

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

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

November 8, 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 Gladstern called the meeting to order at 9:00 a.m.

ROLL CALL

PRESENT: Block, Cooper, Given, Gladstern, Jones (alternate retired), Klein, Murphy, Shaw
 (ex officio alternate), Silberstein, Werby

ABSENT: Piombo (alternate safety), Thomas

MINUTES

It was M/S Cooper/Silberstein to approve the October 11, 2017 Board Meeting Minutes as submitted.

Trustee Werby asked for clarification on Trustee Silberstein's review of the CII conference regarding initial public offerings in the referenced minutes. Trustee Silberstein explained that the speaker said one theory for why there are historically fewer initial public offerings is that businesses do not like regulations associated with taking a company public.

Trustee Shaw joined the meeting at 9:04 a.m.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: 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.

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. ELECTION OF BOARD OFFICERS (Action)

Election of Board Chairperson, Vice Chairperson and Secretary

Retirement Administrator Jeff Wickman said this is the annual process to decide officers for the coming year, which are: Chair, Vice-Chair and Secretary. The Administrator emphasized that staff works closely with the Board Chair as the elected representative for the entire Board. Since the former Chair left office, Vice Chair Gladstern is presenting the officer recommendations to the Board for consideration.

Vice Chair Gladstern stated that after conferring with the former Chair Bolger, she recommends the following slate of officers: Chair, Maya Gladstern; Vice Chair, Roy Given; Secretary, Laurie Murphy.

It was M/S Given/Block to elect the slate of officers as recommended above.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

As the new Chair, Trustee Gladstern reminded the Board that we follow Roberts Rules of Order. She asked that everyone wait for acknowledgment before speaking so she can ensure that everyone gets an opportunity to talk. She has asked the Retirement Administrator and Counsel to assist her in following the order for those wishing to speak. Next month committees will be assigned and she invited trustees to let her know their preferences. Ms. Gladstern welcomed the new trustees and introductions were made. Todd Werby is the Chief Executive Officer of a real estate investment and management company in San Francisco. Steve Block is retired from business and is currently managing his family investment portfolio while also volunteering his services to community organizations like the Canal Alliance and 10,000 Degrees. Sara Klein spent 15 years working for banks and broker dealers on fixed income and equity derivative products.

C. MATTERS OF GENERAL INTEREST

1. GASB 67/68 Report (Action) – Cheiron, Graham Schmidt

Consider and take possible action to adopt annual GASB 67/68 Report and Schedules

Mr. Wickman stated four years ago the Governmental Accounting Standards Board (GASB) issued two new statements, GASB 67 and GASB 68. GASB 67 is guidance for what pension systems put into their financial statements, and GASB 68 is directed to employers and their financial statements. MCERA's actuary produces both reports, and today the Board will be adopting the GASB 67 report that affects MCERA's financial statements. The Administrator distinguished the GASB 67/68 financial reports from MCERA's actuarial valuation. Mr. Wickman introduced Actuary Graham Schmidt of Cheiron to present the GASB 67/68 Report.

Mr. Schmidt discussed a summary of key results of the GASB 67 report. The Net Pension Liability (NPL), which is roughly equivalent to the Unfunded Actuarial Liability (UAL) in the annual valuation, dropped significantly from \$477.9 million to \$369 million. He explained that assets used to measure the NPL are measured as of June 30, 2017 but the Total Pension Liability (TPL) is a rolled forward calculation using the liability from the June 30, 2016 actuarial valuation. The UAL that will be calculated for the June 30, 2017 actuarial valuation will be different than the NPL because it will reflect demographic gains/losses which occurred during the year (i.e. differences from expected member behavior, pay increases, retiree COLAs, etc.) and assumption changes adopted by the Board. For example, the Board already reduced the discount rate from 7.25% to 7%, which will affect the UAL in the June 30, 2017 actuarial valuation, while the GASB 67/68 report is based on the 7.25% assumption in place as of June 30, 2017.

Mr. Schmidt explained changes in the calculation of the Pension Expense for employers. Before GASB 67/68 went into effect four years ago, Pension Expense equaled the Actuarially Required Contribution (ARC). Now, Pension Expense is a year-over-year balancing item for the employers, he said, adding deferred gains and losses to last year's Statement of Net Position. The result is the Pension Expense is very volatile, more so than the amount the employers are typically required by MCERA to contribute.

One of the reporting changes is the crossover test required by GASB because some plans were not adequately funding future benefits. Benefits for those currently in the Plan are projected and if projected contributions are sufficient to cover benefits, then the Plan can continue to use the assumed return on assets to discount its liabilities. MCERA passes this test and therefore is able to use its assumed rate of return on assets to measure the Total Pension Liability.

Mr. Schmidt reviewed changes from year to year in MCERA's Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability. The funding target, the set of assets needed to pay future benefits, or the Total Pension Liability, increased from approximately \$ 2.6 billion to \$2.7 billion. Increases were due to service cost and interest on the liability. Decreases to the Total Pension Liability were due to differences in demographic expectations and benefit payments.

The Plan Fiduciary Net Position, or market value of assets, increased from \$2.1 billion to \$2.3 billion. The biggest factor in the increase was due to investment income. Employee and employer contributions are added and benefit payments and administrative expenses are deducted from the Fiduciary Net Position. The difference between the Total Pension Liability and the Plan Fiduciary Net Position is the Net Pension Liability, which Mr. Schmidt noted was substantially reduced due to a very good investment year.

Trustee Silberstein observed that the idea that the Net Pension Liability is unfunded can be misleading since employee and employer contributions represent an ongoing expected income stream. Trustee Silberstein further noted that a key assumption on funding status is whether the employer can continue to make required payments. If the economy is doing well, he surmised, then there is less of a reason to expect a funding problem in the future. Mr. Schmidt concurred, noting that GASB tried to capture that concept by telling us to look at what employers have paid historically and base funding projections on that history.

In conclusion, Mr. Schmidt stated the remainder of the GASB 67/68 report addresses what goes on employer financial statements. Each employer reports a proportionate share of the collective Net Pension Liability, which is 56% for Marin County.

Responding to Trustee Block's inquiry on why the Board's decision in October of 2017 to reduce the assumed rate of return is not referenced in an additional note in this report, Mr. Schmidt explained the fiscal year end measurement date of June 30, 2017 is the standard for a GASB 67/68 report.

Trustee Klein inquired about the different amortization periods used by MCERA for funding the plan. In response, Mr. Schmidt said the Board adopted direct rate smoothing and layered amortization as part of its work in 2014 setting a funding policy. The result was to set one piece of the unfunded liability in time certain and have separate amortization schedules for subsequent changes in the unfunded liability from year to year. In summary, Mr. Schmidt explained that with current layered, closed amortization periods, the unfunded liability is paid off sooner than with the prior method. Responding to Trustee Werby's inquiry, Mr. Wickman said he would provide the new trustees with the material presented to the Board when it adopted direct rate smoothing and layered amortization.

It was M/S Given/Silberstein to adopt the annual GASB 67/68 Report and Schedules as of June 30, 2017.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

2. Annual Financial Audit for Fiscal Year Ending June 30, 2017 (Action) – Brown Armstrong, Andrew Paulden

Consider and take possible action to accept auditor's review of audited financial statements

Mr. Wickman introduced Andy Paulden, Partner with Brown Armstrong, to present the Annual Audit of Financial Statements for the fiscal year ending June 30, 2017. Mr. Paulden explained that the audit determines whether MCERA's financial statements fairly

represent Generally Accepted Accounting Principles (GAAP). Brown Armstrong has issued a clean opinion of MCERA's financial statements as of June 30, 2017. This is the highest opinion the auditor can issue and MCERA is to be congratulated on that, Mr. Paulden stated.

Discussing the audit process, Mr. Paulden stated one of the cornerstones of the audit is to ensure auditors are building on their knowledge of previous years by observing MCERA staff's day-to-day internal controls and procedures and any changes that have occurred. In reviewing draft financial statements, the auditors examine and confirm supporting evidence through outside entities such as the custodian, investment managers, legal counsel and plan sponsors to ensure records are accurately maintained. In addition, it is extremely important that the actuary receives accurate participant data, Mr. Paulden stated, because it drives the reporting of GASB 67 and 68.

Using a risk-based approach, Brown Armstrong identified investments as the significant audit area to dedicate the majority of the audit effort. The calculation and timing of employer and employee contributions to the Fund are also verified. As the largest single outflow, benefit payments are reviewed to ensure they are in accordance with Plan provisions, calculated accurately, and are going to correct individuals.

Referring to the GASB 67/68 Report, Mr. Paulden stated he agrees with the assessment that the Net Pension Liability is not taking future employee and employer contributions into account. It is inherent in the process, Mr. Paulden stated, that future employer contributions will be made. The point of the new standards was to move unfunded liabilities from the footnotes to the employers' financial statements and have the employers acknowledge their responsibility to make future contributions.

In conclusion, Mr. Paulden stated there are no issues in internal controls or compliance matters that could impact the financials. Mr. Paulden thanked Mr. Wickman and staff for their cooperation in providing the information needed by the auditor. Mr. Wickman in turn thanked Mr. Paulden and singled out Senior Accountant Lisa Jackson and Assistant Retirement Administrator Michelle Hardesty for their work in assisting with the audit.

Trustee Block proposed having the Finance and Risk Management Committee review the annual financial statements prior to them being presented to the Board for approval. In response, Mr. Wickman said this has been discussed in the past and there has always been a timing issue because of the need to move GASB 67/68 reports forward to the employers. Chair Gladstern also expressed concern about timing. Trustee Given indicated he reviews the financial statements and does not see any issues.

It was M/S Cooper/Given to accept the auditor's review and adopt the Audited Financial Statements for the Fiscal Year ending June 30, 2017.

Trustee Block requested that the auditor explain the process for confirming the net asset value (NAV) of all private equity investments. In response, Mr. Paulden stated the auditor confirms the value of a sample of private equity investments and, for new managers, asks for confirmation of the NAV. In addition, the auditor reviews the private equity financial

statements to ensure they are audited by national firms and received clean opinions. The auditor then uses a roll forward process on what has transpired as to new capital calls.

Trustee Block questioned whether the audit included a review of how private equity managers valued their secondary investments. Mr. Paulden indicated private equity fund valuations were reviewed as described but a specific review of only secondary valuations was not conducted. Mr. Wickman suggested that this is a question for the Investment Committee. First, there is a need to agree with the managers how they are valuing secondaries; then, talk with the investment consultant to find out if there is a material impact.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

Chair Gladstern directed deliberations to **Agenda Item F, Disability Consent Agenda.**

F. DISABILITY CONSENT AGENDA (TIME CERTAIN: 10:15 a.m.) (Action)

1. Kyle Hornstein Service-connected City of San Rafael Police Dept.

Adopt Administrative Recommendation to grant service-connected disability retirement.

It was M/S Cooper/Murphy to adopt the Administrative Recommendation to grant Kyle Hornstein's application for service-connected disability retirement.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

Chair Gladstern recessed Open Session for a break at 10:35 a.m., reconvening in Closed Session at 10:45 a.m. for consideration of **Agenda Items G, Non-Consent Agenda Disability Retirement Applications, and Agenda Item E, Legal Matters.**

Chair Gladstern recessed Closed Session and reconvened the meeting in Open Session at 12:19 p.m.

G. CONSIDERATION OF AND ACTION ON NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 10:15 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. David Clemmer Service-connected Marin County Public Works Dept.

Initial consideration of an application for service-connected disability retirement

Chair Gladstern reported a motion to grant David Clemmer's application for service-connected disability retirement failed on a vote of 4-5. Trustee Thomas was absent. Trustee Jones voted in place of Trustee Thomas. Motion was by Trustee Cooper and seconded by Trustee Jones. Voting for the motion were Trustees Cooper, Klein, Silberstein and Werby. Voting against the motion were Trustees Block, Given, Gladstern, Jones, and Murphy.

Chair Gladstern reported the Board denied David Clemmer's application for service-connected disability retirement by a vote of 8-1. Motion was by Trustee Murphy and seconded by Trustee Given. Trustee Thomas was absent. Trustee Jones voted in place of Trustee Thomas. Voting for the motion were Trustees Block, Given, Gladstern, Jones, Klein, Murphy, Silberstein, and Werby. Voting against the motion was Trustee Cooper.

E. LEGAL MATTERS

1. Conference with Legal Counsel – Pending Litigation (Gov. Code sec. 54956.9(d)(1)
(CLOSED SESSION)

Greene v. Office of Administrative Hearings, MCERA, Marin County Superior Court Case No. 1701907

Chair Gladstern reported there was no reportable action on this agenda item.

Chair Gladstern directed deliberations to **Agenda Item D, Board of Retirement Matters.**

D. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

- a. Administrator's Update

Mr. Wickman reported that as required in the Board's policy he and Counsel Dunning had met with Trustees Block, Klein and Werby to provide general orientation for their roles as members of the Board of Retirement.

Annual member benefit statements have been sent to the printer.

Mr. Wickman said the goal was to have the Annual Actuarial Valuation presented to the Board before the end of this calendar year. In discussing priorities with the actuary, he determined that the Experience Study the actuary is still finalizing would be presented at the December Board meeting, followed by the Valuation in January of 2018.

The Administrator reminded the trustees the fall SACRS conference begins Tuesday of next week in Burlingame.

Deliberations were directed to **Agenda Item D.1.c, Staffing Update.**

c. Staffing update

The posting for the Accounting Unit Manager position has closed and staff is evaluating applicants to determine interview candidates. Filling the Benefit Supervisor position is still in process.

d. Facility Use Report

No facility use during the period.

e. Future Meetings

- November 29, 2017 Investment Committee
- December 6, 2017 Finance and Risk Management Committee
- December 13, 2017 Board

Deliberations were directed to **Agenda Item D.1.b, Business Objectives.**

b. Business Objectives Quarterly Review

Mr. Wickman presented and reviewed a summary of progress on Business Objectives for August 2017 through July 2018. The Objectives are categorized according to business function.

Key Business Objective No. 1: Benefit Administration

Implement Online Reference Guide to include all procedures and training tools. Work on this goal is underway, the bulk of which will be accomplished this winter.

Implement additional reports in the upgraded CPAS version 5.8 including reports for members completing 30 years of service, members reaching age 70, monthly Consent Calendar reporting and reports in response to public records requests. The implementation of CPAS version 5.8 was scheduled for early September. After working through the new software in a mirrored test environment, the upgrade was delayed based on issues identified by MCERA team members. CPAS is working to fix these items and a new date will be established for the upgrade.

Realign Benefit Administration so all staff can provide comprehensive customer service. All incoming benefit-related work is being assigned to the tracking log which is worked by all members of the benefit team, including the team members at the front desk. Further process modifications are being made as the new processes are exercised by the team.

Key Business Objective No. 2: Performance Measurement

Complete 95% of new retiree payroll inceptions the month following the retirement. All retirements met the target date for payroll inception.

Complete 80% of retirement benefit estimates within 30 days of receiving the request; Complete 75% of service purchases within 30 days of receiving a request; Respond to written customer correspondence within 5 days. Performance has been impacted by the intersection of GASB reporting, financial statements, and annual member statements this time of year. In addition, events outside of our control including unanticipated turnover affected the workload. Fifty-two percent of 25 estimates met the target period for completion and 70% of 20 service purchases met the target for completion. Assistant Retirement Administrator Michelle Hardesty reported more staff are receiving training to do benefit estimates to move the work forward.

Key Business Objective No. 3: Human Resource Management

See staffing update above.

Key Business Objective No. 4: Business Management Including Investments

Present annual actuarial valuation to the Board before the end of the calendar year. As discussed above, the annual actuarial valuation may be delayed to January of 2018.

Review the proxy voting policy and redefine governance roles and responsibilities for the staff and Board. This goal is in process and there will be a further update on proxy voting from the Governance Committee

Conduct pilot employer audit. Staff is discussing which employer to use to test the Employer Audit Plan.

Issue request for proposal for medical advisor services. The Administrator has a request for proposal for a medical advisor in development.

Key Business Objective No. 5: Communication and Education

Implement Employer Handbook and dedicated Web Location for plan sponsors. A template for employer-focused instructional material for the MCERA website has been developed and is being reviewed. The development of the Employer Handbook will begin in 2018.

Key Business Objective No. 6: Finance and Accounting

Issue request for proposal for a new financial system for integration with CPAS. Now that the permanent vacancies have been filled in the Accounting/Finance team, work can begin again on developing business requirements for a new financial system.

Issue request for proposal for a company to conduct annual financial audits. The RFP for audit services will be issued in 2018. Trustee Block inquired about a policy on service providers. In response, Mr. Wickman said MCERA has a Key Service Provider

Performance Evaluation Policy. He will be proposing changes to the Governance Committee to make the policy more useable.

2. Standing Committee Reports

a. Governance Committee

1. Proxy Voting Reports

Proxy voting records of public equity managers for June 30, 2017

Governance Committee Chair Cooper reported the Governance Committee (Committee) reviewed proxy voting reports for the first half of 2017 in accordance with Proxy Voting and Corporate Governance Policy provisions. He said staff presented a good analysis of votes against management proposals and CEO pay for three managers. A list of proxy proposals potentially relating to CEO pay pointed to gray areas in defining CEO pay.

The Committee recommended that the Board consider directing the Retirement Administrator to craft a communication to MCERA's equity managers that would include the Proxy Voting and Corporate Governance Policy. The communication would ask the managers to identify where there is alignment with their proxy voting policies and where there are differences. The letter would also include key issues that MCERA is most concerned with, for example, composition of corporate boards and executive pay. Also, the communication would ask managers to compare votes cast during the first six months of 2017 with the recommendations of proxy voting services like Institutional Shareholder Services (ISS) and Glass-Lewis. Responses will be brought back to the Committee for review and further consideration.

Discussion was redirected to **Agenda Item C.2, Annual Financial Audit.**

Agenda Item C.2, Annual Financial Audit for Fiscal Year Ending June 30, 2017, continued

Mr. Wickman informed the Board that the auditor asked him if he wanted to put the revised investment assumption of 7.00% in the subsequent events section of the financial statements. The Administrator said he can see how there would have been value in this approach. His reasoning for not including the change was that it had no material impact on the annual financial statements.

Deliberations were directed to **Agenda Item D.2.a.2, Existing Policies – Standard Review with Proposed Updates.**

2. Existing Policies – Standard Review with Proposed Updates

a. Policy Regarding Adoption of Actuarial Economic Assumptions (Action)

Consider and take possible action on Governance Committee's recommendation to update economic assumptions.

Counsel Dunning explained that the reason MCERA has the Policy Regarding Adoption of Actuarial Economic Assumptions is because under federal tax law

qualification rules, it needs to be easy for anyone to see the Plan's basic assumptions. Trustee Werby asked whether there was discussion about the inflation rate. In response, Mr. Wickman said the actuary emphasized lowering the real rate of return. There was an alternative to reduce inflation by a quarter basis point, and the Board chose to reduce real return instead. The Administrator noted the 2.75% inflation assumption is still slightly higher than Callan's 10-year inflation projection but lower than most peers.

Trustee Jones was excused from the meeting at 12:51 p.m.

Committee Chair Cooper stated updates to the Policy Regarding Adoption of Actuarial Economic Assumptions align the policy with the Board's decision (on October 17 at the Strategic Workshop) to reduce the assumed rate of return from 7.25% to 7.00%.

Based on the action of the Governance Committee, Governance Committee Chair Cooper recommended that the Board adopt updates to the Policy Regarding Adoption of Actuarial Economic Assumptions as submitted.

AYES: Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Jones, Thomas

3. Existing Policies and Charters – Standard Review without Proposed Updates

Based on the action of the Governance Committee, Governance Committee Chair Cooper recommended that the Board accept the standard review of the policy and charters listed below, Agenda Items D.2.a.3.a-d.

AYES: Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Jones, Thomas

- a. Fiduciary Liability Insurance and Claims Reporting Policy (Action)
Conduct standard policy review
- b. Charter – Investment Committee (Action)
Conduct standard review
- c. Charter – Governance Committee (Action)
Conduct standard review
- d. Charter – Finance and Risk Management Committee (Action)
Conduct standard review

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Counsel Dunning offered her memo to the Administrator on the comprehensive roundtable discussion at the CalAPRS Attorneys' Roundtable to those interested. Mr. Wickman reported there is a legislative proposal to amend the definition of 'permanent disability' for peace officers. Ms. Dunning explained the proposal would broaden the context in which disability retirement could be granted to peace officers, who would have to establish they could not perform the usual duties of all peace officers regardless of the specific job the officer last held when applying for disability retirement. Staff will keep the Board informed on the status of the proposal.

Mr. Wickman reported Senior Retirement Benefits Technician Cookie Shamrock is working on her written report on the CalAPRS Benefits Roundtable she attended.

b. Other Comments

Trustee Cooper requested an emphasis on customer service due to complaints he has received recently regarding returning phone calls and delays in receiving direction on buying back time for military service.

H. OLD BUSINESS

1. Board Meeting Calendar for 2018 (Action)

Consider and take possible action to approve Calendar

Mr. Wickman stated the proposed Board Meeting Calendar for 2018 is the same as had been previously submitted and staff has confirmed there are no known conflicts.

Trustee Jones rejoined the meeting at 12:58 p.m.

It was M/S Werby/Silberstein to approve the Board Meeting Calendar for 2018 as submitted.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby

NOES: None

ABSTAIN: None

ABSENT: Thomas

I. NEW BUSINESS

1. Voting Instructions to MCERA Delegate re SACRS Business Meeting November 17, 2017 (Action)

a. SACRS Business Meeting Packet

Mr. Wickman discussed proposals for consideration at the SACRS business meeting on Friday, November 17, 2017. As delegate and alternate delegate, respectively, the Administrator and Maya Gladstern will represent MCERA and vote on its behalf during

the meeting. The proposals requiring a vote of the delegates are 2018 SACRS Sponsored Legislative Proposals and Proposed changes to the SACRS bylaws

2018 SACRS Sponsored Legislative Proposals

The first legislative proposal is a Ventura County Employees' Retirement Association (Ventura) initiative for SACRS to sponsor legislation to define surviving spouse as only a spouse who is legally married to the member and is neither divorced nor legally separated from the member. Mr. Wickman stated MCERA believes case law supports its current interpretation that the surviving spouse is entitled to a continuing benefit unless there is a divorce. Mr. Wickman said MCERA can administer the provision proposed by Ventura if it is changed by the Legislature.

Chair Gladstern indicated she does not like this proposal if it would apply to people who are currently legally separated. Discussion concerned whether MCERA should take a position on the proposal and what the fiscal impact would be. Trustee Block stated MCERA should vote the way we currently administer the law.

It was M/S Given/Block to direct MCERA's voting delegate to vote No on Ventura Proposal #1 regarding the definition of Surviving Spouse.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

Mr. Wickman explained the second legislative proposal, Ventura #2, would establish a specific timeframe to apply for disability retirement. At this point the SACRS Legislative Committee is not recommending that SACRS sponsor the legislation. Mr. Wickman recommends that the Board support the Committee's recommendation that the legislation should not be sponsored by SACRS.

It was M/S Jones/Given to direct MCERA's voting delegate to vote on the Ventura Proposal #2 as recommended by the Retirement Administrator above.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

The third legislative proposal is an initiative by the Tulare County Employees' Retirement Association to exclude Assistant Administrators and Chief Investment Officers from Civil Service. Mr. Wickman explained that Marin County is one of the '37 Act systems that already are governed by a statute classifying the Retirement and Assistant Retirement Administrators as 'at will' employees. The Administrator indicated he did not need direction on this proposal as he does not expect the legislation to be presented to the SACRS Board.

Proposed changes to the SACRS bylaws

Mr. Wickman presented a summary of proposed SACRS Bylaw amendments. The Administrator recommended that the Board approve the proposed changes to the SACRS Bylaws.

It was M/S Werby/Murphy to direct MCERA's voting delegate to vote for a motion that amends the SACRS Bylaws as proposed by the SACRS Legislative Committee.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

2. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

J. OTHER INFORMATION

1. Training Calendar (Action)

The Administrator highlighted new conferences and event attendees on the Training Calendar.

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

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

2. Keeping in Touch

November Issue, Association of Retired Employees newsletter

K. CONSENT CALENDAR (Action)

It was M/S Cooper/Silberstein to approve the Consent Calendar as submitted.

AYES: Block, Cooper, Given, Gladstern, Jones, Klein, Murphy, Silberstein, Werby
NOES: None
ABSTAIN: None
ABSENT: Thomas

CONSENT CALENDAR**MCERA BOARD MEETING, WEDNESDAY, NOVEMBER 8, 2017****October 2017**

RETURN OF CONTRIBUTIONS		
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Chris Winer	Refund of Contributions (termination)	\$ 28,120.72
Amanda Barnett	Refund of Contributions (termination)	\$ 7,329.04

BUYBACKS		
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Evelin Galicia		\$ 559.34
Nancy Quintanilla		\$ 798.19

NEW RETIREES		
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Jami Ellermann	County of Marin - H&HS
Scott Licatovich	County of Marin - Sheriff
Douglas Endy	County of Marin - Sheriff
Nita Lagleva-Gibson	County of Marin - H&HS
Dan Daniels	County of Marin - H&HS
Karen Muhly	County of Marin - Public Defender
Maxima Forslund	County of Marin - IST
Sharayn Forkel	County of Marin - H&HS
Marina Martinez	County of Marin - H&HS
Donna West	County of Marin - H&HS
Lonnie Morris	County of Marin - Probation
Joseph Kott	County of Marin - Community Development
William Le Noue	City of San Rafael

DECEASED RETIREES		
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Helen Derham	County of Marin - H&HS
Charicie Phillips	County of Marin - Beneficiary
Janice Rippe	County of Marin - Sheriff
Nora Harris	County of Marin - Library
Laura Luders	County of Marin - Beneficiary

CONFERENCES/SEMINARS		
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CalAPRS Attorneys' Roundtable - Counsel Dunning
CalAPRS Benefits Roundtable - Staff Shamrock

There being no further business, Chair Gladstern adjourned the meeting at 1:31 p.m.



Maya Gladstern, Chair



Laurie Murphy, Secretary