

MINUTES
REGULAR BOARD MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

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

August 12, 2015 – 9:00 a.m.

EVENT CALENDAR 9 a.m. Regular Board Meeting

CALL TO ORDER Chair Bolger called the meeting to order at 9:10 a.m.

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

ABSENT: None

MINUTES

It was M/S Webb/Given to approve the June 10, 2015 Regular Board Meeting Minutes as submitted.

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

It was M/S Thomas/Brenk to approve the June 11, 2015 Investment Committee Meeting Minutes as submitted.

Trustee Haim spoke to the professionalism of the Investment Committee meeting minutes and the Chair noted the importance of documenting the proceedings of the Committee.

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

No public comment.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report (Oral)

a. Administrator's Update

Retirement Administrator Jeff Wickman reported on the recent Board elections. According to the Registrar of Voters, Laurie Murphy was elected as 2nd General Member for the vacant term ending October 31, 2016. As the sole nominees, Maya Gladstern and Allen Haim will take office November 1, 2015 as the Retired Member and Alternate Retired Member, respectively. The Canvass of Vote is scheduled to be considered by the Marin County Board of Supervisors on August 25, 2015. Mr. Wickman also reported that later this fall the Board of Supervisors will consider appointments for the vacant 5th member position and the 9th member term which expires at the end of this October.

Mr. Wickman reported that a Purchase Sale Agreement has been initiated with a potential buyer for the sale of MCERA's three industrial properties. The deal is subject to making it through final closing. An ad hoc committee has been formed by Chair Bolger comprised of herself and Trustees Given and Shore to discuss MCERA's remaining directly held property at One McInnis Parkway.

Real asset portfolios received initial funding at the beginning of July. The TIPs, Commodities, Natural Resources and REIT portfolios each received initial funding of \$25.5 million.

Two Public Records Act requests were received, one for retiree payroll and the other for investment information published in the Callan Associates quarterly investment report.

Last month Mr. Wickman participated in the CalAPRS Management Academy leading a tabletop exercise for the class of leaders and emerging leaders.

The preliminary fiscal year end return for June 30, 2015 is 4.54% net of fees (5.05% gross of fees). Mr. Wickman reported the final numbers should be available in October when the quarterly private equity valuations become available.

CPAS is holding a user group for its California pension system clients hosted by San Diego County Employees Retirement Association. Assistant Retirement Administrator Michelle Hardesty and Senior Accounting Assistant Cookie Shamrock will be attending the workshop on MCERA's behalf. Topics of interest include performance issues including connectivity of the system, accounting and reporting.

b. Staffing Update

Mr. Wickman stated that an interview will be scheduled with a qualified candidate who applied for the Chief Financial Officer position. Ms. Hardesty and Trustee Given will assist Mr. Wickman.

c. Facility Use Report

The Marin County Association of Retired Employees (MCARE) Board and the Marin County Parks Department Integrated Pest Management Program team held meetings in the Board conference room.

d. Future Meetings

- August 19, 2015 Finance and Risk Management Committee
- September 9, 2015 Board
- September 10, 2015 Investment Committee

2. Trustee Comments

Chair Bolger appointed Trustee Brenk as Chairperson of the Governance Committee and as a member of the Ad Hoc Education Committee.

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

E. NEW BUSINESS

1. Business Objectives for 2015/16 (Action)

Consider and take possible action on Retirement Administrator Business Objectives for August 1, 2015 – July 31, 2016.

Mr. Wickman presented draft Business Objectives for August 1, 2015 through July 31, 2016 (Objectives) for consideration by the Board. The Objectives are categorized into business functions and where appropriate are carried over from the prior year's objectives.

Benefit Administration

Implement workflow system to assign and track priorities. Assess feasibility of revising existing business workflows. This is carried over from the prior year and will be implemented using the CPAS software tool.

Implement confirmation communications for retirees' final retirement benefit calculation/first benefit payment, refund of contributions and purchase of service payments. We will look to CPAS as a tool for generating automated member communication. Beyond this goal will be to provide information electronically directly to members or through a self-service portal using the current benefit management system.

Performance Management

Complete 95% of new retiree payroll inceptions the month following the retirement.

Complete 80% of retirement benefit estimates within 30 days of receiving the request.

Calculate 75% of service purchases within 30 days of receiving the request.

Respond to written customer correspondence (emails and letters) within 5 days.

These performance goals are being retained to give them continued visibility based on their importance to MCERA's ability to provide quality customer service.

Human Resource Management

Complete the interview and hiring of a Chief Financial Officer.

Develop a multi-year business plan that identifies key business goals and objectives including strategies to achieve the directives. This is a staff-driven initiative to identify key business goals and objectives that need to be achieved over the next 3 to 5 years.

Provide additional cross training opportunities for staff. Through CalAPRS and SACRS educational opportunities, internal cross training and one-time project opportunities.

Business Management Including Investments

Develop a single proxy voting policy with clearly defined governance roles and responsibilities for the staff and Board.

Mr. Wickman stated that there are two separate policies that address proxy voting by MCERA's investments managers. This objective would create a single policy and establish specific action that would be reported to the Board.

Complete an Information Technology Risk Assessment Plan. Mr. Wickman stated this objective was identified as a priority from MCERA's annual financial audit.

Create an Employer Audit Plan. The Public Employees' Pension Reform Act (PEPRA) requires that MCERA establish a process to audit employers' compliance with their reporting standards, particularly in the area of reporting earnable compensation/pensionable compensation.

Issue a Request for Proposal for a company to conduct annual financial audits. MCERA has used the same financial auditor for a number of years. This objective would allow for the competitive review of services available for the annual financial audit.

Communications and Education

Launch redesigned MCERA web site.

Implement a new Disability Handbook, flow chart and application process.

Revise and publish the Retiree Handbook.

Develop Domestic Relations Order Handbook.

Domestic Relations Orders are one of the most time and labor intensive benefit processes. This objective would assist customers within understanding how MCERA benefits can be divided in a divorce and what processes their legal counsel should follow.

Finance and Accounting

Complete Comprehensive Annual Financial Report.

Conduct the analysis and develop the business case for the acquisition of a new financial accounting system.

Trustee Brenk and Chair Bolger expressed approval of the Business Objectives.

It was M/S Webb/Piombo to approve the Business Objectives for 2015/16 as submitted.

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

Chair Bolger directed deliberations to **Agenda Item C, the Disability Consent Agenda.**

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

1. Mark Farmer Service-connected M/S Mosquito & Vector Control District

Adopt Administrative Recommendation to grant service-connected disability retirement application with an effective date of November 6, 2014.

2. Sandra Jacobson Service-connected Marin County Probation

Adopt Administrative Recommendation to grant service-connected disability retirement effective date of August 19, 2012.

The Board adopted the Administrative Recommendation to grant Mark Farmer's service-connected disability retirement application with an effective date of November 6, 2014 by a vote of 8-0. Motion was by Trustee Piombo and seconded by Trustee Shore. Voting to approve the motion were Trustees Bolger, Brenk, Cooper, Given, Piombo, Shore, Thomas and Webb. Trustee Cooper voted for the vacant Second General Member position.

The Board adopted the Administrative Recommendation to grant an effective date of August 19, 2012 for Sandra Jacobson's service-connected disability retirement by a vote of 8-0. Motion was by Trustee Webb and seconded by Trustee Piombo. Voting to approve the motion were Trustees Bolger, Brenk, Cooper, Given, Piombo, Shore, Thomas and Webb. Trustee Cooper voted for the vacant Second General Member position.

Chair Bolger recessed Open Session for a break at 10:17 a.m. and reconvened the meeting in Closed Session at 10:27 a.m. for deliberations on **Agenda Items D.1, D.2 and E.2.** Mr. Wickman reported Ms. Johnson will be delayed 45 minutes and as a result the Board will consider Closed Session Agenda Item D.2 first.

Chair Bolger recessed Closed Session for a lunch break at noon, reconvening in Closed Session at 12:15 p.m.

The Chair recessed Closed Session at 12:42 p.m. and reconvened the meeting in Open Session at 12:44 p.m.

**D. NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS
CONSIDERATION OF AND ACTION ON ITEMS PULLED FROM DISABILITY
CONSENT AGENDA AND OTHER NON-CONSENT ITEMS
(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.]

1. Rosezetta Johnson Non-service-connected District Attorney's Office

Initial consideration of an application for non-service-connected disability retirement with an effective date of December 23, 2014 filed by a Miscellaneous member.

Chair Bolger reported that the Board denied Rosezetta Johnson's application for non-service connected disability retirement and provided the applicant with the opportunity to request an administrative hearing in accordance with MCERA policy. Motion was by Trustee Piombo and seconded by Trustee Shore. Voting 8-0 to approve the motion were Trustees Bolger, Brenk, Cooper, Given, Piombo, Shore, Thomas and Webb. Trustee Cooper voted for the vacant Second General Member position.

2. Timothy Miller Service-connected Marin County Sheriff

Initial consideration of an application for service-connected disability retirement with an effective date of June 30, 2014 filed by a Safety member.

Chair Bolger reported that the Board granted non-service disability retirement with an effective date of October 11, 2014 to Timothy Miller, denied his application for service-connected disability retirement, and provided the applicant with the opportunity to request an administrative hearing in accordance with MCERA policy. Motion was by Trustee Given and seconded by Trustee Shore. Voting 8-0 to approve the motion were Trustees Bolger, Brenk, Cooper, Given, Piombo, Shore, Thomas and Webb. Trustee Cooper voted for the vacant Second General Member position.

NEW BUSINESS continued.

2. Public Employee Performance Evaluation

Title: Retirement Administrator (**CLOSED SESSION** pursuant to Government Code section 54947)

Chair Bolger reported there was no reportable action on the public employee performance evaluation.

3. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

F. INVESTMENT INFORMATION

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

PERIODIC REPORTS

1. Equities and Fixed Income

<u>Manager</u>	<u>Portfolio</u>
* X Abbott Capital	Private Equity Funds
* X Artisan Funds	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

<u>Manager</u>	<u>Portfolio</u>
* 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

3. Other

G. OTHER INFORMATION

1. Trustee Training Calendar (Action)

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

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

2. Keeping in Touch

August Issue, Association of Retired Employees newsletter

H. CONSENT CALENDAR

1. Consent Calendar, July (Action)
2. Consent Calendar, June (Action)

It was M/S Given/Webb to approve the July 2015 and June 2015 Consent Calendars as submitted.

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

CONSENT CALENDAR for
MCERA MEETING, WEDNESDAY, AUGUST 12, 2015

CONSENT CALENDAR July 2015

RETURN OF CONTRIBUTIONS

Skitch Crosby	Full refund of contribution (termination)	\$	3,240.32
Douglas Pittman	Partial refund of contributions (30 year)	\$	1,537.09
Cynthia Churchfield	Partial refund of contributions (age adjust)	\$	13,173.24

BUYBACKS

Timothy Pratt	\$	9,822.83
Amanda Tomlin	\$	18,890.47
Supranee Mai	\$	1,574.26
Rebecca Smith	\$	26,109.71
Lindy Dittmer	\$	3,774.23
Michael Seybold	\$	316.21
Bjorn Anderson	\$	13,279.35
Ericka Filippetti	\$	5,213.51
Jill Poole	\$	575.23

NEW RETIREES

Michael Zurcher	Sheriff	County of Marin
Rebecca Jones-Torre	Public Defenders Office	County of Marin
Teresa Ramirez		Courts
Richard Langhals		Courts
Lawrence Lanes	H&HS	County of Marin
Angela Waring	Sheriff	County of Marin
Lourdes Bascara	H&HS	County of Marin
Geraldine Haram		Courts
Irene Delaney	H&HS	County of Marin
Cynthia Churchfield	Sheriff	County of Marin

RESCINDED RETIREMENTS

DECEASED RETIREES

Joy Heaton	Sheriff	County of Marin
Mark Kostielney	H&HS	County of Marin
Shirley Craddock	Beneficiary	County of Marin

Varena Helbing
Dorothy Hertler
Vivian Luce
Howard Ours

Beneficiary
Beneficiary
Beneficiary

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

CONFERENCES/SEMINARS

CalAPRS Management Academy - Administrator Wickman
Callan Introduction to Investments - Trustee Thomas

CONSENT CALENDAR for
MCERA MEETING, WEDNESDAY, JULY 8, 2015 - cancelled
FOR CONSIDERATION AT THE AUGUST 12, 2015 BOARD MEETING

CONSENT CALENDAR
June 2015

RETURN OF CONTRIBUTIONS

Pattie Paris	Full Refund of Contributions (Rollover)	\$	60,718.84
Tana Inskip	Full Refund of Contributions (Rollover-Term)	\$	1,705.20
Jesus Ordaz	Full Refund of Contributions (Term)	\$	15,228.01
Timothy Charlberg	Partial Refund of Contributions (30 year)	\$	14.27
Michael Ridgway	Partial Refund of Contributions (30 year)	\$	803.55

BUYBACKS

Janice Hughes		\$	387.84
Kimberly Hellig		\$	3,989.09
Tamara Gonzalez		\$	7,616.70
Larry Trafford		\$	14,375.36
Anthony Lum		\$	6,292.07
Kevin Engler		\$	2,846.48
Cody Milner		\$	1,720.87
Jeannie Damazio		\$	5,688.95
Lawrence Brown		\$	4,825.09

NEW RETIREES

Denise Miney	HHS	County of Marin
Richard Saslow	IST	County of Marin
Francisco Andrade	Sheriff	County of Marin
Ulla-Britt Jonsson		City of San Rafael

RESCINDED RETIREMENTS

DECEASED RETIREES

June Woods	Courts	County of Marin
Warren Wright	Sheriff	County of Marin
Fredric Latty	Probation	County of Marin

Barbara Zunino
Sharon Knuth

Beneficiary
Beneficiary

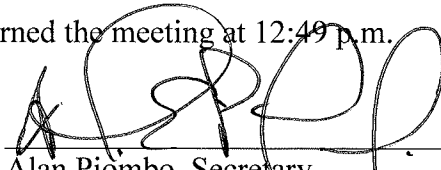
County of Marin
City of San Rafael

CONFERENCES/SEMINARS

CalAPRS Board Meeting - Administrator Wickman
CalAPRS Attorney's Roundtable - Counsel Dunning
CalAPRS Communications Roundtable - Staff Fowler

There being no further business, Chair Bolger adjourned the meeting at 12:49 p.m.


Bernadette Bolger, Chair


Alan Piombo, Secretary