

MINUTES

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

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

June 9, 2010 - 9 A.M.

EVENT CALENDAR 9 A.M. Retirement Board Meeting

CALL TO ORDER Chair Phillips called the meeting to order at 9:10 A.M.

ROLL CALL PRESENT: Bolger, Gladstern, Haim, Phillips, Smith, Sweet, Webb (non-voting), Wofford

ABSENT: Brenk, Richardson, Given (non-voting), Hufford

MINUTES April 22, 2010 Special Board Meeting Minutes
May 5, 2010 Regular Board Meeting Minutes
May 6, 2010 Investment Committee Meeting Minutes
May 19, 2010 Special Board Meeting Minutes

It was M/S Smith/Sweet to approve the April 22, 2010, Special Board Meeting Minutes as submitted. The motion was approved by unanimous vote.

It was M/S Smith/Haim to approve the May 5, 2010, Regular Board Meeting Minutes as amended. The motion was approved by unanimous vote.

It was M/S Bolger/Gladstern to approve the May 6, 2010, Investment Committee Meeting Minutes as submitted. The motion was approved by a vote of 6-0, with Smith abstaining.

It was M/S Haim/Gladstern to approve the May 19, 2010, Special Board Meeting Minutes as submitted. The motion was approved by unanimous vote.

A. **OPEN TIME FOR PUBLIC EXPRESSION**
No public comments.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's update

Retirement Administrator Tom Ford reported that retirement processing for three phases of the County's voluntary separation plan have been completed, in addition to the normal work load. Mr. Ford also stated that the backlog of purchase of service credit requests has been eliminated. A schematic drawing for a new MCERA lobby sign was presented by the Retirement Administrator, who said that the approximately \$3,000 cost would be an administrative expense. Trustee Haim reiterated a request for a memorial plaque for noted MCERA benefactors if MCERA receives the bequest that Mr. Ford previously mentioned. Mr. Ford responded that MCERA has not yet received the bequest and that the matter will be brought to the Board for action if MCERA in fact receives the bequest.

b. CPAS update – Lucille Young

Mr. Ford reported that the live start of the CPAS installation is now scheduled for October 1, 2010. He stated that the delayed start will enhance reliability, harmonize with the County's quarterly reporting period, and assure that the system issues retiree checks on time. Testing and training remain on schedule, according to the Retirement Administrator.

Consultant Lucille Young of Linea Solutions relayed her approval of the delayed live start, as a CPAS progress assessment reveals that additional testing time will be beneficial. In data conversion, dry run four is completed, she reported, with test files well-received by government agencies. Ms. Young said that User Acceptance Testing will commence July 1, 2010.

Trustee Smith asked if the system determines eligibility for health care. Ms. Young replied that staff codes the health care eligibility into the system. Trustee Gladstern commended Ms. Young for the comprehensive preparations for the implementation. Trustee Gladstern sought and received assurances from Ms. Young that sufficient versions of the new system were being tested, and that security for outside access was adequate. Ms. Young stated that provision for members' security would be assured prior to initiation of such access.

Training to enhance the staff's knowledge of the retirement process is underway under the direction of Assistant Retirement Administrator Helen Moody, according to Mr. Ford. Trustee Phillips expressed the Board's appreciation for the CPAS implementation updates. Project Manager Klaas Vander Baaren assured the Trustees that sufficient resources were deployed to ensure a successful implementation.

c. Future meetings

- 6/29/10 at 9 A.M. Member Services Committee meeting

- tbd Governance Committee meeting
- 7/6/10 at 2 P.M. Communications Committee meeting
- 7/14/10 at 9 A.M. Regular Board meeting
- 7/15/10 at 9 A.M. Investment Committee meeting

The Trustees set the next Governance Committee meeting for 7/6/10 at 9 A.M.

2. Committee Reports

a. Finance Committee

1. Budget Update

Retirement Administrator Tom Ford reported that the MCERA budget continues to fall comfortably within the legislative limit.

2. Other

b. Investment Committee

1. Adoption of Investment Committee Charter (Action)

Affirm the May 6, 2010, Investment Committee action by unanimous vote to adopt the Investment Committee Charter

It was M/S Smith/Gladstern to adopt the Investment Committee Charter as amended. The motion was approved by unanimous vote.

2. Emerging Markets Investment Manager (Action)

Consider and take possible action on the Investment Committee's recommendation regarding selection of a new investment manager

Mr. Ford stated that the Investment Committee's recommendation on June 8 to select Eaton Vance/Parametric Portfolio Associates as the new emerging markets manager was a difficult choice among several excellent presentations. Of the two investment vehicles available for the new account, Mr. Ford said that the Investment Consultant and the Committee Chair recommended the tax advantaged trust due to the lower management fee. Chair Phillips cautioned the Board that the high redemption fee in the tax advantaged trust may constrain future portfolio rebalancing. Following the Chair's comments, fee differences between the alternative investment vehicles became the focal point of further discussions.

Based on the Investment Committee's recommendation, Trustee Smith moved to engage Eaton Vance/Parametric Portfolio Associates as the new emerging markets investment manager, subject to confirmation to the Investment Committee by county counsel regarding the fee structure. The motion was approved by unanimous vote.

3. Affirm May 6, 2010, Investment Committee Meeting Actions as follows (Action):
 - a. Agenda Items D.3.a, Portfolio Rebalancing, and D.3.b, Reconsideration and Potential changes to Market Neutral Equity Program: The Investment Committee voted unanimously to approve modifications to the Market Neutral Equity Program as follows:
 - Reduce the market neutral exposure from \$125M to \$75M
 - Consolidate the number of (market neutral) managers from 5 to 3
 - Move from separate accounts to commingled accounts
 - Eliminate the bond alpha overlay strategy

Mr. Ford reviewed the Market Neutral Equity allocation plan.

- b. Agenda Items D.3.a, Portfolio Rebalancing, and Agenda Item D.3.d, Investment Policy Update: The Investment Committee voted unanimously to approve the portfolio rebalancing as stated on page 13 of Callan Associates' "Review of 2010 Board Workshop" dated May 6, 2010, and revisions to the Investment Policy Statement as presented in the May 2010 Draft Investment Policy Statement (redline) provided by Callan Associates.

Trustee Gladstern moved to affirm the May 6, 2010, actions of the Investment Committee as stated in Items B.2.b.3.a and B.2.b.3.b above. The motion was approved by unanimous vote.

3. Trustee Comments

Trustees Bolger, Gladstern, and Haim reported that the SACRS Spring conference was excellent, with a diversity of topics that were interesting and educational for the attendees.

Trustee Wofford stated that several members have expressed their appreciation to the MCERA staff for providing excellent service, and she commended the Retirement Administrator and staff for their efforts on behalf of the members.

Trustee Smith requested that the Board's discussion of disability retirement applications be moved to the end of the agenda so that meeting attendees would not have to wait as long for their agenda matters. Chair Phillips acknowledged Trustee Smith's concerns, but noted that the disability retirement matters are agendaized for early in the meeting so that applicants and their attorneys know when their presence is expected. Retirement Administrator Ford stated that many other 1937 Act retirement systems also schedule the disability session early on agendas, with some employing the "time certain" method.

Mr. Ford stated that a workshop for the Trustees on the recently enhanced disability process is being developed.

The Chair directed proceedings to **Agenda Items C and F.1** in Closed Session at 10:02 A.M., reconvening in Open Session at 11:50 A.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. Mark Young Service 4/27/09 Health & Human Services
Initial consideration of an application for service-connected disability retirement filed by a Miscellaneous member
2. Todd Lando Service 7/17/09 Marin County Fire Department
Initial consideration of an application for service-connected disability retirement filed by a Safety member
3. Humphrey Ogg Service 1/21/09 Health & Human Services
Initial consideration of an application for service-connected disability retirement filed by a Miscellaneous member

Chair Phillips reported that the Board denied Mark Young’s initial application for service-connected disability retirement by unanimous vote, and advised the applicant of his right to request a hearing before the Administrative Law Judge in accordance with MCERA policy.

Chair Phillips reported that the Board approved Todd Lando’s initial application for service-connected disability retirement by unanimous vote.

Chair Phillips reported that the Board approved Humphrey Ogg’s initial application for service-connected disability retirement by unanimous vote.

D. LEGAL MATTERS

None.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Public employee appointment. Title: Retirement Administrator (Action)
Consider and take possible action to appoint Retirement Administrator, effective on a date to be determined. (Closed Session)

Chair Phillips reported that the Board appointed Jeff Wickman to the position of Retirement Administrator as of August 1, 2010, by unanimous vote, to be contingent upon the completion of Mr. Wickman’s medical exam and the execution of his contract agreement with the Board.

Determine salary of appointed employee(s). (Open Session)

Chair Phillips reported that the Ad Hoc Retirement Administrator Committee recommended that the Board set the annual salary for the Retirement Administrator position at \$195,000.

It was M/S Haim/Wofford to approve an annual salary of \$195,000 for the Retirement Administrator, based on the recommendation of the Ad Hoc Retirement Administrator Committee. The motion was approved by unanimous vote.

- 2. Actuarial Review and Analysis as of June 30, 2009 (Action)
Consider and take possible action on actuarial report and recommendations

Mr. Ford presented the Trustees with the final Actuarial Review and Analysis as of June 30, 2009. The content of the report has been considered and discussed at length by the Board during previous meetings with the Actuary’s participation.

It was M/S Gladstern/Haim to approve the Actuarial Review and Analysis as of June 30, 2009. The motion was approved by unanimous vote.

- 3. Resolution 2009/10-05 Regarding Interpretation of City of San Rafael Resolutions’ Applicability to Deferred MCERA Members (Action)
Consider and take possible action on proposed Resolution 2009/10-05

RESOLUTION NO. 2009/10-05

**A RESOLUTION OF THE BOARD OF RETIREMENT OF THE
MARIN COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION
INTERPRETING APPLICABILITY OF CERTAIN CITY OF SAN RAFAEL
RESOLUTIONS TO DEFERRED MEMBERS**

WHEREAS, the Marin County Employees’ Retirement Association (“MCERA”) and the MCERA Board of Retirement (“Board”) are governed by the County Employees Retirement Law of 1937 (Gov. Code Sections 31450, et seq.) (“CERL” or “1937 Act”); and

WHEREAS, the City of San Rafael (“City”) is one of MCERA’s plan sponsors.

WHEREAS, between October 21 and December 2, 2002, the City’s City Council (“Council”) adopted four Resolutions identifying four separate memoranda of understanding (“MOUs”) it had negotiated with the (i) San Rafael Police Mid-Managers Association; (ii) San Rafael Police Association; (iii) San Rafael Fire Chief Officers Association; and (iv) SEIU 949 MAPE Miscellaneous and Supervisor Units, as “the official document of reference respecting compensation” (collectively, “2002 Resolutions”) with each of the four referenced Associations; and

WHEREAS, as a result of the 2002 Resolutions, effective July 1, 2004, the City increased the retirement formula to “3% at 55” for “all safety members” and to “2.7% at 55” for “all miscellaneous members” subject to “applicable 1937 Act laws that govern such plans,” to the extent those members were represented by one of the four Associations; and

WHEREAS, prior to adopting the 2002 Resolutions, the City received a letter dated March 13, 2002, from MCERA's then actuary, William M. Mercer, noting that some employers have "extended their benefit improvement programs to include their deferred vested members"; and

WHEREAS, following the City's adoption of the 2002 Resolutions, City officials advised MCERA that "employees retiring under the new tiers were expected to receive full credit for all past service in San Rafael using the new tier. This was to occur regardless of service time in the Association or Unit that may still be under the old tier", and to "[p]lease calculate retirement payments for all those who have retired from the City of San Rafael since July 1, 2004 by calculating their individual service time in the appropriate new tier"; and

WHEREAS, in response to the information the City provided to MCERA at the time, from 2005 to 2009, MCERA calculated the retirement allowances (and retirement allowance estimates) of its members, including deferred members, who retired thereafter and had been employed by the City in positions subject to the 2002 Resolutions under the new retirement formulas set forth therein, with the new formula applied to *all* of the members' service for the City in those positions; and

WHEREAS, in September 2006, the City Council adopted its Resolution No. 12036, by which it adopted MOUs it had negotiated with the i) San Rafael Firefighters Association and ii) SEIU 949 Child Care Unit employees providing the same retirement formulas to members represented by those groups as it had adopted by the 2002 Resolutions ("September 2006 Resolution"). Said MOUs included identical terms as the 2002 MOUs regarding enhanced retirement formulas, with the exception of their effective dates. The Board unanimously approved the September 2006 Resolution at its November 8, 2006 meeting.

WHEREAS, on November 20, 2006, the City Council adopted its Resolution No. 12150, in which it stated that the retirement formulas adopted in the September 2006 Resolution were to be implemented only for "San Rafael Firefighters Association and SEIU 949 Child Care Unit employees (all current, and those hired on or after date [sic] January 1, 2007), pending approval of the Board of Trustees of the Marin County Employees' Retirement Association" ("November 2006 Resolution"). The November 2006 Resolution was presented to the Board as a non-action item at its December 13, 2006 meeting, and the Board did not take a vote on it.

WHEREAS, prior to adopting the September 2006 Resolution, the City received a letter dated April 1, 2005, from MCERA's then actuary, Rick A. Roeder of Gabriel, Roeder & Smith, providing contribution related information to the City under the proposed new retirement formulas, and Roeder noted that there "would be an additional modest increase if current deferred vested members are included in any such benefit enhancement."

WHEREAS, because of ambiguities in the 2002 Resolutions and the MOUs they adopted, a question arose within MCERA staff during 2009 regarding whether the enhanced retirement formulas provided by 2002 Resolutions should be applied to MCERA members who were previously City employees within one of the four referenced Associations and were in deferred membership status at the time the 2002 Resolutions were adopted; and

WHEREAS, in response to MCERA's inquiry, the City has not provided MCERA with any documentation or other information that the City Council's 2002 Resolutions were intended at the time only to apply to those MCERA members who were then *employed* by the City, and not to deferred members previously employed by the City who retired thereafter; and

WHEREAS, a related question has arisen regarding the applicability of the two 2006 Resolutions to deferred members who were previously City employees represented by the San Rafael Firefighters Association or SEIU 949 Child Care Unit, and

WHEREAS, the November 2006 Resolution was never previously approved by the MCERA Board, and it was adopted by the City Council contingent upon such "approval"; and

WHEREAS, the Board has a constitutional and fiduciary obligation to determine member eligibility for and to ensure receipt of correct levels of benefits (Cal. Const., Art. XVI, §17, subd. (b); *Lexin v. Superior Court* (2010) 47 Cal. 4th 1050, 1064); and

WHEREAS, CERL permits a plan sponsor, such as the City, to enact a resolution providing that a new enhanced retirement formulas will be provided to deferred members and/or to service rendered by members prior to the adoption of the resolution (Gov. Code §31678.2); and

WHEREAS, CERL was amended in 2003 to provide, in pertinent part, that "no resolution, ordinance, contract, or contract amendment under this chapter adopted on or after January 1, 2004, may provide different retirement benefits for any subgroup of general members within a membership classification, including, but not limited to, bargaining units or unrepresented groups . . ." (Gov. Code §31485.9) (hereinafter "the Uniformity Requirement") and

WHEREAS, CERL also permits a plan sponsor, such as the City, to limit the applicability of an enhanced retirement formula to those who are currently, or in the future, employed by the plan sponsor, provided that the Uniformity Requirement is met (see *SDCERA v. County of San Diego* (2007) 151 Cal.App.4th 1163, 1174); and.

WHEREAS, CERL provides that retirement allowances "shall be calculated according to the provisions of [CERL] as they exist at the time of the commencement of the retirement allowance" (Gov. Code §31705); and

WHEREAS, CERL defines "Member" as "any person included in the membership of the retirement association pursuant to Article 3 . . . or any person who has elected in writing to come within the provisions of Article 9," (Gov. Code §31470) and "Article 9" governs deferred retirement; and

WHEREAS, when resolving ambiguities in plan sponsor grants of benefits to MCERA members, the Board is to "resolve any ambiguity or uncertainty in favor of the pensioner, mindful that such construction must be consistent with the clear language and purposes of the statute" (*In re Retirement Cases* (2003) 110 Cal.App.4th 426, 439 (citing *Ventura County Deputy Sheriffs' Assoc. v. County of Ventura* (1997) 16 Cal. 4th 473); and

WHEREAS, when resolving ambiguities in plan sponsor grants of benefits to MCERA members, the Board also must attempt to determine the intent of the plan sponsor at the time the benefit was granted. (*San Bernardino Public Employees Ass'n v. City of Fontana* (1998) 67 Cal.App.4th 1215.) However, that intent should not be given effect if it results in a treatment of members that is prohibited by law. (*SDCERA v. County of San Diego, supra*, 151 Cal.App.4th at 1174, citing Gov. Code §31485.9 as establishing prohibitions on plan sponsor grants of benefits to some, but not to all, general (miscellaneous) members.)

NOW, THEREFORE, BE IT RESOLVED that the MCERA Board of Retirement declares the following:

1. The foregoing Recitals are incorporated herein by this reference.
2. The Board hereby interprets the 2002 Resolutions, consistent with the facts and legal principles outlined in the Recitals and other applicable law, as providing the enhanced retirement formulas set forth in those Resolutions to all individuals who were in deferred membership status with MCERA on or after the date of each such 2002 Resolution and who were previously employed by the City in a position represented by one or the following bargaining groups: (i) San Rafael Police Mid-Managers Association; (ii) San Rafael Police Association; (iii) San Rafael Fire Chief Officers Association; and (iv) SEIU 949 MAPE Miscellaneous and Supervisor Units, for their service in those positions.
3. The Board hereby declines to approve the November 2006 Resolution, because of concerns that the Resolution:
 - a) limits the applicability an enhanced retirement formula to MCERA's deferred members who were previously employees in the SEIU 949 Child Care Unit, and thus treats them differently from other miscellaneous (general) members in other bargaining groups, in possible violation of Government Code section 31485.9; and
 - b) revokes a benefit previously granted by the September 2006 Resolution to MCERA's deferred members who were previously employees represented by the San Rafael Firefighters Association, in possible violation of their legal rights.
4. Unless and until MCERA receives a written response from the City resolving to the Board's satisfaction the potential legal infirmities of the November 2006 Resolution identified in paragraph 3 above, the Board will interpret and apply the City's predecessor September 2006 Resolution consistent with the Board's foregoing interpretation of the 2002 Resolutions, i.e., enhanced retirement formulas set forth in the September 2006 Resolution will be provided to all individuals who were in deferred membership status on or after the date of each such 2006 Resolution and who were previously employed by the City in a position represented by one of the following bargaining groups: (i) SEIU 949 Child Care Unit; or (ii) San Rafael Firefighters Association, for their service in those positions.

ADOPTED AND APPROVED by the Board of Retirement of the Marin County Employees' Retirement Association on the __th day of June, 2010.

James Phillips, Chair of the Board

Attest:

Tom Ford, Retirement Administrator

Mr. Ford reported that proposed Resolution 2009/10-05 had been distributed to interested parties and no negative response had been received. Mr. Ford further reported that he had been informed by the City of San Rafael's representatives that the City does not object to the proposed resolution. Ms. Jean Hasser, a deferred member affected by the proposed resolution, voiced her support of the resolution and her appreciation to staff for their assistance on the matter. Andy Rogerson, President, San Rafael Firefighters, also offered his support for the proposed resolution. Trustee Bolger commended Counsel Dunning for her exemplary work on the matter.

It was M/S Smith/Sweet to adopt Resolution 2009/10-05 Regarding Interpretation of City of San Rafael Resolutions' Applicability to Deferred MCERA Members as amended. The motion was approved by unanimous vote.

4. Resolution 2009/10-06 Regarding Facility Use and Reservation Policy (Action)
Consider and take possible action on proposed Resolution 2009/10-06

**RESOLUTION NO. 2009/10-06
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT RESOLUTION REGARDING
FACILITY USE AND RESERVATION POLICY**

WHEREAS, the Marin County Employees' Retirement Association ("MCERA") purchased One McInnis Parkway, San Rafael (the "Facility") as an MCERA investment, and the Facility also serves to defray MCERA's administrative expenses by providing it with administrative offices and meeting rooms that MCERA would otherwise lease.

WHEREAS, since MCERA purchased the Facility, MCERA has received requests from various Marin County ("County") and MCERA member organizations to use the Facility.

WHEREAS, the California Constitution, Article XVI, Section 6 prohibits gifts of public funds, and Article XVI, Section 17 provides that MCERA assets, including, without limitation, the Facility, are trust funds that may only be used in the overall best interest of MCERA members and beneficiaries as reasonably determined by the MCERA Board of Retirement ("Board").

WHEREAS, the Board has determined that permitting reasonable use of the Facility by MCERA member organizations and plan sponsors, at graduated fee rates and on a consistent basis, as provided herein is in the best interest of MCERA members and beneficiaries and does not constitute a gift of public funds.

WHEREAS, MCERA previously rented administrative and meeting space from the County before purchasing the Facility, and the Board has determined that charging comparable rental rates for its plan sponsors' use of the Facility is appropriate.

WHEREAS, fees collected by MCERA as a result of this Policy are to be used to pay for cleaning and any other expenses incurred by MCERA as a result of providing the Facility for third party usage, as well as for MCERA's general maintenance of the Facility.

NOW, THEREFORE, BE IT RESOLVED, THAT:

The Board hereby adopts the Facility Use and Reservation Policy ("Policy") attached to this Resolution, effective August 1, 2010.

Details regarding usage of the Facility under the Policy shall be reported in writing by the Retirement Administrator to the MCERA Board at the Board's regular meetings.

The Board shall review the Policy at least every three years to assure its efficacy and relevance. The Policy may be amended from time to time by majority vote of the Board.

Secretary's Certificate.

I, Michael Smith, the duly appointed Secretary of the Marin County Employees' Retirement Association, hereby certify the adoption of this Policy.

Dated: June ___, 2010

Secretary to the Board

MCERA FACILITY USE AND RESERVATION POLICY
Adopted: June 9, 2010, to be effective August 1, 2010

Reservation applications for use of rooms at One McInnis Parkway that are identified herein may be obtained from the Marin County Employees' Retirement Association, One McInnis Parkway, San Rafael or on our website: www.mcera.org. Please call (415) 473-4165 to request a faxed application or if you have any questions. Telephone reservations are not accepted. Full payment must be submitted with the application. Reservations will not be finalized until insurance is received, if required. Applications and fees should be received at least thirty (30) days before the requested rental date. Reservations may be made up to four (4) months in advance.

AVAILABILITY

Facilities are available for rental when the facilities are not in use for MCERA-sponsored functions. Facilities are generally not available for rental after MCERA business hours of 8:00 am-5:00 pm, Monday through Friday. Rental of any of the three rooms in the Facilities identified below includes reasonable use of the parking lot, kitchen and restrooms; access to all office, storage and any other

meeting spaces at the Facilities is not permitted under this Policy. The fees and application procedure under this Policy may be waived by the Board Chair or Administrator in the event of a declared emergency during which the Facilities are needed by the Marin County Office of Emergency Services.

FACILITIES

BOARD CONFERENCE ROOM

The Conference Room accommodates meetings of up to 60 people and includes a dais for use by a board of up to 14 members. Technological equipment include screens, microphones and conference call capacity. In any technological equipment is used, then a qualified employee or contractor of MCERA or of Marin County’s IST department must attend the entire session. An additional \$50/hour fee will apply if an MCERA employer/contractor attends the session in lieu of an IST department employee/contractor.

SMALL MEETING ROOM

The Meeting Room accommodates meetings of up to 18 people. No technological equipment may be used in this Meeting Room.

TRAINING ROOM

The Training Room accommodates training sessions of up to 24 people. Technological facilities include computer monitors, an overhead projector, and other computer equipment. The Training Room may be used only if a qualified employee or contractor of MCERA or of Marin County’s IST department attends the entire session. An additional \$50/hour fee will apply if an MCERA employee/contractor attends the session in lieu of an IST department employee/contractor. Food and open beverages are not permitted in the Training Room.

GROUP CLASSIFICATIONS

A. MCERA member and beneficiary groups (consisting of active, deferred and/or retired MCERA members) when: (i) the majority of participants in the organization are MCERA members or beneficiaries; and (ii) the activity being planned by the group will primarily benefit the MCERA retirement interests of MCERA members or beneficiaries.

B. MCERA plan sponsors (County and participating districts) when: (i) the meeting is hosted by an MCERA plan sponsor; and (ii) the activity being planned by the group will primarily benefit the MCERA retirement interests of MCERA members or beneficiaries.

FEE SCHEDULE

All rental fees are due with the application. Fees will be accepted by check payable to the Marin County Employees’ Retirement Association. Fees cover a half-day rental (four hours or fewer) of any of the listed rooms.

Category	Board Conf. Room	Small Meeting Room	Training Room
A	\$100	\$20	\$100
B	\$350	\$125	\$350

INSURANCE

Use under this Policy of any the Facility requires insurance documentation to be approved by MCERA, except that usage of the Small Meeting Room by Category A groups does not. Insurance Certificate and Endorsement must be submitted to the MCERA 30 days prior to event. Applicant must furnish MCERA with Proof of Insurance, on MCERA provided forms, naming MCERA as an additional insured. Minimum coverage required is \$1,000,000 General Liability.

ALCOHOLIC BEVERAGES

No alcoholic beverages may be consumed in the Facility.

SECURITY DEPOSIT

A refundable security deposit is required at time of application, unless the Administrator waives the deposit in his or her reasonable exercise of discretion. Clean-up charges will be deducted from this deposit. Additional charges may be deducted if needed. The balance will be refundable. Please allow up to 4 weeks after your event for the return of your deposit.

Category	Board Conference Room	Training Room
A	\$400	\$200
B	\$400	\$200

CANCELLATION FEE

If cancellation is necessary, MCERA must be notified immediately. If a reservation is cancelled more than 30 days prior to event, the entire deposit will be refunded. If reservation of the Board Conference Room is canceled fewer than 30 days prior to the event, a \$25.00 non-refundable cancellation fee will be withheld from the deposit.

Retirement Administrator Tom Ford stated that frequent requests to use the MCERA facility lead to the development of the proposed resolution regarding the Facility Use and Reservation Policy. During extended discussions the Trustees sought to clarify the conditions of appropriate and reasonable use of the facility. Issues given careful consideration included the timing of the meetings, the number of meetings, authorized users of the facility, and authorized purposes for facility use. Trustees Bolger and Smith advised limiting the use of the building to retirement system business only; Trustee Haim also expressed a strong preference for such a use restriction. Trustees Gladstern and Wofford expressed a preference for somewhat less restrictive use of the facility. Several amendments were proposed, including requiring an application to include questions regarding the purpose of the meeting.

It was M/S Bolger/Sweet to adopt revised Group Classification definitions in the proposed Facility Use and Reservation Policy, as set forth above.

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

The Trustees continued discussing the other aspects of the proposed Policy, including, among others, the appropriate fees for use of each Facility. Trustee Sweet recommended providing that a monthly facility use report would be circulated to the Board. Use of the parking lot was also discussed, and Administrator Ford noted that the parking lot will be used for the upcoming County Fair, with security provided by the County during such use. Mr. Ford noted that he believes permitting such County use of the parking is in the best interest of MCERA, stating that otherwise MCERA would have to pay for extra security during the County Fair with respect to use of its parking lot. Mr. Ford also noted that those parking lot arrangements were not covered by the Facilities Use Policy. Following extended discussions, several amendments were proposed by Board members to the proposed Resolution and Policy. Counsel summarized those proposals, and Board members expressed consensus as to them. Chair Phillips commended Administrator Ford for his expertise and advice regarding the Facility Use and Reservation Policy.

It was M/S Bolger/Haim to approve further amendments to proposed Resolution 2009/10-06 Regarding Facility Use and Reservation Policy, as delineated by Counsel and as set forth above. The motion was approved by unanimous vote.

5. Future Meetings

Consider and discuss agenda items for future meetings

- Trustee Bolger proposed a reception for the new Retirement Administrator, with staff included. Chair Phillips agreed to plan for the reception with Administrator Ford.
- Mr. Ford stated that the disability process presentation for the Trustees would be scheduled upon the new Retirement Administrator’s arrival.

G. INVESTMENT INFORMATION

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

PERIODIC REPORTS

1. Equities and Fixed Income

	Abbot Capital	-Private Equities Fund
X	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
	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
- Morgan Stanley -International Equities Fund
- * X Numeric Investors -Equitized US Market Neutral Portfolio
- 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
- * X 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
- Woodmont Realty Advisors -Direct Ownership Quarter
- 3. Market Neutral
- X Monthly Performance Report -For period ending May 31, 2010
- 4. Other

**Retirement Administrator Ford stated that investment fees for the terminated AXA Rosenberg account would be withheld pending an explanation of the cause of the error by AXA Rosenberg which resulted in losses to that account.

H. FINANCIAL INFORMATION

1. Treasurer's Monthly Report*

Short Term Investments for period ending April 30, 2010

The Board accepted the Treasurer's Monthly Report on short-term investments for the period ending April 30, 2010.

I. OTHER INFORMATION

1. Approved Trustee Training Calendar
2. *Keeping in Touch* – June Issue, Marin County Association of Retired Employees newsletter
3. Clifton Group, "Over-the-Counter Derivatives Reform," Legislative update, May 2010

J. CONSENT CALENDAR (Action)

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

There being no further business, Chair Phillips adjourned the meeting at 12:55 P.M.

James Phillips, Chair

Michael Smith, Secretary