

## MINUTES

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

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

May 6, 2015 - 9 a.m.

---

<b><u>EVENT CALENDAR</u></b>	9 a.m.	Regular Board Meeting
<b><u>CALL TO ORDER</u></b>	Chair Bolger called the meeting to order at 9:00 a.m.	
<b><u>ROLL CALL</u></b>	PRESENT:	Bartfeld, Bolger, Given, Haim (alternate retiree), Piombo, Shaw (ex officio alternate), Shore, Webb
	ABSENT:	Brenk, Cooper (alternate safety), Thomas

#### **MINUTES**

It was M/S Webb/Piombo to approve the April 8, 2015 Regular Board Meeting Minutes as submitted.

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

It was M/S Webb/Shore to approve the March 12, 2015 Investment Committee Meeting Minutes as submitted.

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

It was M/S Webb/Given to approve the March 25-26, 2015 Strategic Workshop Minutes as submitted.

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

#### **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 noted that the spring SACRS conference will be held next week.

The Administrator reported that MCERA entered into a purchase sale agreement for Woodland Villas that is expected to close in early June

Mr. Wickman noted that May 1<sup>st</sup> is the property insurance renewal period for the directly held Woodmont portfolio. Insurance has been renewed excluding the two properties that were sold prior to May 1<sup>st</sup>. Woodland Villas will also be renewed because of the timing of the sale. He further noted that if properties are sold before the end of the renewal period MCERA will receive a refund of its premiums.

Mr. Wickman and Counsel Ashley Dunning are working on contracts with new real asset managers. Because MCERA has an existing Investment Management Agreement (IMA) with SSgA for the S&P 500 Fund investment the IMA was modified to include the new investment. Mr. Wickman is working on completing the account opening for Vanguard which should be completed within the next week. Most of the work is with BlackRock, where counsel will be working with BlackRock to customize their IMA to meet MCERA's needs. The plan is to fund all three real asset managers at the same time at the end of May in order to get consistent performance tracking for the new investment.

Mr. Wickman requested that trustees complete a survey he will send by email regarding the SACRS Trustee Handbook.

Based on discussions on moving international portfolios to separate accounts, the matter will be included on the agenda for the June 11 Investment Committee meeting.

b. Staffing update

Mr. Wickman met with representatives from the Marin County Department of Human Resources to discuss the recent recruitment of the Retirement Financial Officer position. The purpose of the discussion was to determine what modifications, if any, needed to be made to get qualified candidates for the position. The first open recruitment did not result in candidates that met the minimum position qualifications. As a result of these discussions three modifications will be made and the position will be re-posted for recruitment. The position title will be changed to Chief Financial Officer. The minimum qualification for financial and accounting

experience will be revised to allow for broader backgrounds and the salary band will be adjusted by 5% at the top and bottom of the band. The revised salary band will be presented to the Marin County Board of Supervisors in May for approval.

Mr. Wickman let the Board know that certain staff in the Benefits and Retirement Payroll teams would begin alternate work schedules on May 11<sup>th</sup>. Staff developed the proposal with the help of Assistant Retirement Administrator Michelle Hardesty.

c. Facility Use Report

The Marin County Parks Department Integrated Pest Management Program team held a meeting in the MCERA executive conference room.

d. Future meetings

- May 20, 2015            Finance and Risk Management Committee
- June 10, 2015        Board

2. Standing Committee Reports

a. Governance Committee

1. Governance Committee Charter Review

Consider and discuss responsibilities of the Committee

Mr. Wickman explained that Governance Committee Chair Bartfeld requested a review of the Committee's responsibilities and how it can be demonstrated that the Committee tracks and completes its work. This was a valuable exercise involving a review by staff of the processes in place, the Administrator said. Committee Chair Bartfeld added that if an oversight entity came in, we would be able to show how the Committee's responsibilities are accomplished.

2. Tracking Compliance with MCERA Bylaws

Consider and discuss tracking of date-specific items in Bylaws

The Committee reviewed their responsibilities under the Bylaws and the mechanisms used by staff to show compliance with the Bylaw requirements.

3. Existing Policies – Review and Consider Proposed Updates

Based on the action of the Governance Committee, Governance Committee Chair Bartfeld moved that the Board approve updates to policies as presented in Agenda Items B.2.a.3.a-f below.

Committee Chair Bartfeld observed that the updates to the Trustee and Staff Travel Expense Policy lend some flexibility to limits on overnight travel. Chair Bolger explained that exceptions for overnight stays within 50 miles of MCERA offices may be granted by the Board Chair upon discussion with the Retirement Administrator.

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

- a. Trustee and Staff Travel Expense Policy (Action)  
Consider and take possible action on Governance Committee's recommended updates to policy to clarify travel reimbursement parameters
- b. Conflict of Interest Code (Action)  
Consider and take possible action on Governance Committee's recommended clarifying updates to policy and conduct standard policy review
- c. Budget Policy and Adoption Process (Action)  
Consider and take possible action on Governance Committee's recommended updates to policy regarding timing of committee review
- d. Retirement Administrator Performance Evaluation Policy (Action)  
Consider and take possible action on Governance Committee's recommended updates to policy regarding timing of evaluations
- e. Disability Retirement and Survivor Benefits Applications Policy (Action)  
Consider and take possible action on Governance Committee's recommended updates to policy to clarify procedural steps
- f. Policy Regarding Adoption of Actuarial Economic Assumptions (Action)  
Consider and take possible action on Governance Committee's recommended updates to policy to input current adopted assumptions

4. Existing Policies – Standard Review without Proposed Updates

Based on the action of the Governance Committee, Governance Committee Chair Bartfeld moved that the Board accept the review of policies as listed in Agenda Items B.2.a.4.a-i below.

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

- a. Investment Policy Statement (Action)  
Conduct standard policy review
- b. Class Action Securities Litigation Policy (Action)  
Conduct standard policy review

- c. Placement Agent Payment Disclosure Policy (Action)  
Conduct standard policy review
- d. Senior Management Contingency Plan Policy (Action)  
Conduct standard policy review
- e. Corporate Governance Policy (Action)  
Conduct standard policy review
- f. Reciprocal Members' Final Compensation Determinations Policy (Action)  
Conduct standard policy review
- g. Accessibility of Records Policy (Action)  
Conduct standard policy review
- h. Investment Code of Conduct and Insider Trading Policy (Action)  
Conduct standard policy review
- i. Portable Electronic Device Policy (Action)  
Conduct standard policy review

3. Trustee Comments

The Chair appointed Trustee Haim to the Governance Committee to replace Trustee Gladstern, who has retired.

**C. NEW BUSINESS**

- 1. Educational Session on Board Policy – Ashley Dunning, Nossaman LLP  
Review MCERA's Investment Code of Conduct and Insider Trading Policy and related topics applicable to public retirement systems.

Counsel Ashley Dunning provided an overview of MCERA's Investment Code of Conduct and Insider Trading Policy and related topics, based on the outline she designed for a recent meeting of the National Association of Public Pension Attorneys (NAPPA). Ms. Dunning noted that insider trading policy provisions vary since some public pension plans manage investments in house as opposed to MCERA, where all investments are externally managed. Similarities across systems include the Security and Exchange Commission's (SEC) requirement to educate trustees on insider trading rules, arising from an SEC case resulting in penalties issued against a Plan whose traders had traded on insider information on behalf of their Plan.

Ms. Dunning discussed the degree to which MCERA staff and members of the Retirement Board are subject to insider trading rules. Every year Ms. Dunning prepares the Summary of Form 700 filings for review by the Finance and Risk Management Committee. This Summary gives a window into the potential need to identify and discuss potential conflicts and take action as required under the Board's policy.

Mr. Wickman reported that he and Ms. Dunning will be sharing a summary of the Placement Agent responses with the Finance and Risk Management Committee which will provide a further way to identify any issues that need to be addressed under the Board’s Conflict of Interest policy. Ms. Dunning explained that California law requires managers to indicate whether or not they use placement agents, and, if so, who they are and their background. These placement agents must register as lobbyists and report if they have provided gifts to trustees or staff. Furthermore, managers are obligated to disclose and follow the law with respect to compensation of placement agents. In response to Trustee Webb’s inquiry, Ms. Dunning stated that elected MCERA trustees are considered to be public officials.

Responding to Trustee Haim’s inquiry, Ms. Dunning reviewed the Examples of Insider Trading and Other Violations of Investment Code of Conduct, which are provided at the end of the Investment Code of Conduct and Insider Trading Policy.

**D. 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

	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	
* X	Woodmont Realty Advisors	-Direct Ownership	Quarter

3. Other

**E. OTHER INFORMATION**

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

**F. CONSENT CALENDAR (Action)**

Mr. Wickman acknowledged the considerable amount of work by the benefits team in completing April retirements, which are typically higher than normal.

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

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

CONSENT CALENDAR for  
 MCERA MEETING, WEDNESDAY, MAY 6, 2015

**CONSENT CALENDAR**  
 April 2015

**RETURN OF CONTRIBUTIONS**

Ratana Mahavuthivani	Partial Refund of Contributions (30 year excess)	\$ 89.12
Denise Martinez	Full Refund of Contributions (Termination)	\$ 143.20
Gino Rantissi	Partial Refund of Contributions (Age Adjustment)	\$ 224.36
Kathleen Carnahan	Partial Refund of Contributions (30 year excess)	\$ 226.16

**BUYBACKS**

Kathleen Paulsen	\$ 42,986.84
------------------	--------------

**NEW RETIREES**

Anna Seslar		City of San Rafael
Lori Coen		City of San Rafael
Michael Morgenlaender		City of San Rafael
Nader Mansourian		City of San Rafael
Richard Brown		City of San Rafael
Sarjit Dhaliwal		City of San Rafael
Steven Kadzielawa		City of San Rafael
William Voigt		City of San Rafael
Bie Dellosa	IST	County of Marin
Charles Cacciatore	DA	County of Marin
Christine Camilleri	IST	County of Marin
Christine Hand	DA	County of Marin
Christopher Deibel	Fire	County of Marin
Corazon Simsuangco	HHS	County of Marin
Donald Fisher	Sheriff	County of Marin
Elise Lenox	HHS	County of Marin
Eric Svenson	Assessor/Recorder	County of Marin
Fredi Bloom	Probation	County of Marin
James Rodgers	HHS	County of Marin
Jeannette Smith-Puig	Sheriff	County of Marin
Jeffrey Burrill	HHS	County of Marin
Josephina Cenicerros	Public Defender	County of Marin
Kenneth Jones	Sheriff	County of Marin
Larry Meredith	HHS	County of Marin
Lawrence Thompson	Fire	County of Marin

Lourdes Alvarez  
Margaret Harrell  
Mark Janofsky  
Martha Cushman  
Mary Santini  
Maya Gladstern  
Ratana Mahavuthivani  
Ronald Ravani  
Royal Atkinson  
Sandra Pelkey  
Teresa Gonzalez  
William Tiller  
Deborah Preston  
Mario Charifa  
Betty Box  
Sharon Anderson

HHS  
MCSO  
Environmental Health Svcs  
IST  
HHS  
IST  
HHS  
DA  
Sheriff  
DPW  
DPW  
Community Dev

County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
County of Marin  
Courts  
Courts  
Novato Fire  
DRO

**RESCINDED RETIREMENTS**

**DECEASED RETIREES**

Gloria Martini  
Joseph Gutstadt  
Patrick Wong  
Dorothy Brusatori

H & HS  
H & HS  
Probation  
Beneficiary

County of Marin  
County of Marin  
County of Marin  
City of San Rafael

**CONFERENCES/SEMINARS**

---

There being no further business, Chair Bolger adjourned the meeting at 10:00 a.m.

---

Bernadette Bolger, Chair

---

Alan Piombo, Secretary