

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

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. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Retirement Administrator Jeff Wickman reported progress on two ongoing projects, the cyber security assessment and the custodial services Request for Proposal (RFP). Linea Secure completed penetration testing and reported preliminary results to MCERA. There were two high-priority items that have been resolved by Marin County IST. Next, Linea Secure will conduct site visits at various CPAS locations and test the employer reporting portal. Results of all the Linea Secure work will be reviewed and discussed with the Finance and Risk Management Committee.

Staff has been working with Callan in preparation for issuing the RFP for custodial services. Before the holiday Callan provided a draft RFP for staff to review. The plan is to publish the RFP by the end of January and have a recommendation for a custodian in late March of 2020. The Administrator said he is very pleased with the level of detail from Callan in operational and compliance areas under the direction of Mark Kinoshita and Bo Abesamis.

The 2012 Public Employee Pension Reform Act (PEPRA) created compensation limits for pension contributions that are based on whether an individual has social security coverage through their employer. The California Actuarial Advisory Panel (CAAP) reviews the limit annually and reports new limits to public retirement systems in California. For 2020, the maximum salary for contributions is \$126,291 for PEPRA members participating in Social Security and \$151,549 for PEPRA members not covered by Social Security. This is an important payroll calculation for MCERA's employers, the Administrator said.

Construction is underway upstairs at One McInnis to prepare Suite 250 for Computershare's March move-in date.

MCERA has renewed fiduciary liability insurance coverage based on the action of the Retirement Board at its December meeting.

Mr. Wickman has been reelected to a new two-year term on the CalAPRS Board of Directors. For 2020 his Board assignments will be to continue as the Chair of the CalAPRS Administrators' Institute, serve on the Board's Operations Committee, and oversee the Attorneys' Roundtables. The Administrator stated he is honored to be reelected and finds the assignments meaningful for CalAPRS members and for his work at MCERA.

b. Staffing update

Assistant Retirement Administrator Michelle Hardesty has reviewed 40 applications MCERA received for the Business Systems Analyst position. These have been ranked and scored and submitted to the Marin County Human Resources Department to validate this has been done correctly. The plan is to schedule interviews for next Thursday. The recruitment for the Benefit Technician is being placed on hold.

c. Facility Use Report

MCARE held a board meeting in the executive conference room, and the Marin County Wellness Committee held its meeting in the Board chambers. The Wellness group devotes itself to sharing valuable information from the County.

d. Future Meetings

- January 8, 2020 Ad Hoc One McInnis Committee
- January 22, 2020 Investment Committee
- January 22, 2020 Ad Hoc Education Committee
- February 12, 2020 Board

2. Standing Committee Report – Governance Committee

a. Proxy Voting

Proxy voting records of public equity managers for June 30, 2019

1. Proxy Voting Reports

Governance Committee Chair Cooper reported that the Committee considered proxy voting reports for the first half of 2019. Areas of concern included DFA votes for pay packages being reviewed every three years and State Street's votes that do not align with ISS recommendations.

2. Manager Responses on Proxy Voting Policy Alignment

The Committee discussed managers' responses to questions from the April meeting. DFA sent its approaches to proxy votes against a proposed report on gun violence, the frequency of CEO pay, and disclosure of political expenditures. State Street responded to inquiries with publications on abstaining from voting on CEO pay packages and on litigation over opioids. Parametric addressed the question on board composition and provided additional details on proxy votes in this period. Mr. Wickman recommended following up with more questions for DFA and State Street before the Committee asks the Investment Committee to consider voting proxies for either manager.

Board Chair Silberstein endorsed further follow-up to get better explanations on areas where Dimensional Fund Advisors and State Street are not following our proxy voting policies. He pointed out that State Street is moving to abstaining from voting.

b. Governance Risk Report – Institutional Shareholder Services (ISS)

Review and discuss the ISS Quarterly Risk Assessment Report

This new report condenses governance practices of companies held by MCERA's investment managers into a quality score that identifies those with high governance risk. The report analyzes manager proxy voting as compared with ISS policy recommendations and includes a breakdown of various categories of management and shareholder proposals. Chair Cooper observed that the ISS Governance Risk Report is interesting and allows for focusing on areas for possible further inquiry. Mr. Wickman noted one limitation is that the report does not indicate how much of MCERA's investment is in the Fund.

c. Existing Policies – Standard Review with Proposed Updates

1. Actuarial Economic Assumptions Policy (Action)

Consider possible action on Governance Committee recommendation to adopt update to policy

The proposed update to the Policy Regarding Adoption of Actuarial Economic Assumptions changes the effective date of the assumptions to June 30, 2019.

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

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

d. Existing Policies – Standard Review without Proposed Updates

1. Portable Electronic Device Policy (Action)

Conduct standard policy review

2. Code of Fiduciary Conduct, Ethics and Governance (Action)

Conduct standard policy review

3. Due Diligence Policy (Action)

Conduct standard policy review

4. Interest Crediting Policy (Action)

Conduct standard policy review

5. Unrestricted Earnings Policy (Action)

Conduct standard policy review

Based on the action of the Governance Committee, Governance Committee Chair Cooper recommended that the Board accept the review of the policies listed above in Agenda Items B.2.d.1 – 5.

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

NOES: None

ABSTAIN: None

ABSENT: None

6. Proxy Voting and Corporate Governance Policy (Action)

Conduct standard policy review

Chair Cooper reported that staff will review the Proxy Voting and Corporate Governance Policy for possible updates for the Committee to consider at its next meeting.

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Mr. Wickman attended the CalAPRS Board of Directors meeting during which program assignments for the coming year were reviewed and election results were approved. Donna Lum of CalPERS retired from the CalAPRS Board and Carl Nelson was elected to take her place as President. Trustee Gladstern asked about a replacement from CalPERS and Mr. Wickman said Anthony Suine of CalPERS takes over as an incoming Director on the CalAPRS Board.

The Administrator directed attention to information presented for the Advanced Course in Retirement Plan Administration taken by Crystal Martinez and Lisa Jackson who received valuable information on actuarial items.

b. Other Comments

No other comments.

C. DISABILITY CONSENT AGENDA (TIME CERTAIN: 9:30 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. Adam Brolan Service-Connected Novato Fire Protection District

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

Mr. Wickman explained that the initial consideration of Mr. Brolan's disability retirement application in June of 2018 resulted in the Board's denial of the application. The applicant then appealed to the Administrative Law Judge (ALJ) whose recommendation is to grant the application for service-connected disability retirement, which is the staff recommendation.

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

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

D. NEW BUSINESS

1. Future Meetings

Consider and discuss agenda items for future meetings

At the February Board meeting the Actuarial Valuation Report as of June 30, 2019 will be presented by Cheiron that incorporates the adoption of contribution rates effective June 30, 2020. The Board will also consider Cheiron's calculation of the Annual Cost of Living Adjustment (COLA) for retirees effective April 1, 2020. Cheiron will then begin work on the triennial Experience Study.

E. OTHER INFORMATION

1. Training Calendar (Action)

It was M/S Cooper/Thomas to approve 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

January Issue, Association of Retired Employees newsletter

F. CONSENT CALENDAR (Action)

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

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

CONSENT CALENDAR**MCERA BOARD MEETING, WEDNESDAY, January 8, 2020****December 2019**

RETURN OF CONTRIBUTIONS			
Mary Moroski Asher	Full Refund - Termination	\$	1,714.83
Cameron Duvall	Full Refund - Termination	\$	22,689.78
Maryann Foley	Full Refund - Termination	\$	6,325.67
Alegria Garcia	Full Refund - Termination	\$	665.44
David Hartzell	Full Refund - Termination	\$	10,267.90
Tamara Hornsey	Full Refund - Termination	\$	12,819.78
Danny Khuu	Full Refund - Termination	\$	4,319.53
Peter Norman	Partial Refund - Overpaid contributions	\$	144.03
Leslie Sigala	Full Refund - Termination	\$	19,534.19
Jannett Smith	Full Refund - Termination	\$	7,731.43
Kimberly Wheaton	Full Refund - Termination	\$	3,593.65

BUYBACKS			
Liza Andre		\$	9,550.08
Jessica Diaz France		\$	3,742.68
Jesse Kaplanis		\$	10,890.08
Greg McMenomey		\$	24,060.32
Brian Morris		\$	3,468.05
Elizabeth Zhuang		\$	2,218.45

NEW RETIREES	
David Ansari	County of Marin - Community Development Agency
Beryl Bourke	County of Marin - Child Support Services
Patricia Church	County of Marin - County Counsel
Ida Green	Marin City CSD - Beneficiary (Edward Green Active Death)
Isreal Jones	County of Marin - Probation
John Kluge	County of Marin - Health & Human Services
James Wareham	County of Marin - Probation

DECEASED RETIREES	
John Forchelli	County of Marin - Public Works
Judy Jones	Novato Fire
Dorothy Martin	County of Marin - District Attorney
Michael Robak	County of Marin - Probation
Maureen Russell	County of Marin - Public Works
Barbara Skidmore	County of Marin - Beneficiary
Mark Sorensen	City of San Rafael
Jean Twillman	Marin Superior Court
Donald Walder	County of Marin - Public Works
Shirley Watkins	County of Marin - Beneficiary

CONFERENCES/SEMINARS

CalAPRS Board Meeting	Administrator Wickman
CalAPRS Advanced Course in Retirement Plan Administration	Staff C. Martinez

There being no further business, Chair Silberstein adjourned the meeting at 9:35 a.m.



Steve Silberstein, Board Chair



Laurie Murphy, Secretary