

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

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

July 8, 2020 – 9:00 a.m.

This meeting was held via teleconference pursuant to Executive Order N-25-20, issued by Governor Newsom on March 12, 2020, Executive Order N-29-20, issued by Governor Newsom on March 17, 2020, and Executive Order N-35-20, issued by Governor Newsom on March 21, 2020. This meeting was accessible to the public via livestream on MCERA's YouTube channel.

EVENT CALENDAR 9 a.m. Regular Board Meeting

CALL TO ORDER

On behalf of Chair Silberstein, Retirement Administrator Jeff Wickman called the meeting to order at 9:05 am.

ROLL CALL

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

ABSENT: Thomas

MINUTES

It was M/S Given/Gladstern to approve the May 6, 2020 Board Meeting Minutes as submitted.

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

NOES: None

ABSTAIN: None

ABSENT: Thomas

A. OPEN TIME FOR PUBLIC EXPRESSION

No members of the public provided comment.

B. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

The Retirement Administrator reported that Trustee Thomas was elected to a new three-year term of office as the 3rd General Member on the Board. His new term begins on November 1, 2020 and ends on October 31, 2023.

Mr. Wickman reported that MCERA has terminated its agreement with National Disability Evaluations for medical advisor services. Staff are developing a revised process for accessing medical advisory services. The changes will be reviewed with Board Counsel to ensure providing for all appropriate due process.

The Retirement Administrator's annual evaluation will occur at the August Board meeting. As with prior years, the Board's Counsel will compile a composite evaluation based on feedback from Board members which will be discussed in Closed Session.

Mr. Wickman reported that the direction provided by the Investment Committee to begin receiving dividends from AEW and UBS had been implemented. He noted that both managers have a 90-day notice requirement, which means the first dividend payment would not be received until September 30, 2020.

Work is complete on Suite 250 and Computershare has moved equipment into its office. The next steps for the building will be to construct spec suites in Suites 150 and 175, along with reducing space currently occupied by MCERA and making that space available for rent in Suites 150/175.

The Opportunistic Investment discussion was moved to the August 12 Board meeting to provide additional time to include the information requested by the Committee.

Mr. Wickman reported that MCERA has responded to a public records request from American Transparency. Trustee Silberstein inquired about the content of the request and Mr. Wickman indicated they asked for 2019 earnable compensation for active members and 2019 benefit payments to retirees.

b. Business Objectives Update

Mr. Wickman stated that beginning with the mandatory shelter-in place-orders through the current situation with COVID-19, the focus for the team has been core business activities. These activities are the collection and deposit of contributions, paying retirees and beneficiaries, and conducting any investment or financial activities to support the overall system. He went on to review each business objective category.

Under “Benefit Administration” a formal employer audit and training plan is not complete but will be finalized before the end of the calendar year. Engagement with employers has been increased to address proactively all system errors and warnings generated when MCERA processes employer payroll uploads.

In “Performance Management” the team has been able to maintain all the target service goals with the combination of onsite officer support, remote work and a combination of both onsite and remote work.

The change in operations from COVID-19 has had its most significant impact on the “Business Management” and “Finance and Accounting” goals. Work on the Five-Year Business plan was not started, and this goal should be revisited for next year. Custodian RFP evaluations were put on hold and will need to be restarted with a potentially new bidding period. Initial analysis of producing a CAFR was conducted but work toward implementing a CAFR has been suspended. A business continuity plan was successfully implemented to ensure continued essential operations amid office closure and temporary staff reductions as a result of the COVID-19 pandemic. Work continues on an MCERA-specific Continuity of Operations Plan (COOP) that would align with the structure and requirements used by the County.

For the “Investment Objectives” a survey of other CERL systems’ internal investment staffing will be completed by the end of the year. MCERA has entered into an agreement with Institutional Shareholder Services to provide a quarterly Governance Risk Report for proxy voting. The first report was presented to the Governance Committee in December 2019.

Under “Communication and Education,” programming for the system modifications to annual benefit statements has been completed and is in the testing phase with CPAS. The development of the Plan overview booklet and actuarial brochure is underway.

Trustee Block suggested that it might be useful to identify the longer-term projects that are able to continue being addressed during this current environment and ones that need to wait until it is over. Mr. Wickman agreed with Trustee Block’s suggestion and will include this information as part of the administrator annual review in August.

c. Staffing Update

As reported previously, there is a vacancy to be filled for a Senior Accounting Assistant position. The team has selected 9 candidates to be interviewed next month.

d. Facility Use Report

Nothing to report on facility use.

Trustee Gladstern asked if there is a separate HVAC unit for each suite and how it works. Mr. Wickman responded that the building has two HVAC units on the roof. Each runs a specific floor. The HVAC coils were recently cleaned and sanitized. In

addition, Mr. Wickman is working with Woodmont to add an ionizer to the HVACs to capture any particles through the air that get transmitted. Mr. Wickman also said there are plans to replace the units given that they are toward the end of their useful lives.

e. Future Meetings

- August 12, 2020 Board
- August 19, 2020 Finance & Risk Management Committee
- August 19, 2020 Audit Committee

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Mr. Wickman attended the CalAPRS Administrator Roundtable that was well attended. There continue to be significant discussions about how different retirement systems are managing their staff who are working remotely during COVID-19. MCERA is one of the few County systems that has opened its office to members. Almost every system has reported they have experienced unanticipated efficiencies during the crisis.

The group discussed impressions from watching the recent Supreme Court hearing for the Alameda/Contra Costa/Merced case. Everyone is looking forward to the Court issuing their final decision by August 5.

Also discussed was post-pandemic operational impacts, specifically, how many systems had cash flow issues early in the COVID-19 crisis and what their solutions were, if any.

Finally, there was a discussion of how COVID-19 was impacting the budgets of plan sponsors and what actions they were seeing the sponsors take as a result of decreased revenue.

Ms. Hardesty reported on the CalAPRS Benefits Roundtable which centered around what systems are doing to address the reduced in-person staff in the office and how they are getting work done. Most reported that in some ways work was more efficient. There was a discussion of what systems were doing prior to opening, such as installing sneeze guards in all the meeting places and other steps taken. There was discussion about reciprocity and the changes that CalPERS has requested for providing details on what pay systems used to calculate a reciprocal member's final average salary.

Trustee Werby asked for clarification around the "Disability Working After Retirement" topic. Ms. Hardesty shared that this came up as a result of some systems having very specific rules about allowing someone to come back in a position that is not related to the position they served in when they were disabled. It was a brief discussion about how to track members who come back into membership or back in and work.

Both Ms. Marshall and Ms. Jackson attended the CalAPRS Accounting Roundtable. There were several inquiries around pension obligation bonds (POBs) and separately managed investment accounts. Ms. Marshall shared that once the CAFR project begins, she plans to network with the other systems to seek best practices. Trustee Gladstern

D. 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. The Board will move into Closed Session via virtual breakout room. The live stream will indicate the Board is in Closed Session.

1. Kevin Humphrey Service-connected Marin County Public Works

Adopt Administrative Recommendation to deny service-connected disability retirement application and provide applicant with opportunity to request administrative hearing.

The Chair reported the action from Closed Session was a motion by Trustee Werby and seconded by Trustee Silberstein to grant Kevin Humphrey's service-connected disability retirement application. Trustee Poirier voted for Trustee Thomas who was absent.

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

NOES:

ABSTAIN: None

ABSENT: Thomas

E. NEW BUSINESS

1. SACRS Voting Delegate (Action)

It was M/S Werby/Given to select the Retirement Administrator to submit MCERA's vote for the SACRS Board of Directors.

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

NOES: None

ABSTAIN: None

ABSENT: Thomas

2. SACRS Board of Directors Election and Voting Instruction (Action)

The Administrator listed nominees on the slate of officers proposed by the SACRS Nominating Committee and presented backup material for the nominees provided by SACRS. Staff is recommending that the Board adopt the proposed slate of officers.

It was M/S Cooper/Gladstern to vote for the slate of officers as submitted by the SACRS Nominating Committee for the Board of Directors for 2020-21.

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

3. Future Meetings

Consider and discuss agenda items for future meetings.

Mr. Wickman invited trustees to suggest topics for future meetings. He has begun to think about how the fall Strategic Workshop will be conducted using virtual communication and will be discussing this with the Ad Hoc Education Committee Chair.

F. OTHER INFORMATION

1. Training Calendar (Action)

The Board already adopted the Training Calendar presented as nothing has changed.

G. CONSENT CALENDAR (Action)

Mr. Wickman explained there was an active member death with two beneficiaries. In this case the member was not eligible for a benefit, so there was a withdrawal that was split between the two beneficiaries.

It was M/S Gladstern/Silberstein to accept the Consent Calendar as presented.

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, July 8, 2020

June 2020

RETURN OF CONTRIBUTIONS		
Sabrina Foss	Full Refund - Termination	\$ 282.99
Patricia Inman	Full Refund - Active Death of Evelyn Parik	\$ 78,336.03
Abraham Metellus	Full Refund - Termination	\$ 4,671.68
Anna Mullins	Full Refund - Termination	\$ 45,053.59
Janice O'Gaffney	Full Refund - Active Death of Evelyn Parik	\$ 78,336.08
Claudia Sanchez Isas	Full Refund - Termination	\$ 28,653.02

BUYBACKS

Kathryn Cuevas	\$	9,107.03
Gustavo Goncalves	\$	5,307.56
Corey Grayson	\$	661.90
Gabriela Pasat	\$	262.33
Brenda Jo Smith	\$	1,370.09

NEW RETIREES

Scott Bauer	County of Marin - Library
Ross Cascio	County of Marin - Public Works
Barbara Collins	County of Marin - Community Development Agency
Patricia Nolan	City of San Rafael
Marcia Stieger	County of Marin - Library

DECEASED RETIREES


John Barrows	County of Marin - Administrator
Steven Delucchi	Marin Sonoma Mosquito & Vector Control
Lydia Fleming	County of Marin - Elections
Douglas Jones	City of San Rafael
Rebecca Kuga	City of San Rafael
Cletus Lathigee	County of Marin - Public Works
Janet Purdy	County of Marin - Public Works
Richard Schreier	County of Marin - Sheriff/Coroner
Kevin Tinsley	County of Marin - Health & Human Services

There being no further business, the meeting was adjourned by the Retirement Administrator on the approval of Chair Silberstein at 11:13 a.m.



Jeff Wickman, Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair



Michelle Hardesty, Assistant Retirement
Administrator
On behalf of:
Laurie Murphy, Secretary