

**MINUTES**

**REGULAR BOARD MEETING  
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**One McInnis Parkway, 1<sup>st</sup> Floor  
Retirement Board Chambers  
San Rafael, CA**

**May 5, 2010 - 9 A.M.**

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**EVENT CALENDAR**      9 A.M.      Retirement Board Meeting

**CALL TO ORDER**      Chair Phillips called the meeting to order at 9:08 A.M.

**ROLL CALL**      PRESENT:    Bolger, Brenk, Haim, Hufford, Phillips, Richardson, Smith,  
Sweet, Webb (non-voting), Wofford

ABSENT:      Gladstern, Given (non-voting)

**MINUTES**      March 16-17, 2010    Board Strategic Workshop Minutes  
April 14, 2010      Regular Board Meeting Minutes  
March 11, 2010      Investment Committee Meeting Minutes

It was M/S Smith/Haim to approve the March 16-17, 2010, Board Strategic Workshop Minutes as submitted.

AYES:          Bolger, Brenk, Haim, Richardson, Smith, Sweet  
NOES:          None  
ABSTAIN:      Hufford, Phillips  
ABSENT:      Gladstern

It was M/S Bolger/Brenk to approve the Aril 14, 2010, Regular Board Meeting Minutes as submitted.

AYES:          Bolger, Brenk, Hufford, Phillips Richardson, Smith, Sweet  
NOES:          None  
ABSTAIN:      Haim  
ABSENT:      Gladstern

It was M/S Richardson/Sweet to approve the March 11, 2010, Investment Committee Meeting Minutes as submitted.

AYES:          Bolger, Haim, Phillips, Richardson, Smith, Sweet  
NOES:          None

ABSTAIN: Brenk, Hufford  
ABSENT: Gladstern

**A. OPEN TIME FOR PUBLIC EXPRESSION**

No public comment.

**B. BOARD OF RETIREMENT MATTERS**

1. Administrator's Report (Oral)

a. Administrator's update

Mr. Ford announced the appointment of Helen Moody, Retirement Manager, to the position of Assistant Retirement Administrator. Chair Phillips congratulated Ms. Moody for her promotion.

The Chair directed deliberations to **Agenda Item B.1.b, CPAS Update.**

b. CPAS update – Lucille Young

Mr. Ford introduced Consultant Lucille Young to review the CPAS implementation. Consultant Young reported that she and a team of staff members and consultants recently performed system testing at CPAS headquarters in Toronto. She said that preparations were underway to commence user acceptance testing. Data conversion is one of the concerns and challenges remaining, she said. Trustee Smith sought assurance that the consulting team was intact, and Ms. Young reported that it was, and that new resources were being brought on board. Chair Phillips asked if the schedule was still on track, and Ms. Young stated that there is no change to the schedule. She said she is still encountering SAP payroll programming issues.

Chair Phillips requested Ms. Moody's opinion of the move to CPAS. She stated that the staff's apprehension is abating, as the system's efficiencies reveal themselves. Ms. Moody stated that she is increasing staff time to perform user testing. In response to Trustee Brenk's inquiry, Ms. Young explained that end-to-end testing is performed by a staff member, with issues identified and corrected as needed, she said.

The Chair directed deliberations to **Agenda Item B.1.a, Administrator's Update.**

Mr. Ford stated that elections for 2<sup>nd</sup> and 7<sup>th</sup> Board members will be held in July. He delineated corrected terms of office for the Trustees.

Mr. Ford reported on the new SACRS California Plans Funding Ranking study, which ranks systems from the most "conservative" to the most "optimistic" regarding future funding, and stated that MCERA was ranked 21 out of 40 systems in the study.

He said that he has received the Vision Service Plan (VSP) information for members, with the contact point at SACRS. Mr. Ford reported that Autodesk has renewed its lease and will occupy all available space in the building. He said that he is planning

to add MCERA signage to the lobby. Trustees Smith and Hufford recommended that, if available, the bequest that MCERA has been told it will receive be used for the signage, and the Retirement Administrator concurred. Counsel Dunning stated that use of the bequest to enhance the MCERA headquarters for the benefit of all members would be appropriate. Trustee Smith encouraged Mr. Ford to have the sign designed by an affiliate of the Marin County Arts Association. Trustee Haim also suggested that a plaque be made from the bequest, to identify individuals who have been important to MCERA over the years, including the donor of the bequest. Mr. Ford concurred, suggesting that the lobby would be an appropriate location for such items. It was also noted that any proposed use of the bequest funds would come to the Board for prior approval.

c. Future meetings

- 5/6/10 @ 9 A.M. – Investment Committee
- 5/6/10 @ 3 P.M. – Governance Committee (meeting deferred per Committee Chair)
- 5/11-14/10 – SACRS Conference, Newport Beach, CA
- 5/19/10 @ 9 A.M. – Retirement Administrator interviews, Embassy Suites
- 6/9/10 @ 9 A.M. – Regular Board

2. Committee Reports

a. Finance Committee

1. Budget Update

Trustee Bolger reported a productive Finance and Risk Management Committee meeting. She said that the Retirement Administrator's new cash flow report and the proposed budget for the next fiscal year were discussed. She said that upon proposing several modifications, the Committee accepted the proposed FY 2010/11 budget. Chair Phillips and several Trustees thanked Senior Accountant Lisa Jackson and Mr. Ford for the development of the proposed budget and the cash flow report. (See Agenda Item F.2.)

2. Other

Chair Phillips and Trustee Haim expressed approval of the recently published Spring newsletter, commending Communications Associate Sydney Fowler for the professional look of the publication. Mr. Ford requested that articles for the next newsletter be submitted by June 25.

3. Trustee Comments

Chair Phillips thanked Trustees Brenk, Sweet and Webb for attending the Woodmont Due Diligence tour of real estate properties with him and Retirement Administrator Ford. The Chair reported that occupancy was close to full at the properties.

Trustee Wofford reported receiving numerous positive comments from members, and she commended the Retirement Administrator and staff for their continued efforts to provide superior service to members.

The Chair recessed the meeting to Closed Session at 10:33 A.M. for deliberations on **Agenda Items C.1, C.2, D.1, D.2**, and the Closed Session portion of **Item D.3**, reconvening in Open Session at 12:40 P.M.

**C. DISABILITIES**

All disability applications are heard in Closed Session unless applicant specifically waives confidentiality and requests that their application be heard in Open Session. Member records are confidential (Government Code Section 31532). (Action)

1. Jeffrey Taylor            Service                    3/6/2009            County Sheriff  
Initial consideration of an application for service-connected disability retirement filed by a Safety member
2. David Sexton            Service                    1/23/2009            Health & Human Services  
Initial consideration of an application for service-connected disability retirement filed by a Miscellaneous member

Chair Phillips reported that the Board continued Jeffrey Taylor’s initial consideration of an application for service-connected disability retirement and referred Mr. Taylor to a Board-certified cardiologist for further examination. This matter will be reagendaized following receipt of the cardiologist’s report.

AYES:            Bolger, Brenk, Haim, Hufford, Phillips, Richardson, Smith, Sweet  
NOES:            None  
ABSTAIN:        Wofford  
ABSENT:         Gladstern

Chair Phillips reported that the Board denied David Sexton’s initial consideration of an application for service-connected disability retirement and advised the applicant of his right to request a hearing before the Administrative Law Judge in accordance with MCERA policy.

AYES:            Bolger, Brenk, Haim, Hufford, Phillips, Richardson, Sweet  
NOES:            None  
ABSTAIN:        Wofford  
ABSENT:         Gladstern, Smith

**D. LEGAL MATTERS**

1. Conference with legal counsel -- anticipated litigation pursuant to subdivision (b) of Section 54956.9: one case. (CLOSED SESSION)  
No reportable action.

2. Conference with Legal Counsel pursuant to Government Code §54956.9(a) – existing litigation - MCERA v. Wooten-Brown, et al.; Marin County Superior Court Case No. CV085325 (CLOSED SESSION)

Chair Phillips reported that the Board by unanimous vote approved a motion to dismiss the case against Oretta Cortland. He further reported that the court judgment previously rendered against Deborah Wooten-Brown will stand.

3. Public employee appointment. Titles: Retirement Administrator and Assistant Retirement Administrator (Action)  
Consider and take possible action to appoint Retirement Administrator and/or Assistant Retirement Administrator, effective on a date to be determined. (Closed Session)  
Determine salary of appointed employee(s). (Open Session)

The Chair reported that the County's salary range for the Retirement Administrator is \$195,000 to \$226,000, and the County's salary range for the Assistant Retirement Administrator is \$135,000 to \$150,000.

It was M/S Hufford/Richardson, in recognition of the County's salary range for the Retirement Administrator, to adopt a salary range of \$195,000 to \$226,000 for the Retirement Administrator. The motion was approved by unanimous vote.

It was M/S Hufford/Richardson, in recognition of the County's salary range for the Assistant Retirement Administrator, to adopt a salary range of \$135,000 to \$150,000 for the Assistant Retirement Administrator. The motion was approved by unanimous vote.

**E. OLD BUSINESS**  
Nothing to report.

**F. NEW BUSINESS**

1. 401(h) Medical Plan Review and Update - Robert Blum, Hanson Bridgett  
(Item continued until the Board receives additional information from tax counsel.)
2. FY 2010/11 Budget – Preliminary Proposal - Retirement Administrator Ford (Action)  
Trustee Bolger reported that the Finance and Risk Management Committee recommended that the Board approve the Preliminary Proposal for the FY 2010/11 Budget. Chair Phillips and several Trustees expressed appreciation to Trustee Bolger, as the new Finance and Risk Management Committee Chair, and to staff for their efforts on the proposed budget.

It was moved by Haim to approve the Preliminary Proposal for the FY 2010/11 Budget. The motion was approved by unanimous vote.

3. Client Conferences and Other Educational Opportunities (Action)  
Approve and authorize expenditures for listed events
  - a. Advanced Trustee Studies 7/26-28/10 Cambridge, MA

Harvard Law School

- \* *additional information and agenda will follow at a later date*
- X *approve for attendance by hourly staff or counsel*
- X\_\* *approve for attendance by executive staff*

It was M/S Hufford/Sweet to approve the client conference as submitted. The motion was approved by unanimous vote.

4. Future Meetings

Consider and discuss agenda items for future meetings

Trustee Wofford stated that the next Member Services Committee be rescheduled for June 29 at 9 A.M. and will also replace the July 20 meeting date. Trustee Haim set July 6 at 2 P.M. as the date and time for the next Communications Committee meeting. Chair Phillips announced that a full-day Special Investment Committee meeting will be convened for the purpose of selecting an emerging markets investment manager. Retirement Administrator Ford reported that the disability applications and reporting process is under administrative, medical, and legal review. Trustee Hufford reiterated his prior request for an examination of retirement service credit rights of active duty veterans.

**G. INVESTMENT INFORMATION**

“X” indicates report distributed; \* indicates report distributed electronically

**PERIODIC REPORTS**

1. Equities and Fixed Income

	Abbot Capital	-Private Equities Fund
	Analytic Investors	-Equitized US Market Neutral Portfolio
	Analytic Investors	-Equitized Japan Market Neutral Portfolio
* X	Artisan Funds, Inc.	-International Equities Fund
* X	AXA Rosenberg	-International Small Cap Equities Fund
X	BlackRock	-Alpha Advantage Index Fund
* X	The Clifton Group	-Futures Overlay Program
X	Columbus Circle Investors	-Small Cap Growth Portfolio
* X	Dimensional Fund Advisors	-Small Cap Value Fund
* X	Dodge & Cox	-Large Cap Value Portfolio
* X	First Quadrant, LP	-Equitized European Market Neutral Portfolio
X	Morgan Stanley	-International Equities Fund
* X	Numeric Investors	-Equitized US Market Neutral Portfolio
X	Pathway Capital	-Private Equities Fund
* X	Pyramis Global Advisors	-Equitized US Market Neutral Fund
* X	Pyramis Global Advisors	-International Small Cap Equity Fund
X	RCM	-Large Cap Growth Equities Portfolio
* X	Wellington Management	-Core Domestic Fixed Income Portfolio
X	Western Asset Management	-Core Plus Domestic Fixed Income Portfolio

2. Real Estate

- |           |                              |                                    |         |
|-----------|------------------------------|------------------------------------|---------|
|           | Woodmont Realty Advisors     | -Direct ownership – Monthly report |         |
|           | AEW Capital Management       | -Value Added Portfolio             | Quarter |
| * X       | ING Clarion                  | -Core Portfolio                    | Quarter |
| * X       | RREEF                        | -Value Added Portfolio             | Quarter |
| X         | Woodmont Realty Advisors     | -Direct Ownership                  | Quarter |
| <b>3.</b> | <b><u>Market Neutral</u></b> |                                    |         |
| X         | Monthly Performance Report   | -For period ending April 30, 2010  |         |
| <b>4.</b> | <b><u>Other</u></b>          |                                    |         |

**H. FINANCIAL INFORMATION**

1. Treasurer’s Monthly Report\*  
Short Term Investments for period ending March 31, 2010

The Board accepted the Treasurer’s monthly report on short Term Investments for the period ending March 31, 2009.

**I. OTHER INFORMATION**

1. Approved Trustee Training Calendar
2. *Keeping in Touch* – May Issue, Marin County Association of Retired Employees newsletter
3. Numeric 1Q 2010 Flash Report
4. Supreme Court Alert: *Conkright v. Frommert*
5. Clifton Director of Operations transition memo, April 20, 2010

**J. CONSENT CALENDAR (Action)**

It was M/S Hufford/Haim to approve the Consent Calendar as amended. The motion was approved by unanimous vote.

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James Phillips, Chair

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Michael Smith, Secretary