

MINUTES

REGULAR BOARD MEETING MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

June 11, 2014 - 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.

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

ABSENT: Smith

Chair Bolger reported that Michael Smith has resigned from the Board as of July 1, 2014. Retirement Administrator Jeff Wickman stated that Trustee Smith expressed his appreciation and encouragement to fellow trustees for their continued good work. To complete the term that expires in October of 2015, a special election will be called within 80 days and held within 150 days of the vacancy.

Trustee Gladstern joined the meeting at 9:02 A.M.

MINUTES

It was M/S Brenk/Webb to approve the May 7, 2014 Regular Board Meeting Minutes as submitted.

AYES: Bartfeld, Bolger, Brenk, Given, Gladstern, McFarland, Piombo,
Shore, Webb

NOES: None

ABSTAIN: None

ABSENT: 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. BOARD OF RETIREMENT MATTERS

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

Administrator Wickman reported that the schedule for completing the initial evaluations of responses to the Investment Consultant Request for Proposal (RFP) has been extended to June 27 to allow evaluators time to complete their review. The current schedule has the Ad Hoc Investment Consultant Committee providing a recommendation to the Board at its August 13, 2014 meeting. Trustee Gladstern expressed appreciation to members of the committee for the considerable work involved.

Mr. Wickman announced the election this summer for the Third Miscellaneous position expiring October 31, 2014. If Trustee McFarland does not enter his nomination today, the deadline for nomination petitions will be extended by one week. The election will be held at the end of July for the new three-year term beginning November 1, 2014.

The Administrator reported on his attendance at the May SACRS conference that included a presentation by the head of the Pension Benefit Guaranty Corporation who discussed the global condition of defined benefit plans. Mr. Wickman discussed the session titled "Game of Thrones" where Dr. Ben Hunt talked about the importance of understanding individual investor patterns in order to shape how we invest through uncertain times.

Mr. Wickman also attended the Administrators' Roundtable where a proposal by SACRS to engage a public relations firm to put out information about the positive aspects of defined benefit plans was a topic of discussion. Mr. Wickman stated that there were various opinions on the proposal but most stressed the importance of providing education as opposed to conducting advocacy for defined benefit plans or in support or opposition of public initiatives. Mr. Wickman feels the Board of Retirement's role is to administer the plans adopted by the employers through labor negotiations with their employees and that advocacy in the public arena is beyond the role of the Board or MCERA.

Mr. Wickman stated that he had been asked by the SACRS Executive Director to participate in an Ad Hoc Committee that would discuss whether engaging a firm would be advantageous to SACRS and the County Systems. He indicated that he felt SACRS should first determine goals and strategies for such an effort before engagement of any outside firms. The trustees were invited by the Administrator to comment on his invitation to join the Ad Hoc committee.

Discussions included Trustee Shore's suggestion that an organization other than SACRS may be more appropriate to advocate for defined benefit plans. In response Trustees Brenk and Piombo supported Mr. Wickman's participation on the committee and encouraged an educational focus. Trustees Given and Bartfeld

stated that it is important for MCERA to be heard by having Mr. Wickman involved. Trustee Gladstern stated that the employers and labor organizations should be taking the lead and not SACRS. Chair Bolger recommended that Mr. Wickman review the SACRS charter to ensure this was an appropriate role for the organization.

Based on discussions, Chair Bolger concluded that there was consensus for Mr. Wickman to join the proposed SACRS committee.

The Administrator reported that all contribution rates have been distributed to employers. The June 30, 2013 Actuarial Valuation summaries for each sponsor group are now available on the MCERA web site.

The public pension plan investment management course at the University of California at Berkeley sponsored by SACRS was recommended by Mr. Wickman to the trustees.

MCERA staff achieved 100% participation in the biannual Marin County employee survey, Mr. Wickman reported. Survey ambassador Keith Bowden was commended by the Administrator for reaching that goal. With high involvement and a high action readiness score, Mr. Wickman stated that MCERA is a tier one organization that can identify a small number of key items to take on. After reviewing survey results together with staff, a small team will develop an action plan.

b. Staffing update

No report.

c. Facility Use Report

The Marin County Association of Retired Employees (MCARE) held a communications committee meeting and a Board meeting at the facility.

d. Future meetings

- June 12, 2014 Investment Committee
- July 9, 2014 Board

2. Trustee Comments

Trustee Gladstern reported on a legislative committee meeting at the SACRS conference where two measures sponsored by SACRS regarding conformity of the '37 Act with the Internal Revenue Code and Public Employee Pension Reform Act (PEPRA) were discussed.

Trustee Bartfeld provided a written report on the Pensions and Capital Stewardship conference he attended at Harvard Law School. The dialogue on long-range issues

was thought-provoking, he said, with major themes including the convergence of developing and developed countries as monetary policies improve. Other topics included using social conscience as an overlay on investments and the presumptive use of passive strategies unless otherwise indicated. Trustee Brenk expressed appreciation to Mr. Bartfeld for the report.

Chair Bolger directed deliberations to **Agenda Item D.**

D. NEW BUSINESS

1. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

E. INVESTMENT INFORMATION

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

PERIODIC REPORTS

1. Equities and Fixed Income

* X	Abbott Capital	-Private Equities Fund	
* X	Artisan Funds, Inc.	-International Equities Fund	
* X	The Clifton Group	-Futures Overlay Program	
* X	Colchester Global Investors	-Global Fixed Income	
* X	Columbus Circle Investors	-Small Cap Growth Equities	
* X	Dimensional Fund Advisors	-Small Cap Value Fund	
* X	Eaton Vance	-Emerging Markets	
* X	Morgan Stanley	-International Equities Fund	
* X	Pathway Capital	-Private Equities Fund	
* 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	-Intermediate Credit Fixed Income Portfolio	

2. Real Estate

* X	Woodmont Realty Advisors	-Direct ownership – Monthly report	
* X	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

F. OTHER INFORMATION

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

It was M/S Gladstern/Piombo to approve the Trustee Training Calendar as submitted.

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

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

G. CONSENT CALENDAR (Action)

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

Trustee Gladstern observed that County Departments were no longer reported. Assistant Retirement Administrator Michelle Hardesty explained when the new retirement application was implemented ‘department’ was left off the application because it is unnecessary for the calculation of the retirement benefit. Although MCERA does not typically need this data, she said, it will be included in future reports.

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

Chair Bolger recessed Open Session for a break, reconvening in Closed Session for deliberations on **Agenda Item C.1**. The Chair then recessed Closed Session and reconvened in Open Session.

C. LEGAL MATTERS

1. Conference with Legal Counsel – Pending Litigation (Gov. Code sec. 54956.9(a))
(CLOSED SESSION)
MAPE et al. v. MCERA, et al., First Dist. Court of Appeal Case No. A139610 (Div. 2)

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.

There being no further business, Chair Bolger adjourned the meeting at 10:48 A.M.

Bernadette Bolger, Chair

Howard McFarland, Secretary

CONSENT CALENDAR
May 2014

RETURN OF CONTRIBUTIONS

Marc Revere	Refund of Contributions Termination	\$	79,900.74
Kristopher Swift	Refund of Contributions Termination	\$	126,423.58
Meloni Page	Refund of Contributions Excess	\$	300.02

BUYBACK

Ronald Caselli	County of Marin
Lenora Dea	County of Marin
Kathleen Baca	County of Marin
Nancy Carpenter	County of Marin
Robert Lenke Jr	County of Marin
Shannon Griffin	County of Marin
Sean Stephens	County of Marin

NEW RETIREES

Marcia Wareham	County of Marin
Susan Atkinson	County of Marin
Tim Thompson	County of Marin
Jessa Gabriel	County of Marin
Martin Marcus	County of Marin
Michael Vargas	County of Marin
Deborah Ravani	County of Marin
Homer Laird	County of Marin
Kathleen Baca	County of Marin
Sol Gold	City of San Rafael
John Curley	County of Marin
Michael Smith	County of Marin
Paul Crimmins	City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

John Burger	DPW	County of Marin
Dennis Neal	IST	County of Marin
Opalene Haggerty	Beneficiary	County of Marin
Richard Endy		City of San Rafael

CONFERENCES/SEMINARS

HARVARD LAW PENSION CONFERENCE
Trustee Bartfeld
SACRS
Trustees Brenk, Given, Gladstern, McFarland, Piombo, Webb
Staff Wickman, Hardesty, Heaphy, Dunning