

**MINUTES**

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

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

**January 11, 2012 - 9 A.M.**

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**EVENT CALENDER**

9 A.M. Regular Board Meeting

**CALL TO ORDER**

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

**ROLL CALL**

PRESENT: Bolger, Brenk, Haim, Given, Gladstern, McFarland,  
Richardson, Webb (retiree alternate)

ABSENT: None

**MINUTES**

It was M/S Richardson/Brenk to approve the September 26-27, 2011, Strategic Planning Workshop Minutes as amended.

AYES: Bolger, Brenk, Haim, Gladstern, McFarland, Richardson

NOES: None

ABSTAIN: Given

ABSENT: None

It was M/S Haim/Given to approve the December 14, 2011 Regular Board meeting Minutes as amended. The motion was approved by unanimous vote.

**A. OPEN TIME FOR PUBLIC EXPRESSION**

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

No public comment.

**B. BOARD OF RETIREMENT MATTERS**

1. Administrator's Report (Oral)
  - a. Administrator's update

Retirement Administrator Jeff Wickman reported that the Cornerstone Real Estate Advisors subscription agreement is complete, with initial funding expected to take place in April.

Responses to Public Records Act requests for retirement system data from PitchBook, the Marin Association of Public Employees, and the Marin Independent Journal are completed. The reports previously provided to the Los Angeles Times and Taxpayers United of America were revised and resent. One new request for retiree pension data has been received from the Bay Area News Group.

Retirees have been notified that the revised Accessibility of Records Policy provides for advance notification of Public Records Act requests for pension benefit data only when the data requested is for an individual retiree.

Retirees who are receiving two pension checks were notified that the new CPAS system will simplify the process into a single payment.

Seven candidates submitted applications to the Marin County Board of Supervisors for former Trustee Jim Phillips' appointed position on the Board.

Ballots to determine new Safety representatives on the Board are due to the Registrar of Voters at the end of January.

Mr. Wickman reported that the County will increase the reimbursement for Medicare Part B to \$99.60 effective January 1, 2012.

b. Business Objectives for FY 2011/12 Quarterly Review

Mr. Wickman reviewed the Key Business Objectives for the second quarter of the fiscal year. For a discussion of the new software benefits program objective, see Agenda Item B.2.a.5 below.

The performance management objective will begin with a new report presented to Board in February showing an aging report of categorized business activities.

Mr. Wickman reported that the majority of the human resource objectives identified in the budget have been implemented.

The Retirement Administrator will attend at least one formal investment management course that is not in conflict with MCERA Board meetings.

In reviewing communication and education objectives, Mr. Wickman reported that members are responding favorably to additional information available on MCERA's Web site. The newsletter continues to focus on member education. Work is proceeding to produce a Summary Annual Financial Report (SAFR), and planning is

in progress for the development of a Comprehensive Annual Financial Report (CAFR) for the next fiscal year.

c. Staffing update

The hiring of Suzanne Griffiths as member services technician completes planned extra hire conversions.

d. Facility Use Report

No facility use since the last meeting.

e. Future meetings

- January 12 Investment Committee
- February 7 Governance Committee
- February 8 Regular Board

2. Committee Reports

a. Communications and Member Services Committee

1. Public Information Team

Update on MCERA involvement with Marin County's Public Information Team

Syd Fowler continues to participate as MCERA's representative on the County Public Information Team (PIT).

2. Workload Analysis

Discussion of workload indicators

Mr. Wickman expects the new benefits management system to streamline reporting of workload statistics to the Board. Through the newsletter MCERA will be notifying members that the implementation of the new system may create some temporary service delays but that MCERA will do everything possible to maintain current service delivery expectations.

3. Communication and Education Initiatives

Discuss use of different media to deliver communications and education

Communications and Member Services Committee Chair McFarland reported that the Committee's discussions included the proposed redesign of the MCERA Web site. The Committee was encouraged by newsletter survey results which show that most members find the quarterly publication easy to understand. Potential initiatives to encourage retirement planning by members, such as a deferred compensation educational session, were considered by the Committee. According to Ms. Gladstern, the retirement calculator is frequently used and, given correct data, provides close estimates of members' expected pension benefits. Upon considering the possibility of using social media sites for

communications purposes, the Committee determined that MCERA would be better served by devoting resources to Web site enhancements.

4. Winter MCERA newsletter (Action)

Discuss and potentially approve topics and copy to recommend to Board

Mr. McFarland discussed the Committee's review of the newsletter copy. Topics considered included clarifying the impact of the new CPAS system, explaining changes in medical plans, encouraging members to consider other sources of retirement planning, and providing detailed information about what members should expect from the retirement calculator.

It was M/S Brenk/Richardson to approve topics and copy for the Winter MCERA newsletter as submitted. The motion was approved by unanimous vote.

5. CPAS Project Update

Report on status of the CPAS project

Mr. Wickman reported that the January retirement payroll will be produced by CPAS as planned. Staff is working with the County to accomplish a smooth transition of the payroll process to MCERA. Staff have been using the new system to perform daily work since the end of December including all the all service purchases and selected retirement benefit estimates.

The Retirement Administrator's commended the efforts of the benefits, payroll and accounting team in accomplishing the transitioning to CPAS.

The Committee agreed with the Retirement Administrator's assessment that increasing hours for post-implementation support from CPAS was advisable.

6. Communication Priorities

Report on upcoming communication priorities

Communications staff is prioritizing Member Handbook updates, a summary of the pre-retirement seminar, Web site upgrades, SAFR development, and introducing the new software system to members.

3. Trustee Comments

Members of the Board joined Trustee Richardson's in wishing Vice Chair Bolger Happy Birthday.

Chair Gladstern recessed Open Session and directed deliberations to **Agenda Item C.1** in Closed Session at 10:02 A.M.

**C. LEGAL MATTERS**

1. Conference with Legal Counsel – Anticipated Litigation (CLOSED SESSION)

Consider initiation of litigation pursuant to subdivision (c) of Government Code section 54956.9: one potential case.

No reportable action.

**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. Don Florence	Service	4/7/10	Marin County Fire Dept.
Initial consideration of an application for service-connected disability retirement filed by a Safety member.			

Chair Gladstern reconvened the meeting in Open Session. Based on the request of the applicant, the Chair deferred Agenda Item D.1 to the February Board meeting.

**E. OLD BUSINESS**

1. Due Diligence (Action)

Consider and take possible action to adopt investment manager and related site visit schedule for 2012

It was M/S Given/Brenk to approve the Due Diligence site visit schedule for 2012. The motion was approved by unanimous vote.

**F. NEW BUSINESS**

1. Future Meetings

Consider and discuss agenda items for future meetings

The preliminary results of the June 30, 2011, Actuarial Valuation Report will be presented by EFI at the February Board meeting.

Counsel Dunning advised that current rules apply for 2011 Form 700 filings due in April. At the February Board meeting, she will review updates to rules effective for the following year. For the biannual ethics certification, Chair Gladstern recommended online training, which is available on the FPPC website, or attending the in-person training provided by SACRS at its Spring conference.

The trustees discussed potential future agenda topics such as reviewing the Investment Policy Statement, development of standardized summaries of monthly investment reports, and the structure of annual presentations by investment managers.

**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	
	Columbus Circle Investors	-Small Cap Growth Portfolio	
*	X Dimensional Fund Advisors	-Small Cap Value Fund	
*	X Dodge & Cox	-Large Cap Value Portfolio	
	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	
	X 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	
	AEW Capital Management	-Value Added Portfolio	Quarter
	Clarion Partners	-Core	Quarter
	RREEF	-Value Added Portfolio	Quarter
	Woodmont Realty Advisors	-Direct Ownership	Quarter

3. Other

**H. OTHER INFORMATION**

1. Trustee Training Calendar
2. *Keeping in Touch* – January Issue, Retired Employees Association newsletter

**I. CONSENT CALENDAR (Action)**

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

CONSENT CALENDAR for  
MCERA MEETING, WEDNESDAY, JANUARY 11, 2012

CONSENT CALENDAR

December 2011

RETURN OF CONTRIBUTIONS

Darrel Patchin	County of Marin	2,196.81
	TOTAL	<hr/> \$2,196.81\$

BUYBACK

NEW RETIREES

Pat Wall	H&HS	County of Marin
Judith Fry-Cady	H&HS	County of Marin
Harold Brown	Board of Supervisors	County of Marin
Curtis Johnson		City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

June Black	Courts	County of Marin
Charles Grasso	Sheriff	County of Marin
Donna Huckins	H&HS	County of Marin
George Pantazes	DPW	County of Marin
George Vance	Parks & Open Space	County of Marin

CONFERENCES/SEMINARS

CalAPRS Retirement Plan Administration  
Staff Hardesty and Sousa

There being no further business, Chair Gladstern adjourned the meeting at 11:24 A.M.

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Maya Gladstern, Chair

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Gregory Brenk, Secretary