

**MINUTES**  
**REGULAR BOARD MEETING**  
**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)**  
**One McInnis Parkway, 1st Floor**  
**Retirement Board Chambers**  
**San Rafael, CA**  
**November 6, 2019 – 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 9:03 a.m.

**ROLL CALL**

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

ABSENT:    None

**MINUTES**

It was M/S Thomas/Silberstein to approve the October 9, 2019 Board Meeting Minutes with one technical correction.

AYES:        Block, Cooper, Given, Gladstern, Klein, Murphy, Silberstein, Thomas, Werby  
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 members of the public provided comment.

## **B. ELECTION OF BOARD OFFICERS (Action)**

### **1. Election of Board Chairperson, Vice Chairperson and Secretary (Action)**

Retirement Administrator Jeff Wickman provided a background memo on the Board officer election process and statements from the candidates for Board Chairperson. At the September and October Board meetings, trustees had the opportunity to express their interest in serving as officers of the Board. Chair Gladstern invited nominations for Board Chairperson.

It was M/S Silberstein/Block to nominate Steve Silberstein as Board Chairperson.

Trustee Given said he is uncertain about the process for conducting the election. The Administrator said the election would be conducted consistent with adoption of other action items on the Board's agenda. A motion to nominate a candidate for a Board officer position may be made and if it is seconded, a vote may be taken. There can be a substitute motion that if seconded would then be voted on first. Ms. Dunning said this is according to Robert's Rules of Order. Chair Gladstern asked if there is a substitute motion.

It was M/S Cooper/Murphy to make a substitute motion to nominate Roy Given as Board Chairperson.

Mr. Wickman explained that after discussion the procedure is to vote on the substitute motion first. If that motion fails, then a vote is taken on the initial motion. He and Counsel Dunning explained why each candidacy is voted on separately in response to Trustee Block's inquiry. Trustee Klein requested that the nominees for Chairperson discuss their candidacy. Trustee Silberstein stated he has been on the Board for three years and was just appointed to another three-year term by the Marin County Board of Supervisors. Based on his personal situation he has the time to look into matters and learn. Mr. Silberstein thinks everyone works well together at MCERA, and he will make sure everyone's opinions are solicited and listened to. He will work with the Board and the Administrator to maintain what is a well-functioning system.

Trustee Given stated he was born and raised in Marin and has worked for the County for twenty-nine years. He is able to contribute to the County and the Retirement Board and would like to take the wishes of the Board and move that forward. His education and experience would be good to have at this point. Trustee Given said he has had time to understand how this Board operates, has served as Board Secretary and Vice Chairperson, and believes it is time for him to assist the Board to move the Fund forward.

Trustee Werby voiced concern that Trustee Silberstein has a clear vision for where the Board should focus its efforts and he would not be able to pursue that vision if he served as the Board Chairperson. In response, Trustee Silberstein gave assurance that he will try to



accommodate everyone's opinions to make sure there is consensus. Trustee Given acknowledged Silberstein's comment and said either candidate would work well as the Board Chair.

The Board voted on the substitute motion for Board Chairperson listed above and the motion failed.

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

The substitute motion having failed, the Board therefore voted on the original motion for Board Chairperson listed above.

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

It was M/S Block/Werby to nominate Phillip Thomas as Board Vice Chairperson.

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

It was M/S Thomas/Werby to nominate Laurie Murphy as Board Secretary.

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

### **C. BOARD OF RETIREMENT MATTERS**

#### **1. Administrator's Report**

##### **a. Administrator's Update**

Mr. Wickman introduced new Alternate Safety Trustee Michael Poirier. Mr. Poirier is a Deputy Sheriff for Marin County. The Administrator and Counsel Dunning met with him to discuss how the Board operates, and Mr. Wickman and Trustee Poirier met separately to discuss the disability process.

The Board of Supervisors (BOS) appointed Sara Klein and Steve Silberstein to new three-year terms effective immediately and expiring on October 31, 2022.

The Administrator discussed the recently released California State Auditor's Fiscal Health Analysis of the State's Cities. In the analysis, the City of San Rafael (San Rafael) showed as having the highest pension risk among all California Cities. In

reviewing the analysis, the Administrator noted that one of the key risk factors was San Rafael's revenue divided by its Net Pension Liability (NPL). This factor generated the highest risk measure in the state and used the NPL from the 2015-16 GASB 68 report. The factors used to compute the pension risk were assets, pension liability and funded ratio. San Rafael received no points for these three key funding measures because the data was not collected through the same mechanism that was used for the other CalPERS Cities. Instead the report used the revenue-to-NPL ratio to apportion points in order to rate San Rafael's risk. Had the analysis used the numbers produced by MCERA for San Rafael for the fiscal year being measured, it would have calculated a funding ratio of 74%. This would have lowered the pension risk analysis for San Rafael and placed it on a relatively equal footing with the other Marin municipalities who participate in CalPERS. After speaking with the Auditor's Office, the expectation is that in the future the report will include the relevant funding information for San Rafael that is available on MCERA's website. Trustee Cooper asked if MCERA can communicate with San Rafael employees about the city's funded status to counteract negative messages, and the Administrator replied he will work with the cities to provide any information that would help put the analysis in the proper context.

MCERA's office was open during the power outage with the leadership team on site to address any customer service issues. Mr. Wickman noted that there were minimal business issues caused by the outage.

Mr. Wickman noted that Perotti and Carrade moved into Suite 200 before the power outage.

Negotiations are still ongoing with a potential tenant for Suite 250, the remainder of the second floor of One McInnis Parkway. Counsel Dunning's partner at Nossaman, Simon Adams, is leading the lease development process. The hope is to resolve remaining issues next week because of a deadline the potential tenant is facing.

The Administrator said he is pleased to report that the annual member benefit statements were sent to 98% of members on October 23, a couple of weeks earlier than last year. Staff are receiving typical questions about the statements.

The custodial search project is moving forward with Callan. Staff has provided the requested documents to Callan and has received responses to questionnaires sent to all equity and bond managers. Staff are working with Callan to assess our custodial processes. The next steps will be an on-site meeting with the Callan team to discuss and review their initial analysis.

A new card key system has been installed at MCERA that will allow for managing multiple tenants and suites. Staff is considering a recommendation to move the system to a virtual area network that would allow for remote management. In response to Trustee Werby's question on power outages, Mr. Wickman explained that the system is set to fail locked so all doors can only be accessed with a key. The Retirement



Administrator, Assistant Retirement Administrator and property managers from Woodmont and the only individuals with keys.

Penetration testing by Linea Secure is still ongoing. Mr. Wickman said that one item learned early in the assessment was that the card reader system was behind the County firewall which meant it could be vulnerable to hacking. Linea Secure conducted a test on the prior system to test its security.

The Administrator reminded the trustees that Monday, November 11 is Veterans Day. On Tuesday he will giving his annual state of the system speech at the MCARE luncheon.

Mr. Wickman noted that Trustees Cooper, Jones, Silberstein, Thomas and Werby would all be attending the Fall SACRS Conference in Monterey.

b. Staffing update

MCERA's received 37 applications for the Business Systems Analyst and 26 for the Retirement Benefits Technician positions. Once applications are screened, interviews will be scheduled for each position. In response to Chair Gladstern's inquiry, the Administrator explained that the Human Resources Department's new process for applications does not include the applicants' names, just their knowledge, skills and abilities.

c. Facility Use Report

No facility usage to report in the period.

d. Future Meetings

- November 20, 2019 Finance and Risk Management Committee
- December 4, 2019 Investment Committee
- December 4, 2019 Audit Committee
- December 11, 2019 Board
- December 17, 2019 Governance Committee

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Silberstein reported on the CalAPRS Trustees' Roundtable. Attendees were a diverse group representing transit authorities, health funds, and county pension funds. Topics on Environmental, Social and Governance (ESG) investing were addressed by speaker Kevin Parker of Sustainable Insight Capital Management. Mr. Parker focuses on returns and indicated some entities are trying to get fees from ESG investment vehicles.

Mr. Wickman reported that Board Counsel Ashley Dunning attended the CalAPRS Attorneys' Roundtable and provided a written report of the meeting. There were two

topics of particular interest: splitting retirement accounts in divorce and catalyst fees. Ms. Dunning offered her report on the Roundtable to those interested. She reported that MCERA's approach in dividing accounts in divorce is consistent with what was described at the meeting. The issue on catalyst fees was about a CalPERS member who challenged the pension system for not providing interest on payments due to members when benefits are delayed. In the course of that litigation, CalPERS adopted a policy that after 45 days interest would begin to accrue. The member fought the board's effort to adopt this regulation at CalPERS. The member lost their original case on failure to exhaust administrative remedies in the trial court. The member then filed an action seeking attorney fees and the trial court granted on the theory that the member's lawsuit was the catalyst for the Board adopting the new policy. Ms. Dunning stated there are steps that Boards can take in the context of making a good fiduciary decision to try to counteract potential subsequent requests for attorney's fees based on the catalyst theory. Responding to Trustee Werby's inquiry on whether MCERA needs to pay interest due to delays, Ms. Dunning said MCERA does not delay retiree payroll. If there were an unexpected delay the matter would be analyzed based on the facts and circumstances of the particular individual situation.

Assistant Retirement Administrator Michelle Hardesty said Benefits Technicians Robert Sanders and Crystal Martinez attended the CalAPRS Intermediate Staff Training course which gave them an overview of retirement plan administration. They were very interested in discussions on actuarial funding, valuation and contribution rates. MCERA will follow up with the advanced course in the CalAPRS staff training series and an internal course on the movement of contributions.

b. Other Comments

No other comments.

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

[Any item that a Board member requests be pulled from the Disability Consent Agenda will be considered in Closed Session under the authority of Government Code section 54957(b), unless the applicant specifically waives confidentiality and requests that his or her application be considered in Open Session.]

1. Yvette Blount                      Service-Connected      Southern Marin Fire District

Adopt Administrative Recommendation to grant service-connected disability retirement application.

It was M/S Given/Silberstein to adopt the Administrative Recommendation to grant Yvette Blount's application for service-connected disability retirement. Trustee Cooper did not vote as he is a member of the same service as the applicant. Trustee Poirier voted in place of Trustee Cooper.

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



RECUSE: Cooper  
ABSENT: None

## **E. OLD BUSINESS**

### **1. SACRS Voting Delegate (Action)**

Select alternate delegate to vote on MCERA's behalf at the SACRS business meeting November 15, 2019

The Administrator said Laurie Murphy notified him she will not be able to attend the Fall SACRS Conference. Since she was selected to serve as alternate delegate at the Board's previous meeting, a new alternate delegate is needed. Mr. Wickman offered to serve in that role since he will be attending the SACRS conference.

It was M/S Block/Werby to select Retirement Administrator Jeff Wickman as alternate delegate to vote on MCERA's behalf at the November 15, 2019 SACRS business meeting.

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

### **2. Board Meeting Calendar for 2020 (Action)**

Consider and take possible action to approve Calendar

Mr. Wickman presented the proposed Board Meeting Calendar for 2020 with no changes since it was first presented at the last Board meeting. Once Committee members are appointed at the December Board meeting, dates may change for some Committee meetings depending on members' schedules.

It was M/S Thomas/Murphy to adopt the Board Meeting Calendar for 2020 as submitted.

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

## **F. NEW BUSINESS**

### **1. Voting Instructions to MCERA Delegate re SACRS Business Meeting November 15, 2019 (Action)**

#### **a. SACRS Business Meeting Packet**

Mr. Wickman provided background on two action items that will be presented at the November 15, 2019 SACRS Business Meeting. The first Item 5.B is a recommendation from the SACRS Legislative Committee for an Omnibus Bill to be submitted to the State Legislature. Mr. Wickman said the Legislative Committee Co-Chairs Eric Stern, Chief Executive of the Sacramento County Employees' Retirement System, and Dave Nelson, Chief Executive of the Alameda County Employees' Retirement Association, developed the proposal which is focused on non-controversial clean up items to the County Employees' Retirement Law of 1937 (CERL). The new provisions would help

the 1937 Act systems administer benefits in accordance with changes in federal law and recent appellate court rulings, provide more flexibility to Retirement Boards, and add parity to the CERL by aligning certain statutes with CalPERS and CalSTRS laws. Mr. Wickman recommended that the Board direct the delegate to vote in favor of SACRS' sponsorship of Proposal 5.B.

The second action Item 5.C comes from Los Angeles County Employees' Retirement Association (LACERA). The proposal would remove the phrase "intemperate use of alcohol or drugs" from Government Code sections limiting a member's nonservice-connected disability retirement allowance. The Administrator said he thinks the phrase is fair to remove but he is aware that there may be systems that would not support the proposal. Mr. Wickman recommends the delegate be directed to vote in favor of SACRS' sponsorship of Proposal 5.C.

Trustee Given noted Proposal 5.C could be controversial. Mr. Wickman agreed and noted that if there was no unanimity across SACRS systems, then the SACRS Legislative Committee should reconsider recommending whether the bill should be sponsored by SACRS. Trustee Block indicated the language being eliminated would not be the deciding factor in a legal proceeding, and his preference is to craft something else and oppose this in its present form due to headline risk. Chair Gladstern noted times have changed as substance abuse is now integrated with health services and does not need to be singled out in the regulations. Mr. Wickman said he will discuss with the Legislative Committee Chairs how they intend to handle the situation if there is not unanimous support for the proposal.

It was M/S Cooper/Silberstein to direct MCERA's delegate to vote in favor of SACRS Business Meeting Agenda Items 5.B and 5.C, SACRS Omnibus Bill SB 783 and Los Angeles CERA Proposal, respectively.

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

## 2. Future Meetings

Consider and discuss agenda items for future meetings

Trustee Block suggested looking into electronic methods of searching for information included in past Board meeting packets and data bases to lend more visibility to past Board minutes and meeting packets. Mr. Wickman replied that staff will take up the issue again of putting the Board meeting packets on the MCERA website. He will also follow-up with staff on additional search tools.

Another topic Trustee Block would like to address is alternatives for backup power during power outages in the future. Mr. Wickman explained that the only MCERA service that is critical is the monthly retiree payroll, which staff can run offsite if MCERA has no power. All other services are not critical to County Government. He indicated that there was minimal impact if MCERA were closed for a day or two. Mr. Wickman noted that where



it is important is with more tenants that might be affected, and he can bring this issue to the Ad Hoc One McInnis Committee for discussion.

## **G. OTHER INFORMATION**

### **1. Training Calendar (Action)**

It was M/S Murphy/Thomas to adopt the Training Calendar as submitted.

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

### **2. Keeping in Touch**

November Issue, Association of Retired Employees newsletter

## **H. CONSENT CALENDAR (Action)**

It was M/S Murphy/Silberstein to adopt the Consent Calendar as submitted.

In response to Trustee Werby's inquiry, Ms. Hardesty explained that for reciprocal members the age is changed to the service date of the former agency.

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

---

## **CONSENT CALENDAR**

**MCERA BOARD MEETING, WEDNESDAY, November 6, 2019**

### **October 2019**

<b>RETURN OF CONTRIBUTIONS</b>			
Patricia Akroosh	Full Refund of Contributions (termination)	\$	15,720.05
Raquel Balogh	Full Refund of Contributions (termination)	\$	9,093.60
Karl Finley	Partial Refund of Contributions (age change)	\$	866.64
Nargis Khatib	Full Refund of Contributions (termination)	\$	11,553.28
Rachel Mendivel	Full Refund of Contributions (termination)	\$	16,221.12

<b>BUYBACKS</b>			
Shereen Ash		\$	4,619.33
Andrea DeGrassi		\$	1,165.76
Isreal Jones		\$	577.92
Piotr Lempart		\$	7,734.59
Alan Montes		\$	1,918.32
Elizabeth Tellez-Talavera		\$	2,938.95

Elizabeth Zhuang

\$ 10,824.17

NEW RETIREES	
--------------	--

David Augustus	County of Marin - Sheriff/Coroner
Colette Breen	Novato Fire
Timothy Charlberg	County of Marin - Public Works
Wendy Chippis	County of Marin - Sheriff/Coroner
Teresa De Jesus Leon Varela	County of Marin - District Attorney
Kelly Mauel	City of San Rafael
Teresa Newman	County of Marin - Health & Human Services
James Slack	County of Marin - Parks & Open Space

DECEASED RETIREES	
-------------------	--

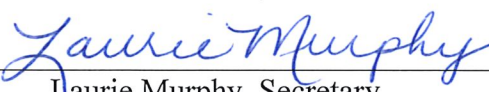
Elaina Barrack-Glenn	County of Marin - Sheriff/Coroner
Dorothy Decker	County of Marin - Beneficiary
Tony Dent	Novato Fire
John Hayes	County of Marin - Beneficiary
David Hooper	County of Marin - Beneficiary
Marie Johansen	County of Marin - Beneficiary
Norman Johnson	County of Marin - Sheriff/Coroner
Gary Kerr	Novato Fire
James Kerrigan	County of Marin - Sheriff/Coroner
Nives Leddy	County of Marin - Beneficiary
Edna Muse	County of Marin - Beneficiary
Willie Norwood	County of Marin - Beneficiary
Robert Piel	County of Marin - Beneficiary
James Wanderscheid	Marin/Sonoma Mosquito

CONFERENCES/SEMINARS	
----------------------	--

CalAPRS Trustees' Roundtable	Trustee Silberstein
CalAPRS Attorneys' Roundtable	Counsel Dunning
CalAPRS Intermediate Staff Training	Staff Martinez and Sanders

There being no further business, Chair Gladstern adjourned the meeting at 10:30 a.m.

  
\_\_\_\_\_  
Maya Gladstern, Board Chair

  
\_\_\_\_\_  
Laurie Murphy, Secretary