

MINUTES
REGULAR BOARD MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)
One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA
August 9, 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 agendized 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, Given, Gladstern, Jones (alternate retired), Murphy, Piombo (alternate safety), Shaw (ex officio alternate), Shore, Silberstein, Stevens, Thomas

ABSENT: None

MINUTES

It was M/S Gladstern/Cooper to approve the July 12, 2017 Board Meeting Minutes as submitted.

AYES: Bolger, Cooper, Given, Gladstern, Murphy, Shore, Silberstein, Stevens, Thomas

NOES: None

ABSTAIN: None

ABSENT: None

It was M/S Stevens/Silberstein to approve the July 19, 2017 Investment Committee Meeting Minutes as submitted.

AYES: Bolger, Cooper, Given, Gladstern, Murphy, Shore, Silberstein, Stevens, Thomas

NOES: None

ABSTAIN: None

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.

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. Grand Jury Report (Action)

Consider, discuss, and take possible action regarding draft responses to report findings and recommendations.

Retirement Administrator Jeff Wickman presented proposed draft responses to three recommendations in the 2016-17 Marin County Civil Grand Jury (Grand Jury) Report titled "The Budget Squeeze: How Will Marin Fund Its Public Employee Pensions." The Administrator thanked the Grand Jury for its diligence in preparing a thorough report. Trustee Given echoed Mr. Wickman's sentiment, adding the report was inclusive and unbiased. Mr. Wickman noted this is the first time MCERA has been asked to respond to a Grand Jury report since 2011. The Board reviewed each Recommendation and corresponding draft response.

Recommendation #2 was adopted as presented. The Administrator explained that CalPERS calculates a termination liability for the contract agencies that are in PERS because they have the ability to exit the plan. Mr. Wickman discussed the recommendation with MCERA's actuary who noted that the Actuarial Standards Board is considering adding a "solvency test" calculation to the standards for conducting the annual actuarial valuation. This new calculation may have characteristics similar to the termination liability calculation. Mr. Wickman said that the Board would need to work with the actuary to determine the assumptions and approach for conducting any new calculations. He also noted that if a new calculation is going to be part of the standards for the annual actuarial valuation, it would be a worthwhile exercise to begin looking at this as soon as information is available.

Recommendation #5 was adopted with one modification. A clarification was added to the response to indicate that MCERA had implemented the recommendation. MCERA cannot speak for CalPERS or CalSTRS.

Recommendation #8 was adopted with one modification. A clarification was added that the recommendation will not be implemented by MCERA because it is beyond MCERA's role to establish benefits for the employer plan sponsors.

It was M/S Cooper/Given to adopt the Responses to the 2016-17 Civil Grand Jury Report as amended per discussion for Recommendations 5 and 8.

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

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman reported there will be three upcoming vacancies on the Board. Trustee Shore is leaving the Board after the September Board meeting. Trustee Stevens' term is expiring on October 31st. Chair Bolger said she is resigning from the Retirement Board as of October 31, 2017, having served for 9 years.

The actuary is working on the tri-annual experience study. The preliminary results will be presented at the September Board meeting and the final study with recommendations at the October Strategic Workshop.

The Administrator reminded trustees to let the Clerk know whether to hold a room for the Fall SACRS conference in Burlingame.

Mr. Wickman recommended cancelling the October 4th Investment Committee meeting and rolling the items from that meeting into the October Strategic Workshop agenda which would be run by the Chair of the Investment Committee. There was general agreement to merge the agendas of the two meetings and cancel the October 4, 2017 Investment Committee meeting.

Assistant Retirement Administrator Michelle Hardesty met yesterday with representatives from the Merced County Employees Retirement Association to review and discuss CPAS functionality. Ms. Hardesty conducted a demonstration of CPAS and explained how domestic relations orders are processed.

b. Staffing update

The recruitment of two Retirement Benefit Technicians is complete with the hiring of Linda Martinez and current MCERA Accounting Assistant Anne Battaglia. MCERA will simultaneously recruit for an Accounting Assistant and Senior Accounting Assistant position. The process to open a recruitment for an Accounting Unit Manager is also underway.

c. Facility Use Report

No facility use during the period.

- d. Future Meetings
 - August 23, 2017 Finance and Risk Management Committee
 - September 13, 2017 Board

2. Ad Hoc Committee Reports

a. Ad Hoc One McInnis Committee

It appears MCERA will have space to lease in the building as of the new calendar year. With Woodmont's assistance we identified a broker to assist with the listing and leasing process. After discussion with the Ad Hoc Committee, we're entering into an agreement with that broker. The agreement has been reviewed and approved by the Board Chair, Retirement Administrator and MCERA's counsel. We'll continue to update the Ad Hoc Committee as the leasing process plays out.

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Jones said the Introduction to Investments course provided by Callan College was excellent.

Trustee Cooper reported the Wharton course on Investment Strategies and Portfolio Management he attended is a good program covering investment fundamentals. Topics included a review of every asset class and there was a considerable amount of math, such as calculating bond prices.

b. Other Comments

Trustee Shore, who is leaving the Board after its September meeting, thanked the Board, saying it was a good experience. Trustee Gladstern reported she attended a MCARE lunch and the retiree organization is developing new bylaws.

D. DISABILITY CONSENT AGENDA (TIME CERTAIN: 9:30 a.m.) (Action)

1. Bruce Morgan Service-connected Marin County Department of Public Works

Adopt Administrative Recommendation to grant service-connected disability retirement

It was M/S Cooper/Murphy to adopt the Administrative Recommendation to grant service-connected disability retirement to Bruce Morgan with an effective date of October 22, 2016.

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

Chair Bolger recessed Open Session at 9:43 a.m. for a break and reconvened the meeting in Closed Session at 9:48 a.m.

Chair Bolger recessed Closed Session and reconvened the meeting in Open Session at 10:28 a.m.

E. CONSIDERATION OF AND ACTION ON NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 9:30 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. Bret Burger Service-connected Southern Marin Fire District

Consider and take possible action on Administrative Law Judge's proposed findings of fact and recommended decision to grant service-connected disability retirement application.

2. Diana Smith Service-connected Marin County Probation Department

Consider and take possible action on Administrative Law Judge's proposed findings of fact and recommended decision to deny service-connected disability retirement application.

Chair Bolger reported that the Board adopted the Administrative Law Judge's proposed findings of fact and recommended decision to grant Bret Burger's service-connected disability retirement application by a vote of 9-0. Trustee Piombo voted in place of Trustee Cooper who is in the same service as the applicant. Motion was by Trustee Given and seconded by Trustee Piombo. Voting for the motion were Trustees Bolger, Given, Gladstern, Murphy, Piombo, Silberstein, Shore, Stevens and Thomas.

Chair Bolger reported that the Board adopted the Administrative Law Judge's proposed findings of fact and recommended decision to deny Diana Smith's service-connected disability retirement application by a vote of 9-0. Motion was by Trustee Gladstern and seconded by Trustee Murphy. Voting for the motion were Trustees Bolger, Cooper, Given, Gladstern, Murphy, Silberstein, Shore, Stevens and Thomas.

F. NEW BUSINESS

1. Popular Annual Financial Report (PAFR)
Staff presentation of the June 30, 2016 PAFR

Department Analyst Syd Fowler presented the Popular Annual Financial Report (PAFR) for the fiscal year ending June 30, 2016. Ms. Fowler said the PAFR pulls key information from MCERA's investment, financial and actuarial reports. There is now 10 years of data for the Plan's funding status and net financial position, or assets available to pay pension benefits. Trustee Given stated it is good we are progressing to providing 10 years of information and this was well done. In response to Trustee Shore's inquiry on the timing of the report, Ms. Fowler said the next PAFR will be published earlier in the year once the actuarial valuation and audited financial statements are completed and approved by the Board. Mr. Wickman offered to create a summary report with updated investment returns history as of June 30, 2017. Trustee Gladstern noted the information is not new to the

Board but it is a summary intended for use by the public. Trustee Given stated he believes the PAFR is an interim step and a Comprehensive Annual Financial Report (CAFR) will be useful by giving additional information that will coincide with the audited financial statements.

Chair Bolger directed deliberations to **Agenda Item F.3**, Future Meetings.

3. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

G. OTHER INFORMATION

1. Training Calendar (Action)

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

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

2. Keeping in Touch

August Issue, Association of Retired Employees newsletter

H. CONSENT CALENDAR (Action)

Mr. Wickman stated the Consent Calendar will be revised to reflect that new retiree Jan Rowden worked in the Marin County Assessor/Recorder's office.

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

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, AUGUST 9, 2017

JULY 2017

RETURN OF CONTRIBUTIONS		
Evelyn Gonzalez	Refund of Contributions (termination)	\$3,971.80
James Bidia	Refund of Contributions (termination)	\$3,529.88
Kelly Benitez	Refund of Contributions (termination)	\$19,042.09

Patricia Matthies	Refund of Contributions (termination)	\$2,281.56
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BUYBACKS

Mona Lam-Tran		\$746.07
Anna C. Jonsson		\$1,098.73
Christopher Taylor		\$851.45
Maria Teresa Cozzi		\$17,852.83
Emmanuel Menjivar		\$8,630.80
Deborah Haberman		\$19,035.52

NEW RETIREES

Eric Davis	City of San Rafael
Suzanne Lo	County of Marin - Library
Lillian Jang	County of Marin - Health & Human Services
Edwin Ramazzini	Courts
Roy Martin	County of Marin - Department of Public Works
Jan Rowden	County of Marin - Treasurer Tax Collector

DECEASED RETIREES

Connie Pedersen	City of San Rafael
Carol Herbert	County of Marin - Municipal Courts
Ann Leonovicz	City of San Rafael
Theresa Koschetz	County of Marin - Beneficiary
Trudi Coughlin	City of San Rafael
Rose Walsh	County of Marin - Health & Human Services
John Wilson	County of Marin - Information Services & Technology
Margaret Bettini	City of San Rafael
Margaret Grosch	County of Marin - Finance
Sally Piaszk	County of Marin - District Attorney
Hughie Vaughn	City of San Rafael

CONFERENCES/SEMINARS

Callan Introduction to Investments - Trustee Jones

Chair Bolger recessed Open Session at 10:41 a.m. and reconvened the meeting in Closed Session for deliberations on **Agenda Item F.2**, Public Employee Performance Evaluation, at 10:50 a.m.

NEW BUSINESS continued.

2. Public Employee Performance Evaluation

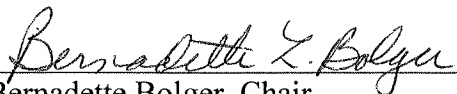
Title: Retirement Administrator (**CLOSED SESSION** pursuant to Government Code section 54957(b)(1))

There was no reportable action on this agenda item.


Chair Bolger recessed Closed Session and reconvened the meeting in Open Session at 12:06 p.m.

Trustee Given expressed condolences to the family of beloved employee Margaret Grosch who passed away last month.

There being no further business, Chair Bolger adjourned the meeting in memory of Ms. Grosch at 12:08 p.m.



Bernadette Bolger, Chair



Roy Given, Secretary