

MINUTES

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

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

October 8, 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, Shore, Webb

ABSENT: Shaw (ex officio alternate)

MINUTES

It was M/S Gladstern/Brenk to approve the September 10, 2014 Regular Board Meeting Minutes as submitted.

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

NOES: None

ABSTAIN: None

ABSENT: None

It was M/S Webb/Shore to approve the September 11, 2014 Investment Committee Meeting Minutes as submitted.

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

NOES: None

ABSTAIN: None

ABSENT: None

A. OPEN TIME FOR PUBLIC EXPRESSION

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

Jody Timms, Co-Chair of the Invest Wisely Campaign for 350Marin, addressed the Board to request that MCERA join CalPERS in becoming a signatory of the Montreal Carbon Pledge.

Ms. Timms also discussed the September People’s Climate March rallies in Marin, New York and around the world.

Chair Bolger, noting that Trustee McFarland is leaving the Board at the expiration of his term, stated it has been a pleasure to serve with him and wished him well on behalf of the Board in the future. Mr. McFarland expressed his appreciation for the support he has received from the Board. Trustees Gladstern and Brenk commended Mr. McFarland’s diligence, willingness to consider all sides of issues, and lending of congeniality and respect to the Board. Retirement Administrator Jeff Wickman thanked Mr. McFarland for his dedication, compassion, and support.

B. MATTERS OF GENERAL INTEREST

1. Appointment of Alternate Retired Member Position on MCERA Board (Action)

Mr. Wickman explained that the alternate retired member position is vacant since Trustee Webb, who previously occupied the position, was elected as the retired member. In accordance with provisions of the ’37 Act, nominees have been solicited from qualified retiree organizations. As a result, the Marin County Association of Retired Employees submitted two nominees, Allen Haim and Michael Smith.

Chair Bolger believes a fair process would be to interview both of the nominees. Based on the discussion Chair Bolger appointed an ad hoc committee comprised of Trustee Shore as Chairperson and Trustees Bartfeld, Gladstern, and Piombo to interview the two nominees.

2. Investment Consultant Agreement (Action)

Consider and take possible action on investment consultant services agreement

Mr. Wickman presented the proposed investment consultant services agreement with Callan Associates for consideration. The agreement is the result of negotiations and includes the key protections for MCERA. The fee schedule includes annual adjustments as set forth in Callan’s response to the Request for Proposal.

Based on Trustee Bartfeld’s observation and subsequent discussion, language will be modified in the agreement regarding any potential cost associated with MCERA in the future deciding to invest in hedge funds.

It was M/S Given/Piombo to approve the Investment Consultant Services Agreement subject to revisions proposed above.

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

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's update

Retirement Administrator Jeff Wickman reminded trustees to let staff know if they plan to attend the November SACRS conference.

Mr. Wickman discussed the SACRS Ad Hoc Education Committee ("Committee") memo he distributed to the Board. The Committee has been focusing on ways that SACRS can improve access to educational information for all the member systems. Ms. Gladstern noted that other systems have expressed concerns about the direction of the ad hoc committee. In response to Chair Bolger's inquiry, the Administrator stated his role is to represent the direction provided by the Board that SACRS not become involved in advocacy but instead focus on education. Mr. Wickman indicated that a report will be presented to the SACRS membership at the November Conference. This will be an opportunity for systems to provide direct feedback to SACRS on the proposed direction of the Committee.

Mr. Wickman reported that two successful meetings have been held with employers on the implementation of GASB 67/68. The meetings have been jointly led by actuary Graham Schmidt, auditor Andrew Paulden and MCERA. A preliminary GASB 67/68 financial report as of June 30, 2014 will be presented by Mr. Schmidt and Mr. Paulden to the sponsors at the next meeting in October and a final version to the Board at its November 5 meeting.

Mr. Wickman recommends providing feedback to SACRS on their proposed legislation regarding a reorganization of the County Employees Retirement Law of 1937 (CERL). This is a comprehensive project, he explained, touching every section of the CERL. The Board directed Ms. Dunning and Mr. Wickman to work together on a draft response.

b. Staffing update

Salary banding for the Financial Officer position is complete and staff will initiate recruitment before the end of the year.

c. Facility Use Report

The Marin County Association of Retired Employees held two meetings at MCERA offices in the past month.

d. Future meetings

- October 14-15, 2014 Strategic Workshop
- October 23, 2014 Governance Committee
- November 5, 2014 Board

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

F. NEW BUSINESS

1. Fiduciary Liability Insurance Renewal
Update on annual renewal of fiduciary liability insurance

Mr. Wickman reported that renewal of fiduciary liability insurance will be considered at the November Board meeting in order to review the recommendations of MCERA's insurance broker.

Chair Bolger directed deliberations to **Agenda Item C.2.**

BOARD OF RETIREMENT MATTERS, continued

2. Trustee Comments
Trustee Gladstern highlighted key topics of discussion at the Council of Institutional Investors fall conference she attended. This included discussions of corporate governance for initial public offerings, a review of the work conducted by the Orange County Employees Retirement System to create a vehicle for investing jointly in private equity, and the use of bonds to finance public infrastructure. Ms. Gladstern suggested that the Board consider asking representatives from CERES to conduct a session on sustainable investment for the Spring 2015 Strategic Workshop.

Chair Bolger invited the trustees to express their interest in Board officer positions that will be voted on at the November Board meeting.

Chair Bolger recessed Open Session at 10:00 a.m. for a break and reconvened in Closed Session at 10:12 a.m. for deliberations on Agenda Items E and D. Mr. Wickman noted that the word "grant" should be "deny" for Agenda Item D.2.

Trustee Given was excused from the meeting from 10 a.m. to 11:25 a.m.

Chair Bolger recessed Closed Session and reconvened the meeting in Open Session at 11:26 a.m.

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., 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.

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)

1. Pamela Carter Service 5/24/12 Marin County Sheriff
 Consider and take possible action on Administrative Law Judge’s proposed findings of fact and recommended decision to grant application for service-connected disability retirement.

2. Michael Augustus Service 3/1/11 San Rafael Police Dept.
 Consider and take possible action on Administrative Law Judge’s proposed findings of fact and recommended decision to deny application for service-connected disability retirement

The Board approved and adopted the Administrative Law Judge’s Findings of Facts and Proposed Decision to grant service-connected disability retirement for Pamela Carter by a vote of 4-3. Trustee Piombo recused himself, disclosing a potential conflict due to a personal relationship with the applicant. Trustee Webb recused himself, disclosing a potential conflict due to having provided representational services to the applicant in the past. Motion was by Trustee Cooper, seconded by Trustee McFarland. Voting for the motion were Trustees Bartfeld, Cooper, McFarland, and Shore. Voting against the motion were Trustees Bolger, Brenk, and Gladstern. Trustee Given was absent.

The Board approved and adopted the Administrative Law Judge’s Findings of Facts and Proposed Decision to deny service-connected disability retirement for Michael Augustus by a vote of 7-1. Trustee Piombo recused himself, disclosing a potential conflict as he works in the same department as the applicant. Motion was by Trustee Gladstern and seconded by Trustee Brenk. Voting for the motion were Trustees Bartfeld, Bolger, Brenk, Gladstern, McFarland, Shore and Webb. Voting against the motion was Trustee Cooper. Trustee Given was absent.

NEW BUSINESS, continued

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
 - * X Abbott Capital -Private Equity Funds
 - * X Artisan Funds, Inc. -International Equities Fund
 - * 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 - Parametric -Emerging Markets
 - * X Morgan Stanley -International Equities Fund

- * X Parametric Clifton -Futures Overlay Program
- * X Pathway Capital -Private Equity Funds
- * 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
- AEW Capital Management -Core Real Estate Quarter
- 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 (Action)

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

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

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

I. CONSENT CALENDAR (Action)

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

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

There being no further business, Chair Bolger adjourned the meeting at 11:32 a.m.

Bernadette Bolger, Chair

Howard McFarland, Secretary

CONSENT CALENDAR
 September 2014

RETURN OF CONTRIBUTIONS

Mark Stoker	Refund of Contributions (Non Member DRO)	\$	30,996.25
Daniela DeVasques	Refund of Contributions (Rollover)	\$	4,352.94
Catherine Williams	Refund of Contributions	\$	4,613.45
Zuza Castaneda	Refund of Contributions (Term)	\$	1,480.79
Lou Ann Sweaney	Refund of Contributions (svc. Conversion)	\$	21,022.66
Roy Bateman	Refund of Contributions (Excess)	\$	3,362.32
Nicholas Pottorff	Refund of Contributions (Excess)	\$	16,009.11

BUYBACK

Susan Adams	County of Marin
James Irving	County of Marin
Steve Soderman	County of Marin
David Gross	County of Marin

NEW RETIREES

Nicholas Pottorff	Sheriff	County of Marin
Barry Heying	Sheriff	County of Marin
James Farley	Cultural and Visitor Services	County of Marin
Jeffrey Allen		Southern Marin Fire
James Krogman	Fire	County of Marin
Antonio Ret	HHS	County of Marin
Elizabeth Christen-Roberts		Courts
Marsha Leonard	Probation	County of Marin
Robert Cretti	HHS	County of Marin
Lucia Iglesias	HHS	County of Marin
Daniel Hess	DPW	County of Marin
Deborah Moehrke	Library	County of Marin

RESCINDED RETIREMENTS

DECEASED RETIREES

Rita Bullian	H & HS	County of Marin
Dorothy Hallett	Courts	County of Marin
Elizabeth Teague	Beneficiary	County of Marin
Dorothy Wolfe	Beneficiary	County of Marin
Peter Lake	Emergency Services	County of Marin
Richard Knuth		City of San Rafael

CONFERENCES/SEMINARS

CalAPRS Trustees' Roundtable - Trustee Gladstern
 CalAPRS Attorneys' Roundtable - Counsel Tomanoff
 CalAPRS Benefits Roundtable - Assistant Retirement Administrator Hardesty and Staff Griffiths
 CII Fall Conference - Trustee Gladstern