

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's update

Retirement Administrator Jeff Wickman reported today is the deadline for the nomination petitions for the 2nd General Member Special Election and the Retired Member elections. If the incumbent does not file there will be an extension of time for Retired Member nominations.

Next week the Administrator will attend the CalAPRS Board meeting and Administrators Roundtable.

Mr. Wickman was asked to serve on an ad hoc committee that will review the effectiveness of the SACRS Berkeley Investment Management Program.

Staff is preparing to fund the real assets program, with an expected funding date of the week of June 29 – July 3rd. For the BlackRock U.S. Treasury Inflation-Protected (TIPS) fund, the contract will be completed after the Investment Committee determines whether to use the lending or non-lending vehicle at its meeting on June 11th.

b. Business Objectives for FY 2014/15 Quarterly Review

Mr. Wickman reviewed the status of business objectives for the current fiscal year. In Benefit Administration, implementing a workflow tracking system will be moved to an objective for the upcoming fiscal year. Additional customer contacts have been implemented for the retirement and medical benefits teams and feedback from members and retirees is positive. Under Performance Measurement staff are achieving and in most cases exceeding goals set. Under Human Resources objectives, the recruitment of the new Chief Financial Officer will carry over to the next fiscal year. Opportunities for staff have been expanded through training at CalAPRS roundtables. In addition, this year staff implementing the flexible work schedule is a recent accomplishment. Under Management of Investments final guidelines are in place for portfolio rebalancing that will go live on or about July 1. The Governance Committee completed the review of standing committee charters including the Investment Committee Charter. In Communication and Education there has been considerable progress toward a redesigned MCERA website but the final implementation will occur in the next fiscal year. The enhancement of retirement seminars by including outside providers will continue to the next fiscal year. The new Disability Handbook will be completed this fiscal year. Both Finance and Accounting goals, regarding developing a Comprehensive Annual Financial Report (CAFR) and a review of financial operations, are linked to the hiring of a Chief Financial Officer and will become objectives in the new fiscal year.

The Chair invited trustees to submit suggestions for business objectives for the next fiscal year.

c. Staffing update

For the Chief Financial Officer position, the Board of Supervisors approved a 5% adjustment in the bottom and top levels of the band. The Administrator is working with the Human Resources Department to repost the position at previous locations and additionally to SACRS.

d. Facility Use Report

MCARE held a meeting in the Retirement Board conference room.

e. Future meetings

- June 11, 2015 Investment Committee
- July 8, 2015 Board

2. Standing Committee Reports

a. Finance and Risk Management Committee

1. Administrative Budget FY 2015/16 (Action)

Consider take possible action on Finance and Risk Management Committee's recommendation to adopt administrative budget for the next fiscal year

Mr. Wickman reported that the Finance and Risk Management Committee (Committee) reviewed the proposed budget for the 2015/16 fiscal year. In the accompanying memo the Administrator presented goals on which the budget is based. He indicated that the intent was to propose a budget that was flat budget from the current fiscal year with changes only in salaries and benefits as a result of potential collective bargaining changes and adjustments up or down in certain expenditure categories based on current year trends. All other expenditure categories are fairly consistent, he said. The budget reflects the Committee's direction to budget the Retirement and Assistant Retirement Administrators at their next step on the salary scale with the new Chief Financial Officer position budgeted at Step 4. He noted that all other staff salaries are budgeted at the top step. The salary budget contains an anticipated 2% Cost of Living Adjustment (COLA) for employees. Benefits were budgeted at 66% of salary. If the result of collective bargaining produces different numbers staff will track expenditures through the first two quarters of the next fiscal year to see if any adjustment needs to be brought back to the Finance and Risk Management Committee. The resulting proposed administrative budget is approximately \$900,000 under the legislative cap of 21 basis points of the total accrued liability, which is consistent with the past three years.

It was M/S Given/Webb to adopt the proposed Administrative Budget for Fiscal Year 2015-2016 as submitted.

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

2. Educational Presentation on Plan Funding Analytics – Graham Schmidt, Cheiron
Introduction and discussion of risk dashboard concept

Mr. Wickman stated that actuarial valuations have included projections of the Plan's contribution rate over time. Actuary Graham Schmidt presented an education session to the Finance and Risk Management Committee that looked at other measures developed by Cheiron. The information from this presentation can be included in the future actuarial valuation presentations if the Board so wishes.

3. Administrative Budget FY 2014/15 Review
Consider and review budget for quarter ending March 31, 2015

The Committee reviewed the administrative budget for the current fiscal year as of March 31, 2015. Mr. Wickman highlighted areas of interest noting that expenses are running slightly under the budgeted amount at 71% through the third quarter. The Administrator reviewed expenses during the quarter including 1099R processing and mailing the April 1 retiree COLA letter and newsletter. There is a cost impact for medical transcription and reproduction costs due to increasingly complex disability retirements, Mr. Wickman said.

4. Non-budgeted Expenses
Consider and review non-budgeted expenses for the quarter

For non-budgeted expenses, retiree payroll is the largest category. The impact of the annual COLA will appear in the next quarter. Other expenses for the quarter include CPAS maintenance and support contracts, legal fees which are trending lower than in prior years, and investment fees. Chair Bolger, referencing CalPERS' move to reduce investment fees by trimming outside managers, expressed an interest in further reducing investment fees. Trustee Brenk recommended an ongoing analysis to assess the value of investment manager fees.

5. Quarterly Checklist
Consider, review and updates on the following:

- a. MCERA educational and event-related expenses

The Committee found educational and event-related expenses to be in order.

- b. Continuing Trustee Education Log

Trustees are keeping up with education requirements.

- c. Other expenses per Checklist guidelines

No discussion.

- d. Variances in the MCERA administrative budget in excess of 10%

See above.

- e. Reconciliation of MCERA administrative accounts

Progress reported at the Committee on this ongoing item.

- f. Vendor services provided to MCERA

No new services to report.

- g. MCERA staffing status

See discussion above on Chief Financial Officer.

- h. Internal controls, compliance activities and capital calls

There is an uptick in private equity capital calls. The Administrator discussed managing cash flows in response to Chair Bolger's inquiry. See Item k. below for discussion of Placement Agent disclosures.

- i. Audits, examinations, investigations or inquiries from governmental agencies

Nothing to report.

- j. Other items from the Retirement Administrator related to risk and finance

No discussion.

- k. Form 700 summary submittal

Mr. Wickman reported that the Committee looked at the annual Form 700 (Statement of Economic Interests) summary that highlights areas that may need attention. In addition a summary of placement agent disclosures by managers was reviewed. The Administrator advised he is looking for improvements in that process and communicating with managers on observations about the filings. Chair Bolger thanked the trustees and staff for the timely filing of their Forms 700.

6. Annual Audit of Financial Statements Update

Update on annual audit process

The agreement being in place, the annual financial audit will begin in July.

7. Key Service Providers Review

Annual administrative review of key service providers

The Administrator reported that key service providers including the investment managers, investment consultant, actuary, accountant and counsel are all in compliance and there are no issues on those contracts. Requests for Proposals (RFPs) are planned for the medical advisor and actuary.

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

C. DISABILITY CONSENT AGENDA ITEM 1 (TIME CERTAIN: 10:00 a.m.) (Action)

1. Sandra Jacobson Service-connected Marin County Probation

Adopt Administrative Recommendation to grant service-connected disability retirement application with an effective date of May 29, 2014.

The Board adopted the Administrative Recommendation to grant Sandra Jacobson's application for service-connected disability retirement. Motion was by Trustee Webb, seconded by Trustee Shore and approved by a vote of 8-0. Voting for the motion were Trustees Bartfeld, Bolger, Brenk, Cooper, Given, Shore, Thomas and Webb. Trustee Cooper voted for Trustee Piombo who was absent.

D. CONSIDERATION OF AND ACTION ON ITEMS PULLED FROM DISABILITY CONSENT AGENDA AND OTHER NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 10:00 a.m.) (Closed Session) (Action)

[Any non-Consent Agenda 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.]

None.

Chair Bolger directed deliberations to **Agenda Item B.3**, Trustee Comments.

3. Trustee Comments

Trustees Haim and Webb commented on the close vote for the President of SACRS from the recent Spring conference. Substantive issues were never openly debated, said Mr. Webb. Trustee Webb expressed his concern for SACRS and hopes that the organization would close any potential divides.

E. NEW BUSINESS

1. Spring MCERA Newsletter (Action)

Consider and take possible action to approve Spring newsletter copy

Mr. Wickman presented the newsletter copy for the Board's consideration.

It was M/S Webb/Thomas to approve the proposed newsletter copy as submitted.

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

2. Popular Annual Financial Report (PAFR)

Staff presentation of the draft June 30, 2014 PAFR

Mr. Wickman stated that the Popular Annual Financial Report (PAFR) published by MCERA for the past three years presents MCERA financial data in summary form. He introduced Communications Associate Syd Fowler to provide an overview of the PAFR.

Ms. Fowler noted the PAFR has been modified to include an actuarial highlight section, bringing it more in line with other '37 Act system PAFRs. The PAFR was well received by the trustees as a useful deliverable. The report is published on the MCERA website and sent to employers by Mr. Wickman.

3. Future Meetings

Consider and discuss agenda items for future meetings

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	
	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	Quarter
* X	AEW Capital Management	-Value-Added portfolio	
* X	RREEF	-Value-Added portfolio	
* X	UBS	-Core portfolio	Quarter
	Woodmont Realty Advisors	-Direct Ownership	Quarter

3. Other

G. OTHER INFORMATION

1. Trustee Training Calendar (Action)

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

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

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

H. CONSENT CALENDAR (Action)

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

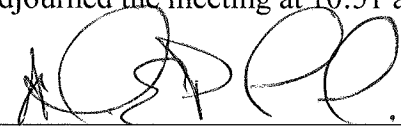
AYES: Bartfeld, Bolger, Brenk, Cooper, Given, Shore, Thomas, Webb
NOES: None
ABSTAIN: None
ABSENT: Piombo

Chair Bolger recessed the meeting for a break at 10:43 a.m., reconvening at 10:50 a.m.

There being no further business, Chair Bolger adjourned the meeting at 10:51 a.m.



Bernadette Bolger, Chair



Alan Piombo, Secretary

CONSENT CALENDAR for
MCERA MEETING, WEDNESDAY, JUNE 10, 2015

CONSENT CALENDAR
May 2015

RETURN OF CONTRIBUTIONS

Catherine McDonough	Full Refund of Contributions (Term)	\$	21,420.65
Kelly Malenius-Cardenas	Full Refund of Contributions (Term)	\$	47,031.23
Lori Jessell	Partial Refund of Contributions (Age Change)	\$	3,221.56
Stacy Carlsen	Partial Refund of Contributions (30 yr excess)	\$	4,038.86
Matthew Murphy	Partial Refund of Contributions (30 yr excess)	\$	239.24
Scott Licatovich	Partial Refund of Contributions (30 yr excess)	\$	157.95

BUYBACKS

Brian Burkhard		\$	401.10
David Goodwin		\$	5,096.22
Jim Poole		\$	1,660.18
William Vieira		\$	78.82
James Boggeri		\$	328.90
Shivika Dharamrup		\$	17,869.74
Audrey Zardkoohi		\$	16,375.97
Lorry Krone		\$	42,692.43
Eva Bennett		\$	12,118.61
Janice Hughes		\$	387.84
Kimberly Heilig		\$	3,989.09

NEW RETIREES

Connie Lazzaretto	DPW	County of Marin
Michael Dunn	Sheriffs	County of Marin
Janet Greenwood	HHS	County of Marin
Thomas Deely		County of Marin
Mary Alber		County of Marin
Lynn Coleman	County Clerk	County of Marin
Gerry Fasth	HHS	County of Marin
Lynn Olesen		City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

Giodano Alberigi	Sheriff	County of Marin
Barry Heying	Sheriff	County of Marin
Mario Armuzzi	Assessor-Recorder	County of Marin
Curtis Thor	Assessor-Recorder	County of Marin
Mark Davis	Public Defender	County of Marin
Richard Fischer	Beneficiary	County of Marin
Frederick Frazier	Probation	County of Marin
James Thompson	DPW	County of Marin
Mary Jarecki	H & HS	County of Marin
Mary Ellen McIntyre	H & HS	County of Marin
Linette Jackson	Courts	County of Marin
Susan Webb	Emergency Services	County of Marin
Audrey Ward	Beneficiary	San Rafael Redevelopment

CONFERENCES/SEMINARS

SACRS Spring Conference
Trustees Cooper, Haim, Shore, Webb; Counsel Dunning