

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

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

November 4, 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. The public was able to listen to and observe the meeting on YouTube.

The Board of Retirement 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.

EVENT CALENDAR 9 a.m. Regular Board Meeting

CALL TO ORDER

Chair Silberstein called the meeting to order at 9:02 a.m.

ROLL CALL

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

ABSENT: Cooper, Poirier (alternate safety), Thomas

MINUTES

It was M/S Gladstern/Given to approve the October 14, 2020 Board Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

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

NOES: None

ABSTAIN: None

ABSENT: Cooper, Poirier, 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 members of the public provided comment.

B. ELECTION OF BOARD OFFICERS

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

Consider and discuss nominations for Board of Retirement officer positions

Retirement Administrator Wickman reported trustees nominated at the October Board meeting for Board of Retirement officer positions are the current officers:

Board Chairperson – Steve Silberstein

Board Vice Chairperson – Phillip Thomas

Board Secretary – Laurie Murphy

It was M/S Werby/Gladstern to elect Steve Silberstein as Board Chairperson. The motion was approved by a vote of 7-1 as follows:

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

It was M/S Werby/Block to elect Phillip Thomas as Board Vice Chairperson. The motion was approved by a vote of 7-1 as follows:

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

It was M/S Werby/Given to elect Trustee Laurie Murphy as Board Secretary. The motion was approved by a vote of 8-0 as follows:

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

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Retirement Administrator Jeff Wickman reported that Trustee Thomas, 3rd Miscellaneous Member, began his new three-year term of office on November 1, 2020. On November 3, 2020 Trustee Block was reappointed as the 5th Member by the Marin County Board of Supervisors. The Administrator congratulated the two trustees for their new terms of office on the Retirement Board.

Mr. Wickman reported that 98% of Annual Benefit Statements were mailed out on October 26th. The remaining 2% are undergoing data review. He expressed appreciation to Assistant Retirement Administrator Michelle Hardesty and her team for a good effort to get the statements out. Trustee Gladstern asked if data issues are with the same members. In response Ms. Hardesty said some cases are the same from year to year. Most are members with multiple tiers which are validated every year, and the list is getting smaller every year. She added that divorce further complicates issues. In response to Trustee Silberstein's inquiry, Mr. Wickman stated benefit statements are mailed to active and inactive members to show how much service credit they have, and the contributions and interest credited to their accounts.

The Audit Committee will be meeting on November 24, 2020 to review the financial statement audit when GASB 67/68 reports will be available.

Last month Trustee Gladstern asked Mr. Wickman whether member deaths had increased. The Administrator reported that from October 2018 to September 2019 there were 81 member deaths. Deaths increased to 97 in the October 2019 to September 2020 time period and the average age dropped from 83 years old in the prior period to 80 years old. There is no indication of increased deaths being related to COVID-19 and the actuary said he would need more data to infer causation.

The courtyard remodel at One McInnis Parkway is in progress and will provide additional seating and patio space for tenants. Another significant project is replacing the 30-year old HVAC system on top of the building. Two HVAC box cars are scheduled for removal this Thursday and replacement will be this Friday. Hopefully this will resolve some of the heating and cooling issues within the building, the Administrator said. In response to Trustee Block's inquiry on efficiency, the Administrator affirmed the new units will be more efficient.

b. Staffing Update

No staffing updates to report.

c. Facility Use Report

No facility use in the period.

d. Future Meetings

- November 18, 2020 Finance and Risk Management Committee
- November 24, 2020 Audit Committee
- December 9, 2020 Board
- December 16, 2020 Investment Committee

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Murphy reported on the CalAPRS Trustees' Round Table. The first session on the role of trustees in choosing and monitoring investment managers included a discussion of the U.S. Public Pension Plan Handbook by Von M. Hughes who was on the panel. Mr. Hughes emphasized the importance of strategic asset allocation, portfolio and manager monitoring, and how manager performance complicates pension fund portfolios. The next panel of representatives from the Fresno City Employees' Retirement System and the Orange County Employees' Retirement System gave perspectives on their experience in choosing money managers. Then a private industry panel gave examples of risk reports and monitoring tools. In the next session moderated by Paul Rosenstiel, former trustee of CalSTRS, the role of trustees on corporate policies was discussed. Speakers included representatives of Institutional Shareholder Services (ISS), the Council of Institutional Investors (CII), the California State Teachers' Retirement System (CalSTRS), BlackRock, and the California Public Employees' Retirement System (CalPERS). Of interest was the two years it took CalSTRS to develop investment beliefs and the power gained by smaller pension systems from aligning with larger players.

Trustee Klein said the advice given at the CalAPRS Trustees' Round Table on reports trustees should be looking at to monitor investment managers, such as watchlists and private equity pacing plans, confirm what our consultant is already providing. One area we may want to look into, she said, is annual reports from the custodian. She said we are moving in the right direction in considering whether to engage ISS on proxy voting and need to consider who to hire to assist with such processes.

b. Other Comments

No other comments from trustees.

Chair Silberstein recessed Open Session and reconvened the meeting in Closed Session at 9:31 a.m. Trustee Gladstern recused herself and did not attend Closed Session as she is an officer of MAPE. Trustee Thomas was absent.

The Chair recessed Closed Session and reconvened the meeting in Open Session at 9:52 a.m.

D. LEGAL MATTERS

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

Marin Assn. of Public Employees, et al. v. Marin County Employees' Retirement Assn.,
California Supreme Court Case No. S237460

Chair Silberstein reported there was nothing to report on this agenda item. Trustee Gladstern recused herself as noted above.

E. NEW BUSINESS

1. Board Meeting Calendar for 2021 (Action)

Consider and take possible action to approve Calendar

The Administrator presented a revised proposed Board meeting Calendar for 2021 for the Board's consideration. Dates for Audit Committee meetings were left the same in the hope of moving up the schedule next year on the audit of financial statements.

It was M/S Gladstern/Given to approve the Board Meeting Calendar for 2021 as submitted. The motion was approved by a vote of 8-0 as follows:

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

2. Voting Instructions to MCERA Delegate re SACRS Business Meeting November 13, 2020 (Action)

At the Board's October meeting the Retirement Administrator was delegated to vote on behalf of MCERA at the State Association of County Retirement Systems (SACRS) Business Meeting on November 13, 2020. Mr. Wickman stated the two items for the Board to provide voting instructions to the delegate on are:

1. SACRS Agenda Item #7, the Auditor's Report on two years of financial statements presented by the SACRS Audit Committee. Staff recommends the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the Audited SACRS June 30, 2019 and 2018 Financial Statements.
2. SACRS Agenda Item #11 regarding SACRS Bylaws amendments. Staff have reviewed the bylaw changes and recommend the MCERA Board direct the voting delegate to vote in favor of a motion to adopt the changes to existing bylaws proposed by the SACRS Bylaws Committee. Brief summaries of the Bylaws changes are:
 - a. Add a new section dealing with the use of SACRS intellectual property (name, logo, member database, copyrighted material etc.) to Article 1, Name, Mission, Purpose and General Policy.

- b. Add three new sections outlining termination of membership in SACRS, suspension of membership in SACRS and procedures for termination or suspension of membership in SACRS to Article III, Membership.
- c. Add new sections to Article V, Member Meetings, Article VIII, Board of Directors and Article IX Meetings of the Board of Directors that would create the ability within the bylaws to hold meetings electronically.

It was M/S Block/Gladstern to direct the voting delegate to vote in favor of motions to adopt the Auditor’s Report and the Audited SACRS June 30, 2019 and 2018 Financial Statements, and to adopt the changes to existing SACRS Bylaws as outlined above and presented in the SACRS Business Packet.

Noting the \$2.3 million fund balance in the SACRS financial statements, Trustee Given asked the Administrator to look into what SACRS is doing with that amount of money. The Administrator agreed to investigate the question and will report back.

The motion was approved by a vote of 8-0 as follows:

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

- a. SACRS Business Meeting Packet

The SACRS Business Meeting Packet for November 13, 2020 was presented.

3. Future Meetings

Consider and discuss agenda items for future meetings.

No discussion – trustees may offer suggestions for topics to the Administrator or the Board Chair.

F. OTHER INFORMATION

1. Training Calendar (Action)

The updated Training Calendar shows the NCPERS annual conference has been cancelled. Mr. Wickman reported there are two additional trustees, Steve Silberstein and Phillip Thomas, who will be attending the SACRS conference.

It was M/S Gladstern/Murphy to approve the Training Calendar amended to include two additional SACRS attendees, Steve Silberstein and Phillip Thomas. The motion was approved by a vote of 8-0 as follows:

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

G. CONSENT CALENDAR (Action)

Mr. Wickman presented the Consent Calendar and noted some members on the deceased list were from the prior month.

It was M/S Werby/Given to approve the Consent Calendar as submitted. The motion was approved by a vote of 8-0 as follows:

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

**CONSENT CALENDAR
MCERA BOARD MEETING, WEDNESDAY, November 4, 2020**

October 2020

RETURN OF CONTRIBUTIONS		
Scott Brooks	Partial Refund - Correction	\$ 1,135.24
Christy Sawicki	Full Refund - DRO	\$ 32,510.22

BUYBACKS		
Brian J. Fay		\$ 5,299.26
Kristina M. Tierney		\$ 1,760.42

NEW RETIREES	
Thomas Alipio	County of Marin - Sheriff/Coroner
Eileen Becker	County of Marin - Health & Human Services
Michele Berrong	County of Marin - Health & Human Services
Cirilo Carino	County of Marin - Library
Stephanie Errante	Marin County Superior Court
Alicia Garrett	County of Marin - Sheriff/Coroner
Laura Hettwer	County of Marin - Health & Human Services
Jean Joseph	County of Marin - Cultural Services
Victoria Kemp	Marin County Superior Court
Lawrence Lewis	County of Marin - Public Works
Elaine Ninkovich	Marin County Superior Court
Robert Rappa	County of Marin - Health & Human Services
Susan Verhalen	County of Marin - Health & Human Services

DECEASED RETIREES

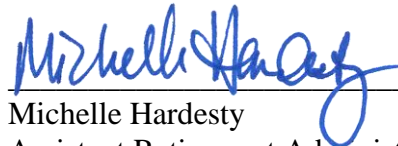
Eugene Brannon	County of Marin - Sheriff/Coroner
Marina Cassimus	County of Marin - Probation
Raymond Cleary	Novato Fire
Kenneth Frey	County of Marin - Sheriff/Coroner
Ann Hovey	County of Marin - Health & Human Services
Sarah Mollison	County of Marin - District Attorney

There being no further business, Chair Silberstein adjourned the meeting at 10:04 a.m.



Jeff Wickman
Retirement Administrator

On behalf of:
Steve Silberstein, Chair



Michelle Hardesty
Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary