

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

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

January 11, 2017 – 9:00 a.m.

The Board of Retirement for the Marin County Employees' Retirement Association encourages a respectful presentation of public views to the Board. The Board, staff and public are expected to be polite and courteous, and refrain from questioning the character or motives of others. Please help create an atmosphere of respect during Board meetings. If members of the public wish to speak on any agenda items, please alert the Retirement Administrator to that request prior to the matter being called.

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: Bolger, Cooper, Gladstern, Jones (alternate retired), Murphy, Piombo (alternate safety), Shaw (ex officio alternate), Stevens, Thomas

ABSENT: Given, Shore

MINUTES

It was M/S Gladstern/Thomas to approve the December 14, 2016 Board Meeting Minutes as submitted.

AYES: Bolger, Cooper, Gladstern, Murphy, Stevens, Thomas

NOES: None

ABSTAIN: None

ABSENT: Given, Shaw, Shore

It was M/S Stevens/Gladstern to approve the December 15, 2016 Investment Committee Meeting Minutes as submitted.

AYES: Bolger, Cooper, Gladstern, Murphy, Stevens, Thomas

NOES: None

ABSTAIN: None

ABSENT: Given, Shaw, 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.

Open time for public expression, from three to five minutes per speaker, on items not on the Board Agenda. While members of the public are welcome to address the Board during this time on matters within the Board's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Board concerning a non-agenda item. Members of the Board may (1) briefly respond to statements made or questions posed by persons addressing the Board, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

No public comment.

B. MATTERS OF GENERAL INTEREST

1. Projections of Cost Changes to Tiers as PEPRA Membership Grows

Educational presentation by the actuary

Mr. Wickman introduced actuary Graham Schmidt of Cheiron. Mr. Schmidt presented information regarding Projections of Cost Changes as PEPRA Membership Grows. The presentation was originally scheduled for the October 2016 Strategic Workshop. Mr. Schmidt explained the process of examining how PEPRA membership impacts the Plan costs and overall populations now and as projected into the future. The analysis begins by calculating the differences in the Normal cost rate for PEPRA members versus the population they are replacing.

Trustee Shaw joined the meeting at 9:03 a.m.

Mr. Schmidt reviewed the differences in the total Normal Cost, average member rate and employer Normal Cost for legacy and PEPRA members. For PEPRA members rates are generally lower because the benefit is lower. For example, as of July 1, 2016 the total Normal cost rate for Marin County Miscellaneous Classic members is 19.61% as compared with 17.62% for PEPRA members. The Employer Normal Cost for these two groups is 1.82% lower for the PEPRA members. Mr. Schmidt stated the lower average cost for PEPRA members means that the average Normal cost will decline slowly over time. Mr. Schmidt attributed the fact that County employees' average member rates were slightly more than half the Normal Cost where the result of labor negotiations that provided for additional employee contributions to pay for enhanced member benefits. He noted that the largest differences in legacy versus PEPRA average member rates are for Safety members in the City of San Rafael and Southern Marin Fire District. As a result these entities have a larger decline in the employer contribution rate.

In response to Trustee Cooper's inquiry on other factors affecting Normal Cost for PEPRA members, Mr. Schmidt explained that retirement benefit calculation of 3 years of average final pay remains the same. Mr. Wickman added that PEPRA did not prescribe the Cost of Living Adjustment (COLA) and therefore some employers have a 4% COLA for their PEPRA members.

The projection of levels of non-PEPRA and PEPRA members for MCERA as a whole shows PEPRA membership increasing from 17% in 2015 to about one-half in the next five years. All projections assume a level active workforce. As of June 30, 2016 the actual PEPRA membership was close to the projected 23%. Mr. Schmidt discussed similar statistics for each employer valuation groups.

In conclusion Mr. Schmidt observed that the Experience Study to be completed in 2017 may affect these projections. He further stated that the Normal Cost for smaller employer groups will stabilize as PEPRA membership expands over time. Responding to Trustee Piombo's inquiry, he explained that a 25 basis point reduction in the assumed rate of return would be expected to lead to a 4 to 5% increase in the Normal Cost.

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Retirement Administrator Jeff Wickman said Mr. Schmidt will present preliminary June 30, 2016 actuarial valuation results at the February Board meeting. The schedule is to approve the final valuation report in March.

Mr. Wickman reported that Marin County is beginning its budget process for fiscal year 2018-2019. The County is anticipating potential changes in the retirement contribution rates as a result of future changes in the economic assumptions that may come from this year's tri-annual Experience Study.

Mr. Wickman attended the Marin County Association of Retired Employees (MCARE) luncheon at San Rafael Joe's. Trustees Gladstern and Jones were also in attendance. Mr. Wickman discussed the overall financial position of the retirement plan and discussed ways that MCERA can assist with providing information to retirees about MCARE.

b. Staffing update

The Ad Hoc Chief Financial Officer (CFO) Committee will be meeting in January.

c. Facility Use Report

MCARE and a group from the San Rafael Police Department held meetings in the Board conference room since the last Board meeting.

d. Future Meetings

- January 18, 2017 Investment Committee
- February 8, 2017 Board

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

During December no educational events were attended by trustees or staff.

b. Other Comments

Mr. Wickman said the Board of Supervisors will interview three candidates for the vacant 4th Member position on January 24, 2017.

Chair Bolger recessed Open Session for a break at 9:45 a.m., reconvening in Closed Session at 9:50 a.m. for deliberations on **Agenda Item D, Legal Matters**, to be followed by **Agenda Item F, Non-Consent Disability Retirement Applications**.

Trustee Piombo was excused from the meeting at 10:55 a.m.

Chair Bolger recessed Closed Session and reconvened in Open Session at 11:00 a.m.

D. LEGAL MATTERS

1. Conference with Legal Counsel – Pending Litigation (Gov. Code sec. 54956.9(a))

(CLOSED SESSION)

MAPE et al. v. MCERA, et al., Cal. Supreme Court Case No. S237460

Trustee Gladstern recused herself from this item and did not attend the closed session meeting, as she is an officer with MAPE. Trustee Thomas 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 there was no reportable action on this agenda item.

F. CONSIDERATION OF AND ACTION ON 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.]

1. Linda Ferguson Service-connected Health & Human Services Department

Initial consideration of an application for service-connected disability retirement filed by a Miscellaneous member

Chair Bolger reported that the Board denied by a vote of 7 to 0 Linda Ferguson's application for service-connected disability retirement and provided Ms. Ferguson the ability to request an administrative hearing in accordance with MCERA procedures. Trustees Given and Shore were absent. Trustee Gladstern recused herself from this item and did not attend the closed session meeting, as she is acquainted with the applicant professionally and did not believe she could consider the application impartially. Motion was by Trustee Stevens and seconded by Trustee Murphy. Trustee Shaw voted for Trustee Given, and Trustee Piombo voted for Trustee

Gladstern. Voting for the motion were Trustees Bolger, Cooper, Murphy, Piombo, Shaw, Stevens and Thomas.

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

1. Mark Tracey Service-connected Southern Marin Fire District

Adopt Administrative Recommendation to grant service-connected disability retirement with an effective date of January 31, 2016

It was M/S Cooper/Stevens to adopt the Administrative Recommendation to grant service-connected disability retirement to Mark Tracey with an effective date of January 31, 2016.

- AYES: Bolger, Cooper, Gladstern, Murphy, Shaw, Stevens, Thomas
NOES: None
ABSTAIN: None
ABSENT: Given, Shore

G. NEW BUSINESS

1. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

H. OTHER INFORMATION

1. Training Calendar (Action)

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

- AYES: Bolger, Cooper, Gladstern, Murphy, Shaw, Stevens, Thomas
NOES: None
ABSTAIN: None
ABSENT: Given, Shore

2. Keeping in Touch

January Issue, Association of Retired Employees newsletter

I. CONSENT CALENDAR (Action)

It was M/S Gladstern/Murphy to approve the Consent Calendar as submitted.

- AYES: Bolger, Cooper, Gladstern, Murphy, Shaw, Stevens, Thomas
NOES: None
ABSTAIN: None
ABSENT: Given, Shore

CONSENT CALENDAR for
MCERA MEETING, WEDNESDAY, JANUARY 11, 2017

CONSENT CALENDAR
DECEMBER 2016

RETURN OF CONTRIBUTIONS

Maria Ottoman	Withdrawal of Contributions-Rollover	\$	3,243.78
John Bruckbauer	Withdrawal of Contributions	\$	11,013.00
Tiffany Hannan	Withdrawal of Contributions	\$	1,644.14
Anjurle Duchaussee	Withdrawal of Contributions	\$	78,956.25
Gregory Peters	Withdrawal of Contributions	\$	4,901.42
Nancy Carpenter	Return of Contributions-30 Yrs of Service	\$	1,681.97
Scott Anderson	Return of Contributions-30 Yrs of Service	\$	7,576.11
Tracy Mogel	Return of Contributions-30 Yrs of Service	\$	993.65

BUYBACKS

Michael Tompkins	\$	14,419.30
Nicholas Massucco	\$	13,819.25
John Kluge	\$	1,792.88
Summer Medina	\$	20,763.63
Becky Tuttle	\$	5,658.18
Leslie Fields	\$	4,567.45
David Hunn	\$	79,802.16

NEW RETIREES

Roy Bateman	Community Development	County of Marin
Glenn Davis	DPW	County of Marin
Keith Boyd	Sheriff	County of Marin
Lori Goldwyn	H&HS	County of Marin
Lynn Pfeifer	County Clerk	County of Marin
Christopher McGraw	Sheriff	County of Marin

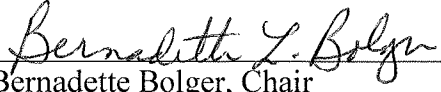
RESCINDED RETIREMENTS


DECEASED RETIREES

Gary Giacomini	Board of Supervisors	County of Marin
Ann Kenville	Probation	County of Marin
Jean Krysiak	Treasurer/Tax Collector	County of Marin
James Wong	DPW	County of Marin
Virginia Van Erp	Education	County of Marin
Philip Economon	Agriculture	County of Marin
Carolyn Pose	H&HS	County of Marin

CONFERENCES/SEMINARS

There being no further business, Chair Bolger adjourned the meeting at 11:05 a.m.


Bernadette Bolger, Chair


Roy Given, Secretary