14,318,534	14,296,654	14,308,760	42,923,948
Retiree Death Benefit Paid	20,000	15,000	20,000	55,000
Active Member Death Benefit	0	0	0	0
Refund of Contributions	100,767	4,933	91,305	197,005
Total Retirement Member Expense	14,439,301	14,316,587	14,420,065	43,175,953
Personal Computer Lease (Accrual)	0	0	0	0
CPAS	8,150	8,150	0	16,300
Business Systems (Accountmate)	0	2,125	0	2,125
IBM - Cognos systems	0	19,971	0	19,971
Oracle America	0	0	0	0
Total Computer Expense	8,150	30,246	0	38,396
Linea Secure, LLC (Cybersecurity)	0	0	0	0
Insight Public Sector, Inc.	0	0	0	0
Total Security Services Expense	0	0	0	0
Legal	19,020	39,470	17,712	76,202
County Counsel	0	7,845	0	7,845
Ice Miller LLP	0	0	0	0
Nossaman	19,020	31,625	17,712	68,357
Cheiron Inc. (Actuary)	0	14,946	82,618	97,564
Appraisals (1 McInnis)	0	0	4,500	4,500
Investment Managers	519,517	187,898	2,626,855	3,334,270
Callan (Investment Consultant)	77,250	15,000	79,000	171,250
State Street (Custodian)	106,681	0	106,031	212,712
Woodmont Consulting Services	2,275	5,338	0	7,613
Investment Education Expense	0	7,500	0	7,500
Total Legal, Actuary & Investment Expense	724,743	270,152	2,916,716	3,911,611
Total Fund Expenses	15,172,194	14,616,985	17,336,781	47,125,960
Nossaman				
General Counsel	11,348	14,783	13,728	39,859
1 McInnis Parkway Leasing	7,214	5,548	3,502	16,264
Bankruptcy Related	0	466	104	570
Technology Projects	0	0	0	0
Employment Law Advice & Training	0	0	0	0
Negotiate Insurance Policies	0	54	322	376
Investment	0	10,774	56	10,830
MAPE	0	0	0	0
Greene	0	0	0	0
Brown	0	0	0	0
Rose	458	0	0	458
Total Nossaman Expense	19,020	31,625	17,712	68,357
Reimbursement from Hudson Ins. Regarding V. Greene	0	0	0	0
D. Brown	0	0	0	0
MAPE vs. MCERA	0	0	0	0
Total Legal Reimbursement	0	0	0	0

B.2

MCERA Non-Budgeted Expenses

FY 21/22 Quarter Ending December 31, 2021, by quarter

	FY 21/22 Actual Expenses	1st Qtr. Expenses	2nd Qtr. Expenses	FYTD Total
Retiree Payroll	165,935,772	42,833,544	42,923,948	85,757,492
Retiree Death Benefit Paid	325,000	100,000	55,000	155,000
Active Member Death Benefit	0	0	0	0
Refund of Contributions	1,496,412	480,530	197,005	677,535
Total Retirement Member Expense	167,757,184	43,414,074	43,175,953	86,590,027
Personal Computer Lease (Accrual)	0	0	0	0
CPAS	115,030	40,050	16,300	56,350
Business Systems (Accountmate)	2,125	0	2,125	2,125
IBM - Cognos systems	19,916	0	19,971	19,971
Oracle America	0	0	0	0
Total Computer Expense	137,071	40,050	38,396	78,446
Linea Secure, LLC (Cybersecurity)	45,000	25,000	0	25,000
Insight Public Sector, Inc.	97,800	0	0	0
Total Security Services Expense	142,800	25,000	0	25,000
Legal	376,969	56,587	76,202	132,789
County Counsel	48,200	8,989	7,845	16,834
Ice Miller LLP	844	801	0	801
Nossaman	327,925	46,797	68,357	115,154
Cheiron Inc. (Actuary)	164,666	25,314	97,564	122,878
Appraisals (1 McInnis)	3,000	0	4,500	4,500
Investment Managers	12,502,763	3,318,765	3,334,270	6,653,035
Callan (Investment Consultant)	407,250	0	171,250	171,250
State Street (Custodian)	418,110	0	212,712	212,712
Woodmont Consulting Services	73,583	11,550	7,613	19,163
Investment Education Expense	36,750	0	7,500	7,500
Total Legal, Actuary & Investment Expense	13,983,091	3,412,216	3,911,611	7,323,827
Total Fund Expenses	182,020,146	46,891,340	47,125,960	94,017,300
Nossaman				
General Counsel	173,409	35,682	39,859	75,541
1 McInnis Parkway Leasing	9,162	0	16,264	16,264
Bankruptcy Related	2,693	0	570	570
Technology Projects	1,166	0	0	0
Employment Law Advice & Training	2,428	3,146	0	3,146
Negotiate Insurance Policies	4,402	858	376	1,234
Investment	120,860	7,111	10,830	17,941
MAPE	13,805	0	0	0
Greene	0	0	0	0
Brown	0	0	0	0
Rose	0	0	458	458
Total Nossaman Expense	327,925	46,797	68,357	115,154
Reimbursement from Hudson Ins. Regarding V. Greene	0	0	0	0
D. Brown	(360)	0	0	0
MAPE vs. MCERA	(59,439)	0	0	0
Total Legal Reimbursement	(59,799)	0	0	0

B.2

**Investment Manager's Fees
FY21/22 Quarter Ending September 30, 2021**

<u>Investment Manager</u>	<u>Market Value</u>	<u>Annualized %</u>	<u>Fees:</u>				<u>Quarter Total¹</u>	<u>FY 20/21</u>
			<u>July</u>	<u>August</u>	<u>September</u>	<u>IM fees</u>		
AEW Core Property	113,936,349	0.8909%	0	0	253,759	253,759	945,615	
Abbott Fund VI	48,285,020	0.8420%	33,879	33,879	33,879	101,637	451,727	
Abbott Fund VII	54,920,457	0.6191%	28,333	28,333	28,333	84,999	339,997	
Abbott Investors 2016	64,681,465	0.4097%	22,083	22,083	22,083	66,249	264,997	
Abbott Investors 2017	14,723,696	0.5094%	6,250	6,250	6,250	18,750	75,000	
Abbott Investors 2021	3,476,739	0.0000%	0	0	0	0	0	
Artisan International Growth Fund	214,045,653	0.8246%	0	0	441,238	441,238	1,628,835	
BlackRock TIPS	55,499,757	0.0304%	0	0	4,219	4,219	13,347	
BlackRock US Real Estate	54,778,602	0.0625%	0	0	8,557	8,557	27,654	
CarVal	7,370,453	0.9996%	1,906	5,959	10,554	18,419	17,194	
Colchester Global Investors	144,300,773	0.4299%	52,402	52,409	50,269	155,080	619,334	
DFA Small Cap Core	278,888,389	0.3322%	0	0	231,651	231,651	900,010	
Eaton Vance Structured	22,620,521	2.4767%	0	0	140,062	140,062	881,912	
Fidelity Institutional Asset Management (FIAM)	105,002,867	0.1955%	0	0	51,309	51,309	0	
Fortress	5,601,505	1.3256%	0	0	18,563	18,563	12,518	
Invesco	56,889,694	0.7031%	0	0	99,994	99,994	340,393	
KBI Global Resources Solutions	56,540,023	0.8500%	0	0	120,148	120,148	459,700	
Morgan Stanley	204,730,005	0.5776%	0	0	295,607	295,607	1,060,220	
Parametric (overlay program)	23,120,091	0.8543%	0	0	49,377	49,377	157,311	
Pathway I 2008-6	79,102,513	0.5615%	111,033	0	0	111,033	493,533	
Pathway I 7-3	48,363,139	0.5862%	70,875	0	0	70,875	307,125	
Pathway I 8-9	72,117,005	0.5596%	100,887	0	0	100,887	403,548	
Pathway I 9-3	14,739,627	0.7802%	28,751	0	0	28,751	115,003	
Pathway I 10-10	7,770,478	1.1717%	22,761	0	0	22,761	45,522	
SSgA Russell 1000 Index Strategy	791,638,240	0.0227%	0	0	44,850	44,850	175,000	
TimesSquare	134,476,912	0.8710%	94,666	98,176	99,978	292,820	1,017,644	
UBS Realty Investment	110,036,130	0.6312%	0	0	173,639	173,639	731,993	
Varde	19,288,451	1.6593%	0	0	80,011	80,011	142,421	
Wellington	295,694,704	0.1840%	0	0	136,034	136,034	500,091	
Western Asset	178,279,365	0.2187%	0	0	97,488	97,488	375,119	
Total	\$3,280,918,623	0.4046%	\$573,826	\$247,089	\$2,497,852	\$3,318,767	\$12,502,763	

¹ Amounts may differ from the IM fees paid on Non Administrative budget at Q-2 report due to rounding.

B.2

**Investment Manager's Fees
FY21/22 Quarter Ending December 31, 2021**

<u>Investment Manager</u>	<u>Market Value</u>	<u>Annualized %</u>	<u>Fees:</u>				<u>Quarter Total</u>	<u>FY 20/21</u>
			<u>October</u>	<u>November</u>	<u>December</u>	<u>IM fees</u>		
AEW Core Property	123,043,894	0.8904%	0	0	273,891	273,891	945,615	
Abbott Fund VI	53,366,212	0.7618%	0	0	101,638	101,638	451,727	
Abbott Fund VII	55,757,821	0.5488%	0	0	76,500	76,500	339,997	
Abbott Investors 2016	71,448,541	0.3709%	0	0	66,250	66,250	264,997	
Abbott Investors 2017	19,355,294	0.3875%	0	0	18,750	18,750	75,000	
Abbott Investors 2021	3,727,695	2.4144%	0	0	22,500	22,500	0	
Artisan International Growth Fund	219,516,684	0.7981%	0	0	437,998	437,998	1,628,835	
BlackRock TIPS	56,785,325	0.0301%	0	0	4,273	4,273	13,347	
BlackRock US Real Estate	64,204,909	0.0573%	0	0	9,193	9,193	27,654	
CarVal	7,395,245	0.9956%	0	0	18,406	18,406	17,194	
Colchester Global Investors	171,681,011	0.3884%	51,314	56,860	58,541	166,715	619,334	
DFA Small Cap Core	258,904,567	0.3090%	0	0	200,007	200,007	900,010	
Fidelity Institutional Asset Management (FIAM)	125,459,362	0.5643%	0	0	177,006	177,006	0	
Fortress	9,222,913	0.8051%	0	0	18,563	18,563	12,518	
Invesco	58,876,688	0.7038%	34,530	34,530	34,530	103,590	340,393	
KBI Global Resources Solutions	60,685,920	0.8500%	0	0	128,958	128,958	459,700	
Morgan Stanley	209,808,356	0.5524%	0	0	289,742	289,742	1,060,220	
Parametric (overlay program)	21,618,362	0.9155%	0	0	49,481	49,481	157,311	
Pathway I 2008-6	73,959,743	0.6005%	111,033	0	0	111,033	493,533	
Pathway I 7-3	47,539,816	0.5963%	70,875	0	0	70,875	307,125	
Pathway I 8-9	75,287,626	0.5360%	100,887	0	0	100,887	403,548	
Pathway I 9-3	16,575,821	0.6938%	28,751	0	0	28,751	115,003	
Pathway I 10-10	10,980,454	0.8291%	22,761	0	0	22,761	45,522	
SSgA Russell 1000 Index Strategy	809,925,227	0.0227%	0	0	45,922	45,922	175,000	
TimesSquare	131,502,625	0.8802%	99,366	96,508	93,503	289,377	1,017,644	
UBS Realty Investment	110,011,244	0.6083%	0	0	167,294	167,294	731,993	
Varde	21,809,872	1.4716%	0	0	80,237	80,237	142,421	
Wellington	334,457,162	0.1793%	0	0	149,932	149,932	500,091	
Western Asset	175,103,153	0.2370%	0	0	103,740	103,740	375,119	
Total	\$3,398,011,542	0.3925%	\$519,517	\$187,898	\$2,626,855	\$3,334,270	\$11,620,851	
Eaton Vance Structured							881,912	
Total Terminated Managers							\$881,912	
Total							\$12,502,763	

B.3.a

MCERA Education and Due Diligence Expense Summary FY 21/22
FY 21/22 Quarter Ending December 31, 2021

<u>Trustee</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
C. Cooper	11/9-12/2021	SACRS 2021 Fall Conference	Los Angeles, CA	120.00	1,333.71	\$ 1,453.71
S. Silberstein	10/29/2021	CALAPRS Trustee Roundtable	Virtual	50.00		\$ 50.00
	11/9-12/2021	SACRS 2021 Fall Conference	Los Angeles, CA	120.00	1,434.49	\$ 1,554.49
A. Tomlin	11/9-12/2021	SACRS 2021 Fall Conference	Los Angeles, CA	120.00	577.37	\$ 697.37
Trustee Expense				\$410.00	\$3,345.57	\$ 3,755.57
<u>Administrator</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
J. Wickman	9/22-24/2021	CALAPRS Administrators Institute 2021	Virtual	500.00		\$ 500.00
	11/9-12/2021	SACRS 2021 Fall Conference	Los Angeles, CA	120.00	855.59	\$ 975.59
Employee						
A. Battaglia	9/17/2021	CALAPRS Benefits Roundtable	Virtual	50.00		\$ 50.00
L. Marshall	9/14/2021	CALAPRS Accountants Roundtable	Virtual	50.00		\$ 50.00
	10/21/2021	P2F2 Conference 2021	Virtual		500.00	\$ 500.00
L. Martinez	10/8/2021	CALAPRS Disability Staff Training	Virtual	100.00		\$ 100.00
V. Matyurin	10/22/2021	CALAPRS Information Technology Roundtable	Virtual	50.00		\$ 50.00
Administrator and Employee Expense				\$870.00	\$1,355.59	\$ 2,225.59
<u>Counsel/Other</u>	<u>Date</u>	<u>Conference</u>	<u>Location</u>	<u>1st quarter</u>	<u>2nd quarter</u>	<u>Year to Date</u>
A. Dunning	9/17/2021	CALAPRS Attorneys Roundtable	Virtual	50.00		\$ 50.00
Counsel/Other Expense				\$50.00	\$0.00	\$ 50.00
TOTAL MCERA Education and Due Diligence Expense				\$1,330.00	\$4,701.16	\$ 6,031.16

B.3.b

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CONTINUING TRUSTEE EDUCATION SUMMARY
Friday, December 31, 2021**

24 hours required by September 1, 2022

Trustee Jones 37.20

24 hours required by December 31, 2022

Trustee Cooper 25.70

Trustee Given 15.45

Trustee Shaw 16.45

24 hours required by January 24, 2023

Trustee Silberstein 50.36

24 hours required by July 13, 2023

Trustee Tomlin 17.70

24 hours required by August 25, 2023

Trustee Murphy 5.95

24 hours required by October 17, 2023

Trustee Klein 11.95

24 hours required by November 1, 2023

Trustee Block 6.45

Trustee Gladstern 0.45

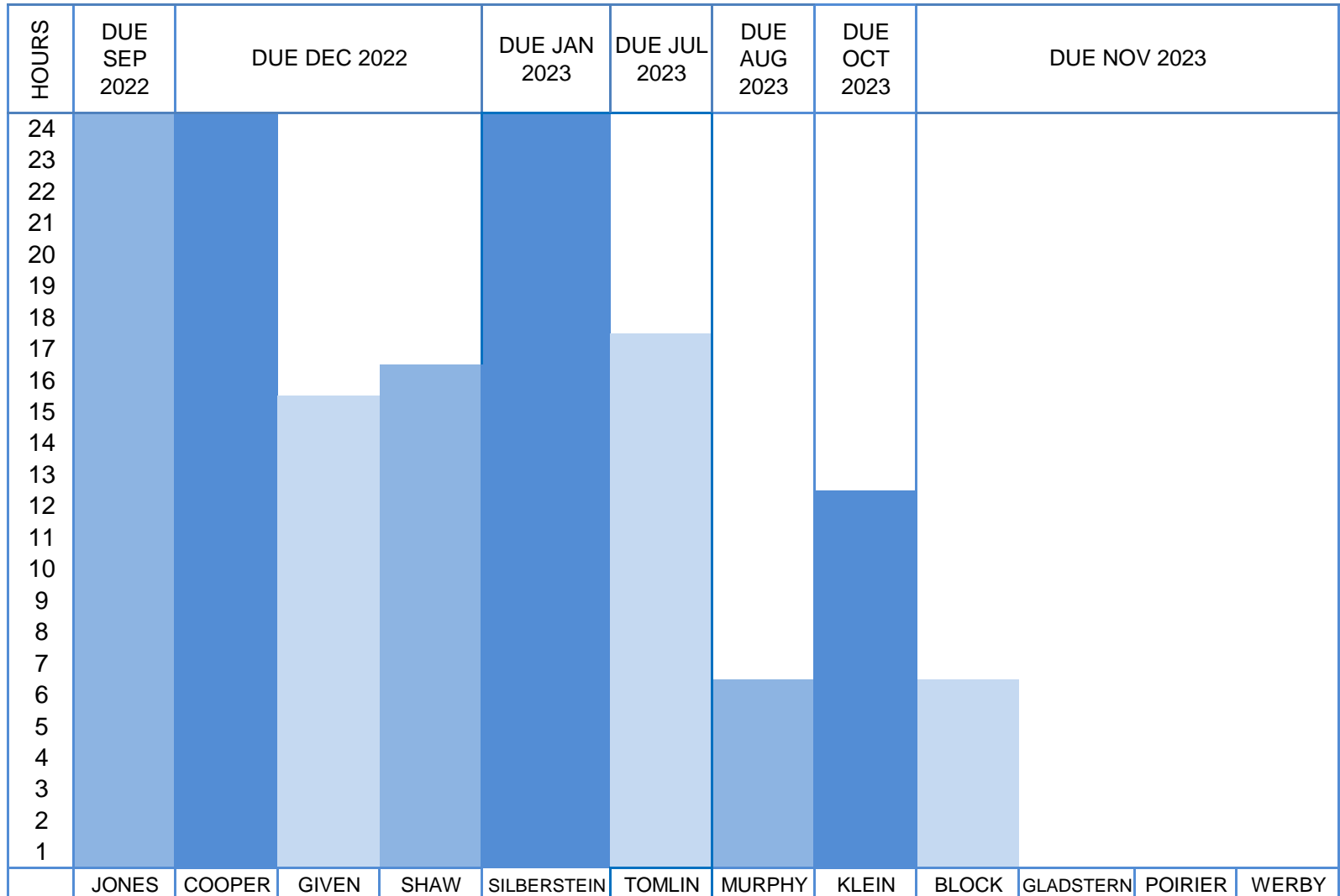
Trustee Poirier 0.45

Trustee Werby 0.45

B.3.b

**MCERA CONTINUING TRUSTEE EDUCATION
QUARTERLY SUMMARY CHART**

Friday, December 31, 2021



B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

MCERA CONTINUING TRUSTEE EDUCATION LOG												
TRUSTEE Master Log				TOPIC								
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	
24.00	HOURS DUE by >		The later of December 31, 2014, or two years after assuming office, and biannually thereafter.									
			<i>See prior reports by date for earlier data.</i>									
2.00	7/2/2019	MCERA	Sexual Harassment Prevention Training							X		
1.75	7/23/2019	Callan	Introduction to Investments - The Role of the Fiduciary and Investment Policy Statements			X						
1.50	7/23/2019	Callan	Introduction to Investments - Capital Market Theory and Asset Allocation			X						
1.50	7/23/2019	Callan	Introduction to Investments - Manager Structure - Defined Benefit			X						
0.75	7/23/2019	Callan	Introduction to Investments - Manager Structure - Defined Contribution			X						
1.50	7/24/2019	Callan	Introduction to Investments - Manager Search			X						
1.75	7/24/2019	Callan	Introduction to Investments - Performance Measurement		X							
2.00	8/2/2019	Marin County	Workplace Harassment Prevention							X		
2.00	9/4/2019	Nossaman	U.S. Pubic Pension Handbook: A Comprehensive Guide for Trustees and Staff					X				
0.83	9/5/2019	Nossaman	California Public Pension Litigation Update	X								
0.50	9/5/2019	Nossaman	Practical Considerations for Retirement System Trustees and Staff After the Supreme Court Rules in <i>Alameda</i>	X								
0.83	9/5/2019	Nossaman	Roles and Responsibilities of Consultants, Managers, and Investors/LPACs							X		
1.00	9/5/2019	Nossaman	Discussion of Institutional Limited Partners Association 3.0	X								
0.67	9/5/2019	Nossaman	Overview of Open-Ended vs. Close-Ended Funds	X								
0.50	9/5/2019	Nossaman	Alternative Investment Issues in PPMs, LPAs, and Subscription Agreements			X						
0.33	9/5/2019	Nossaman	Key Legal Considerations for Investments in Real Assets	X								
0.33	9/5/2019	Nossaman	Current Legal Issues in PAS System Administration and Privacy	X								
0.33	9/5/2019	Nossaman	Twists in Public Pension System Insurance Coverage for Fiduciaries	X								
0.92	9/5/2019	Nossaman	Roundtable: Top Fiduciary Issues for Public Plans							X		
2.00	9/16/2019	CII	Fall Conference - Master Class: Evaluating Pay for Performance							X		
0.75	9/16/2019	CII	Fall Conference - Dual Class Stock and the Future of Corporate Governance			X						
0.75	9/16/2019	CII	Fall Conference - Evolving the Board							X		
0.75	9/17/2019	CII	Fall Conference - Fiduciary Duty and ESG in Investment: CIO Perspectives							X		
0.50	9/17/2019	CII	Fall Conference - Public Company Accounting Oversight: Key Issues and Developments								X	
0.50	9/17/2019	CII	Fall Conference - Gender Pay Equity							X		
0.25	9/17/2019	CII	Fall Conference - Lessons from the front Lines: Challenges in Renewable Energy Deployment & Transitions			X						
1.00	9/17/2019	CII	Fall Conference - Member-Hosted Panel: Forced Arbitration Clauses & the Repercussions for Institutional Investors	X								

B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

MCERA CONTINUING TRUSTEE EDUCATION LOG												
TRUSTEE Master Log				TOPIC								
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	
1.75	9/17/2019	CII	Fall Conference - Luncheon Keynote: The Secret and Benefits of Understanding Motivation at Work							X		
1.00	9/17/2019	CII	Fall Conference - Breakout: Auditing Issues and Proxy Voting							X		
30.24	Hours for Quarter Ending September 30, 2019											
2.00	10/4/2019	TalentQuest	Preventing Discrimination and Harassment - Supervisors							X		
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Evolving themes in Environmental, Social and Governance (ESG) investing			X						
0.50	10/25/2019	CalAPRS	Trustees' Roundtable - ESG performance and integration		X							
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Inside ESG, screening metrics, performance, opportunities and investment vehicles		X							
1.00	10/25/2019	CalAPRS	Trustees' Roundtable - Practical matters of ESG including innovations and integration			X						
		SACRS	SACRS FALL CONFERENCE									
2.00	11/12/2019	SACRS	Trustee Training							X		
1.00	11/13/2019	SACRS	General Session - Keynote Speaker Danny Glover			X						
1.00	11/13/2019	SACRS	General Session - Disruptive Technologies and Their Impact on Pension Plan Decisions			X						
1.00	11/13/2019	SACRS	General Session - Up in Smoke			X						
3.00	11/13/2019	SACRS	Safety Breakout					X				
3.00	11/13/2019	SACRS	Trustee Breakout							X		
3.00	11/13/2019	SACRS	Attorney Breakout	X								
1.00	11/14/2019	SACRS	General Session - Managing Hyper-Growth and Innovation			X						
1.00	11/14/2019	SACRS	General Session - Current Economic and Financial Outlook			X						
1.00	11/14/2019	SACRS	General Session - The What, Why and How of Diversity and Inclusion in the Public Pension Industry Workplace							X		
1.00	11/14/2019	SACRS	Concurrent Session A - Building a Private Credit Portfolio: Implementation Approaches, Considerations and Challenges			X						
1.00	11/14/2019	SACRS	Concurrent Session B - Pursuing What You're Due - One Retirement System's Experience Suing Its Carrier	X								
1.00	11/14/2019	SACRS	Concurrent Session C - 130-30 strategies are back. Exploring the benefits of active equity extension in today's investment landscape.			X						
1.00	11/14/2019	SACRS	Concurrent Session A - Changing Consumer Patterns - The Impact on Retail and Industrial Real Estate			X						
1.00	11/14/2019	SACRS	Concurrent Session C - CalPERS & SACRS - Reciprocity, Do I Get It? Part 1 of 2 - Legal, CalPERS Guest Panels at SACRS					X				

B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE				TOPIC									
Master Log				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		
HOURS	DATE	SPONSOR	EVENT/SEMINAR										
1.00	11/14/2019	SACRS	Concurrent Session B - Risk, Mortality and Other Things That Only an Actuary Can Love				X						
1.00	11/14/2019	SACRS	General Session - SACRS System Highlights & Key Takeaways					X					
2.00	11/16/2020	FPPC	Certified Public Service Ethics Training							X			
0.67	12/11/2019	MCERA	GASB 67-68 Report				X						
0.25	12/11/2019	MCERA	Audited Financial Statements								X		
0.50	12/11/2019	MCERA	Preliminary Valuation Results				X						
30.92	Hours for Quarter Ending December 31, 2019												
		Callan	CALLAN NATIONAL CONFERENCE										
1.25	1/28/2020	Callan	Keynote Speaker: Dr. Moyo			X							
1.25	1/28/2020	Callan	Vivek Wadhuaa on how technologies will change the world			X							
1.00	1/28/2020	Callan	Diversifying Strategies in Alternatives			X							
1.00	1/28/2020	Callan	Fee Study: What Institutional Investors are Actually Paying		X								
1.25	1/29/2020	Callan	Joseph Caughlin on how global demographics, technology and changing generational behaviors are transforming business and society			X							
1.25	1/29/2020	Callan	EDD Talk on Investment Theory and Design			X							
1.75	1/29/2020	Callan	Frank Abagnale on cybersecurity and fraud prevention					X					
1.00	1/28/2020	Callan	Diversifying Strategies in Alternatives			X							
1.00	1/28/2020	Callan	Market Intel Live!			X							
2.00	various	FPPC	Public Service Ethics Training							X			
2.00	2/4/2020	MCERA	Prevention of Sexual Harassment Training							X			
0.25	2/12/2020	MCERA	Annual Cost of Living Adjustment					X					
1.00	2/12/2020	MCERA	Actuarial Valuation Report as of June 30, 2019				X						
0.50	2/12/2020	MCERA	Form 700 Refresher							X			
		CalAPRS	GENERAL ASSEMBLY										
2.00	3/8/2020	CalAPRS	Ethics in Public Service							X			
0.75	3/8/2020	CalAPRS	Fund Governance War Stories							X			
1.25	3/8/2020	CalAPRS	6 Years Post-PEPRA - Are we getting the savings as promised?					X					
1.00	3/9/2020	CalAPRS	The Canadian Model			X							
1.00	3/9/2020	CalAPRS	Revisiting Simplicity in Investing			X							
1.00	3/9/2020	CalAPRS	Lessons from China			X							
1.00	3/9/2020	CalAPRS	Economic Outlook			X							
1.00	3/9/2020	CalAPRS	Updates About National Trends			X							
1.00	3/10/2020	CalAPRS	Disaster Recovery: Lessons Learned from New Orleans and Sonoma Retirement Systems					X					

B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE				TOPIC									
Master Log				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		
HOURS	DATE	SPONSOR	EVENT/SEMINAR										
1.00	3/10/2020	CalAPRS	Governance Best Practices							X			
		CII	SPRING CONFERENCE										
2.00	3/9/2020	CII	Master Class: 31 Flavors of Stewardship - Proxy Voting, Engagement and Sustainability							X			
1.00	3/9/2020	CII	SDG Adoption on a Global Scale: A Case Study							X			
1.00	3/9/2020	CII	Panel: How to Hold BRT Members to Account on Business Purposes							X			
1.00	3/9/2020	CII	Panel: Engaging Private Fund Managers on ESG Issues							X			
1.00	3/9/2020	CII	Panel: The Scope of Rule 10b-5 after Lorenzo v. SEC	X									
0.75	3/9/2020	CII	The Future for IPOs			X							
0.67	3/9/2020	CII	Accounting for Climate Change Risks			X							
0.50	3/9/2020	CII	Human Capital and the Future of Work								X		
0.75	3/10/2020	CII	What's Next at the SEC							X			
0.75	3/10/2020	CII	How Boards are Grappling with Oversight of Human Capital Management								X		
0.75	3/10/2020	CII	What's Next at the PCAOB							X			
1.00	3/10/2020	CII	Panel: Is It Time for Employee Representatives on Company Boards?							X			
1.00	3/10/2020	CII	Panel: Global Trends in Ownership and Control							X			
1.00	3/10/2020	CII	Panel: Corporate Governance and Climate Action: What Should Shareowners Seek							X			
1.45	3/10/2020	CII	Keynote: Top 10 Trends of the 2020's							X			
1.00	3/10/2020	CII	Breakout Panel: Cyber Threats to Long-term Performance					X					
1.00	3/10/2020	CII	Breakout Panel: Exchange Innovations - Speed Bumps and Predictions							X			
1.00	3/10/2020	CII	Breakout Panel: U.S. Policy Impacts on Pension Fund Investments in China			X							
1.00	3/11/2020	CII	Global Perspectives on Executive Compensation & Corporate Purpose							X			
1.00	3/11/2020	CII	Perspectives of Faith-Based Investors			X							
1.50	3/11/2020	CII	Shareholder Advocacy Committee Plenary and Lightening Round							X			
48.62	Hours for Quarter Ending March 31, 2020												
			SACRS WEBINAR SERIES										
1.50	5/12/2020	SACRS	Operational Tools for Liquidity and Rebalancing during Market Volatility			X							
1.50	5/13/2020	SACRS	Don't Stop Thinking About Tomorrow - China A-share market & opportunities			X							
1.50	5/13/2020	SACRS	Private Markets Today vs. The Global Financial Crisis: What's the same, what's different, and where do we go from here?			X							
1.50	5/14/2020	SACRS	Cash Flows & Investment Management in the Time of COVID			X							
1.50	5/15/2020	SACRS	Has the Coronavirus Pandemic Changed the Outlook for ESG Investing?			X							
1.50	5/19/2020	SACRS	Private Market Investing in a Late-Cycle Market or Private Market Investing in the 8th Inning			X							
1.50	5/20/2020	SACRS	The Case for Investing with Small and Emerging Managers			X							

B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log				TOPIC									
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		
1.00	11/12/2020	SACRS	Pandemic Economy: A Perspective Looking Forward			X							
1.00	11/12/2020	SACRS	Aging in America - Current Realities and How Do We Plan for the Future				X						
0.25	12/9/2020	MCERA	Preliminary Actuarial Valuation Results June 30, 2020				X						
0.50	12/9/2020	MCERA	Preliminary Experience Study Report				X						
0.25	12/9/2020	MCERA	GASB 67/68 Report								X		
0.25	12/9/2020	MCERA	Audited Financial Statements for Fiscal Year Ending June 30, 2020								X		
2.00	12/31/2020	FPPC	Certified Public Service Ethics Education								X		
26.75	Hours for Quarter Ending December 31, 2020												
0.50	1/13/2021	MCERA	Experience Study				X						
0.75	2/10/2021	MCERA	Actuarial Valuation Report as of June 30, 2020				X						
0.25	2/10/2021	MCERA	Cost of Living Adjustment				X			X			
0.50	2/20/2021	MCERA	Form 700 Refresher							X			
		CalAPRS	GENERAL ASSEMBLY										
1.00	3/8/2021	CalAPRS	Fort Knox or In Knots: Unraveling the Mystery of Cybersecurity					X					
1.00	3/8/2021	CalAPRS	COVID: One-Year Later - What's Changed?			X							
			TABLE TOPIC BREAKOUT SESSIONS										
1.00	3/8/2021	CalAPRS	Capital Markets & Economic Outlook			X							
1.00	3/8/2021	CalAPRS	Technology					X					
1.00	3/8/2021	CalAPRS	COVID 19 - An Actuarial Perspective on Experience, Assumptions, and Policies				X						
1.00	3/8/2021	CalAPRS	Legal & Legislative Updates	X									
1.00	3/8/2021	CalAPRS	Investments			X							
2.00	3/8/2021	CalAPRS	AB1234 Ethics for Public Pension Trustees							X			
1.00	3/9/2021	CalAPRS	Unconscious Bias: A Quiet Performance Killer							X			
1.00	3/9/2021	CalAPRS	Evaluating the Risk of Investing in China			X							
1.00	3/9/2021	CalAPRS	The Australian Model – Understanding the Approach Taken by Super Annuation Funds			X							
2.00	3/16/2021	MCERA	Prevention of Sexual Harassment Training							X			
42.75	Hours for Quarter Ending March 31, 2021												
0.75	4/27/2021	MCERA	Asset-Liability Study Process Overview				X						
0.75	4/27/2021	MCERA	Measuring Pension Liabilities				X						
0.50	4/27/2021	MCERA	Modern Portfolio Theory: How do investment risk and diversification affect returns			X							
0.50	4/27/2021	MCERA	The Case for Reversion to the Mean			X							
1.00	4/27/2021	MCERA	Domestic Equity Structure Review			X							
1.00	4/27/2021	MCERA	Absolute Return - Multi-Asset Class Investments			X							
1.00	4/28/2021	MCERA	Review and Discussion of Operational Performance Measures					X					

B.3.b

MCERA CONTINUING TRUSTEE EDUCATION LOG

TRUSTEE Master Log											
HOURS	DATE	SPONSOR	EVENT/SEMINAR	TOPIC							
				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
1.00	11/11/2021	SACRS	A - The "B" Word; Institutional Considerations for Exploring Bitcoin & Cryptocurrency Adoption			X					
1.00	11/11/2021	SACRS	B - Capitalizing on Controversy: Demystifying SPACs and PIPEs			X					
1.00	11/11/2021	SACRS	C - Diversification vs. Overconfidence			X					
	11/11/2021	SACRS	Concurrent Sessions:								
1.00	11/11/2021	SACRS	Why Infrastructure Debt & Equity Investing Makes Sense for Public Pensions			X					
1.00	11/11/2021	SACRS	SACRS Legislative Update 2021	X							
1.00	11/11/2021	SACRS	Real Estate Private Credit - Who Says You Can't Have It All?			X					
		Nossaman	Public Pensions & Investments Fiduciaries' Forum								
2.00	12/6/2021	Nossaman	Litigation Impacting the Operation of Public Pension Systems	X							
2.00	12/6/2021	Nossaman	Investment Considerations for Public Plan Investment Officers	X							
2.00	12/6/2021	Nossaman	Administrative Issues Facing Fiduciaries							X	
0.25	12/15/2021	MCERA	GASB 67/68 Report				X				
0.20	12/15/2021	MCERA	Audited Financial Statements as of June 30, 2021								X
52.44 Hours for Quarter Ending December 31, 2021											

B.3.c

July 18, 2021 - Aug 17, 2021

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
<u>Kiana 8171</u>						
7/28/2021	7/27/2021	The Economist	\$ 69.00	Yes	MCERA Board	Subscriptions
8/6/2021	8/3/2021	Office Depot	\$ 63.61	Yes	MCERA Staff	Office Supplies
8/6/2021	8/3/2021	Office Depot	\$ 61.40	Yes	MCERA Staff	Office Supplies
8/10/2021	8/9/2021	Wall Street Journal	\$ 143.71	Yes	MCERA Board	Subscriptions
		Total:	\$ 337.72			
<u>Deanna 7558</u>						
		Total:	\$ -			
<u>Jeff 3902</u>						
7/22/2021	7/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Staff	Membership
7/22/2021	7/20/2021	CALAPRS	\$ 500.00	Yes	MCERA Staff	Training - J. Wickman
7/30/2021	7/28/2021	CALAPRS	\$ 100.00	Yes	MCERA Staff	Training - L. Martinez
8/5/2021	8/4/2021	Zoom.US	\$ 114.95	Yes	MCERA Board	Subscriptions
		Total:	\$ 729.14			
<u>Bank 6108</u>						
		Total:	\$ -			
		Balance Total:	\$ 1,066.86			

B.3.c

Aug 18, 2021 - Sept 17, 2021

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
<u>Kiana 8171</u>						
9/13/2021	9/8/2021	Office Depot	\$ 67.69	Yes	MCERA Staff	Office Supplies
9/1/2021	9/1/2021	Annual Card Fee	\$ 25.00	Yes	MCERA Staff	Banking Services
		Total:	\$ 92.69			
<u>Deanna 7558</u>						
		Total:	\$ -			
<u>Dale 4021</u>						
9/1/2021	9/1/2021	Annual Card Fee	\$ 25.00		MCERA Staff	Banking Services
		Total:	\$ 25.00			
<u>Jeff 3902</u>						
8/23/2021	8/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Staff	Membership
9/6/2021	9/4/2021	Zoom.US	\$ 114.95	Yes	MCERA Board	Subscriptions
9/13/2021	9/10/2021	FSP*SACRS	\$ 360.00	Yes	MCERA Board	Conference/Training
9/13/2021	9/10/2021	FSP*SACRS	\$ 120.00	Yes	MCERA Board	Conference/Training
		Total:	\$ 609.14			
<u>Bank 6108</u>						
		Total:	\$ -			
		Balance Total:	\$ 726.83			

B.3.c

Sept 18, 2021 - Oct 17, 2021

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
Kiana 8171						
10/4/2021	10/3/2021	Wall Street Journal	\$ 116.97	Yes	MCERA Board	Subscriptions
10/11/2021	10/6/2021	Office Depot	\$ 73.02	Yes	MCERA Staff	Office Supplies
		Total:	\$ 189.99			
Deanna 7558						
		Total:	\$ -			
Dale 4021						
		Total:	\$ -			
Jeff 3902						
9/20/2021	9/18/2021	Apple.com	\$ 1,894.82	Yes	MCERA Board	Electronic Supplies
9/21/2021	9/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Staff	Membership
10/1/2021	10/1/2021	Apple.com	\$ 1,894.82	Yes	MCERA Board	Electronic Supplies
10/5/2021	10/4/2021	Zoom.US	\$ 114.95	Yes	MCERA Board	Subscriptions
10/11/2021	10/9/2021	Apple.com	\$ 0.99	Yes	MCERA Board	Electronic Supplies
		Total:	\$ 3,919.77			
Bank 6108						
		Total:	\$ -			
		Balance Total:	\$ 4,109.76			

B.3.c

Oct 18, 2021 - Nov 17, 2021

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
Kiana 8171						
10/21/2021	10/18/2021	Office Depot	\$ 205.61	Yes	MCERA Staff	Office Supplies
10/22/2021	10/18/2021	Office Depot	\$ 54.83	Yes	MCERA Staff	Office Supplies
11/8/2021	11/7/2021	The Economist	\$ 69.00	Yes	MCERA Board	Subscriptions
11/11/2021	11/10/2021	Wall Street Journal	\$ 159.68	Yes	MCERA Board	Subscriptions
11/11/2021	11/9/2021	Office Depot	\$ 69.99	Yes	MCERA Staff	Office Supplies
11/17/2021	11/15/2021	Office Depot	\$ 76.45	Yes	MCERA Staff	Office Supplies
		Total:	\$ 635.56			
Deanna 7558						
		Total:	\$ -			
Dale 4021						
		Total:	\$ -			
Jeff 3902						
10/21/2021	10/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Board	Memberships
11/5/2021	11/4/2021	Zoom.US	\$ 114.95	Yes	MCERA Staff	Subscription
11/9/2021	11/8/2021	Apple.com	\$ 0.99	Yes	MCERA Board	Electronic Supplies
11/15/2021	11/12/2021	LOEWS Hotels	\$ 827.82	Yes	MCERA Board	Conference/Training Travel
11/16/2021	11/14/2021	LOEWS Hotels	\$ 827.82	Yes	MCERA Board	Conference/Training Travel
		Total:	\$ 1,785.77			
Bank 6108						
		Total:	\$ -			
		Balance Total:	\$ 2,421.33			

B.3.c

Nov 18, 2021 - Dec 17, 2021

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
Kiana 8171						
11/19/2021	11/19/2021	DMI Dell Sm Bus	\$ 6,953.07	Yes	MCERA Staff	Electronic Supplies
11/22/2021	11/19/2021	Office Depot	\$ 63.61	Yes	MCERA Staff	Office Supplies
12/10/2021	12/9/2021	Varidesk	\$ 781.68	Yes	MCERA Board	Ergo Equipment
12/13/2021	12/10/2021	Office Depot	\$ 11.67	Yes	MCERA Staff	Office Supplies
		Total:	\$ 7,810.03			
Deanna 7558						
		Total:	\$ -			
Dale 4021						
		Total:	\$ -			
Jeff 3902						
11/18/2021	11/17/2021	LOEWS Hotels	\$ 827.82	Yes	MCERA Board	Conference/Training
11/19/2021	11/19/2021	Amazon	\$ 65.91	Yes	MCERA Staff	Ergo Equipment
11/19/2021	11/19/2021	Amazon	\$ 39.32	Yes	MCERA Staff	Ergo Equipment
11/22/2021	11/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Staff	Memberships
12/6/2021	12/4/2021	Zoom.US	\$ 114.95	Yes	MCERA Staff	Subscription
12/9/2021	12/8/2021	Apple.com	\$ 0.99	Yes	MCERA Board	Electronic Supplies
12/16/2021	12/15/2021	FedEx	\$ 29.18	Yes	MCERA Staff	Postage
		Total:	\$ 1,092.36			
Bank 6108						
		Total:	\$ -			
		Balance Total:	\$ 8,902.39			

B.3.c

Dec 18, 2021 - Jan 17, 2022

Receipt

<u>Posting Date</u>	<u>Transaction Date</u>	<u>Vendor</u>	<u>Amt. Charged</u>	<u>(Yes/No/Other)</u>	<u>For (dept.or area served)</u>	<u>Reason (or item purchased)</u>
<u>Kiana 8171</u>						
1/5/2022	1/4/2022	Wall St Journal	\$ 116.97	Yes	MCERA Board	Subscriptions
1/10/2022	1/7/2022	Office Depot	\$ 21.84	Yes	MCERA Staff	Office Supplies
1/11/2022	1/10/2022	eBay	\$ 231.64	Yes	MCERA Staff	Electronic Supplies
1/14/2022	1/12/2022	Office Depot	\$ 60.91	Yes	MCERA Staff	Office Supplies
1/17/2022	1/14/2022	Office Depot	\$ 23.76	Yes	MCERA Staff	Office Supplies
1/17/2022	1/14/2022	CA Chamber of Commerce	\$ 40.52	Yes	MCERA Staff	Office Supplies
1/17/2022	1/14/2022	Office Depot	\$ 11.67	Yes	MCERA Staff	Office Supplies
		Total:	\$ 507.31			
<u>Deanna 7558</u>						
		Total:	\$ -			
<u>Dale 4021</u>						
1/17/2022	1/14/2022	CALAPRS	\$ 50.00	Yes	MCERA Board	Conference/Training
		Total:	\$ 50.00			
<u>Jeff 3902</u>						
12/21/2021	12/20/2021	Amazon Prime	\$ 14.19	Yes	MCERA Staff	Membership
1/5/2022	1/4/2022	Zoom.US	\$ 114.95	Yes	MCERA Board	Subscriptions
1/10/2022	1/8/2022	Apple.Com	\$ 0.99	Yes	MCERA Staff	Office Supplies
		Total:	\$ 130.13			
<u>Bank 6108</u>						
		Total:	\$ -			
		Balance Total:	\$ 687.44			

B.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
 FY21/22 Quarter Ending December 31, 2021

INVESTMENT: PRIVATE EQUITY

Abbott Fund VI							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			100,000,000				
9/28/2021	0	(8,000,035)					
12/22/2021	0	(5,321,606)					
Total	0	(13,321,641)	100,000,000	99,500,000	140,378,507	500,000	58,789,456

Abbott Fund VII							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			35,000,000				
9/21/2021	0	(3,500,000)					
10/28/2021	0	(2,625,000)					
12/22/2021	0	(3,500,000)					
Total	0	(9,625,000)	35,000,000	34,650,000	26,950,000	350,000	61,959,321

Abbott Investors 2016							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
9/27/2021	1,303,750	(3,737,500)					
12/20/2021	2,350,000	(2,850,000)					
Total	3,653,750	(6,587,500)	50,000,000	46,378,742	15,837,500	3,621,258	71,948,541

Abbott Investors 2017							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
8/13/2021	285,000	0					
9/9/2021	600,000	(562,500)					
11/3/2021	446,250	(802,500)					
12/8/2021	288,750	0					
Total	1,620,000	(1,365,000)	15,000,000	11,838,752	2,585,625	3,161,248	19,441,544

Abbott Investors 2021							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
7/28/2021	16,203	0					
Total	16,203	0	25,000,000	3,349,686	0	21,650,314	3,727,695

Total Abbott Commitr	5,289,953	(30,899,141)	225,000,000	195,717,180	185,751,632	29,282,820	215,866,557
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B.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
 FY21/22 Quarter Ending December 31, 2021

INVESTMENT: PRIVATE EQUITY

Pathway Fund 2008							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			100,000,000				
7/30/2021	0	(1,872,936)					
8/31/2021	16,674	(2,220,174)					
9/30/2021	0	(2,782,347)					
10/29/2021	72,305	(3,284,311)					
11/30/2021	370,564	(574,555)					
12/30/2021	3,117	(5,095,471)					
Total	462,660	(15,829,794)	100,000,000	99,015,195	148,040,597	984,805	82,736,390

Pathway Fund I7-3							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			35,000,000				
7/30/2021	317,308	(1,226,168)					
8/31/2021	118,166	(1,326,278)					
9/30/2021	0	(834,195)					
10/29/2021	0	(1,654,383)					
11/30/2021	0	(567,414)					
12/30/2021	0	(1,644,672)					
Total	435,474	(7,253,110)	35,000,000	34,312,678	29,432,792	687,322	51,581,198

Pathway Fund I8-9							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			50,000,000				
7/30/2021	0	(458,880)					
8/31/2021	659,125	(1,688,597)					
9/30/2021	263,875	(1,124,783)					
10/29/2021	638,625	(1,421,112)					
11/30/2021	0	(683,569)					
12/30/2021	602,500	(1,074,105)					
Total	2,164,125	(6,451,046)	50,000,000	41,069,938	15,394,901	8,989,411	77,494,806

Pathway Fund I9-3							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			15,000,000				
7/27/2021	22,352	0					
8/25/2021	135,258	0					
10/21/2021	471,902	0					
12/30/2021	126,354	(212,602)					
Total	755,866	(212,602)	15,000,000	9,900,337	1,477,525	5,099,663	16,267,298

B.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY21/22 Quarter Ending December 31, 2021

Pathway Fund I10-10							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			25,000,000				
7/23/2021	870,845	0					
8/12/2021	471,140	0					
9/7/2021	122,643	0					
11/19/2021	734,846	0					
12/16/2021	1,944,624	(293,843)					
Total	4,144,098	(293,843)	25,000,000	6,676,480	0	18,343,520	8,654,134
Total Pathway Commii	7,962,223	(30,040,395)	225,000,000	190,974,628	194,345,815	34,104,721	236,733,826
Total Private Equity	13,252,176	(60,939,536)	450,000,000	386,691,808	380,097,447	63,387,541	452,600,383

INVESTMENT: OPPORTUNISTIC

CarVal Credit Value V							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
9/3/2021	1,675,000	0					
11/19/2021	0	(12,018)					
Total	1,675,000	(12,018)	33,500,000	6,772,955	0	26,727,045	7,395,245

Fortress Credit Opps Value V							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,000,000				
11/10/2021	4,007,995	(386,587)					
Total	4,007,995	(386,587)	33,000,000	8,571,408	0	24,428,592	9,222,913

Varde Dislocation Fund							
Quarter				Since Inception			September 30, 2021
Date	Capital Call	Distribution	Initial Commitment	Paid-in Capital	Distributions	Uncalled Capital	Net Asset Value
			33,500,000				
10/6/2021	2,512,500	0					
Total	2,512,500	0	33,500,000	19,262,500	0	14,237,500	21,809,872
Total Opportunistic	8,195,495	(398,605)	100,000,000	34,606,863	0	65,393,137	38,428,030

Note:
Private Equity Net Asset Values are as of September 30, 2021 as reported in the Callan report as of December 31, 2021.

B.3.g

MCERA Investment Manager Capital Calls, Distributions, Uncalled Capital, Net Asset Value & Other Transfers
FY21/22 Quarter Ending December 31, 2021

OTHER TRANSFERS and PORTFOLIO REBALANCE

Transfers, Redemptions and Dividends through December 31, 2021

MC0A - BlackRock US Real Estate	
Date	Amount
7/27/2021	(7,000,000)
Total	(7,000,000)

MC0R - Dimensional Fund Advisor (DFA)	
Date	Amount
7/23/2021	(30,000,000)
9/2/2021	(30,000,000)
11/2/2021	(35,000,000)
Total	(95,000,000)

MCRA - Wellington	
Date	Amount
7/23/2021	30,000,000
10/28/2021	40,000,000
Total	70,000,000

MCRE - Western	
Date	Amount
9/2/2021	30,000,000
Total	30,000,000

MCRG - STIF Account	
Date	Amount
7/23/2021	30,000,000
7/23/2021	(30,000,000)
8/13/2021	34,000,000
8/24/2021	(34,000,000)
8/26/2021	32,000,000
8/27/2021	(32,000,000)
9/2/2021	30,000,000
9/2/2021	(30,000,000)
9/10/2021	22,000,000
9/13/2021	(22,000,000)
9/27/2021	19,000,000
9/28/2021	(19,000,000)
10/5/2021	22,592,738
10/13/2021	(22,000,000)
10/21/2021	(30,000,000)
10/28/2021	(40,000,000)
11/2/2021	35,000,000
11/2/2021	15,000,000
Total	(19,407,262)

J - Fidelity International Asset Management	
Date	Amount
8/13/2021	34,000,000
8/24/2021	32,000,000
9/13/2021	22,000,000
9/28/2021	19,000,000
10/13/2021	22,000,000
Total	129,000,000

MCRJ - Parametric - Eaton Vance Structured	
Date	Amount
8/13/2021	(34,000,000)
8/26/2021	(32,000,000)
9/10/2021	(22,000,000)
9/27/2021	(19,000,000)
10/5/2021	(22,592,738)
Total	(129,592,738)

MCRX - Colchester Global	
Date	Amount
10/28/2021	30,000,000
Total	30,000,000

MNEQ - BlackRock TIPS	
Date	Amount
7/27/2021	7,000,000
Total	7,000,000

MNEY - SSgA	
Date	Amount
11/2/2021	(15,000,000)
Total	(15,000,000)

REDEMPTIONS

MCRI - UBS Trumbull Property Fund		
Date	Amount	Redemption Amount
		20,000,000
FY 20/21	(12,865,790)	
10/5/21 FY21/22 (Q1 09/30/21)	(4,367,942)	
Total	(17,233,732)	2,766,268

DIVIDENDS - Reinvestment Non-participant

MCRI - AEW Core Property	
Date	Amount
11/9/21 FY20/22 (Q1 9/30/21)	(953,373)
Total	(953,373)

MCRI - UBS Trumbull Property Fund	
Date	Amount
10/22/21 FY21/22 (Q1 09/30/21)	(946,193)
Total	(946,193)



Phone 415 473-6147
Fax (benefits) 415 473-3612
Fax (admin) 415 473-4179
MCERA.org

Date: March 18, 2023

To: Finance and Risk Management Committee
Marin County Employees' Retirement Association (MCERA)

From: Jeff Wickman *fw*
Retirement Administrator

Subject: 2022-23 Fiscal Year Budget Priorities

Background and Timing

The Board's Budget policy requires that a proposed budget for the new fiscal year be brought before the Finance and Risk Management Committee for discussion and deliberation during as many meetings as necessary for the Committee to recommend a budget to the Board. The budget that is recommended by the Finance and Risk Management Committee will be considered during at least one Board meeting.

For the past eight fiscal years the draft budget has been presented for review and discussion at the May Finance and Risk Management Committee meeting. This has been done to allow the budget to include as much information as is available from the County of Marin's overall proposed budget. This avoids the need to make amendments to the final MCERA budget. Staff recommends that the same budget approval process be followed for Fiscal Year (FY) 2022-2023.

Fiscal Year 2021/22 Budgetary Facts

- Expenses related to MCERA legal, actuarial and information technology work are excluded from the Administrative Budget. They are shown as non-Administrative budget expenses in the quarterly reports to the Finance and Risk Management Committee.
- The Administrative Budget is \$4,756,536. After adjustments for items reimbursed by the County of Marin for the administration of the post-retirement medical plans and investment related expenses, which can be legally charged to the trust, the amount is \$4,306,536.
- Administrative Budget expenditure cap for FY2021/22 is \$6,562,080 (21 bps of liability).
- Salaries and benefits comprise 65% of the total budget. The budgeted total cost of salaries and benefits increased by 0.1% from FY 2020/21.
- Services and Supplies (disabilities-related services, supplies, travel and education) make up approximately 27% of the total budget. The budgeted total cost of Services and Supplies decreased by 8.4% from FY 2020/21.

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- Interdepartmental Expenses make up the final 8% of the budget. The budgeted total cost of Interdepartmental Expenses decreased by 7.2% from FY 2020/21.
- All positions are budgeted at the top step as defined in the County salary schedules. No cost of living adjustment (COLA) was added to salaries. A 1.5% COLA for County employees was negotiated and put into effect on July 1, 2021 after the Board of Retirement adopted the 2021-2022 budget.
- Employee benefits are budgeted as 52% of salary, a decrease of 2% from FY 2020/21.

Fiscal year 2022/23 Budgetary Considerations

- Set benefit multiplier to align with County expectations: 52% of pay.
- Include a cost of living adjustment for all County employees of 2.5% for the fiscal year.
- Include costs for seeking a consultant to assist with the development of an Annual Comprehensive Financial Report (ACFR).
- Look at the current organization structure compared to similar sized CERL systems to determine if there are any service gaps or positions that should be considered.
- Revise medical expenses for disability benefit processing based on FY 2021/22 data.
- Adjust storage costs for moving paper member files to offsite storage.



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MCERA.org

Date: March 18, 2022

To: Finance and Risk Management Committee
Marin County Employees' Retirement Association (MCERA)

From: Michelle Hardesty
Assistant Retirement Administrator

Subject: Information Technology Risk Assessment Report for
July 1, 2019 through June 30, 2021

The attached document reports the results of MCERA's Information Technology (IT) Risk Assessment as of June 30, 2021. The assessment evaluates MCERA's compliance with the policies and procedures documented in the IT Security Assessment. The report includes a description of the techniques used, the outline of the risk model, detailed findings, and recommended controls.

MCERA and its third-party service providers continue to implement new IT security measures and strengthen existing frameworks. During the reporting period, penetration testing was conducted on both the pension administration software and the County of Marin's local area network, resulting in improvements to both systems. The County Information Services and Technology (IST) Department performed a Telework Security risk assessment and recommendations from that assessment have been implemented. In addition, MCERA developed a suite of cybersecurity policies. Through that process staff documented MCERA's existing processes and introduced additional security measures.

MCERA's 2021 Information Technology Risk Assessment identified no new items of risk. However, three notable events occurred during the reporting period and are described in section four. These events did not result in breach of data or loss of functionality, and are included in the report as examples of how current risk mitigation strategies worked to safeguard MCERA systems and information.

Mcera

IT RISK ASSESSMENT

JULY 1, 2019-JUNE 30, 2021

MCERA Finance & Risk Management Committee
March 23, 2022

AGENDA

- Purpose of the Assessment
- Risk Assessment Process
- Risk Mitigation Activities
- Risk Assessment Results
- Looking Ahead

PURPOSE OF THE ASSESSMENT

B.5

THROUGHOUT THE PROCESS, THE GOALS ARE TO:

- Identify areas of risk
- Implement risk mitigation
- Safeguard our systems and information
- Prevent security incidents and compliance failures



RISK ASSESSMENT PROCESS ^{B.5}

LOOKING BACK OVER THE REVIEW PERIOD, WE:

1. Review policies/procedures, both internal and third-party.
2. Assess compliance with policies/procedures.
3. Note significant changes to systems.
4. Identify findings, incidents and/or events.
5. Plan additional risk mitigation strategies.
6. Revise policies/procedures as necessary.



RISK MITIGATION ACTIVITIES

B.5

TASKS UNDERTAKEN BY MCERA & COUNTY OF MARIN IST

- Linea Secure project significant driver for updates to:
 - CPAS database and County of Marin network security
 - MCERA policies and procedures
- County of Marin IST Security Team continued to strengthen security by:
 - Conducting a telework security assessment, with recommendations implemented beginning May 2021
 - Implementing formal incident response procedures



RISK ASSESSMENT RESULTS ^{B.5}

FINDINGS AND NOTABLE EVENTS

- There were no findings during this reporting period.
- There were three notable events that did not result in a loss of functionality or breach of sensitive data. In each circumstance, the risk mitigation procedures already in place were executed timely and MCERA's security position was maintained:
 - Virus identified on MCERA computer
 - Cash reconciliation file erroneously sent by custodian to third-party recordkeeper
 - Attempt made to withdraw funds from custodial account by fraudulent check

ITEMS EXPECTED IN FYE 2022 REPORT

- Implementation of all policies developed in conjunction with Linea Secure
- Trustee iPad updates
- Additional security measures implemented by County of Marin IST to safeguard VPN architecture and information in County software applications accessed on personal devices

Marin County Employees' Retirement Association IT Risk Assessment Report as of June 30, 2021

Summary

The Marin County Employees' Retirement Association (MCERA) utilizes a number of electronic business tools directly and indirectly to administer the pension plan. This risk assessment documents the status of MCERA's information technology (IT) security risks and compliance with policies and procedures over the two-year period ending June 30, 2021.

For risk reporting and response purposes, MCERA's Cybersecurity Incident Response Plan differentiates between Events and Incidents based on the severity of impact. An Event is any observable occurrence in a system or network. An Incident is an adverse event that compromises the integrity, confidentiality, or availability of an information asset. Three notable Events occurred during the reporting period. However, there were no Incidents and no new items of risk were identified. The three Events are described in Section 4 of this report.

1. Introduction

1.1 Purpose

The purpose of the risk assessment was to identify vulnerabilities related to MCERA's electronic business tools and recommend an action plan to mitigate any security exposures. In addition, the assessment included a review of policies and procedures related to each business tool to confirm that the information was current and ensure compliance with the requirements.

1.2 Scope

MCERA's electronic business tools are primarily housed, directed and/or controlled by government and non-government entities as outlined below. As a result, MCERA does not have direct control over security requirements of these business tools and a limited ability to make changes. This risk assessment primarily covers what is under MCERA's control.

The scope of this assessment includes review of the MCERA business tools below:

- A. County of Marin Network
- B. CPAS Database
- C. CPAS Employer Portal
- D. County of Marin OnBase
- E. County of Marin VPN
- F. Accountmate
- G. County of Marin SAP/MUNIS
- H. Retirement Board iPads
- I. Innovest

2. Risk Assessment Approach

2.1 Risk Assessment Team

- Sydney Fowler-Pata, Department Analyst II
- Vladimir Matyurin, Business Systems Analyst
- Michelle Hardesty, Assistant Retirement Administrator

2.2 Techniques Used

Requests for Information: The assessment team requested all relevant policy, process, report, and security updates from the third-parties on which MCERA relies for network, database, and other electronic systems access.

Review of Documentation: The assessment team reviewed the information received from third-party vendors and the IT Security Assessment Policies and Procedures document, updating where necessary.

Risk Assessment Questionnaire: The assessment team used a customized questionnaire that assisted in determining level of compliance and identifying risks. The questionnaire is included in this report as Appendix A.

2.3 Risk Model

In determining risks associated with administering the plan using MCERA's electronic business tools, we utilized the following model for classifying risk:

$$\text{Risk} = \text{Threat Likelihood} \times \text{Magnitude of Impact}$$

and the following definitions:

Threat Likelihood

Likelihood (Weight Factor)	Definition
High (1.0)	The policy and/or procedure has not been followed and the controls in place are ineffective in reducing vulnerability.
Medium (0.5)	The policy and/or procedure has not been followed but controls are in place that may reduce vulnerability.
Low (0.1)	The policy and/or procedure has not been followed but controls are in place to eliminate, or at least significantly reduce, vulnerability.

Magnitude of Impact

Impact (Score)	Definition
High (100)	The loss of confidentiality, integrity, or availability could be expected to have a <i>severe or catastrophic</i> adverse effect on organizational operations, organizational assets, or individuals.
Medium (50)	The loss of confidentiality, integrity, or availability could be expected to have a <i>serious</i> adverse effect on organizational operations, organizational assets, or individuals.
Low (10)	The loss of confidentiality, integrity, or availability could be expected to have a <i>limited</i> adverse effect on organizational operations, organizational assets, or individuals.

Risk was calculated as follows:

Threat Likelihood	Impact		
	<i>Low (10)</i>	<i>Medium (50)</i>	<i>High (100)</i>
<i>High (1.0)</i>	Low Risk (10 x 1.0 = 10)	Medium Risk (50 x 1.0 = 50)	High Risk (100 x 1.0 = 100)
<i>Medium (.5)</i>	Low Risk (10 x .5 = 5)	Medium Risk (50 x .5 = 25)	Medium Risk (100 x .5 = 50)
<i>Low (.10)</i>	Low Risk (10 x .1 = 1)	Low Risk (50 x .1 = 5)	Low Risk (100 x .1 = 10)

[Risk Scale: High (>50 to 100); Medium (>10 to 50); Low (1 to 10)]

3. Risk Mitigation Activities During the Reporting Period

- Hosting for the CPAS pension administration system was shifted to a cloud environment. The cloud hosting agreement includes a hot disaster recovery (DR) environment, which mirrors the operating environment in real time and provides for a two-hour recovery window if a catastrophic event occurs at a primary data center.
- As part of MCERA’s contract with Linea Secure (Linea), penetration tests were conducted on the local area network (LAN) and the Employer Self-Service (ESS) application developed and hosted by CPAS. Based on penetration test findings, CPAS Systems Inc. made technical changes to improve the security of the ESS application and the County of Marin IST Department made improvements to the security of the local area network.

B.5

- With Linea’s guidance, MCERA began development of a suite of policies governing multiple aspects of IT security, including passwords, remote work, physical and environmental security, and system configuration management. Through this work, MCERA’s existing practices are being documented and additional security measures are being introduced.
- The County IST Department conducted a risk assessment of Telework Security from March through April 2021, and began implementing the recommendations from that assessment in May 2021.
- The County IST Department also developed and implemented formal incident response procedures based on best practices provided by the Bay Area Urban Areas Security Initiative (UASI) in collaboration with the Northern California Regional Intelligence Center (NCRIC). The procedures were developed in alignment with the National Institute of Standards and Technology (NIST) Cybersecurity Framework.
- In December 2020, annual IT Security training became mandatory for all County employees.

4. Risk Assessment Results

The findings from the Risk Assessment are detailed below. The complete assessment questionnaire is included in this report as Appendix A.

4.1 *Statement on Prior Findings*

During the prior Risk Assessment we discovered that an active CPAS Employer Portal account existed for a terminated employee. A review of the login records for the portal confirmed that the user’s last log in date was November 15, 2018, prior to their termination date of February 23, 2019, and no attempts to access the system using the person’s login credentials were made following termination. The login access for this user was inactivated immediately upon discovery.

To mitigate future risk in this area, reviews of current users of the CPAS Employer Portal were increased from an annual to a quarterly basis. The new process is also documented in MCERA’s recently developed Access Control Policy.

4.2 *Current Year Findings*

There were no findings or incidents during the reporting period, and no new items of risk were identified.

4.3 *Notable Events*

- On November 3, 2020, MCERA was notified by the County of Marin’s (County) IST Department (IST) that the County’s antivirus software detected suspicious behavior on one of MCERA’s desktop computers. A County IST technician picked up the computer from MCERA immediately. Further tests were conducted and County IST confirmed that no viruses were found on the computer. They determined the issue was caused by a valid program installed as part of the internet browser software. Out of an abundance of caution, the hard drive was reformatted, Windows was reinstalled and, the computer returned to MCERA. We determined this was a Low level risk.
- On January 28, 2020, MCERA was notified via email from Steve Chiles, Assistant Vice President for MCERA’s custodial bank, State Street Corporation, that on January 16, 2020, a State Street employee mistakenly emailed an internal cash reconciliation file that contained MCERA’s information to a third party recordkeeper.

Mr. Chiles noted in the email that within two hours of the receipt, the recordkeeper, who is a trusted and respected client of State Street, identified the error, deleted the file and confirmed that none of the information had been used or distributed in any way. We determined this was a Low level risk.

- On May 1, 2020, MCERA was notified by our custodial bank, State Street Corporation, that they had received a request for funds via a check from our cash account. This account is not set up with check-writing permissions and there are no signatories defined in their system, so the check was flagged as potential fraud.

MCERA confirmed to State Street that the check was fraudulent and the incident was investigated by the State Street Fraud Unit as well as the local law enforcement agency. We determined this was a Low level risk.

5.0 **Anticipated Changes for the Next Fiscal Year**

5.1 *Areas of Risk*

There are no anticipated areas of risk during the next fiscal year.

5.2 *Risk Mitigation Activities*

Trustee iPads will be updated to include the additional security features recommended by Linea Secure as part of the Risk Mitigation Project. Additionally, MCERA will complete implementation of all policies developed as part of that project.

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APPENDIX A

IT Security Risk Assessment Questionnaire



Assessment Completed By: SF,VM,MH
Period of Assessment: As of 6/30/2021

MULTIPLE BUSINESS TOOLS

POLICY/PROCESS REVIEW	YES/NO	NOTES
Were there any changes to the County Password Policy?	No	
Were there any changes to the MCERA's Employee Access Form?	No	

Business Tool A: COUNTY NETWORK

POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of the network?	No	
Was there a change to PMR 23?	No	
Was there a change to the Acceptable Use Policy?	No	
Was there a change to the Employee Electronic Media Agreement and Application Form?	No	
Was there a change to the Data backup Policy?	Yes	Policy revised 3/1/2021
Was there a change to the IST Datacenter Security Policy?	Yes	Policy revised 12/22/2021
Was there a change to the password policy?	No	
Was there a change to the Electronic Data Removal and Destruction Policy?	No	
Was there a change to the Computer Room and Data Closet Security Policy?	Yes	Policy revised 12/24/2019
Was there a change to the Network Device Access Policy?	No	
Was there a change to the IST Workstation Patch Management Policy?	No	
Were any new policies or procedures implemented since the prior assessment period?	Yes	IST Call Recording Technology Policy effective 1/15/2021
Were there any changes to the infrastructure?	No	
Were there any other key changes during the fiscal year?	Yes	--Additional login security added to all MCERA workstations. --IST ended support for Microsoft Exchange ActiveSync. --Developed and implemented formal incident response plan.
Are any changes anticipated in the next fiscal year?	Yes	IST anticipates that additional system hardening will be applied to MCERA systems per recommendations in the Telework Risk Assessment.
Was a risk assessment performed?	Yes	--Third-party risk assessment conducted June 2019. --Third party penetration test conducted January-February 2020. --Telework Security risk assessment conducted March-April 2021.
Were there changes to the risk assessment procedures?	No	

COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Did all employees complete and sign the Employee Electronic Media Agreement and Application Form?	Yes	
Was the Employee Access Form completed for new employees?	Yes	
Were new employees given access to the County network according to the procedures set forth in PMR 23, Section 23.5, Electronic Media Procedure for New Employees?	Yes	
Was the Employee Access Form revised for terminated employees?	Yes	
Were terminated employee accounts deleted as specified on the revised Employee Access Form?	Yes	

Business Tool B: CPAS DATABASE

POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of the database?	No	
Was there a change to the Hosting and Support Service Agreement?	Yes	moved to a cloud-hosted OCI environment
Was there a change to the list of User Roles?	No	
Was there a change to the Password Policy?	No	

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APPENDIX A

IT Security Risk Assessment Questionnaire

Were any new policies or procedures implemented since the prior assessment period?	No	
Were there any other key changes during the fiscal year?	No	
Are any changes anticipated in the next fiscal year?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Are staff members assigned the appropriate User Role?	Yes	
Do staff passwords comply with the Password Policy?	Yes	
Was the Employee Access Form completed for new employees?	Yes	
Were new employees given access to CPAS as specified on the Employee Access Form?	Yes	
Was the Employee Access Form revised for terminated employees?	Yes	
Were terminated employee accounts deleted as specified on the revised Employee Access Form?	Yes	
Business Tool C: CPAS EMPLOYER PORTAL		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of the portal?	No	
Was there a change to the Password Policy?	No	
Were there any other key changes during the fiscal year?	Yes	Security updates were made by CPAS following penetration testing.
Were any new policies or procedures implemented since the prior assessment period?	Yes	Security updates were made by CPAS following penetration testing.
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Did we confirm that all users were current?	Yes	
Do employer CPAS passwords comply with the Password Policy?	Yes	
Were any new employer user accounts added?	Yes	
Were any employer user accounts disabled?	Yes	
Are any changes anticipated in the next fiscal year?	No	
Business Tool D: ONBASE		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of OnBase?	No	
Was there a change to the County Document Imaging Policy and Standards document?	No	
Was there a change to the list of User Roles?	No	
Were any new policies or procedures implemented since the prior assessment period?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Are staff members assigned the appropriate User Role?	Yes	
Was the Employee Access Form completed for new employees?	Yes	
Were new employees given access to OnBase as specified on the Employee Access Form?	Yes	
Was the Employee Access Form revised for terminated employees?	Yes	
Were terminated employee accounts deleted as specified on the revised Employee Access Form?	Yes	
Are any changes anticipated in the next fiscal year?	No	

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IT Security Risk Assessment Questionnaire

Business Tool E: COUNTY VPN		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of the County VPN?	No	
Was there a change to the Virtual Private Network Policy?	No	
Was there a change to the Remote Access Agreement?	Yes	Policy revised 3/10/2021.
Were any new policies or procedures implemented since the prior assessment period?	No	Following the increase in remote work, IST continues to harden security around VPN architecture.
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Were employees given access to the County VPN?	Yes	
Was County VPN access removed for any employees?	Yes	
Are any changes anticipated in the next fiscal year?	No	
Business Tool F: ACCOUNTMATE		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of Accountmate?	No	
Was there a change to the security settings or logon policy?	No	
Was there a change to the Password Policy?	No	
Were any new policies or procedures implemented since the prior assessment period?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Do staff passwords comply with the Password Policy?	Yes	
Was the Employee Access Form completed for new employees?	Yes	
Were new employees given access to Accountmate as specified on the Employee Access Form?	Yes	
Was the Employee Access Form revised for terminated employees?	Yes	
Were terminated employee accounts deleted as specified on the revised Employee Access Form?	Yes	
Are any changes anticipated in the next fiscal year?	No	
Business Tool G: SAP/MUNIS		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of SAP?	Yes	The County has fully transitioned to MUNIS for all functions. SAP remains accessible for retroactive research.
Was there a change to data hosting?	No	
Was there a change to the firewall?	No	
Was there a change to the backup schedule?	No	
Was there a change to the County Project MERIT Role Change Request Form?	Yes	Related to the change in software
Was there a change to the Password Policy?	No	
Were any new policies or procedures implemented since the prior assessment period?	Yes	Related to the change in software
Are any changes anticipated in the next fiscal year?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Do staff passwords comply with the Password Policy?	Yes	
Was the Employee Access Form completed for new employees?	Yes	
Was the Project Merit Role Change Request Form completed for new employees?	Yes	
Were new employees given access to MUNIS as specified on the forms?	Yes	
Was the Employee Access Form revised for terminated employees?	Yes	
Was the Project Merit Role Change Request Form revised for terminated employees?	Yes	
Were terminated employee accounts deleted as specified on the forms?	Yes	

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IT Security Risk Assessment Questionnaire

Business Tool H: RETIREMENT BOARD IPADS		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of the security policies?	No	
Was there a change to the administration of device hardware or software?	Yes	New apps added for streaming meetings
Was there a change to the administration of email accounts?	No	
Was there a change to the Portable Electronic Device Policy?	Yes	Amended 10/8/2020, 10/14/2020
Was there a change to the security settings for email accounts?	No	
Was there a change to the security settings for the devices?	No	
Was there a change to the process for remotely wiping the device?	No	
Was there a change to the password policy?	No	
Was there a change to the Trustee iPad Configuration Checklist?	Yes	Revised for new iOS
Were any new policies or procedures implemented since the prior assessment period?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Did users comply with the Password Policy?	Yes	
Was the Trustee iPad Configuration Checklist used when preparing a device for new trustees?	Yes	
Were new trustees provided with a copy of the Portable Electronic Device Policy?	Yes	
If a trustee left the Board, was the serial number on the returned device compared with the serial number recorded on the Trustee iPad Configuration Checklist?	Yes	
Were email accounts deleted for past trustees?	Yes	
Were returned devices wiped and reset?	Yes	
Business Tool I: Innovest		
POLICY/PROCESS REVIEW	YES/NO	NOTES
Was there a change to the administration of Innovest?	No	
Was there a change to the Security Program Policy?	No	
Was there a change to the Organizational and Information Security Policy?	No	
Was there a change to the Physical and Environmental Security Policy?	No	
Was there a change to the Access Controls Policy?	No	
Was there a change to the Password Policy?	No	
Were any new policies or procedures implemented since the prior assessment period?	No	
Any other key changes during the fiscal year?	No	
Anticipated changes for next fiscal year?	No	
COMPLIANCE WITH POLICY/PROCESS	YES/NO	NOTES
Do staff passwords comply with the Password Policy?	Yes	
Was the Employee Access Form completed for new employees?	N/A	No new access given
Were new employees given access to Innovest as specified on the Employee Access Form?	N/A	
Was the Employee Access Form revised for terminated employees?	N/A	No employees with access terminated
Were terminated employee accounts deleted as specified on the revised Employee Access Form?	N/A	

Confidential Matter
MCERA Insurance Review
Agenda Item B.6

Finance and Risk Management Committee
March 23, 2022

Recusals:
None

B.7 Future Meeting

This is a discussion with no backup.