

MINUTES

REGULAR BOARD MEETING MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

May 2, 2012 - 9 A.M.

EVENT CALENDER 9 A.M. Regular Board Meeting

CALL TO ORDER Chair Gladstern called the meeting to order at 9:02 A.M.

ROLL CALL PRESENT: Bolger, Brenk, Cooper, Given, Gladstern, Haim, McFarland, Piombo (safety alternate), Richardson, Stevens, Webb (retiree alternate)

ABSENT: None

MINUTES

It was M/S Richardson/Haim to approve the March 15, 2012. Investment Committee Meeting Minutes as submitted. The motion was approved by unanimous vote.

The March 21-22, 2012, Strategic Planning Workshop Minutes are not yet available and were therefore deferred by Chair Gladstern to the next Board meeting.

It was M/S Haim/Given to approve the April 11, 2012, Regular Board Meeting Minutes as submitted. 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 April Cost of Living Adjustment for retirees was successfully tested in the new benefit management system.

The Retirement Administrator reported that MCERA received a distribution of approximately \$22 million from Clarion Partners after the termination of the subscription agreement. \$15 million of the proceeds will be used to fund the new Cornerstone Patriot Fund investment at the end of the next quarter.

Mr. Wickman mentioned the letter trustees received from the Citizens for Sustainable Pensions regarding MCERA's assumed rate of investment return. Trustee Bolger acknowledged the letter indicating it was good to see citizen interest in the Board's economic assumptions.

Mr. Wickman reported on efforts to enhance the information about MCERA available through the web site. New additions will include an index of the provisions of the '37 Act that apply to MCERA and the inclusion of a new mortality table that expands on information provided in the current actuarial valuation report.

In an effort to have more clarity about where MCERA retirees are receiving their benefit payments MCERA staff produced a report that showed the distribution of payments by State and within California. In March 2012, approximately \$5.7 million in MCERA benefit payments were distributed to retirees within the State of California. Of this amount \$3.6 million was distributed within Marin County. The analysis is an example of the information that will be available through the new benefit management system.

New member outreach included the development of frequently asked questions designed to help members who may be facing potential layoffs. Staff are looking at modifying the pre-retirement seminars to include presentations on deferred compensation programs and better customize the sessions to fit attendee needs.

b. Staffing update

None

c. Facility Use Report

None

d. Future meetings

- May 3 Investment Committee
- May 17 Finance and Risk Management

2. Committee Reports

a. Governance Committee

1. MCERA Officer Selection (Action)

Consider and take possible action on Governance Committee's recommendation regarding MCERA Officer Selection and Duties

Governance Committee Chair Brenk stated that the intent of the proposed policy on selection of Board officers is to provide a clear structure to the process, recognizing that the policy could be changed if desired by the Board in the future. Of note is the three-year cap on terms of office and the requirement of five affirmative votes to select officers.

Based on the action of the Governance Committee, Governance Committee Chair Brenk recommended that the Board adopt the Election and Duties of Board of Retirement Officers Policy as submitted. The motion was approved by unanimous vote.

2. Class Action Securities Litigation – International Developments

Consider and discuss new developments in international securities litigation.

Mr. Wickman reported that the Board's decision to lower the threshold for lead plaintiff participation in class action securities litigation has not had a negative impact on staff. Counsel Dunning discussed efforts by public groups to address the *Morrison* decision by the U.S. Supreme Court regarding securities traded on foreign exchanges.

3. Investment Policy Statement (IPS) (Action)

Consider and take possible action on Governance Committee recommendation regarding amendments to IPS

Committee Chair Brenk discussed the Committee's proposed clarifications to phrasing in the Investment Policy Statement evolving from a review of the document at the March Strategic Workshop.

Based on the action of the Governance Committee, Governance Committee Chair Brenk recommended that the Board adopt revisions to the Investment Policy Statement as submitted. The motion was approved by unanimous vote.

4. Structure of Board Meetings (Action)

Consider and take possible action on Governance Committee recommendation regarding structure of regular meetings, in particular, timing and other logistics of closed sessions.

Committee Chair Brenk reviewed the Committee's deliberations on improving the access of members, retirees, beneficiaries, plan sponsors and other

interested parties to the Board’s discussions by formalizing the timing of topics of interest. The circumstances leading to the discussion and the recommendations of the Committee were set forth in a memo presented by the Retirement Administrator.

Based on the action of the Governance Committee, Governance Committee Chair Brenk recommended that the Board: 1) set as time certain at the beginning Board meetings all topics as to which attendance of members, beneficiaries, plan sponsor representatives and/or the public is expected; and 2) set disability retirement applications at a time certain between 10 a.m. and 11 a.m., depending upon the number and anticipated length of other agenda items, as determined by the Retirement Administrator upon consultation with the Board Chair. The motion was approved by unanimous vote.

3. Trustee Comments

Chair Gladstern observed that several peer ’37 Act systems have new retirement administrators who will be attend the Spring SACRS conference. The conference’s Administrator’s Round Table will be moderated by MCERA’s Retirement Administrator, Jeff Wickman. The trustees were reminded that ethics training is available at the conference.

Chair Gladstern recessed Open Session for a break at 9:55 A.M., reconvening in Closed Session at 10 A.M.

C. **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. Carol McClendon Initial consideration of an application for service-connected disability retirement filed by a Miscellaneous member.	Service	6/23/09	Marin County Courts
2. Steven Batemen Initial consideration of an application for service-connected disability retirement filed by a Safety member.	Service	5/26/10	Marin County Sheriff

Chair Gladstern recessed Closed Session and reconvened in Open Session at 11:20 A.M.

Chair Gladstern reported that the Board denied Carol McClendon’s application for service-connected disability retirement and provided the applicant with the opportunity to request an administrative hearing in accordance with MCERA policy. Motion was by Trustee Richardson, seconded by Trustee McFarland, and approved by unanimous vote.

Chair Gladstern reported that the Board granted Steven Bateman’s application for service-connected disability retirement. Motion was by Trustee Haim, seconded by Trustee McFarland, and approved by unanimous vote.

D. LEGAL MATTERS

None

E. OLD BUSINESS

None

F. NEW BUSINESS

1. Update on Proposed Pension-Related Legislation
Receive update on status of pension-related legislation

Counsel Dunning reported on legislative activity related to the Governor’s pension reform proposal. Although recent press reports indicated the legislature may not take up the Governor’s proposal, the Conference Committee is still expected to release its report with recommended pension-related legislation during the summer. Mr. Wickman indicated that he would be attending the City of San Rafael’s City Council meeting to observe discussions of a resolution by the City supporting pension reform.

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

No discussion.

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
*	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

	Woodmont Realty Advisors	-Direct ownership – Monthly report	
	AEW Capital Management	-Value Added Portfolio	Quarter
* X	Clarion Partners	-Core	Quarter
* X	RREEF	-Value Added Portfolio	Quarter
	Woodmont Realty Advisors	-Direct Ownership	Quarter
3. Other

H. OTHER INFORMATION

1. Trustee Training Calendar (**Action**)

No discussion.

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

I. CONSENT CALENDAR (Action)

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

CONSENT CALENDAR for
MCERA MEETING, WEDNESDAY, MAY 2, 2012

CONSENT CALENDAR
April 2012

RETURN OF CONTRIBUTIONS

Barbara Fahy	County of Marin	21,303.56
Gregory Rienzo	County of Marin	9,334.89
TOTAL		\$30,638.45

BUYBACK

Robert Nichols		County of Marin
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NEW RETIREES

Robert Nichols	DA	County of Marin
York Westgate	DA	County of Marin
David Hill	IST	County of Marin
Ann Ribeiro	IST	County of Marin
Margaret Moster	CDA	County of Marin
Richard Wallace	DPW	County of Marin
Ruben Martin	Fire	County of Marin
Ken Massucco	Fire	County of Marin
Joseph Morena	Fire	County of Marin
Deborah Deibel	H&HS	County of Marin
Astrid Jansson	H&HS	County of Marin

Cecilia Luna	H&HS	County of Marin
Patricia Ritter	H&HS	County of Marin
Douglas Stoddard	H&HS	County of Marin
Ellen Szakal	H&HS	County of Marin
Stacie Douglas	Sheriff	County of Marin
Jeffrey Gholson	Sheriff	County of Marin
Ethel Havens	Sheriff	County of Marin
Drusilla Davis-Miller	Library	County of Marin
Lynn Estrada	Probation	County of Marin
Ann Robinson	Courts	County of Marin
Marilyn Pecunia		City of San Rafael
Robin Mark-White		City of San Rafael
James Hufford		City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

Harold Brown	Board of Supervisors	County of Marin
Betty Hodgson	Assessor-Recorder	County of Marin
June Siem	H&HS	County of Marin
Ethel Jordan	Courts	County of Marin
Charlotte Proctor	Beneficiary	County of Marin
Phyllis Midyett	Beneficiary	County of Marin
Kendall Holyome		Novato Fire

CONFERENCES/SEMINARS

COUNCIL OF INSTITUTIONAL INVESTORS

Trustee Gladstern
 CalAPRS Accountants' Roundtable
 Staff Jackson

There being no further business, Chair Gladstern adjourned the meeting at 11:36 P.M.

Maya Gladstern, Chair

Gregory Brenk, Secretary