

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

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

November 6, 2013 - 9 A.M.

EVENT CALENDAR 9 A.M. Regular Board Meeting

CALL TO ORDER Chair Bolger called the meeting to order at 9:00 A.M.

SWEARING IN OF GREG BRENK

Greg Brenk will be sworn in at MCERA offices on the morning of November 7, 2013 prior to the Investment Committee meeting due to his absence from today's meeting.

SWEARING IN OF CHRIS COOPER

Deputy Clerk of the Board Dale Barre administered the Oath of Office to Chris Cooper.

SWEARING IN OF MAYA GLADSTERN

Deputy Clerk of the Board Dale Barre administered the Oath of Office to Maya Gladstern.

SWEARING IN OF ALAN PIOMBO

Alan Piombo will be sworn in at the December Board meeting due to his absence from today's meeting.

SWEARING IN OF DAVID SHORE

Deputy Clerk of the Board Dale Barre administered the Oath of Office to David Shore.

ROLL CALL

PRESENT: Bartfeld, Bolger, Cooper (alternate safety), Given,
 Gladstern, McFarland, Shaw (ex officio alternate), Shore,
 Webb (alternate retiree)

ABSENT: Brenk, Piombo, Smith

MINUTES

It was M/S McFarland/Given to approve the October 9, 2013 Regular Board Meeting Minutes as submitted.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
NOES: None
ABSTAIN: None
ABSENT: Brenk, Piombo, Smith

It was M/S Gladstern/Cooper to approve the October 16-17, 2013 Strategic Workshop Minutes as amended.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
NOES: None
ABSTAIN: None
ABSENT: Brenk, Piombo, Smith

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. ELECTION OF BOARD OFFICERS

Election of Board Chairperson, Vice Chairperson and Secretary (**Action**)

Chair Bolger proposed that current officers serve for the coming calendar year.

It was M/S Webb/Given to elect current Board officers Chairperson Bernadette Bolger, Vice Chairperson Gregory Brenk, and Secretary Howard McFarland to serve in calendar year 2014.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
NOES: None
ABSTAIN: None
ABSENT: Brenk, Piombo, Smith

Chair Bolger announced that Trustee Smith has agreed to serve on the Governance Committee and resign from the Finance and Risk Management Committee.

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's update

Retirement Administrator Jeff Wickman noted that the Fall SACRS conference convenes next week. In response to Trustee Shore's request, Mr. Wickman will send a list of suggested workshop sessions to the new trustees.

Mr. Wickman reported that annual statements will be sent to members in November. He noted that staff spent additional time reviewing statements that were inaccurate from the previous year to ensure they were correct this year. In response to Trustee Gladstern's question Mr. Wickman reported that the CPAS system was performing as expected and the issues that were being identified were related to converted data from the old system.

Changes to the medical plan for Marin County retirees will be communicated to MCERA retirees in November. Mr. Wickman noted that the changes were determined by the medical plan sponsor Marin County. He also noted that some of the cost increases will result in additional out-of-pocket costs for retirees.

Each year at the Fall SACRS conference R.V. Kuhns & Associates compiles a Public Fund Universe Analysis that includes investment performance data from MCERA. Mr. Wickman received an advance copy of the report and will distribute a copy to the trustees prior to the start of the SACRS Conference.

The mailing assistance requested by the Marin County Association of Retired Employees (MCARE) was completed with no out-of-pocket costs for MCERA. The packets being mailed were delivered to MCERA's office where MCARE members labeled the pre-stamped envelopes. Assistant Retirement Administrator Michelle Hardesty noted that Communications Associate Syd Fowler developed frequently asked questions for staff that explained the mailing if retirees contact MCERA.

b. Staffing update

Mr. Wickman reported that the Board of Supervisors approved the reclassification for the Retirement Board Clerk that he believes is appropriate. The Retirement Administrator expressed appreciation to the Marin County Human Resources Department for their work in this process.

c. Facility Use Report

The Marin County Deferred Compensation Committee met in MCERA's Executive Conference Room to interview vendors to provide third-party record keeping services for the County's 457 plan.

d. Future meetings

- November 7 Investment Committee
- November 19 Governance Committee
- December 2 Finance and Risk Management Committee
- December 11 Board

2. Ad Hoc CPAS Services Committee

Mr. Wickman reported that CPAS accepted the proposed terms and conditions developed by the Ad Hoc CPAS Committee. The monthly cost to provide server maintenance and database management is \$7,100 per month. He thank the members of the Ad Hoc CPAS Committee for conducting a thorough review of the draft agreement and providing meaningful changes that helped strengthen the overall agreement.

3. Trustee Comments
No trustee comments.

Chair Bolger directed deliberations to **Agenda Item F.1.**

F. NEW BUSINESS

1. Fiduciary Liability Insurance Renewal (Action)
Consider and take possible action on selection of fiduciary liability insurance provider

Mr. Wickman stated that selection of a fiduciary liability insurance provider is being brought directly to the Board since timing issues related to MCERA's recent coverage claim prevented its consideration by the Finance and Risk Management Committee. A one-month extension of the existing agreement with AIG allowed staff to develop a recommendation based on bids by AIG and RLI. In the opinion of staff and legal counsel the Board should retain AIG as the fiduciary insurance provider. An additional factor is the importance of continuity of coverage given ongoing legal challenges. Including additional annual cost of \$7,400, the annual fee will be \$65,500.

It was M/S Gladstern/Shore to select current provider AIG for fiduciary liability insurance for an annual fee of \$65,500.

In response to Trustee Cooper's inquiry, Mr. Wickman stated that AIG attributed higher costs to an industry-wide increase in the number of claims filed.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
NOES: None
ABSTAIN: None
ABSENT: Brenk, Piombo, Smith

2. Board Meeting Calendar for 2014 (Action)
Consider and take possible action to approve Calendar

Mr. Wickman presented the Board meeting calendar for 2014 revised as 'Plan B' to align four of six Investment Committee meetings with quarterly investment reports. Mr. Wickman proposed devoting the remaining two meetings for manager reviews that had been previously scheduled at biannual Strategic Workshops. In response to Trustee Shore's preference to limit Investment Committee meetings to four annually, Chair Bolger indicated that six Investment Committee meetings are appropriate in order to provide sufficient time to reflect and take action on issues affecting the Fund. Trustee Gladstern suggested moving discussion of the matter to the Governance Committee.

It was M/S Gladstern/Webb to adopt the ‘Plan B’ Board Meeting Calendar for 2014 and to consider separately at the November 19 Governance Committee meeting the schedule for and number of Investment Committee meetings for 2014.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
 NOES: None
 ABSTAIN: None
 ABSENT: Brenk, Piombo, Smith

Chair Bolger recessed Open Session for a break at 9:53 A.M., reconvening in Closed Session and directing deliberations to **Agenda Items D** and **E** at 10:00 A.M.

Chair Bolger recessed Closed Session and reconvened in Open Session at 12:27 P.M.

D. DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 10:00 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>Applicants</u>	<u>Service/Non-Service Connected</u>	<u>Date of Application</u>	<u>Employer</u>
1. Jim Hufford	Service	7/8/12	San Rafael Fire Dept.
Initial consideration of an application for service-connected disability retirement filed by a Safety member.			
2. Sandra Scott	Service	5/16/13	Marin County Sheriff
Initial consideration of an application for service-connected disability retirement filed by a Safety member.			
3. Michael Augustus	Service	3/1/11	San Rafael Police Dept.
Initial consideration of an application for service-connected disability retirement filed by a Safety member.			

Chair Bolger reported that the Board denied James Hufford’s application for service-connected disability retirement and provided the applicant with the opportunity to request an administrative hearing in accordance with MCERA procedures. Trustee Cooper recused himself from the discussion and vote because the applicant was in the same department of the same employer as he. Motion was by Trustee Gladstern, seconded by Trustee Given, and approved by a vote of 6-1. Voting for the motion were Trustees Bartfeld, Given, Gladstern, McFarland, Shore and Webb; voting against was Trustee Bolger. Trustees Brenk, Piombo, and Smith were absent.

Chair Bolger reported that the Board granted service-connected disability retirement to Sandra Scott. Motion was by Trustee Given, seconded by Trustee Gladstern, and approved by a vote of 8-

0. Voting for the motion were Trustees Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore and Webb. Trustees Brenk, Piombo, and Smith were absent.

Chair Bolger reported that the Board denied Michael Augustus' application for service-connected disability retirement and provided the applicant with the opportunity to request an administrative hearing in accordance with MCERA procedures. Motion was by Trustee Gladstern, seconded by Trustee Webb, and approved by a vote of 7-1. Voting for the motion were Trustees Bartfeld, Bolger, Given, Gladstern, McFarland, Shore and Webb; voting against was Trustee Cooper. Trustees Brenk, Piombo, and Smith were absent.

E. LEGAL MATTERS

1. Conference with Legal Counsel – Pending Litigation (Gov. Code sec. 54956.9(a))
(CLOSED SESSION)

MAPE et al. v. MCERA, et al., Court of Appeal Case No. A139610 (Div. 2)

MAPE et al. v. Superior Court, Court of Appeal Case No. A139621 (Div. 2)

Contra Costa County Deputy Sheriffs Assoc., et al. v. CCCERA, et al. Contra Costa County Superior Court Case No. MSN12-1870

Trustee Gladstern recused herself from this item and did not attend the closed session meeting, as she is an executive officer of MAPE. Trustee Webb recused himself from this item and did not attend the closed session meeting, as he receives a pension from one of the petitioners in the case (SEIU). Trustee McFarland recused himself from this item and did not attend the closed session meeting, as he is a steward of one of the petitioners in the case (MAPE).

Chair Bolger reported that no reportable action was taken on this agenda item.

NEW BUSINESS continued.

3. 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	Quarter
*	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 Eaton Vance	-Emerging Markets	
*	X Morgan Stanley	-International Equities Fund	
	Pathway Capital	-Private Equities Fund	Quarter

- * X Pyramis Global Advisors -International Small Cap Equity Fund
 - * 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
 - * X AEW Capital Management -Core Real Estate Quarter
 - * X RREEF -Value Added Portfolio Quarter
 - Woodmont Realty Advisors -Direct Ownership Quarter
 - * X UBS -Core Real Estate
3. Other

H. OTHER INFORMATION

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

I. CONSENT CALENDAR (Action)

It was M/S Gladstern/McFarland to approve the Consent Calendar as submitted.

AYES: Bartfeld, Bolger, Cooper, Given, Gladstern, McFarland, Shore, Webb
 NOES: None
 ABSTAIN: None
 ABSENT: Brenk, Piombo, Smith

There being no further business, Chair Bolger adjourned the meeting at 12:32 P.M.

Bernadette Bolger, Chair

Howard McFarland, Secretary

CONSENT CALENDAR
October 2013

RETURN OF CONTRIBUTIONS

Raquel Aragon (Term. Refund)	3,859.03	County of Marin
Brenda Baskerville-Graff (Split Acct. Payout)	29,874.18	County of Marin
Danaya Wilson (Term. Refund)	12,263.33	County of Marin
Susan Wilson (Post 30 Yr)	3,944.82	County of Marin
Bret Burger (Post 30 Yr)	2,139.04	Southern Marin Fire
Keith Phillips (Term. Refund)	16,797.07	Novato Fire
TOTAL	\$ 68,877.47	

BUYBACK

Nathan Clark	County of Marin
Al Macahilas	County of Marin
Supriya Menon	County of Marin
Marissa Wertheimer	County of Marin
Jason Wong	County of Marin

NEW RETIREES

William Nelson	DPW	County of Marin
John Paterson	DPW	County of Marin
Nancy Giovannini	H&HS	County of Marin
Nan Heflin	H&HS	County of Marin
Teresa Mahoney	H&HS	County of Marin
Michael Kirby	Sheriff	County of Marin
John Rader	Assessor-Recorder	County of Marin
Patrick Fahy		City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

William Dance	DPW	County of Marin
Eugene Kemble	DPW	County of Marin
Ina Freer	H&HS	County of Marin
Catherine Friedgood	H&HS	County of Marin
Donald Olson	Probation	County of Marin
Margaret Heynan	Beneficiary	County of Marin

CONFERENCES/SEMINARS

CRCEA Conference - Trustee Webb
CalAPRS Intermediate Staff Training - Staff Barre