

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

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

Mr. Wickman said the Board of Supervisors affirmed sole nominees Alternate Eighth Member Dorothy Jones for her renewed term of office and Amanda Tomlin as the Third Member, who will immediately fill the position and serve out the term of office expiring October 31, 2023. The Administrator will be meeting with Ms. Tomlin for new trustee orientation this week. Ballots for the Eighth Member election were mailed on July 9 and are due back to the Register of Voters on August 13, 2021.

Based on California’s reopening plan MCERA is following revised operating guidelines issued by the California Occupational Safety and Health Administration (OSHA) that masks are not required for employees and visitors who have been vaccinated. Masks are still required if not fully vaccinated. Updated signage has been placed throughout the office.

There have been no changes with regard to the current hybrid staffing model. The Administrator will be meeting with staff to discuss results of the remote work survey. Survey results show that remote work is important strategy to keep in place while also balancing the need for staff to feel connected to the office and their fellow co-workers.

b. Business Objectives Review

Mr. Wickman reported on the status of current Business Objectives. The key Benefit Administration objective is to establish the new employer audit program. The pilot employer audit has been conducted with the Tamalpais Community Services District. A draft report of the audit results is being developed. The goal to improve education material for MCERA’s employers is making good progress. The employer website

portal will be completed in the coming few months and will include among other things requirements for reporting active member payroll data and retirees who have returned to work.

Trustee Gladstern asked about the in-person seminars that were provided for members. Mr. Wickman replied staff will be transitioning to creating short videos on different retirement topics that will be available at any time on MCERA's website. In-person seminars will return at some point but providing seminars virtually will be a secondary focus for staff.

In Performance Management most goals are being met, with the exception of being slightly below the goal on retirement estimates. All estimates are back at being 100% completed within the expected timeframe.

In Business Management the primary goal is to follow up on the Linea Secure Cybersecurity Risk Assessment conducted last year. New policies are under development to address the high and medium critical items from the assessment. The key policies are personal security, physical security, system configuration management, and annual risk assessment. Although the project is slightly behind the target completion date, good progress is being made.

In the Investments area objectives have been completed or will be met. A proxy voting service has been engaged and the Governance Committee will receive an update on proxy voting services from ISS at its fall meeting. Staff have completed and executed agreements with new Opportunistic managers and executed subscription agreements for new private equity vehicles with Abbott Capital Management and Pathway Capital Management. Side letter negotiations are ongoing with Fidelity for the transition of the emerging markets portfolio. Staff are still working on implementing the Investment Committee's decision to transition the large cap domestic equity portfolio from the S&P 500 Index to the Russell 1000 Index.

At One McInnis all space reduction plans for MCERA's suite have been completed. The external water proofing project is underway and will be completed this month. Leasing activities are ongoing. The Board chambers upgrade project will be initiated this week and completed in September so in-person meetings can be held.

Turning to Communication and Education the Administrator reported an enhancement for annual member benefit statements is completed and a plan overview booklet and actuarial brochure will be completed at the end of July.

The Finance and Accounting goal of completing the custodial search begun in 2020 will be restarted in the fourth quarter of this year once the new Senior Accountant has been hired and trained.

Human Resource Management objectives center around remote work and COVID-19 California OSHA safety protocols. MCERA is still utilizing remote work which staff wants to continue along with reconnecting with staff in the office some of the time.

Mr. Wickman invited questions from the trustees. Trustee Gladstern asked about prior discussions on replacing CPAS. Mr. Wickman replied it would be a significant project to replace CPAS. A number of changes to the system have been made that hopefully will improve the quality and timeliness of MCERA's annual projects like the annual benefit statements, actuarial reporting and GASB 67/68. Mr. Wickman said he wanted to assess how the system performs this fall and then revisit with Assistant Administrator Hardesty the discussion of starting a search for new system. Trustee Gladstern asked what peer systems are using CPAS and he replied there are about three other County Employees Retirement Law (CERL) systems that use CPAS. Chair Silberstein asked about other benefit management systems in use and Mr. Wickman said Pension Gold is the most common system in use with CERL systems. Chair Silberstein asked if CPAS is offering a new system and Ms. Hardesty explained CPAS provides upgrades that MCERA implements, most recently CPAS 5.8 which has additional options for workload tracking. Trustee Gladstern pointed to ownership changes for CPAS and the Administrator said Avenu Insights & Analytics, a private equity firm, has been the current owner for a couple of years which has provided some stability to the company. Ms. Hardesty added staff are working with CPAS to make improvements to current processes which include online training tools for staff. Trustee Werby asked if MCERA is requiring vaccinations and Mr. Wickman said MCERA follows Marin County guidelines for all COVID matters and to date there has been no discussion about requiring vaccinations.

c. Staffing Update

Accounting Unit Manager La Valda Marshall has conducted interviews for the Senior Accountant position and will be making an official offer this month.

d. Facility Use Report

No facility use in the period.

e. Future Meetings

- August 4, 2021 Audit Committee
- August 11, 2021 Board
- August 18, 2021 Finance and Risk Management Committee

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Reporting on the CalAPRS Administrators' Roundtable, Mr. Wickman said the first discussion was on when the Governor's emergency declaration regarding being able to conduct virtual meetings with limited exceptions to the Brown Act might be lifted. This issue has since been resolved. The administrators discussed how different systems are

planning for their staff to return back to work. A number of CERL systems have been physically closed since March of 2020 and are engaged in the process of opening back up, either with hybrid work plans or having all staff back in the office.

Mr. Wickman said the group discussed the impacts of windfall protection provisions on members who earned retirement benefits when they did not pay into Social Security. Social security benefits for members of pension systems like MCERA that do not pay into Social Security can be impacted by offsets. Other discussions included whether paid leave provided under the Family First Coronavirus Response Act was pensionable compensation. Further discussions included the security around providing member self-service access into benefit management systems, changes in discount rates and actuarial assumptions, communication tools used by staff, and diversity and inclusion which is a new area of emphasis for CalAPRS.

Chair Silberstein asked which public pension systems provide self-service to members and Mr. Wickman replied one system that he knows of provides full member services and he believes a handful provide limited service. Trustee Gladstern asked which systems have lowered discount rates to 6.75%. The Administrator replied that he is aware of one CERL system considering a change to 6.75 and another that may be considering a phased approach to 6.25%.

b. Other Comments

No other comments.

C. NEW BUSINESS

1. Investment Policy Statement Updates (Action)

Consider and take possible action on recommended amendments to Investment Policy Statement re:

Mr. Wickman stated at its June Investment Committee meeting the Committee voted to transition the large cap domestic equity portfolio from the S&P 500 Index to the Russell 1000 Index. MCERA has a separate account with State Street Global Advisors (SSGA) which is managed through an Investment Management Agreement (IMA). The IMA includes MCERA's Investment Policy Statement (IPS) and the guidelines SSGA is to follow. In order for SSGA to effect the change adopted by the Board, the IPS needs to be revised to include new guidelines for the Russell 1000. The Administrator presented an updated version of the IPS which included modifications to targets and ranges for large cap and small cap domestic equities to reflect the new 75/25% respective split.

It was M/S Gladstern/Murphy to approve updates to the Investment Policy Statement listed in Agenda Items C.1.a and b below and as amended per discussions. The motion was approved by a vote of 8-0 as follows:

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

- a. General Investment Objectives and Guidelines, Equity Portfolios: Change Domestic Equity Portfolio, Large Cap Stocks from S&P 500 Index to Russell 1000 Index.
- b. Appendix B-1, State Street Global Advisors, Statement of Objectives, Guidelines & Procedures: Change S&P 500 Index to Russell 1000 Index.

D. OTHER INFORMATION

1. Training Calendar (Action)

Mr. Wickman reviewed several updates to events and attendance on the Training Calendar.

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

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

E. CONSENT CALENDAR (Action)

It was M/S Cooper/Werby to approve the June 16, 2021 Consent Calendar as submitted. The motion was approved by a vote of 8-0 as follows:

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

**CONSENT CALENDAR
 MCERA BOARD MEETING, WEDNESDAY, JULY 14, 2021**

June 2021

RETURN OF CONTRIBUTIONS		
Ambar Chavez	Full Refund - Termination	\$ 37,291.70
Felix Flynn	Full Refund - Termination	\$ 5,066.74
Robert Schroedl	Full Refund - Termination	\$ 17,133.13
BUYBACKS		
Ian Adams		\$ 20,000.00

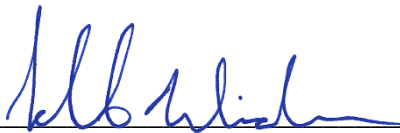
NEW RETIREES

Sharon Blakley	County of Marin - Public Works
Thomas Buell	County of Marin - Public Works
Christine Gimmler	County of Marin - Community Development
Paul Jensen	City of San Rafael
Meloni Page	County of Marin - Human Resources
Joshua Todt	County of Marin - Sheriff/Coroner

DECEASED RETIREES

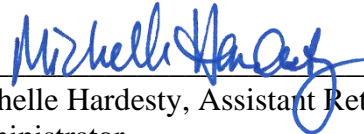
Mary Arlott	County of Marin - Public Works
Roger Garcia	County of Marin - Beneficiary
Martin Groginsky	County of Marin - Beneficiary
Ed Meagor	City of San Rafael
Joan Mow	County of Marin - Health & Human Services
Mark Sanders	County of Marin - Fire
Beverly Williams	County of Marin - Information Services & Technology
Linda Wilson	County of Marin - Health & Human Services
Xiaohong Zeng	City of San Rafael

There being no further business, Chair Silberstein adjourned the meeting at 9:48 a.m.



Jeff Wickman, Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair



Michelle Hardesty, Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary