

MINUTES

BOARD GOVERNANCE COMMITTEE MEETING MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

August 25, 2010 - 9 A.M.

CALL TO ORDER Chair Gladstern called the meeting to order at 9:05 A.M.

ROLL CALL PRESENT: Bolger, Gladstern, Haim (late arrival), Webb

ABSENT: None

MINUTES

It was M/S Bolger/Webb to approve the July 6, 2010, Governance Committee meeting Minutes as submitted. The motion was approved by unanimous vote.

A. OPEN TIME FOR PUBLIC EXPRESSION

No public comment.

B. OLD BUSINESS

1. Plan Document

Retirement Administrator Jeff Wickman and Counsel Ashley Dunning reviewed the status of the Plan Document development, outlining areas in which data is being researched. Ms. Dunning stated that technical updates are in process, and that the goal is to complete the document by November 2010. The Committee agreed to review the final Plan Document in January or February of 2011.

Trustee Haim joined the meeting at 9:11 A.M.

Counsel Dunning explained that the Plan Document is based upon the '37 Act and actuarial assumptions which are used for the administration of the retirement system. Counsel Dunning explained that one goal of the Plan Document is to reveal to a plan member the method by which the system calculates retirement benefits. Committee Chair Gladstern recommended that the final Plan Document be published on the web site for accessibility.

2. Excess Earnings, Interest Crediting, Reserving Policy

Retirement Administrator Wickman stated that preliminary discussions on the development of a policy regarding excess earnings, interest crediting, and reserving are underway. Mr. Wickman said that the matter will be addressed during the Strategic Workshop in September.

3. Trustee and Staff Travel Expense Policy (Action)

The Committee gave careful consideration to numerous proposed revisions to the Travel and Expense Policy. Counsel Dunning stated that policy edits address the goal of prudent management of the system by providing proper internal controls for system expenditures. Matters discussed included clarification of conference costs, reporting requirements for conferences with waived fees, legal changes regarding expenses and gifts for spouses, new requirement for additional insurance when using rental cars, and the appropriate use of rental cars.

Trustee Haim emphasized the importance of compliance with regard to conference attendance. The Committee determined that the quarterly review of travel expenses by the Finance and Risk Management Committee provides for the proper check and balance of such expenses.

It was M/S Webb/Haim to recommend that the Board approve edits to the Travel and Expense Policy as proposed and will be proposed according to the Committee's guidance and direction to Counsel. The motion was approved by unanimous vote.

4. Whistleblower Policy (Action)

Counsel Dunning discussed the development of the Whistleblower Policy, explaining that it is based on the County's policy. Retirement Administrator Wickman stated that the goal of the Whistleblower Policy is to supplement the County's policy by providing specific information to MCERA staff as to available and appropriate lines of reporting.

It was M/S Bolger/Webb to recommend that the Board adopt the Whistleblower Policy as submitted. The motion was approved by unanimous vote.

5. Policy Review Schedule

Consider and discuss policy review schedule

The Committee discussed the policies on the Policy Review Schedule, determining that for consistency most policy review periods should conform to the three-year norm. Chair Gladstern initiated a discussion of a certification by Trustees regarding key policies.

It was M/S Webb/Haim to recommend that the Board amend the Key Service Provider Performance Evaluation Policy and the Retirement Administrator Annual Performance Evaluation Policy review periods from two years to three years. The motion was approved by unanimous vote.

C. NEW BUSINESS

1. Trustee Education Policy (Action)

The Trustee Education Policy was presented to the Committee for review absent amendments. Upon review and a determination that the Policy provided for appropriate education for the Trustees in order to fulfill their fiduciary duties, the Committee members expressed satisfaction with the Policy as written, with one minor amendment. Avenues for reporting educational event attendance by both Trustees and staff were discussed, including the quarterly checklist and the Consent Calendar.

It was M/S Haim/Webb to recommend that the Board amend the Trustee Education Policy per the Committee's direction. The motion was approved by unanimous vote.

2. Key Service Provider Performance Evaluation Policy (Action)

The Committee discussed agendaizing for discussion the establishment of an ad hoc committee to fulfill performance evaluations of key service providers. It was noted that service providers benefit from feedback as to the value and quality of the service provided. The Committee affirmed the amendment of the Key Service Provider Performance Evaluation Policy review period from two years to three years as provided for in Agenda Item B.5.

3. Asset Manager Code of Conduct

The Committee discussed the Asset Manager Code of Professional Conduct of the CFA Institute with Counsel. The Committee considered avenues for presenting the matter to the Board, settling on an Education Committee Strategic Workshop in the future.

4. Next Committee meeting

The Committee determined that the next meeting would be on October 20, 2010, at 9:00 A.M.

There being no further business, Chair Gladstern adjourned the meeting at 11:10 A.M.

Maya Gladstern, Chair

Attest: Jeff Wickman
Retirement Administrator