

C. LEGAL MATTERS

1. Report on California Public Records Act (CPRA) litigation

Report on *Sonoma CERA v. Superior Court* decision of August 26, 2011, and on other 2011 CPRA court of appeal decisions

Mr. Wickman reported that MCERA will release pension information including retiree names in response to Public Records Act (PRA) requests from the Los Angeles Times and Taxpayers United of America. Counsel Ashley Dunning reported that three published PRA decisions have been rendered concluding that retiree names and pension amounts must be disclosed in response to a PRA request to a 1937 Act retirement system. Ms. Dunning said that the Board has no discretion not to follow those cases, and therefore must release the requested retiree names and pension amounts.

Mr. Wickman said that he has assured several retirees who voiced their concerns that social security numbers and addresses will not be released. Ms. Dunning reviewed the MCERA history of releasing benefit amounts and names since 2007.

In response to Trustee Brenk's inquiry, Ms. Dunning stated that courts had identified one public interest served by releasing names as allowing the public to assess whether specific individuals had received unusually high retirement allowances, either in error or because of additional compensation provided by their employers while they were employed. Chair Gladstern asked if survivor information must be released, and Ms. Dunning said yes, under the same rationale as the courts used for member-related information.

Mr. Wickman observed that the Los Angeles Times PRA request was made to all '37 Act systems.

Chair Gladstern directed deliberations to **Agenda Item B, Board of Retirement Matters.**

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's update

Mr. Wickman reported that the Board of Supervisors confirmed the election of Howard McFarland to a new term as a Miscellaneous member.

MCERA is assisting the County in distributing information to retirees explaining the health plan redesign event. Staff will likely see an increase in workload over the next couple of months due to contacts from retirees.

The Annual Member Benefits statements are being sent to active and deferred members at the end of September.

Representatives from MCERA were invited to speak to the Southern Marin Fire District Board of Directors to provide an overview of MCERA and discuss the most recent actuarial valuation. In attendance representing MCERA were Mr. Wickman, Counsel Ashley Dunning and Actuary Graham Schmidt of EFI Actuaries. The presentation was well received.

On August 25, Mr. Wickman met with the Citizens for Sustainable Public Pensions to discuss current pension issues and go over the roles and responsibilities of MCERA. Mr. Wickman encouraged the group to attend MCERA Board meetings to learn more about the Board.

The auditors finished their onsite work and are preparing their final report for the Board at the October meeting.

b. Staffing update

Anne Battaglia was hired as an Accounting Assistant. This was one of the extra hire changes indentified in the 2011/12 Budget.

c. Facility Use Report

No facility use.

d. Future meetings

- September 15 Investment Committee
- September 26-27 Strategic Planning Workshop
- October 4 Communications and Member Services Committee
- October 4 Finance and Risk Management Committee
- October 12 Regular Board

2. Committee Reports

a. Ad Hoc CPAS Committee Report

1. Project Status Update

Mr. Wickman said that on July 29 the most recent build was installed. Formal user acceptance testing was initiated on August 16. Staff is processing information in the current system as well as entering information into CPAS to test that CPAS produces expected results. The decision about whether to enter into full end-to-end parallel processing will be made in early October.

3. Trustee Comments

Trustee Karen Wofford, elected Safety member, announced that she will resign from the Board as of September 16, 2011, because she will be retiring.

Trustee Jim Phillips, appointed by Board of Supervisors, announced that he intends to resign from the Board, effective January 1, 2012.

Chair Gladstern thanked Ms. Wofford and Mr. Phillips for their service during challenging times.

Chair Gladstern reported that she and Vice Chair Phillips met Supervisor Kate Sears. They felt the meeting was productive and informative.

Chair Gladstern recessed Open Session and directed deliberations to **Agenda Items D** and **F.1** in Closed Session, reconvening in Open Session at 11:10 A.M.

D. DISABILITIES (TIME CERTAIN: 10 A.M.)

All disability applications are considered in Closed Session unless applicant specifically waives confidentiality and requests that his or her application be considered in Open Session. (Action)

<u>Applications to be Heard</u>	<u>Service/Non-Service Connected</u>	<u>Date of Application</u>	<u>Employer</u>
1. Marion Bode Initial consideration of an application for service-connected disability retirement filed by a Safety member	Service	6/29/09	Marin County Sheriff
2. Albert Flores Initial consideration of an application for service-connected disability retirement filed by a Safety member	Service	4/5/10	Marin County Sheriff

It was M/S McFarland/Brenk to deny Marion Bode's initial application for service-connected disability retirement and to provide the applicant with the opportunity to request an administrative hearing in accordance with MCERA policy. The motion was approved by a vote of 6-1-1, with Trustee Webb dissenting and Trustee Wofford abstaining.

It was M/S Webb/McFarland to continue initial consideration of Albert Flores' application for service-connected disability to the next regular Board meeting. The motion was approved by unanimous vote.

E. OLD BUSINESS

None.

F. NEW BUSINESS

1. Public Employee Appointment, Title: Assistant Retirement Administrator (Action)
Consider and take possible action to appoint Assistant Retirement Administrator, effective on a date to be determined. (CLOSED SESSION pursuant to Government Code section 54957)

Conference with Labor Negotiators. Agency designated representatives: Retirement Administrator. Unrepresented employee: Assistant Retirement Administrator (CLOSED SESSION pursuant to Government Code section 54957.6)

The Board authorized the Retirement Administrator to offer the position of Assistant Retirement Administrator to Michelle Hardesty, subject to negotiation over compensation and start date. Motion was made by Trustee Given, seconded by Trustee Webb, and passed unanimously.

2. Final Public Employee Performance Evaluation. Title: Retirement Administrator
The Board reported that its evaluation of the Retirement Administrator was very positive. The Chair recommended no change in compensation given that it is fair and effective, and the Board agreed.
3. SACRS Voting Proxy (Action)
Board vote to select delegates for SACRS November meeting

Chair Maya Gladstern was selected by the Board as delegate for the SACRS November meeting, based on her nomination by Trustee Given. Trustee Webb was selected as alternate delegate, based on his nomination by Trustee Bolger.

4. Fiduciary Liability Insurance Renewal (Action)
Consider and take possible action regarding renewal of fiduciary liability insurance.

Mr. Wickman reviewed the system's current policy including the renewal proposal prepared by National Union through MCERA's insurance broker, MacCorkle Insurance Services. MCERA also received a proposal from RLI through broker Alliant. Mr. Wickman presented an analysis of the proposals including coverages offered by both providers.

Counsel Dunning advised that there is no staff recommendation as each proposal includes questions that should be posed back to the selected broker. Ms. Dunning reviewed issues such as claims reporting timelines, which should be negotiated regardless of the provider the Board may select.

Trustee Bolger expressed a preference for retaining the current provider. Trustee Given inquired as to whether due diligence was performed on the providers, most notably as to financial stability. Ms. Dunning advised that the ratings shown in the analysis provide one means by which to assess the providers, though other measures are recognized as valuable as well.

It was M/S Bolger/McFarland to renew fiduciary liability insurance with National Union, subject to the negotiation of items listed in the memo provided to the Board by staff. The motion was approved by unanimous vote.

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

There was general agreement by the Board to make sure the Citizens for Sustainable Public Pensions know that the Board encourages citizens to share information with the Board through the time allotted for open public expression.

G. INVESTMENT INFORMATION

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

PERIODIC REPORTS

1. Equities and Fixed Income

	Abbott Capital	-Private Equities Fund	
* X	Artisan Funds, Inc.	-International Equities 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	Eaton Vance	-Emerging Markets	
* X	Morgan Stanley	-International Equities Fund	
	Pathway Capital	-Private Equities Fund	
* X	Pyramis Global Advisors	-International Small Cap Equity Fund	
* X	RCM	-Large Cap Growth Equities Portfolio	
	State Street Global Advisors	-S&P 500 Flagship Non-Lending	
	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	
* X	AEW Capital Management	-Value Added Portfolio	Quarter
	Clarion Partners	-Core Portfolio	Quarter
* X	RREEF	-Value Added Portfolio	Quarter
	Woodmont Realty Advisors	-Direct Ownership	Quarter

3. Other

H. OTHER INFORMATION

1. Approved Trustee Training Calendar

Chair Gladstern observed that the Spring CII meeting has been scheduled. Ms. Dunning will provide information for an upcoming Manatt, Phelps & Phillips LLP seminar.

2. Keeping in Touch – September Issue, Retired Employees Association newsletter

Chair Gladstern, Trustee Webb, and Mr. Wickman participated in a recent MCARE luncheon.

I. CONSENT CALENDAR (Action)

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

CONSENT CALENDAR for
 MCERA MEETING, WEDNESDAY, SEPTEMBER 14, 2011
 CONSENT CALENDAR
 August 2011

RETURN OF CONTRIBUTIONS

Robert Briaire	County of Marin	2,704.88
Cynthia Connelly-Bryant	County of Marin	1,172.69
Patricia Orlandi Taylor	County of Marin	4,626.40
Elizabeth Kalenda	County of Marin	11,532.04
Jalal Kazemi	County of Marin	137.45
Amber Waters	County of Marin	371.36
Denise Wilson	County of Marin	6,544.13
Linda Witong	County of Marin	13,238.33
Myrna Edith Hughes	Courts	7,304.20
Hoang LeClerc	Courts	121.96
Kristine Trogner	Courts	6,305.24
Robert Matthew Brown	City of San Rafael	39,495.46
Meaghan Case	City of San Rafael	1,175.20
James Irving	Southern Marin Fire	<u>12,028.69</u>
	TOTAL	106,758.03\$

BUYBACK

Edward Megia	County of Marin
Dean Powell	County of Marin

NEW RETIREES

Madeline Duffy	DA	County of Marin
Marjorie Gibbs	DA	County of Marin
Linda Witong	DA	County of Marin
David Anderson	DPW	County of Marin
Randy Dobson	DPW	County of Marin
Jose Gonzalez	DPW	County of Marin
Joseph Dinh	H&HS	County of Marin
Pamela Doerr-Kashani	H&HS	County of Marin
Jane Gehring	H&HS	County of Marin
Sandra Duzak	Library	County of Marin
James Gold	Library	County of Marin
Kathleen Raleigh	Library	County of Marin
Patricia Martin	Sheriff	County of Marin
Patricia-Orlandi-Taylor	Sheriff	County of Marin
Leon Kunstenaar	IST	County of Marin
Jeffrey Sherman	Coroner	County of Marin
Gloria Sweeney	Assessor-Recorder	County of Marin
Linda Carlson	Ag Weights and Measures	County of Marin
Nelly Feigel		Courts
Kitty Mackay		City of San Rafael
William Scharf		City of San Rafael
Robert Briare		Southern Marin Fire

RESCINDED RETIREMENTS

DECEASED RETIREES

Collie Gaines	Sheriff	County of Marin
Jerrold Sandall	Courts	County of Marin

There being no further business, Chair Gladstern adjourned the meeting at 12:20 P.M.

Maya Gladstern, Chair

Bernadette Bolger, Secretary