

MINUTES

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

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

April 10, 2024 – 9:00 a.m.

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

CALL TO ORDER

Chair Murphy called the meeting to order at 9:02 a.m.

ROLL CALL

PRESENT: Cooper, Gladstern, Murphy, Poole, Silberstein, Vasquez, Werby, Jones (alternate retired), Shaw (ex officio alternate)

ABSENT: Klein, Martinovich

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

No Board members requested to teleconference.

MINUTES

It was M/S Silberstein/Gladstern to approve the March 13, 2024 Board Meeting Minutes as submitted. The motion passed by a vote of 8-0 as follows:

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

It was M/S Gladstern/Silberstein to approve the March 20, 2024 Investment Committee Meeting Minutes as submitted. The motion passed by a vote of 8-0 as follows:

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

A. OPEN TIME FOR PUBLIC EXPRESSION

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

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

No members of the public provided comment.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman reported evaluations of the responses to the Investment Consultant Request for Proposal (RFP) are completed. The Ad Hoc Investment Consultant RFP Committee will meet next week to review the evaluations and determine which respondents will be interviewed.

Mr. Wickman noted annual Forms 700 and Representations re Placement Agents due recently were received and filed on time. He thanked the Clerk to the Board for leading that effort.

The retirement seminar program was restarted at the end of March. Robert Sanders and Syd Fowler-Pata are conducting the presentations. The seminar includes a new section on the Marin County Association of Retired Employees (MCARE).

The Retirement Administrator will present an update on MCERA to the Marin/Sonoma Mosquito and Vector Control District Board this evening.

b. Staffing Update

Three recruitments have been completed. Accounting Technician Kacy Lee and Retirement Benefits Technician Simone Soria begin work on April 15. Chris Nunez is the new Media Specialist and will begin on April 29.

c. Facility Use Report

Nothing to report in the period.

d. Future Meetings

- April 24, 2024 Governance Committee
- May 1, 2024 Board
- May 29, 2024 Finance and Risk Management Committee

2. Standing Committee Report – Finance and Risk Management Committee

a. Administrative Budget Fiscal Year 2023/24 Quarterly Review

Consider and review expenses for the quarter ending December 31, 2023

Finance and Risk Management Committee Chair Todd Werby reported total administrative expenditures through the 2nd quarter of the fiscal year were 39%. Salaries and Benefits were slightly under budget due to vacancies. Services and Supplies were 22.1% for the quarter.

b. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter

See Finance and Risk Management Committee Minutes.

c. Quarterly Checklist

Consider, review and updates on the following:

1. Other expenses per Checklist Guidelines

See Finance and Risk Management Committee Minutes.

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

See Finance and Risk Management Committee Minutes.

3. MCERA educational and event-related expenses

Conference expenses included the SACRS Public Pension Investment Management Program and CalAPRS Principles of Pension Governance course. Education-related expenses have returned to pre-pandemic levels.

4. Continuing Trustee Education Log

Trustees have achieved 24 hours of continuing education due in 2024.

5. Internal controls, compliance activities and capital calls

Total private equity distributions received were \$20.1 million and total capital calls were \$6.1 million for the quarter. Since December 31, 2023 MCERA has received private equity distributions of over \$6.1 million and received capital calls of about \$2.5 million. Opportunistic managers called \$6.7 million in capital in the quarter.

6. Vendor services provided to MCERA

No new vendor services in the period.

7. MCERA staffing status

See Agenda Item B.1 Administrator's Report above.

8. Audits, examinations, investigations or inquiries from governmental agencies

Nothing to report.

9. Other items from the Administrator related to risk and finance

Nothing to report.

d. Budget Priorities for Fiscal Year 2024/25

Consider and take possible action on recommendation to adopt budget priorities for fiscal year 2024/25

The current fiscal year Administrative Budget is \$4.9 million, 15 basis points of the actuarial liability. Budget Priorities for fiscal year 2024/25 are to retain the benefit multiplier at 50% of pay, include a 3% cost of living adjustment effective July 1, 2024, and revise medical expenses for disability benefit processing. The proposed Administrative Budget for 2024/25 will be presented at the next Committee meeting.

e. Information Technology Security Assessment Report

Staff report on risk planning and processes

Committee Chair Werby stated Vladimir Matyurin, Business Systems Analyst, gave an excellent presentation on MCERA's Information Technology Security Assessment Report. MCERA engages Linea Secure to provide Chief Information Security Officer services. In this role they provide comprehensive assessments of MCERA's network security. The Incident Response Plan was finalized for effective threat handling. The County of Marin IST Security Team reinforced email security and implemented system and infrastructure improvements.

There were no findings or incidents that compromised MCERA's information assets during the fiscal year ending June 30, 2023.

3. Ad Hoc Committee Report – Ad Hoc Strategic Workshop Education Committee

a. Strategic Workshop Agenda (ACTION)

Consider and take possible action to approve agenda

Mr. Wickman presented the Strategic Workshop Agenda developed by Ad Hoc Strategic Workshop Committee members Maya Gladstern, Steve Silberstein, and Committee Chair Daniel Vasquez for the Board's consideration.

It was M/S Werby/Poole to approve the Strategic Workshop Agenda as presented. The motion passed by a vote of 8-0 as follows:

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

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Poole reported on the CalAPRS Advanced Principles of Pension Governance for Trustees course. Trustee Poole's key takeaways from the presentations were that Trustees can delegate fiduciary duties but not fiduciary responsibilities. For overseeing investments, the most important decision is to focus on asset allocation. As it relates to the work of the Board's consulting actuary, the funding ratio measures progress but does not measure the solvency of the fund or the benefit security. There are other key measures that contribute to these issues including the financial position of the plan sponsors.

Trustee Vasquez listed three takeaways from the Advanced Principles course. The first is the complexity of the role of trustees and the role of the Administrator with high ethical and fiduciary responsibilities. The Administrator provides service to trustees, plan sponsors and the public and operational leadership for staff. The second takeaway is microeconomic forecasts on the impact of the CHIPS and Science Act and other legislation on new factory construction filtering into new jobs and higher wages. The third point came in the form of an insightful case study about strategic decision-making. The purpose was to identify and be aware of cognitive internal biases, which can include cost fallacies, confirmation bias, overconfident bias, and authority bias. Trustee Vasquez said MCERA Board Counsel Ashley Dunning presented a succinct discussion of a public Retirement Board fiduciary's roles and responsibilities. These include five basic fiduciary duties: Duty of loyalty, duty of prudence, duty to diversify investments, duty to assure competency of retirement system assets to pay promised benefits, and the duty to administer the plan in accordance with plan terms and applicable law.

b. Other Comments

No other comments by the trustees.

C. NEW BUSINESS

1. SACRS Board of Directors Election (ACTION)

Consider and take possible action on SACRS Nominating Committee final ballot.

Mr. Wickman presented the SACRS Board of Directors Nominating Committee's recommended slate of officers for the Board's consideration. He noted past practice has been for MCERA to adopt the Nominating Committee's recommended slate of officers. Trustee Gladstern expressed concern about the fact that Northern California systems are not more represented in the officer selections.

It was M/S Vasquez/Cooper to approve the SACRS Board of Directors Nominating Committee's recommended slate of officers for 2024/25.

Trustee Werby voiced support for Trustee Vasquez's candidacy. Trustee Cooper noted that the SACRS Board has a good Nominating Committee that takes into account the geographic origin of candidates. He supported the recommended slate of officers.

The motion passed by a vote of 8-0 as follows:

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

2. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

D. OTHER INFORMATION

1. Training Calendar (ACTION)

Mr. Wickman presented the monthly Training Calendar for the Board's consideration. Updates include Trustee Silberstein attending the Callan National Conference and a new CalAPRS Trustee Round Table. SACRS Spring Conference attendees will include Trustees Cooper and Vasquez and the Retirement Administrator.

It was M/S Werby/Poole to approve the Training Calendar as submitted. The motion passed by a vote of 8-0 as follows:

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

E. CONSENT CALENDAR (ACTION)

Mr. Wickman presented the monthly Consent Calendar for consideration by the Board.

It was M/S Gladstern/Werby to approve the Consent Calendar as submitted. The motion passed by a vote of 8-0 as follows:

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, APRIL 10, 2024

MARCH 2024

RETURN OF CONTRIBUTIONS		
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Shereen Ash	Partial Refund - Overpaid Contributions	\$894.63
Ashia Daniels	Full Refund - Termination	\$5,450.90
Sarah Ryan	Full Refund - Termination	\$12,782.86

BUYBACKS		
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Scott Freedman		\$2,820.37
Michelle Hirsch		\$3,000.00
Dante Marchese		\$6,614.51
Felix Meneau		\$9,653.01
Christine O'Hanlon		\$23,681.62
Rachel Roomian		\$42,078.46

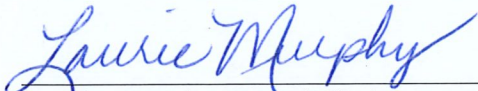
NEW RETIREES		
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Gail Drury	County of Marin - Assessor-Recorder-County Clerk
Patrick Fahy	County of Marin - District Attorney
Nancy Henderson	County of Marin - Board of Supervisors
Buffy Paxson	City of San Rafael
Nancy Vernon	County of Marin - Board of Supervisors
Michael Wells	Marin/Sonoma Mosquito & Vector Control District
Judith Williams	County of Marin - Health and Human Services

DECEASED RETIREES		
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Carolyn Bryant	County of Marin - Probation
Ben Chin	County of Marin - Sheriff Coroner
Donalyn Julihn	County of Marin - DRO
Jerry Glenn	County of Marin - Public Works
Ernest Lautsch	Marin Superior Court - Beneficiary
Jackie Montoya	County of Marin - Community Development Agency
Sharron Stoelzl	City of San Rafael
Audry Winn	County of Marin - Beneficiary

There being no further business, Chair Murphy adjourned the meeting at 9:38 a.m.



Laurie Murphy, Board Chair



Kelsey Poole, Secretary