

MINUTES

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

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

August 11, 2021 – 9:00 a.m.

This meeting was held via videoconference 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 and provide comment through Zoom.

CALL TO ORDER

Chair Silberstein called the meeting to order at 9:03 a.m.

ROLL CALL

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

ABSENT: Cooper

MINUTES

It was M/S Gladstern/Murphy to approve the July 14, 2021 Board Meeting Minutes as submitted. The motion was approved by a vote of 9-0 as follows:

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

NOES: None

ABSTAIN: None

ABSENT: Cooper

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 and Chair Silberstein welcomed Amanda Tomlin to the Retirement Board. Mr. Wickman and Counsel Dunning conducted two orientation sessions with Trustee Tomlin, one on the roles and responsibilities of trustees and a separate session on disability retirement and adjudication processes.

The ballots for the 8th Retired Member election are due this Friday and results will be reported when available early next week.

The agreement with Fidelity Institutional Asset Management (FIAM) to manage the emerging markets portfolio has been completed. Funding the FIAM portfolio will occur as soon as the liquidation of the Parametric emerging markets fund is completed the first week of October. In order to avert redemption fees, the Parametric funds are being phased out in five tranches.

At its June 16, 2021 meeting the Investment Committee changed the domestic large-cap/small-cap equity allocation percentages from 70/30 to 75/25. Accordingly, the allocation to the Dimensional Fund Advisors (DFA) small cap core portfolio is being reduced and funds are being moved to portfolios that are under their target ranges, including the Wellington Core Plus, Colchester Global, and Western Asset Intermediate Credit fixed income portfolios. In addition, the BlackRock REIT Index Fund was trimmed and moved to the BlackRock Treasury Inflation-Protected Securities (TIPS) portfolio to rebalance each portfolio to target ranges. The Investment Committee's action to transition the State Street Global Advisors (SSGA) S&P 500 portfolio to the Russell 1000 has been implemented and the large cap domestic equity portfolio is within its target range.

Due to revised public health guidelines MCERA is reverting back to requiring masks in the office. The Administrator said masks have not been an issue in the office with staff or with customers.

The Board chambers upgrade project in preparation of holding hybrid, in-person Board meetings with broadcast capability is underway. All demolition work to remove old equipment is completed, but new equipment backlogs may delay the project beyond the planned end-of-September completion date. The goal is to hold the October 13, 2021 Board meeting in the chambers as the first hybrid meeting to be broadcast.

Given the planned resumption of in-person meetings, a discussion of employee vaccination status ensued. Chair Silberstein asked what percentage of MCERA

employees are vaccinated. In response Mr. Wickman said all staff members working in the office are vaccinated. The Administrator believes 100% of staff are vaccinated. Trustee Werby inquired about requiring regular testing for those not vaccinated. Mr. Wickman replied that MCERA is following Marin County guidelines which currently do not require testing. All staff entering the building are required to wear masks and self-certify that they have no symptoms.

b. Staffing Update

An offer was made to a candidate for the Senior Accountant position who declined the position. As a result Accounting Unit Manager La Valda Marshall will start the process of conducting interviews for the recruitment over again.

c. Facility Use Report

There was no facility use in the period.

d. Future Meetings

- August 18, 2021 Finance and Risk Management Committee
- September 8, 2021 Board

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Chair Silberstein learned at the Callan National Conference that Callan has become a C corporation and is hiring more staff. Along with focusing on alternative investments and Diversity, Equity and Inclusion (DEI) issues and incorporating Environmental, Social and Governance (ESG) data into its reports, the investment consulting firm is now a United Nations Principles of Responsible Investment (UNPRI) signatory. According to Callan healthy stock market returns have increased average funded levels of public pension funds from 53% to 76%, resulting in discussions about appropriate discount rates.

Chair Silberstein stated the most interesting presentation at the Callan conference was by keynote speaker and Historian Niall Ferguson of the Hoover Institution, who lent perspectives set forth in his book *Doom: The Politics of Catastrophe*. The author pointed out it is not clear when disasters are over and views excess mortality in the U.S. due to the COVID-19 pandemic as not as bad as in some other countries. For comparison he noted the 1918 flu epidemic was 30 times more deadly than the pandemic and the Black Death in the 14th century caused one-third of the world's population to perish. According to Mr. Ferguson, the real significance of the pandemic is economic and COVID-19 was not a natural disaster but was possibly man-made. Consequences of the pandemic include wealth being affected as plentiful money fostered by increasing the federal debt is likely to result in inflation. Chair Silberstein concluded by saying Mr. Ferguson is concerned a war with China over Taiwan may be likely and views cyberattacks as the biggest issue for the future.

Trustee Werby also attended the Callan conference, adding that Mr. Ferguson indicated if a cyberattack caused email to shut down few would have a plan to replace it. Trustee Werby related the views of other conference speakers. Janet Napolitano, former President of the University of California and Secretary of Homeland Security, sees the federal response to security threats as ineffective due to lack of inter-agency coordination. Ms. Napolitano also predicts continuing migration issues at the domestic border due to climate change. Dr. Scott Gottlieb, formerly with the U.S. Food and Drug Administration and associated with the American Enterprise Institute, Pfizer, and Illumina, pointed out this is likely to be the last wave of COVID and that it will be worse due to those still unvaccinated. As schools open there could be another spike since children are more susceptible to the new virus strain. According to Dr. Gottlieb, pandemics create asymmetric risk to developed countries not willing to take more stringent measures. He suggests the U.S. needs to maintain domestic manufacturing capacity for vaccines and have better coordination and information sharing between covert operations and health agencies.

b. Other Comments

Ad Hoc Education Committee Chair Steve Block invited trustees to share ideas for the October Strategic Workshop program with him or the Administrator for the Committee to consider at its meeting next Wednesday.

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 their application be considered in Open Session.

1. Richard Hopkins Service-connected Novato Fire Protection District

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

Mr. Wickman stated staff's recommendation is to grant Mr. Hopkins' service-connected disability retirement application on consent.

It was M/S Gladstern/Werby to adopt the Administrative Recommendation to grant Richard Hopkins' service-connected disability application.

Trustee Block asked if the disability retirement application process should be reviewed since MCERA had recently changed medical advisory services. Mr. Wickman gave assurance that all disability cases receive the same level of diligence, noting there has been a slowdown in cases being presented to the Board which he is expecting to change in the next couple of months as more cases are brought to the Board.

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

Chair Silberstein recessed Open Session at 9:38 a.m. and reconvened the meeting in Closed Session. Trustee Shaw was excused from Closed Session and the meeting at 10:30 a.m. At 10:56 a.m. the Chair recessed Closed Session and reconvened the meeting in Open Session.

D. NEW BUSINESS

1. Public Employee Performance Evaluation

Title: Retirement Administrator (**CLOSED SESSION** pursuant to Government Code section 54957(b)(1))

Chair Silberstein reported there is nothing to report on this agenda item.

2. Future Meetings

Consider and discuss agenda items for future meetings.

Chair Silberstein invited ideas on topics for future meetings and suggested having a presentation on the pros and cons of investing in China.

E. OTHER INFORMATION

1. Training Calendar (Action)

Mr. Wickman highlighted on the monthly Training Calendar a new Callan webinar on Alternative Investments and the CalAPRS Trustees' Round Table in October.

It was M/S Gladstern/Murphy to approve the Training Calendar as submitted. The motion was approved by a vote of 9-0 as follows:

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

F. CONSENT CALENDAR (Action)

Trustee Gladstern asked about the guidance received by the member on the monthly Consent Calendar who took a substantial full refund upon terminating employment. Mr. Wickman explained that a member taking a full refund of contributions must acknowledge and sign a form advising that in doing so the member will not receive any future benefits from MCERA.

It was M/S Murphy/Given to approve the Consent Calendar as submitted. The motion was approved by a vote of 9-0 as follows:

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, AUGUST 11, 2021

July 2021

RETURN OF CONTRIBUTIONS		
Linn Celani	Partial Refund - 30 year overpayment	\$ 16,050.63
Ryan Kirkpatrick	Full Refund - Termination	\$ 237,020.31
Irene Mariani	Partial Refund - 30 year overpayment	\$ 3,633.44
Rick Spaelti	Full Refund - Termination	\$ 2,010.93
Charles David Varela	Full Refund - Termination	\$ 5,309.09
Adam Wilson	Partial Refund - Age change	\$ 1,078.54

BUYBACKS	
None	

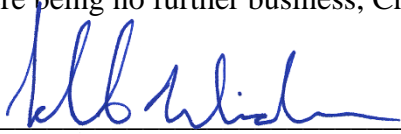
RETIREEES RETURNING TO ACTIVE MEMBERSHIP	
Ted Peterson	Novato Fire

NEW RETIREEES	
Nancy Aduna	County of Marin - Health & Human Services
Jonathan Alper	Southern Marin Fire
Angela Arenas	County of Marin - Health & Human Services
Jairo Leiva	County of Marin - Health & Human Services
Donna Marks	County of Marin - Library
Sheila McBrien	County of Marin - Assessor-Recorder-County Clerk
Yzaida Miranda	County of Marin - Health & Human Services
Sigmund Okuri-Bido	County of Marin - Health & Human Services
Glenn Sterling	County of Marin - Health & Human Services
Andrew Thompson	City of San Rafael

DECEASED RETIREEES	
Emilio Augustine	County of Marin - Probation
James Baker	County of Marin - Sheriff/Coroner
Brian Card	County of Marin - Beneficiary

Sharon Cleary	Novato Fire - Beneficiary
Esther Davidson	County of Marin - Department of Finance
Hiram Elliott	County of Marin - Health & Human Services
Nancy Hilty	County of Marin - Beneficiary
Michael Meadows	County of Marin - Health & Human Services
Jerome Parke	City of San Rafael
Kenneth Pors	County of Marin - Public Works
Curtis Shaddock	County of Marin - Public Works
Barbara Weisner	City of San Rafael - Beneficiary

There being no further business, Chair Silberstein adjourned the meeting at 11:02 a.m.



Jeff Wickman, Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair



Michelle Hardesty, Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary