

**MINUTES**

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

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

**April 8, 2015 - 9 a.m.**

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**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, Haim (alternate retiree), Piombo, Shaw (ex officio alternate), Thomas, Webb  
ABSENT: Shore

**MINUTES**

It was M/S Given/Thomas to approve the March 11, 2015 Regular Board Meeting Minutes as submitted.

AYES: Bartfeld, Bolger, Brenk, Cooper, Given, Piombo, Thomas, Webb  
NOES: None  
ABSTAIN: None  
ABSENT: Shore

**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. MATTERS OF GENERAL INTEREST**

1. Contribution Rates re Southern Marin Fire District Safety Tier 3a (Action)  
Consider and take possible action to adopt actuary's recommended contribution rates for Southern Marin Fire District Safety Tier 3a, and to approve corresponding amendments to aggregate rates, for inclusion in Actuarial Valuation report, FY 2013/14

Retirement Administrator Jeff Wickman explained that contribution rates are being presented for Southern Marin Fire District Safety Tier 3a. Membership data for this new Tier was not properly reflected in the actuarial valuation because the configuration of

MCERA's database (CPAS) to capture the new benefit provisions was not complete at the time the valuation data was sent to Cheiron. As a result, even though the four new members in the Tier were being reported to MCERA, their demographic data was not provided to Cheiron.

MCERA's database has now been updated with the benefit provisions for the new Tier. Mr. Schmidt has calculated the resulting contribution rate that, upon approval, will be reflected in the updated Valuation.

Trustee Haim joined the meeting at 9:05 a.m.

Mr. Schmidt, actuary with Cheiron, reported that the new Tier 3a for Southern Marin Fire District (SMFD) results in a two basis-point decrease in the employer contribution for the Marin County and Special District valuation group. The lower overall rate is a result of the total Unfunded Actuarial Liability payment being amortized over a slightly larger payroll base. As a result, although the valuation group rate is lower, the employer normal cost rate for SMFD Safety Tier 2 increased, and the normal cost rate for SMFD Safety Tier 2A decreased, along with other corresponding adjustments, as detailed in the actuary's letter to MCERA and its accompanying charts. Resulting contributions changes are limited to the Southern Marin Fire District.

It was M/S Piombo/Brenk to adopt the actuary's recommended contribution rates for Southern Marin Fire District Safety Tier 3a, and to approve corresponding amendments to aggregate rates, for inclusion in Actuarial Valuation report for Fiscal Year 2013/14.

AYES: Bartfeld, Bolger, Brenk, Cooper, Given, Piombo, Thomas, Webb  
NOES: None  
ABSTAIN: None  
ABSENT: Shore

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

**E. NEW BUSINESS**

1. Disposition of Private Real Estate Industrial Properties – Airport Trade Center (San Bruno), Marina Bay (Richmond), Swift Avenue (South San Francisco) (Action)  
Selection of real estate broker for disposition of Industrial Properties

Ron Granville, CEO of Woodmont Realty Advisors, presented listing broker candidates for the disposition of the remaining three properties in the private real estate portfolio. Since these are all industrial properties Mr. Granville advised the Board that the marketing of the properties will allow them to be sold together or individually. The four potential brokers who submitted written proposals are: CBRE Group, Inc. (CBRE), Holliday Fenoglio Fowler (HFF), Cushman & Wakefield (CW) and DTZ. All presented capable teams with good knowledge of the market place and a history of industrial property sales, according to Mr. Granville. Mr. Granville reviewed fee structures for each listing broker candidate.

Woodmont recommends selecting CBRE as the listing broker because the firm specializes in industrial properties and maintains a strong local presence to assist clients with service needs. In addition they would be likely to have strong relationships with potential buyers, Mr. Granville said.

Trustee Brenk recommended that the Board hold off on selecting the broker until after it considered the factors associated with listing the properties for sale which would be discussed during deliberations on Agenda Item E.2.

Chair Bolger recessed Open Session and reconvened in Closed Session for deliberations on **Agenda Item E.2** at 9:27 a.m.

Chair Bolger recessed Closed Session for a break at 10:18 a.m., reconvening at 10:29 a.m. in Closed Session and directing deliberations to **Agenda Item D.1**.

Chair Bolger recessed Closed Session for a break at 11:40 a.m., reconvening in Closed Session at 11:48 a.m. to continue deliberations on **Agenda Item E.2**.

2. Conference with Real Property Negotiators (Gov. Code secs. 54956.8; 54956.81)  
**(CLOSED SESSION)**

Properties: Airport Trade Center (San Bruno), Marina Bay (Richmond), Swift Avenue (South San Francisco), Woodland Villas (Pleasanton)

Agency negotiators: Ron Granville and Scott Pritchett, Woodmont Real Estate Services

Under negotiation: Price and terms of payment for sale of properties

Chair Bolger reported that the Board voted 6-2 to accept Woodmont's recommendation to list Airport Trade, Marina Bay and Swift Avenue for sale and authorize the Retirement Administrator to negotiate and execute all necessary documents to affect the sale at a minimum acceptable price and terms. It was M/S Piombo/Webb. Voting in favor of the motion were Trustees Bolger, Brenk, Cooper, Piombo, Thomas and Webb. Voting against the motion were Trustees Given and Bartfeld. Trustee Cooper voted in place of the 2<sup>nd</sup> General Member position which is currently vacant.

**D. NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATION (TIME CERTAIN: 10:00 a.m.) (Closed Session) (Action)**

[Any non-Consent Calendar disability retirement application, whether pulled from the Disability Consent Agenda or originally agendized as a non-Consent agenda item, will be considered in Closed Session unless the applicant specifically waives confidentiality and requests that his or her application be considered in Open Session.]

1. Gary Hax                                          Service-connected                                          San Rafael Fire Dept.

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.

Chair Bolger reported that the Board approved and adopted the Administrative Law Judge's Proposed Findings and Facts and Proposed Decision for Gary Hax by a vote of 5-2. Trustee Cooper recused himself as he works for the San Rafael Fire Department. Trustee Shore was absent. Motion was by Trustee Piombo, seconded by Trustee Webb. Voting for the motion were Trustees Bolger, Brenk, Piombo, Thomas, and Webb. Voting against the motion were Trustees Bartfeld and Given.

Chair Bolger recessed Closed Session for a break and working lunch at 12:58 p.m., reconvening in Open Session at 1:07 p.m. and redirecting deliberations to **Agenda Item E.1**.

Trustee Cooper was excused from the meeting at 1 p.m.

**Agenda Item E.1** continued.

In summary, Mr. Granville noted that the Board's preference would be to hire CBRE if they would remove their incentive fee and limit total reimbursed cost to \$10,000. Responding to Trustee Brenk's inquiry, Mr. Granville clarified the CBRE proposal is 80 basis points on individual properties if there is more than one closing, and 70 basis points if sold together. Mr. Granville proposed asking CBRE to lower the proposed 80 basis points to 75 basis points for the individual sale option.

Chair Bolger inquired about any financial relationships between Woodmont and CBRE. In response Mr. Granville stated in the past there were lease deals, sales transactions and referral fees provided to Woodmont for introducing CBRE to clients but no current ongoing financial relationship. CBRE brokers have a co-listing agreement with DTZ for leasing services at the Airport Trade Center. The co-listing evolved recently from the original agreement with DTZ when one broker from DTZ was hired by CBRE. In response to Trustee Piombo's inquiry, Mr. Granville said Woodmont has no financial interest from CBRE as a result of its selection as the listing broker.

It was M/S Brenk/Thomas to hire CBRE as the listing broker for the Airport Trade Center (San Bruno), Marina Bay (Richmond), and Swift Avenue (South San Francisco) industrial properties, subject to elimination of the incentive fee and total reimbursed cost not to exceed \$10,000.

Chair Bolger asked about referral fees from the other broker candidates. In response Mr. Granville stated Woodmont has received referral fees in the past from DTZ. Chair Bolger asked counsel if there are any issues with receiving referral fees from the recommended candidate. Counsel Dunning stated that if the referral fees were from prior transactions and did not involve the sale of MCERA properties, then there would not appear to be a conflict arising from the referral fees with respect to this transaction.

Chair Bolger asked if there were any other financial arrangements between Woodmont and other brokers presented to the Board.

Mr. Granville reported he was on the Board of Directors of BT Commercial which was sold to broker Cassidy Turley. This relationship ended in 2012. Counsel Dunning asked if there were other financial interests with Cassidy Turley. Mr. Granville responded that

he disclosed on his Form 700 submitted to MCERA this year that a Note valued at \$3200 that was carried forward and paid off in December 2014. He did not disclose this to the Board when Cassidy Turley represented MCERA on the sale of 1190 Borregas in September 2014. The Chair indicated that this represents a separate issue that staff and Counsel will follow-up on for the Board.

Trustee Given inquired as to whether there were any issues with CBRE doing appraisals of these properties. Mr. Wickman apologized for not disclosing in today's proposal that he approved CBRE on Woodmont's recommendation to appraise the Industrial Properties. Ms. Dunning stated that the elimination of the listing broker's incentive fee goes a long way in eliminating any potential conflicts with respect to CBRE having appraised the property and now acting as listing broker. Chair Bolger observed that CBRE's knowledge of the property may be a positive for MCERA.

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

Chair Bolger directed the Administrator to discuss and possibly negotiate additional potential fee reductions with CBRE, such as reducing the proposed 80 basis points to 75 basis points when there are individual property sales.

Chair Bolger directed deliberations to the remaining action items on the Agenda, beginning with **Agenda Item E.3.**

3. Voting Instructions to MCERA Delegate to SACRS Business Meeting, May 15, 2015  
Election of SACRS Board of Directors (**Action**)

Chair Bolger recommended that the Board adopt the Nominating Committee's Slate for the SACRS Board of Directors for 2015 – 2016.

It was M/S Given/Thomas to adopt the SACRS Nominating Committee's recommended Slate for the SACRS Board of Directors for 2015 – 2016.

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

4. Future Meetings

No discussion on this agenda item.

**F. 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	Morgan Stanley	-International Equities Fund
* X	Parametric	-Emerging Markets
* X	Parametric	-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	-Core portfolio
* X	AEW Capital Management	-Value-Added portfolio
* X	RREEF	-Value-Added portfolio
* X	UBS	-Core portfolio
	Woodmont Realty Advisors	-Direct Ownership

Quarter

3. Other

**G. OTHER INFORMATION**

1. Trustee Training Calendar

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

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

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

**H. CONSENT CALENDAR (Action)**

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

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

CONSENT CALENDAR for  
MCERA MEETING, WEDNESDAY, APRIL 8, 2015

CONSENT CALENDAR  
March 2015

RETURN OF CONTRIBUTIONS

Maya Gladstern	Partial Refund of Contribution (conversion)	\$	14,320.70
Charles Cacciatore	Partial Refund of Contribution (30 year excess)	\$	838.86
Kathleen Anderson	Partial Refund of Contribution (30 year excess)	\$	1,518.18
Brittany Laino	Refund of Contributions (Full)	\$	641.53
Ana Castellon	Refund of Contributions (Full)	\$	5,251.79

BUYBACKS

Howard McFarland	County of Marin
Stacey Anderson	County of Marin
James Gilardi	County of Marin
Tucker Evans	County of Marin
Kathleen Paulsen	County of Marin
Christopher White	County of Marin
Claire Nilsen	County of Marin

NEW RETIREES

Richard Meux		Courts
Patricia Gurin	DA	County of Marin
Gordon Haberfelde	IST	County of Marin
Nola Eisenberg	H&HS	County of Marin
Marianne Graham		Courts
Sandra Jacobson	Probation	County of Marin
Donald Hixon	H&HS	County of Marin
Martha Gonzalez	H&HS	County of Marin
Alfred Rodoni	DPW	County of Marin
Sandra Nisja	Sheriff	County of Marin
Michael Dunn	Sheriff	County of Marin
Gary Burns		City of San Rafael
Michael Wright	DA	County of Marin
Yadira Vigil	H&HS	County of Marin

RESCINDED RETIREMENTS

DECEASED RETIREES

Delphina Houze	H&HS	County of Marin
Shirley Pennington	H&HS	County of Marin
Beverly Perrin	H&HS	County of Marin
Frances Emery	Library	County of Marin
John Forsdal	Sheriff	County of Marin
Frank Benaderet		City of San Rafael
William Harrington		City of San Rafael

CONFERENCES/SEMINARS

CalAPRS General Assembly  
 Administrator Wickman, Trustees Gladstern and Haim

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Trustee Piombo was excused from the meeting at 1:35 a.m.

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

**C. BOARD OF RETIREMENT MATTERS**

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

Mr. Wickman reported that he and Chair Bolger met with the League of Women Voters' Governance Committee at its meeting last Friday. They discussed the Board's roles and responsibilities for setting economic assumptions, investing trust fund dollars and making disability-related determinations.

Assistant Retirement Administrator Michelle Hardesty reported that MCERA received 43 retirement application for processing in April.

Staff is preparing for elections for the retiree and retiree alternate positions on the Retirement Board expiring October 31, 2015 and former Trustee Gladstern's position as 2<sup>nd</sup> General Member expiring October 31, 2016. Nomination petitions will be available at the end of May and ballots will be mailed at the end of June, to be returned at the end of July.

- b. Staffing update

The Financial Officer position closed. Mr. Wickman reported that the applications received did not meet the minimum qualifications established for the position. Mr. Wickman will consult with the Department of Human Resources to reassess the position and determine next steps.

- c. Facility Use Report

No facility use to report.

- d. Future meetings

- April 22, 2015           Governance Committee
- May 6, 2015             Board



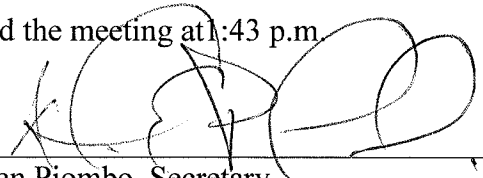
2. Trustee Comments

Consider and discuss agenda items for future meetings

No discussion on this agenda item.

There being no further business, Chair Bolger adjourned the meeting at 1:43 p.m.

  
Bernadette Bolger, Chair

  
Alan Piombo, Secretary