

**MINUTES**

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

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

**October 12, 2022 – 9:00 a.m.**

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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 October 14, 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:** Cooper, Gladstern, Klein, Martinovich, Silberstein, Vasquez, Werby, Jones (alternate retired), Shaw (ex officio alternate)

**ABSENT:** Murphy, Poirier (alternate safety), Tomlin

**MINUTES**

It was M/S Werby/Gladstern to approve the September 14, 2022 Board Meeting Minutes as submitted. The motion was approved by a vote of 8-0 as follows:

**AYES:** Cooper, Gladstern, Jones, Klein, Martinovich, Silberstein, Vasquez, Werby

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Murphy, Poirier, Tomlin

**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. Teleconference Provisions under the Brown Act – Assembly Bill (AB) 2449  
Consider and discuss teleconference provisions under AB 2449

Mr. Wickman informed the Board about teleconference provisions in Assembly Bill (AB) 2449 recently signed by the Governor. He explained that under the Brown Act there are four requirements to be met when a Board member attends a meeting remotely having to do with notice and public access. Due to the pandemic these provisions were suspended to allow teleconferencing meetings on a conditional basis. Assembly Bill (AB) 2449 amends the Brown Act by establishing new provisions for remote attendance effective January 1, 2024 through January 1, 2026. These provisions suspend the notice and public access requirements at the remote location, so long as a quorum of the Board is present together physically at MCERA or elsewhere in Marin County. In addition, remote attendance is limited to “just cause” or “emergency circumstances” which Mr. Wickman reviewed and detailed in his memo on this topic. The Administrator invited questions, clarifying that, for example, a vacation would not meet remote attendance provisions.

2. 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 November 11, 2022, because at least one of the following circumstances exists:
  1. The State of Emergency proclaimed remains in effect and continues to directly impact the ability of the members to meet safely in person; or
  2. State or local officials continue to impose or recommend measures to promote social distancing.

Retirement Administrator Jeff Wickman stated the Board is to consider whether one or both 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 November 11, 2022. The extension would allow the October 25-26 Strategic Workshop and the November 2, 2022 Board meeting to be held remotely.

Chair Silberstein invited comments on this topic and Trustee Jones said she has read there are still COVID cases and vaccinations are lower which is concerning.

It was M/S Jones/Gladstern to invoke Government Code section 54953(e), and to extend MCERA Resolution 2021/22-01 Authorizing Teleconferencing for Board and Standing Committee Meetings through November 11, 2022 because both of the conditions listed above still exist. The motion was approved by a vote of 5-3 as follows:

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

### **C. ELECTION OF BOARD OFFICERS**

#### 1. Candidates for Board Officers

Consider and discuss nominations for Board of Retirement officer positions

Chair Silberstein invited trustees to express their interest in serving as an officer of the Board of Retirement. Mr. Wickman presented the Election and Duties of Board of Retirement Officers Policy, confirming this is the time for trustees to communicate interest in serving as an officer. Trustee Gladstern relayed that Trustee Murphy is interested in serving as Chair, and she announced her candidacy for Secretary. Chair Silberstein asked Trustee Werby to continue to serve as Vice Chair and Trustee Werby agreed to run for the position. The election of officers takes place at the Board's November 2, 2022 meeting.

### **D. BOARD OF RETIREMENT MATTERS**

#### 1. Administrator's Report

##### a. Administrator's Update

Mr. Wickman welcomed Trustee Daniel Vasquez to the Board of Retirement and his first Board meeting. On November 1<sup>st</sup> Marin County Sheriff's Sergeant Chris Gullett will join the Board as the alternate Safety Member, replacing Michael Poirier who stepped down with the expiration of his term effective October 31. For the Fourth and Sixth Member positions expiring October 31, 2022, the Board of Supervisors will be considering applications at its October 18, 2022 meeting.

The Administrator discussed the potential merger of City of Mill Valley fire personal into Southern Marin Fire Protection District. Earlier this year MCERA's actuary conducted a cost analysis of the impact to Southern Marin Fire Protection District contribution rates. The merger requires the approval of the Marin Local Agency Formation Commission (LAFCO). Chair Silberstein asked if the contribution rates are different and Mr. Wickman replied the rates are different between CalPERS and MCERA.

##### b. Staffing Update

No staffing updates to report.

##### c. Facility Use Report

No facility use in the period.

d. Future Meetings

- October 25-26, 2022 Strategic Workshop
- November 2, 2022 Board
- November 16, 2022 Finance and Risk Management Committee
- November 30, 2022 Audit Committee

2. Standing Committee Report – Governance Committee

a. Proxy Voting

1. Proxy Voting Reports

Proxy voting records of public equity managers for June 30, 2022

Governance Committee Chair Cooper reported the Committee reviewed proxy voting reports for the first half of 2022. Institutional Shareholder Services (ISS) voted proxies for DFA and State Street portfolios in accordance with Public Fund Policy recommendations. Reports included votes against ISS recommendations.

2. Proxy Voting Reports – Executive Compensation

Review and discuss the ISS executive compensation proxy voting reports for the Dimensional Fund Advisors and State Street Global Advisors portfolios

Proxy votes on executive compensation were presented for the Dimensional Fund Advisors and State Street Global Advisors portfolios. The Committee will discuss a customized CEO pay proxy voting guideline at its next meeting. Chair Cooper invited Committee members to comment. Chair Silberstein pointed out that some pension systems vote against 50 to 60% of CEO pay packages. He indicated that monitoring CEO pay that has risen dramatically is a way of improving Fund returns. Trustee Werby asked about the effectiveness of MCERA's votes against CEO pay. In response Chair Silberstein explained the votes are advisory but because the percentage of negative votes has risen, some companies are changing CEO pay policies.

b. Governance Risk Report – Institutional Shareholder Services (ISS) – Jack Ferdon

Review and discuss the ISS quarterly Risk Assessment Report

Generally proxy votes were supportive of shareholder proposals across all categories, notably those allowing shareholders to call a special meeting. There was an increase in dissent on say on CEO pay proposals. The SEC is implementing a universal proxy listing all candidates on one ballot. Staff provided a summary of contested meetings and performance of the related companies.

c. Existing Policies – Standard Review with Proposed Updates

1. Conflict of Interest Code (ACTION)

Consider possible action on Governance Committee recommendation to adopt updates to policy

Committee Chair Cooper explained that updates to the Conflict of Interest Code standardize government code and correct thresholds.

Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Conflict of Interest Code as submitted. The motion was approved by a vote of 8-0 as follows:

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

2. Trustee Due Diligence Policy (ACTION)

Consider possible action on Governance Committee recommendation to adopt updates to policy

Updates to the Due Diligence Policy lend flexibility and specificity to due diligence.

Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Trustee Due Diligence Policy as submitted. The motion was approved by a vote of 8-0 as follows:

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

3. Portable Electronic Device Policy (ACTION)

Consider possible action on Governance Committee recommendation to adopt updates to policy

Updates to the Portable Electronic Device Policy were developed by Counsel and MCERA staff.

Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Portable Electronic Device Policy as submitted.

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

d. Existing Policies – Standard Review without Proposed Updates

The Investment Policy Statement will be considered by the Investment Committee.

1. Investment Policy Statement (ACTION)

Consider Governance Committee recommendation to defer action on this policy to next Investment Committee meeting

Chair Cooper stated the Governance Committee recommends that the Board accept the review of the policies listed in **Agenda Items D.2.d.2-4** listed below. The motion was approved by a vote of 8-0 as follows:

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

2. Code of Fiduciary Conduct, Ethics and Governance (ACTION)  
Conduct standard policy review
3. Interest Crediting Policy (ACTION)  
Conduct standard policy review
4. Unrestricted Earnings Policy (ACTION)  
Conduct standard policy review

Chair Silberstein directed deliberations to **Agenda Item E, Disability Consent Agenda.**

**E. 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. Kristine Yoder                                  Service-Connected                                  County of Marin

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

It was M/S Gladstern/Cooper to adopt the Administrative Recommendation to grant Kristine Yoder’s application for service-connected disability retirement with an effective date of October 19, 2018.

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

Chair Silberstein directed deliberations to **Agenda Item D.3, Trustee Comments.**

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

Trustee Gladstern reported on the Council of Institutional Investors (CII) Fall Conference. U.S. Asset Owners discussed pressure from stakeholders about fossil fuels. The State of Maryland pension fund is required to create an advisory committee for climate change risks. Regarding proxy voting, the end to end vote confirmation process, investor voting instructions, and vote confirmation updates were discussed. There are tabulators at shareholder meetings and the challenge is retail investors are now required to be offered voting rights. There has been more voting activity and there is a desire to count votes as quickly as possible. With respect to Environment-Social-Governance (ESG), the point was made that ESG analysis cannot be separated from other long-term risks and rewards.

Universal proxies should ease access to small and midcap engagement. Good governance will lead to stronger consideration of the environment and social issues.

In a discussion of geopolitical risk McDonald's disclosed steps it took to withdraw its business from Russia. During a dinner hosted by CII, Trustee Gladstern along with, for example, a trustee from the Washington State Investment Board, shared the challenges each pension system faced.

During a session on strategies to incorporate ESG into fund due diligence and contracts, Trustee Gladstern shared her idea to focus on investment beliefs, noting that the Investment Committee worked hard on MCERA's Investment Beliefs. For the private markets the Institutional Limited Partners Association (ILPA) has an ESG data convergence initiative to create a critical mass of performance-based, comparable data for private companies. Addressing international governance and risk, comparisons are being made of family versus entrepreneur businesses in the emerging markets. It was noted that if Taiwan is attacked, the supply chain risk increases greatly.

Trustee Gladstern highlighted the efforts of major California public pensions, including the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS), to engage 57 corporations on Board diversity. Of these, 46 have made progress on Board diversity. Trustee Gladstern has recommended that the Governance Committee discuss this initiative at its next meeting in the spring of 2023.

Trustee Cooper shared his takeaways from the CII Conference, noting that the phrase "ESG" is going out of favor and will instead be referred to as making quality decisions by management. There is evidence more women are being hired for corporate boards, but there is also higher turnover for women. The head of the Public Company Accounting Oversight Board said it is launching an investigation into Chinese companies with the objective of helping investors to invest in China.

Mr. Wickman said Counsel Dunning attended the CalAPRS Attorneys' Round Table which she will report on at the November Board meeting.

b. Other Comments

No other trustee comments.

**F. NEW BUSINESS**

1. COVID-19 Disability Presumption Extended under Assembly Bill (AB) 551

Consider and discuss extension of COVID-19 disability presumption.

The Administrator reported the California Legislature enacted a rebuttable presumption of service connection applicable to permanent incapacity caused by COVID-19 ("Covid-19 Presumption") effective for the 2022 calendar year. Assembly Bill (AB) 551 extends the duration of the Covid-19 presumption until January 1, 2024. Responding to an inquiry, Mr. Wickman said MCERA has no COVID-19 presumptive disability retirement applications.

2. Board Meeting Calendar for 2023 (ACTION)  
Consider and take possible action to approve Calendar.

Mr. Wickman presented the proposed Board Meeting Calendar for 2023, requesting that trustees share any conflicts they may have with the schedule. Trustee Martinovich has another obligation the last week of October and asked about the same dates for the Audit Committee and Finance and Risk Management Committee. Trustee Werby asked if the date for the March Investment Committee could be changed. The Calendar will be revised accordingly, reviewed by consultants, and presented for consideration at the November Board meeting.

3. Retirement Administrator Compensation (ACTION)  
Consider and take possible action to approve recommended pay increase.

Mr. Wickman recused himself from discussion of this topic as he has a financial interest and left the meeting. Chair Silberstein referenced the Board's recent outstanding performance evaluation of Retirement Administrator Jeff Wickman. He reviewed Mr. Wickman's accomplishments over 12 years at MCERA that are detailed in his memo. These include keeping MCERA operations running smoothly throughout the pandemic and other challenges, managing property challenges and leasing of suites at One McInnis Parkway, and implementation of proxy voting which is going very well. As a result, the Ad Hoc Retirement Administrator Performance Evaluation Committee recommends a 2% increase in the Retirement Administrator's pay. Responding to Trustee Klein's inquiry, Trustee Gladstern said the recommendation is in addition to standard increases the Administrator has received along with other County employees.

It was M/S Werby/Gladstern to approve the Ad Hoc Retirement Administrator Performance Evaluation Committee's recommended 2% increase in pay for Retirement Administrator Jeff Wickman, on the timing set forth in Chair Silberstein's memo. The motion was approved by a vote of 8-0 as follows:

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

The Retirement Administrator returned to the meeting.

4. Future Meetings  
Consider and discuss agenda items for future meetings.

Chair Silberstein invited comments on topics for future meetings.

## **G. OTHER INFORMATION**

1. Training Calendar (ACTION)

Mr. Wickman discussed updates on the monthly Training Calendar. Trustee Vasquez will be attending the Nossaman Public Pensions and Investments Fiduciaries' Forum next week in Los Angeles. CalAPRS has created a new Compliance Round Table that meets on October 25. In November the Board Clerk will attend the California Special Districts Association Board Secretary Conference in Monterey. The CalAPRS Benefits Round Table has a new date, and



SACRS scheduled its Public Pension Investment Management Program in July 2023 at U.C. Berkeley. The Administrator invited trustees to inquire about attending the events.

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

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

**H. CONSENT CALENDAR (ACTION)**

Mr. Wickman presented the monthly Consent Calendar for consideration by the Board.

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

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

**CONSENT CALENDAR**

**MCERA BOARD MEETING, WEDNESDAY, October 12, 2022**

**SEPTEMBER 2022**

<b>RETURN OF CONTRIBUTIONS</b>			
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Sandra Felix Ahumada	Refund of Contributions (termination)	\$	4,124.68
Richard Dunckel	Partial Refund of Contributions (30 yr.)	\$	2,440.00
Cassandra Fallon	Refund of Contributions (termination)	\$	25,320.25
Valerie Farmer	Refund of Contributions (termination)	\$	12,351.43
Erin Garibaldi	Refund of Contributions (termination)	\$	44,085.44
Fabiola Razo	Refund of Contributions (termination)	\$	12,439.79

<b>BUYBACKS</b>			
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Gabriela Becker Chiapellone		\$	4,060.24
Ashmita Pindoria		\$	4,652.75

<b>NEW RETIREES</b>	
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Andrea DeGrassi	County of Marin - Agriculture, Weights & Measures
Daniel Fink	City of San Rafael

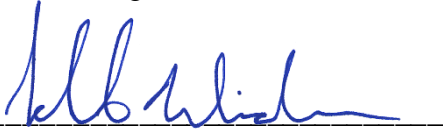
Shannon Griffin  
Kellee Littleton  
Wesley Sitchler

County of Marin - Health & Human Services  
County of Marin - Sheriff/Coroner  
City of San Rafael

<b>DECEASED RETIREES</b>	
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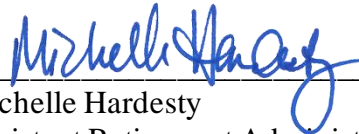
Andrew Anderson	County of Marin - Beneficiary
Kelly Gagnon	County of Marin - Beneficiary
Elaine Hall	County of Marin - Beneficiary
Barbara Johnson	County of Marin - Library
Paul McCarthy	County of Marin - Health & Human Services
Elizabeth Procopio	County of Marin - Public Defender
Linda Rapp	County of Marin - Probation
Hiroko Uratsu	County of Marin - Assessor, Recorder, County Clerk

There being no further business, Chair Silberstein adjourned the meeting at 10:13 a.m.



Jeff Wickman  
Retirement Administrator

On behalf of:  
Steve Silberstein, Board Chair



Michelle Hardesty  
Assistant Retirement Administrator

On behalf of:  
Laurie Murphy, Secretary