

MINUTES

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

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

December 8, 2021 – 9:00 a.m.

This meeting was held via videoconference pursuant to MCERA Board of Retirement Resolution 2021/22-01, which invoked Government Code section 54953(e) for all MCERA Board and standing committee meetings through January 1, 2022. 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 9:02 a.m.

ROLL CALL

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

ABSENT: None

MINUTES

It was M/S Gladstern/Murphy to approve the November 3, 2021 Board Meeting Minutes with one administrative edit.

The motion was approved by a vote of 9-0 as follows:

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

It was M/S Given/Gladstern to approve the October 26-27, 2021 Strategic Workshop Minutes as submitted. The motion was approved by a vote of 9-0 as follows:

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

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. APPOINTMENT OF BOARD STANDING COMMITTEES

1. Appointment of Standing Committees and Standing Committee Chairs (Action)

Chair Silberstein presented appointments to Standing Committees and Standing Committee Chairs. He changed the Chairperson of the Finance and Risk Management Committee to Laurie Murphy.

Investment Committee – composed of all twelve members of the Retirement Board

Sara Klein, Chair

Finance and Risk Management Committee

Laurie Murphy, Chair

Roy Given

Sara Klein

Todd Werby

Governance Committee

Chris Cooper, Chair

Steve Block

Maya Gladstern

Dorothy Jones

Steve Silberstein

Amanda Tomlin

Audit Committee

Maya Gladstern, Chair

Steve Block

Roy Given

Steve Silberstein

It was M/S Werby/Block to approve Standing Committees and Standing Committee Chairs as appointed by Chair Silberstein. The motion was approved by a vote of 9-0 as follows:

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

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman is expecting to be presented with a final execution lease for Suite 175 this week. He will be meeting with the Ad Hoc One McInnis Committee this afternoon to review lease provisions.

Annual Member Benefit Statements have been delayed this year. The statements will go out before the end of this month.

The preliminary Actuarial Valuation review was moved to the January 12, 2022 Board meeting.

Mr. Wickman has been re-elected to the Board of Directors for the California Association of Public Retirement Systems (CalAPRS). His new term begins this January and runs for two years.

Last April Marin County employees participated in a county-wide survey that measured bias and inclusivity. MCERA staff have received a copy of the results focused on inclusivity which Mr. Wickman will be discussing at an upcoming all staff meeting.

b. Staffing Update

A recruitment for a Senior Retirement Benefits Technician has been opened.

c. Facility Use Report

No facility use in the period to report.

d. Future Meetings

- December 8, 2021 Audit Committee
- December 15, 2021 Investment Committee
- December 15, 2021 Special Board
- January 12, 2022 Board

Chair Silberstein recessed Open Session and reconvened the meeting in Closed Session for deliberations on **Agenda Item D, Non-Consent Agenda Disability Retirement Applications** at 9:17 a.m. The Chair recessed Closed Session and reconvened the meeting in Open Session at 10:34 a.m.

D. CONSIDERATION OF AND ACTION ON NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 9:15 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. Rebecca Morris Service-Connected Marin County

Initial consideration of an application for service-connected disability retirement.

2. Scott Wallace Service-Connected Marin County Sheriff

Initial consideration of an application for service-connected disability retirement.

It was M/S Gladstern/Murphy to deny Rebecca Morris' service connected disability retirement application and provide the applicant with the opportunity to request an Administrative Hearing. Trustee Block recused himself because he has personal experience with the claimed incapacity and determined that he therefore could not be impartial when considering this application. The motion was approved by a vote of 8-0 as follows:

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

It was M/S Block/Gladstern to deny Scott Wallace's service connected disability retirement application and provide the applicant with the opportunity to request an Administrative Hearing. Trustee Cooper was absent. Trustee Poirier recused himself as he is in the same service and department as the applicant. The motion was approved by a vote of 7-1 as follows:

AYES: Block, Given, Gladstern, Klein, Murphy, Silberstein, Tomlin
NOES: Werby
ABSTAIN: Poirier
ABSENT: Cooper

Chair Silberstein directed deliberations to **Agenda Item B.2, Trustee Comments.**

2. Trustee Comments
a. Educational Training: Reports by Trustees and Staff

Trustee Silberstein reported the SACRS Fall Conference began with an inspirational presentation on "Perseverance and Triumph" about how successful people overcame physical disabilities. In another session the thesis was that high-performing teams share a common purpose and function well because members work together. In the last

session RVK presented its report on county pension funds across the country. MCERA had the best investment performance within the California group.

Mr. Wickman said the session narrated by the Los Angeles Institutional Investors panel was valuable in showing the contrast in investing for an insurance firm, which is looking for a lower target return, and the UCLA Foundation that operates like a public pension system. The two investing approaches show that investment decisions depend on the time horizon and risk level.

Trustee Block reported during the Nossaman Public Pensions & Investments Fiduciaries' Forum Yuliya Oryol led a panel discussion on Considerations for Public Plan Investment Officers. One topic was on Environmental-Social-Governance (ESG) best practices for alternative investments. For ERISA pension plans the Biden administration reaffirmed the bedrock principle that the fiduciary duty is to pay retirement benefits and that ESG factors may not be considered more than any other factor, and must relate to investment return and risk. The SEC is undertaking an anti-greenwashing initiative targeting unsubstantiated claims regarding ESG factors. In addition, ESG disclosure requirements are being added to Private Placement Memorandums (PPMs) and some side letters. Another topic on co-investment vehicles highlighted the advantage of allowing investor participation beyond what the maximum investment criteria is in the main fund. There was discussion on continuation vehicles, which allow the investor to continue participating in an investment after a cash out event. In this circumstance Trustee Block opined there may be self-dealing risks because the General Partner is selling to its own fund. The next discussion centered around the importance of preventing cross-collateralization of manager accounts in the event of a default.

The next presentation addressed administrative issues regarding insurance coverage, data protection, privacy risk, and employment. The first topic addressed the need for controls including warranties on intellectual property regarding licensing agreements with software vendors. One complication with software licenses that include forms and interfaces is when vendors change, the danger is you don't want to recreate all that derivative work to continue your processes. The discussion about privacy pointed to a host of California laws regarding privacy that Trustee Block indicated may warrant review.

Regarding employment the discussion highlighted the importance of avoiding favoritism when considering remote work on a case-by-case basis, and a new law prohibiting nondisclosure agreements in sexual harassment and discrimination cases. Cybersecurity insurance policies have become difficult to get, Trustee Block said, noting it is good MCERA has made progress in improving and documenting processes. He learned that 90% of cybersecurity losses are the result of social engineering related to wire transfers, in which identity thieves approve transfers, pointing to the need for strong controls in this area.

Trustee Klein reported that during the Nossaman Fiduciaries' Forum session on litigation there was considerable discussion on post-Alameda litigation. In other litigation, there were two outstanding cases currently awaiting decisions on appeal. In *O'Neal vs. Stanislaus County Employees' Retirement Association (StanCERA)*, the court of appeal had since affirmed the trial court decision. The background to that case was the Great Recession, the result of which StanCERA changed its amortization period from 20 to 30 years and transferred money from non-valuation reserves to pay vested benefits. The litigant sued alleging breach of the duty of loyalty, and the court found in favor of StanCERA in that it did not violate its fiduciary duty. In the second case, *Houston Community College vs. Wilson*, the board censured a board member who had inappropriate behavior who then asserted his First Amendment rights, and the case is now at the U.S. Supreme Court.

b. Other Comments

Trustee Given announced that Trustee Shaw would be leaving the Board at the end of the year. Trustee Given thanked Karen for serving over ten years on the board. Trustee Shaw said she appreciates the opportunity for what has been a rewarding experience. Trustee Given has appointed Mina Martinovich as the new Ex Officio Alternate Board member as of January 1, 2022.

E. NEW BUSINESS

1. Continuing Trustee Education Log

Review quarterly update of trustee training hours.

Mr. Wickman presented the quarterly update for the Continuing Trustee Education Log showing trustees are meeting their required hours of 24 hours every two years. This item is reported to the Finance and Risk Management Committee that had a delayed meeting.

2. Future Meetings

Consider and discuss agenda items for future meetings.

No discussion.

F. OTHER INFORMATION

1. Training Calendar (Action)

Mr. Wickman said the 2022 NCPERS Public Pension Funding Forum was added to the Training Calendar. He noted that Trustee Block also attended the Nossaman Public Pensions and Investments Fiduciaries' Forum.

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

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

G. CONSENT CALENDAR (Action)

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

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, DECEMBER 8, 2021

November 2021

RETURN OF CONTRIBUTIONS		
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Ian Adams	Partial Refund - Correction	\$ 1,281.32
Rebecca Barnet	Full Refund - Termination	\$ 772.71
Robert Hansen	Full Refund - Termination	\$ 2,879.38

BUYBACKS		
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Aida F. Guillen de Urfer		\$ 5,678.32
Deanna O'Brien		\$ 0,398.52
Ian Hanson		\$ 23,791.19

NEW RETIREES		
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Ian Adams	County of Marin - Fire
Marita Garcia	City of San Rafael
Alexandra Johnston	Novato Fire
Denise Kolker	County of Marin - Sheriff/Coroner
Scott McMorro	County of Marin - Public Works
Milton Perry III	County of Marin - Probation
Doreen Rego	County of Marin - Sheriff/Coroner
Peggy Ruge	City of San Rafael
Shelagh Stewart-Chung	County of Marin - Board of Supervisors

DECEASED RETIREES		
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Jody Ann Becker	County of Marin - Probation
Helen Embree	County of Marin - Probation
Alan Grieve	City of San Rafael
Maxey Hendryx	County of Marin - Probation

Antonio Nunes	County of Marin - Fire
Larry Petretti	City of San Rafael
Edward Simpton	County of Marin - Sheriff/Coroner
Rebecca Sowder	County of Marin - Health & Human Services
Terrance Toner	County of Marin - Public Works
William Walker	City of San Rafael

There being no further business, Chair Silberstein adjourned the meeting at 11:08 a.m.



Jeff Wickman Retirement Administrator

On behalf of:
Steve Silberstein, Board Chair



Michelle Hardesty, Assistant Retirement Administrator

On behalf of:
Laurie Murphy, Secretary