

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 members of the public provided comment.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman reported the benefits team processed 46 member retirements in March. This was a significant effort involving overtime and he thanked Assistant Retirement Administrator Michelle Hardesty and the benefits team, specifically Anne Battaglia, Anne Highfill and Linda Martinez, for getting the work done.

The Administrator advised the Board that Woodmont expects the property insurance premium for One McInnis Parkway to increase about 6% due to the recent wild fires in California.

Last month Mr. Wickman discussed two California Public Records Act requests staff has been working on. Yesterday, MCERA responded to one from American Transparency for the names and pensionable compensation of active members for 2018. The second request is from Transparent California (TP) for all benefit payments in 2018. Mr. Wickman stated that this year a new report was produced from CPAS and as a result additional auditing of the data was being undertaken before responding to the request. In particular, staff is looking at retirees who were close to or had more than 30 years of service credit when they retired. Mr. Wickman stated service credit totals for members who retired prior to the implementation of the new benefit system (CPAS) in 2011 are unaudited amounts. Because of the new report staff audited and updated service credit totals for individuals who had between 25 and 30+ years of service when they retired prior to 2011.

Mr. Wickman reported the completion of the investment agreement with TimesSquare Capital Management and the wiring of funds for the international small cap portfolio previously managed by Fidelity Institutional Asset Management. He expressed appreciation to Yuliya Oryol of Nossaman for working with TimesSquare on the Collective Investment Trust agreement and Side Letter.

b. Staffing update

MCERA is actively recruiting for the Accounting Assistant position held previously by Kiana Hawkins. A Business Systems Analyst position will be opened by the Marin County Human Resources Department soon. In addition, Disability Coordinator Jackie Bamford will be leaving MCERA at the end of May. There will be a recruitment for this Benefit Technician position to fill Jackie's position. Mr. Wickman will be talking

with the current Benefit Technicians to see if any would have an interest in the Disability Coordinator role while the recruitment is underway.

c. Facility Use Report

There was no facility use during the period.

d. Future Meetings

- May 22, 2019 Finance and Risk Management Committee
- June 12, 2019 Board

2. Standing Committee Report – Governance Committee

a. Proxy Voting

Proxy voting records of public equity managers for December 31, 2018

1. Proxy Voting Reports

Committee Chair Chris Cooper reported the Committee reviewed proxy voting reports for the second half of 2018 that managers provided in the requested summary format that includes recommendations of ISS and Glass Lewis. The summary reporting gives additional clarity in analyzing proxy voting. The Committee discussed three items:

- DFA proxy votes against a proposed report on gun violence, the frequency of CEO pay, and disclosure of political expenditures.
- The increased frequency that State Street Global Advisors (SSGA) is abstaining from voting on CEO pay packages.
- Parametric's voting no against a number of proposed Board of Director candidates. The Committee wondered whether these votes were the result of foreign corporations being family owned with proposed Board members having a conflict of interest.

Trustee Silberstein observed that SSGA generally votes against very few pay packages and ISS usually recommends voting against the pay packages. DFA generally follows ISS recommendations. Trustee Klein asked how an abstention is treated in the proxy vote count. Trustee Silberstein replied that one of the controversies is how abstentions are counted, which is not consistent, varies from issue to issue, and the Board of Directors decides.

Counsel Dunning advised from a fiduciary perspective, retirement board trustees are urged not to abstain when they have a reasonable basis upon which to cast a vote, even if they are relying on information provided by their co-fiduciaries on the Board.

Committee Chair Cooper said the Committee's strategy is to communicate with managers whose proxy voting does not align with MCERA's Corporate Governance Policy and/or ISS or Glass Lewis recommendations. The Committee directed the Retirement Administrator to follow up with these managers to gain additional understanding on the reasons for the votes. The Administrator will have further

conversations with Josh Russell of ISS on methods of managing specific proxy voting issues.

b. New Policies and Charters

1. Board Member Mid-Term Vacancies

Consider and discuss potential policy

The Committee discussed the potential for developing a policy on Board member mid-term vacancies. MCERA Bylaws address Board member vacancies. Mr. Wickman said with the recent departure of the alternate safety member from the Board, the Board could have run an election, but it made sense to run the election at the same time as the regular safety election this summer.

c. Existing Policies – 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 policies listed in Agenda Items B.2.c.1 – 3 below.

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

1. Policy Regarding Annual Affirmation as to Key Policies (Action)

Conduct standard policy review

2. Divestment Policy (Action)

Conduct standard policy review

3. Whistleblower Policy (Action)

Conduct standard policy review

3. Standing Committee Report – Audit Committee

a. Audit Committee Charter

Review and discuss charter provisions and committee processes

Committee Chair Gladstern reported the Audit Committee Charter was presented as a guide for the work of the committee. Trustee Block inquired about how ethics complaints would be addressed. Mr. Wickman and Ms. Dunning said MCERA's policy would have complaints directed to the Board Chair, full Board or Finance and Risk Management depending on the situation. Trustee Block inquired about weighing in on accounting issues if GASB is proposing new policies, for example. The Administrator said these are items he sees coming before the Audit Committee for discussion and potential recommendation to the Board.

b. Annual Financial Audit Process

Consider and discuss annual financial audit processes

Brown Armstrong has been engaged to conduct the June 30, 2018 financial audit at a \$1,400 (3%) increase from their prior year's financial audit fee. Trustee Block requested a change in who at Brown Armstrong leads the audit, and Mr. Wickman reported Mr. Paulden is planning to rotate partners and staff. Trustee Block's suggestion to review prior disclosures will be scheduled for the next Committee meeting.

c. Audit Committee Meeting Schedule (Action)

Consider and take possible action on Audit Committee's recommendation to set committee meeting schedule for 2019

Based on the action of the Audit Committee, Audit Committee Chair Gladstern recommended that the Board accept the schedule for further 2019 Audit Committee meetings on May 22, July 10, and September 11.

AYES: Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Thomas

NOES: None

ABSTAIN: None

ABSENT: Werby

d. Financial Auditor Request for Proposal (RFP)

Consider and discuss timeline and process for financial auditor RFP

The plan is to issue an RFP this June so an auditor will be ready to conduct next fiscal year's audit. A draft RFP is substantially complete and being reviewed by staff. Initial review of RFP responses will be conducted by staff and presented to the Committee for input review and scheduling of interviews. The RFP will be broadly distributed to companies through multiple sources including direct mailing.

4. Ad Hoc Committee Reports

a. Ad Hoc One McInnis Committee

Mr. Wickman reported the Ad Hoc One McInnis Committee has met a couple of times and is still waiting for a signed Letter of Intent from a tenant for space on the second floor. The demising plan and cost are completed, and the second floor may be separated into either two or four separate spaces. The Committee will meet again to consider whether to change MCERA's use of the first floor by moving into the back half so the front can be leased.

5. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Lisa Jackson and Kiana Hawkins attended the CalAPRS Accountants' Roundtable in San Jose. They reported on the experience of a number of CERL systems who have

recently issued RFP's for financial auditors. Discussions also included level of services the different systems were receiving from their custodian. Trustee Block requested a copy of the materials presented at the Roundtable as well as any material Accounting Unit Manager La Valda Marshall receives during her upcoming training at Brown Armstrong.

b. Other Comments

No discussion.

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

1. Corey Monge Service-connected Marin County Sheriff

Adopt Administrative Recommendation to grant service-connected disability retirement.

2. Bruce Baker Service-connected Marin County Sheriff

Adopt Administrative Recommendation to adopt Administrative Law Judge's proposed findings of fact and recommended decision to grant service-connected disability retirement.

It was M/S Given/Cooper to adopt the Administrative Recommendation to grant service-connected disability retirement to Corey Monge with an effective date of July 27, 2018.

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

It was M/S Cooper/Thomas to adopt the Administrative Recommendation to adopt the Administrative Law Judge's proposed findings of fact and recommended decision to grant service-connected disability retirement to Bruce Baker.

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

Chair Gladstern directed deliberations to **Agenda Item E, NEW BUSINESS.**

E. NEW BUSINESS

1. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

F. OTHER INFORMATION

1. Training Calendar

2. Keeping in Touch

May Issue, Association of Retired Employees newsletter

G. CONSENT CALENDAR (Action)

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

AYES: Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Thomas

NOES: None

ABSTAIN: None

ABSENT: Werby

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, May 1, 2019

April 2019

RETURN OF CONTRIBUTIONS		
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Virginia Dole	Full refund of Contributions (termination)	\$39,769.28
Caroline Kurema	Full refund of Contributions (termination)	\$2,189.29
Marc LaPlante	Partial refund of Contributions (age change)	\$43,694.46
Angela Machado	Full refund of Contributions (DRO)	\$21,259.50
Gail Papworth	Full refund of Contributions (termination)	\$49,263.21
Leslie Robertson	Full refund of Contributions (termination)	\$2,688.96

BUYBACKS	
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Serena Hubert	\$11,395.71
Dean Raffaini	\$123,799.55
Liliann Ramirez	\$6,554.32

NEW RETIREES	
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Ronald Agraviador	County of Marin - Health & Human Services
Timothy Ashdown	County of Marin - Assessor-Recorder-County Clerk
Christine Bassett	County of Marin - Health & Human Services
John Berg	County of Marin - Public Works
Yvette Blount	Southern Marin Fire
Eleanor Boldrick	County of Marin - Health & Human Services
Marcella Caramucci	County of Marin - Child Support Services
Christopher Donohue	City of San Rafael
Robert Geno	City of San Rafael
Andrea Gilles	City of San Rafael
Robert Ground	City of San Rafael
Renee Gunson	City of San Rafael

Keri Hamby	Novato Fire
Timotheus Hampton	County of Marin - Public Works
Susan Harrington	County of Marin - Community Development Agency
Daniel Hom	Novato Fire
David Hunn	County of Marin - Fire
Marco Innocenti	County of Marin - Sheriff/Coroner
Chris Knight	County of Marin - Community Development Agency
Michel Kwok	Marin County Superior Court
John Lacy	County of Marin - Health & Human Services
Holly Lang	County of Marin - Health & Human Services
Marc LaPlante	City of San Rafael
John Lippitt	City of San Rafael
Patricia Lis	County of Marin - Health & Human Services
Eric MacAusland	City of San Rafael
Jill Maier	County of Marin - Health & Human Services
Robert Mathis	County of Marin - Sheriff/Coroner
Cary Mattos	Marin County Superior Court
Geraldine Morena	County of Marin - Community Development Agency
Lorraine Nann	County of Marin - Retirement
Lylene Phillips	County of Marin - Sheriff/Coroner
Elizabeth Pope	County of Marin - Health & Human Services
Dean Raffaini	Southern Marin Fire
Mari-Ann Rivers	County of Marin - County Counsel
Jeffrey Rowan	City of San Rafael
Deborah Sharp-Duenas	County of Marin - Health & Human Services
Robert Shubin	Novato Fire
Linda Smith	County of Marin - Probation
Errol Soriano	County of Marin - Health & Human Services
Terry Symens-Bucher	County of Marin - District Attorney
Dale Utecht	County of Marin - Sheriff/Coroner
James Van Sickle	County of Marin - Health & Human Services
Samuel White	County of Marin - Sheriff/Coroner
Jon Wright	County of Marin - Public Works

DECEASED RETIREES

Dennis Ahlf	Southern Marin Fire
Lelah Berry	County of Marin (Beneficiary)
Betty Box	Novato Fire
Suzanne Coholan	County of Marin - Health & Human Services
Victor Gasser	City of San Rafael
Lottie Hall	County of Marin - Health & Human Services
Susan Hendricks	City of San Rafael (Beneficiary)
Martin Rohrs	City of San Rafael
Judith Nagy	County of Marin - Public Works
Fred Walton	County of Marin (Beneficiary)

CONFERENCES/SEMINARS

Pension Bridge Annual Conference - Trustee Silberstein
CalAPRS Accountants' Roundtable - Staff Jackson and Hawkins

Mr. Wickman thanked Disability Coordinator Jackie Bamford for her constant professionalism in nearly 11 years of service at MCERA. He commended Ms. Bamford for her balanced approach with applicants, attorneys and staff and said we will miss her.

Chair Gladstern recessed Open Session and reconvened the meeting in Closed Session for deliberations on **Agenda Item D.1, Conference with Legal Counsel** at 9:43 a.m.

D. LEGAL MATTERS

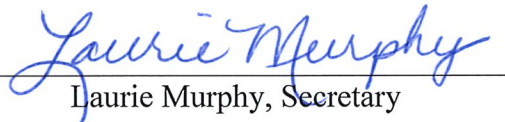
1. Conference with Legal Counsel – Existing Litigation (Gov. Code sec. 54956.9(d)(1))
(CLOSED SESSION)

Greene v. Office of Administrative Hearings, MCERA, Court of Appeal, First Appellate District, Case No. A153567

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

Chair Gladstern recessed Closed Session and reconvened the meeting in Open Session at 9:54 a.m. There being no further business, Chair Gladstern adjourned the meeting at 9:55 a.m.


Maya Gladstern, Chair


Laurie Murphy, Secretary