

MINUTES

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

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

April 13, 2022 – 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 April 15, 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 9:01 a.m.

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

ABSENT: None

MINUTES

It was M/S Werby/Gladstern to approve the March 2, 2022 Board Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

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

It was M/S Werby/Murphy to approve the March 16, 2022 Investment Committee Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, 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. TOPIC OF GENERAL INTEREST

1. Reconsideration of State of Emergency conditions under Assembly Bill (AB) 361 (ACTION)

Reconsider and take possible action to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through May 13, 2022, because the State of Emergency proclaimed under Government Code section 8625 remains in effect, and at least one of the following circumstances exists:

- 1. As a result of the emergency meeting in person would present imminent risks to the health or safety of attendees; or
- 2. State or local officials continue to impose or recommend measures to promote social distancing.

Assistant Retirement Administrator Michelle Hardesty stated the Board is to consider whether conditions listed above exist to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through May 13, 2022. This extension is recommended by staff and will allow the April 20 Governance Committee and May 4 Board meetings to be held remotely. Counsel Ashley Dunning stated because the state of emergency referenced above remains in effect, if one or both conditions exist then it would be permitted to extend teleconferencing meetings for another 30 days.

It was M/S Gladstern/Murphy to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through May 13, 2022, because the State of Emergency proclaimed under Government Code section 8625 remains in effect, and both circumstances listed above exist.

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

C..BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Assistant Retirement Administrator Michelle Hardesty welcomed Mina Martinovich as the Interim Ex Officio member as of April 1, 2022. Trustee Martinovich said she has appointed Karen Shaw as the alternate Ex Officio member.

Ms. Hardesty reported staff is processing 35 retirements in April and the Cost of Living Adjustments for retirees effective on April 1. By comparison last year there were 31 retirements, in 2020 there were 34, and in 2019 there were 43 retirements.

Ms. Hardesty and Retirement Administrator Jeff Wickman attended the March meeting of the Marin/Sonoma Mosquito and Vector Control District Board. The meeting was interactive, with questions and considerable interest in Mr. Wickman's discussion of MCERA operations and specifics on the funded status of the Plan.

The Center for Volunteer and Non-Profit Leadership has taken occupancy of Suite 175 at One McInnis Parkway. Trustee Werby asked about Suite 150 which Ms. Hardesty said is currently vacant and undergoing improvements including spec offices and a conference room in support of leasing activity.

b. Staffing Update

Staff have completed interviews for the Retirement Benefits Technician position and are proceeding with background and reference checks on two candidates, with plans to have them begin work in May.

c. Facility Use Report

No facility use in the period.

d. Future Meetings

- April 20, 2022 Governance Committee
- May 4, 2022 Board
- May 16-17, 2022 Strategic Workshop
- May 17, 2022 Audit Committee
- May 25, 2022 Finance and Risk Management Committee

2. Standing Committee Reports

a. Finance and Risk Management Committee

1. Administrative Budget Fiscal Year 2021/22 Quarterly Review

Consider and review expenses for quarters ending September 30, 2021 and December 31, 2021

Finance and Risk Management Committee Chair Laurie Murphy reported administrative expenditures at mid-fiscal year were 44.4% of the budgeted amount. For Salaries and Benefits, expenses for the first half of the year were 37.9% of the budgeted amount for the year due to a position vacancy. Services and Supplies first half expenses were 48.5% of the budgeted amount for the year. Expenses included increased medical transcribing and electronic equipment for the Board room and to support remote work.

2. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarters

See Committee meeting minutes.

3. Quarterly Checklist

Consider, review and updates on the following:

a. MCERA educational and event-related expenses

Educational and event-related expenses were \$6,000 for the two quarters. Events attended included the SACRS Fall Conference, CalAPRS Administrators' Institute, CalAPRS Round Tables, and the Public Pension Financial Forum (P2F2) Conference.

b. Continuing Trustee Education Log

The Continuing Trustee Education Log shows trustees are achieving training requirements.

c. Other expenses per Checklist Guidelines

Credit card expenses were provided to the Committee.

d. Variances in the MCERA administrative budget in excess of 10%

See discussion above.

e. Vendor services provided to MCERA

No new vendor services.

f. MCERA staffing status

See discussion above.

g. Internal controls, compliance activities and capital calls

For the private equity program MCERA received \$60.9 million in distributions during the first half of the 2021/22 fiscal year and paid \$13.3 million in capital calls. For opportunistic portfolios since inception MCERA has paid in \$34.6 million of \$100 million committed.

MCERA has received \$17.2 million of the \$20 million redemption request from UBS and is receiving dividends from both core real estate portfolios.

Emerging markets funds were moved to Fidelity Institutional Asset Management and small cap equity was reduced and rebalanced to fixed income managers.

h. Audits, examinations, investigations or inquiries from governmental agencies

Nothing to report.

i. Other items from the Administrator related to risk and finance

Nothing to report.

4. Budget Priorities for Fiscal Year 2022/23 (ACTION)

Consider and take possible action on recommendation to adopt budget priorities for fiscal year 2022/23

A small increase in the Administrative Budget for Fiscal Year 2022/23 is proposed for salaries and benefits. Positions are budgeted at the top step and have a 2.5% cost of living adjustment. The 52% of pay benefit multiplier is subject to confirmation by the County. The services and supplies budget decreased from the prior year. New priorities include consultant dollars to assist with an Annual Comprehensive Financial Report (ACFR).

Committee Chair Murphy stated that the Finance and Risk Management Committee recommends that the Board adopt the Budget Priorities for Fiscal Year 2022/23 as presented.

It was M/S Werby/Martinovich to adopt Budget Priorities for Fiscal Year 2022/23 as presented. The motion was approved by a vote of 8-0 as follows:

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

5. Information Technology Security Assessment Report

Staff report on risk planning and processes for MCERA

The report assesses risks to cybersecurity and resulted in no findings as of June 30, 2021. Linea Secure completed penetration testing that resulted in security enhancements. The CPAS pension administration system is now cloud-hosted to allow 2-hour recovery from catastrophic failure.

6. MCERA Insurance Review

Review, discuss and consider MCERA's insurance coverage

Fiduciary liability and cyber insurance coverages were reviewed.

3. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

No events to report.

b. Other Comments

No other comments.

Chair Silberstein directed deliberations to **Agenda Item F, New Business.**

F. NEW BUSINESS

1. SACRS Board of Directors Election (ACTION)

Consider and take possible action on SACRS Nominating Committee final ballot.

Ms. Hardesty stated that staff recommends approving the SACRS Nominating Committee's final ballot for members of the Board of Directors.

It was M/S Gladstern/Werby to approve the SACRS Nominating Committee's slate for the Board of Directors as presented. The motion was approved by a vote of 8-0 as follows:

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

2. Future Meetings

Consider and discuss agenda items for future meetings.

Chair Silberstein invited suggestions for topics for future meetings.

G. OTHER INFORMATION

1. Training Calendar (ACTION)

Ms. Hardesty pointed out that a Callan Introduction to Investments course was added to the monthly Training Calendar.

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

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

H. CONSENT CALENDAR (ACTION)

The monthly Consent Calendar was presented to the Board for consideration.

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

Trustee Werby observed there were a number of terminations and Ms. Hardesty said most terminations were for deferred, non-vested members.

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

CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, APRIL 13, 2022

MARCH 2022

| RETURN OF CONTRIBUTIONS | | | |
|-------------------------|--|----|-----------|
| Karin Carmin | Full Refund - Termination | \$ | 24,796.03 |
| Sara Contreras-Smith | Full Refund - Termination | \$ | 28,682.65 |
| Lia D'Addario | Full Refund - Termination | \$ | 562.14 |
| Matthew Guy | Full Refund - Termination | \$ | 16,498.96 |
| Vicki Haines | Full Refund - Termination | \$ | 28,522.05 |
| Ramona Indrebo | Partial Refund - Correction | \$ | 264.05 |
| Albert Jackson Jr. | Full Refund - Active Death of Jacqueline Jackson | \$ | 11,718.35 |
| Charlotte Jourdain | Full Refund - Termination | \$ | 18,157.78 |
| Swapnil Pagare | Full Refund - Termination | \$ | 22,531.25 |
| Charles E. Taylor | Partial Refund - 30 Year Overpayment | \$ | 2,111.50 |
| Saskia Van Buuren | Full Refund - Termination | \$ | 35,639.71 |

| BUYBACKS | | | |
|--------------------|--|----|-----------|
| Kori Graff | | \$ | 14,467.84 |
| Kam Fong Lam | | \$ | 7,782.49 |
| Amy Lee | | \$ | 2,349.53 |
| Christina Martinez | | \$ | 8,168.34 |
| Caroline Mercado | | \$ | 26,226.10 |
| Alexis Nielsen | | \$ | 11,525.37 |
| Daniel Sauter | | \$ | 4,568.52 |
| Cynthia Smith | | \$ | 25,000.00 |

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| NEW RETIREES |
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|-------------------|---|
| Reuel Brady | County of Marin - Public Works |
| Valoree Brovelli | County of Marin - DRO |
| Vanessa Dominguez | County of Marin - Health & Human Services |
| Thomas Gaulke | Novato Fire |
| Neil Hopper | County of Marin - Fire |
| Larry Laino | County of Marin - Public Works |
| Heather Lockhart | County of Marin - District Attorney |
| Robert Nealon | County of Marin - Sheriff/Coroner |
| Anne Sommer | County of Marin - Health & Human Services |
| Joseph Tescallo | Marin/Sonoma Mosquito & Vector Control |
| Gary Trent | County of Marin - Probation |

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| DECEASED RETIREES |
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|-----------------|---|
| Jeanette Chan | County of Marin - Beneficiary |
| Carlos Gonzalez | County of Marin - Health & Human Services |
| Garland Murphy | County of Marin - Health & Human Services |
| Robert Rames | Southern Marin Fire |

Chair Silberstein directed deliberations to **Agenda Item D, Disability Consent Agenda** at 9:30 a.m.

D. 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. George Bernheim Service-Connected Marin County Sheriff

Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

2. James Boggeri Service-Connected Marin County Fire
Department

Consider and take possible action to adopt Administrative Recommendation to grant service-connected disability retirement application.

It was M/S Gladstern/Murphy to adopt the Administrative Recommendation to grant George Bernheim's service-connected disability retirement application with an effective date of January 24, 2019. The motion was approved by a vote of 8-0 as follows:

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

It was M/S Gladstern/Murphy to adopt the Administrative Recommendation to grant James Boggeri's service-connected disability retirement application with an effective date of March 31, 2021. Trustee Cooper did not vote on this application, per Board policy, because he is in the same service as the applicant. Trustee Poirier voted in place of Trustee Cooper. The motion was approved by a vote of 8-0 as follows:

AYES: Gladstern, Klein, Martinovich, Murphy, Poirier, Silberstein, Tomlin, Werby
NOES: None
ABSTAIN: None
ABSENT: None

E. 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. Buffy Paxson Service-Connected City of San Rafael

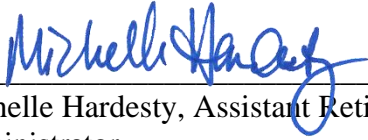
Initial consideration of an application for service-connected disability retirement.

Ms. Hardesty stated that the applicant Buffy Paxson requested that her application for service-connected disability retirement be removed from the agenda and scheduled for a future Board meeting. Counsel Dunning advised that Ms. Paxson has retained counsel and this is justification for granting her request.

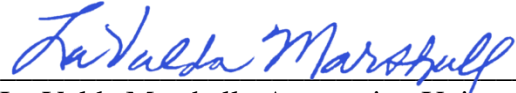
It was M/S Cooper/Werby to remove Buffy Paxson's application for service-connected disability retirement from the agenda and reschedule the application for a future meeting. The motion was approved by a vote of 8-0 as follows:

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

There being no further business, Chair Silberstein adjourned the meeting at 9:36 a.m.



Michelle Hardesty, Assistant Retirement
Administrator
On behalf of:
Steve Silberstein, Board Chair



La Valda Marshall, Accounting Unit
Manager
On behalf of:
Laurie Murphy, Secretary