

## **MINUTES**

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

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

**September 13, 2023 – 9:00 a.m.**

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This meeting was held at the address listed above and, absent technological disruption, was accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2.

#### **CALL TO ORDER**

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

#### **ROLL CALL**

**PRESENT:** Cooper, Gladstern, Klein, Martinovich, Murphy, Poole, Vasquez, Werby, Jones  
(alternate retired)

**ABSENT:** Silberstein, Gullett (alternate safety), Shaw (ex officio alternate)

#### **CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR “JUST CAUSE” OR “EMERGENCY,” AS SET FORTH ON THIS AGENDA BELOW**

No Board members requested to teleconference.

#### **MINUTES**

It was M/S Werby/Vasquez to approve the August 9, 2023 Board Meeting Minutes as submitted. The motion passed by a vote of 8-0 as follows:

**AYES:** Cooper, Gladstern, Klein, Martinovich, Murphy, Poole, Vasquez, Werby  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** Silberstein

## **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. ELECTION OF BOARD OFFICERS**

### **1. Election and Duties of Board of Retirement Officers Policy**

Review and discuss existing policy for election of Board of Retirement Officers

Retirement Administrator Jeff Wickman stated the election of Board of Retirement Officers is a three-step process, beginning with a discussion of the Election and Duties of Board of Retirement Officers Policy (Policy) at the September Board meeting. He invited comments on the Policy. Chair Murphy indicated it is helpful to have the election process for Board Officers set forth in the Policy.

### **2. Candidates for Board Officers**

Solicit interest for Board of Retirement officer positions, with nominations requested by October Board meeting

The next step in the selection of Board Officers occurs at the October Board meeting when trustees may express an interest in serving as Board Chair, Vice Chair or Secretary. Finally, the officers are elected during the November Board meeting and assume office at the December Board meeting.

## **C. BOARD OF RETIREMENT MATTERS**

### **1. Administrator's Report**

#### **a. Administrator's Update**

At the July Board meeting Mr. Wickman reported on the security breach having to do with PBI Research Services (PBI) and other public retirement systems, which had been widely reported upon in the press. The Administrator said PBI is used by most California public pension systems for the death verification process. Data was taken as a result of using the upload tool which MCERA does not use, and PBI has confirmed the breach did not impact MCERA. However, some MCERA retirees have received one or more notices that their data was breached by virtue of a relationship the retiree had with another company that used PBI. Mr. Wickman indicated that the notices being sent out by PBI clearly state what company had their data breached. Mr. Wickman said staff are developing a communication that could go on MCERA's web

site explaining what happened with the original breach and that MCERA data was not compromised.

Mr. Wickman reported the Fund's preliminary fiscal year return is 6.35% as of June 30, 2023. This amount will be updated once June 30, 2023 valuations for the private equity portfolio are available.

The Administrator will be attending the CalAPRS Administrators' Institute in Carmel at the end of September.

The roof at One McInnis Parkway is over 30 years old and is being replaced with a new composite roofing material.

b. Staffing Update

Staff began the recruitment for the Department Analyst II position.

c. Facility Use Report

The Marin County Association of Retired Employees, MCARE, held its board meeting in the Board Conference Room on September 6, 2023.

d. Future Meetings

- September 27, 2023 Investment Committee
- October 11, 2023 Board

2. Standing Committee Reports – Finance and Risk Management Committee

a. Administrative Budget Fiscal Year 2022/23 Fiscal Year Review

Consider and review expenses for quarter and fiscal year ending June 30, 2023

Finance and Risk Management Committee Chair Todd Werby reported total administrative expenditures for the fiscal year were 84% of the budgeted amount. Total Salaries and Benefits were 27.6% for the quarter and 89% for the fiscal year due to staffing vacancies. Services and Supplies were 79% of the budgeted amount for the fiscal year.

b. Non-budgeted Expenses

Consider and review non-budgeted expenses for the quarter and fiscal year

See Minutes of Finance and Risk Management Committee meeting.

c. Quarterly Checklist

Consider, review and updates on the following:

1. Other expenses per Checklist Guidelines

See Minutes of Finance and Risk Management Committee minutes.



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

See discussion above.

3. MCERA educational and event-related expenses

Conference expenses increased in the 4th quarter as trustees began attending more in-person training.

4. Continuing Trustee Education Log

The Continuing Trustee Education Log shows trustees have achieved the required 24 hours of training due in 2023.

5. Internal controls, compliance activities and capital calls

For the private equity program MCERA received approximately \$36 million in distributions and paid \$10.7 million in capital calls through the fourth quarter of the fiscal year. Opportunistic managers together called \$8.6 million in capital and distributed \$8.3 million to MCERA for the fiscal year. Since June 30, 2023 MCERA has received total distributions of about \$4.6 million and paid capital calls of about \$1.3 million.

6. Vendor services provided to MCERA

See Minutes of Finance and Risk Management Committee meeting.

7. MCERA staffing status

There are two positions to be filled, Department Analyst and Retirement Manager.

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

See Minutes of Finance and Risk Management Committee meeting.

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

See Minutes of Finance and Risk Management Committee.

d. Annual Audit of Financial Statements Update

See Minutes of Finance and Risk Management Committee.

3. Ad Hoc Committee Report – Ad Hoc Education Committee

a. Strategic Workshop Agenda (ACTION)

Consider and take possible action to approve agenda

Mr. Wickman reported the Ad Hoc Education Committee, composed of Trustees Todd Werby (Chair), Maya Gladstern and Sara Klein, met to consider the agenda for the

October 2023 Strategic Workshop. The length of the Workshop was reduced to one day, October 17, 2023, from a day and a half. In the first proposed presentation the Actuary will review his findings for economic assumptions based on the triennial Experience Study. Next, Callan will discuss the Fund's fixed income allocation. The impact of the real estate market on macroeconomics will be reviewed by Invesco's Kristina Hooper, Chief Global Market Strategist, and Brooks Monroe, Portfolio Manager. Also, key inflation drivers will be presented by Western Asset Management's Senior Chief Economist Mike Bazdarich. Finally, the Administrator will present an overview of the Investment Consultant Request for Proposal process and timeline.

It was M/S Vasquez/Gladstern to approve the Strategic Workshop Agenda as submitted. The motion passed by a vote of 8-0 as follows:

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

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Poole reported at the CalAPRS Principles of Pension Governance course she learned about fiduciary duties, the role of the Board and consultants, the disability retirement process, and how high-level investment decisions are made. Discussion of a case study provided an interesting view on how different public pension Boards operate. She stated the course was a good introduction to serving on a public pension board and an opportunity to meet peers from across California. Trustee Vasquez voiced agreement with Trustee Poole's assessment of the course.

Counsel Dunning's colleague who attended the recent CalAPRS Attorneys' Round Table will be providing a report to the Retirement Administrator which Counsel Dunning will review during the October 11, 2023 Board meeting.

b. Other Comments

No other comments by the trustees.

Chair Murphy directed deliberations to **Agenda Item E, Non-Consent Agenda Disability Retirement Applications.**

**E. CONSIDERATION OF AND ACTION ON NON-CONSENT AGENDA DISABILITY RETIREMENT APPLICATIONS (TIME CERTAIN: 9:30 a.m.) (CLOSED SESSION) (ACTION) (Gov. Code sec. 54957(b))**

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 live stream will indicate the Board is in Closed Session.

1. Rachael Yamanoha      Service-Connected      Marin County District Attorney

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

Mr. Wickman explained that applicant Rachael Yamanoha requested a delay in the Initial Consideration of her application for a Service-Connected disability retirement so she could review the reports provided and determine whether to seek legal counsel. Upon consulting with the Chair, the Administrator granted Ms. Yamanoha's request.

#### **F. NEW BUSINESS**

1. Final Public Employee Performance Evaluation Title: Retirement Administrator  
Board Chair report on Consensus Evaluation

Chair Murphy reported the Board overwhelmingly agreed in its Consensus Evaluation that Mr. Wickman is doing a wonderful job as Retirement Administrator.

2. Retirement Administrator 2023/24 Business Objectives (ACTION)  
Consider and take possible action to approve Business Objectives

Mr. Wickman presented proposed Business Objectives for August 2023 through July 2024.

#### **Benefit Administration**

Mr. Wickman indicated that there is a potential that MCERA may need to implement changes to the County's retiree medical plans before the end of the year. MCERA administers post-retirement health plans on behalf of Marin County. The Board discussed what the potential impacts could be on daily operations and what strategies could be employed to alleviate workload issues. Mr. Wickman indicated that until it was clearer what the potential changes may be, it was difficult at this stage to assess the total impact. Depending on the size and scope MCERA may well be able to effectively manage the changes and not have a significant impact on operations.

It has been more than five years since MCERA has conducted an audit of the annual Actuarial Valuation and Experience Study. The Administrator is recommending conducting that work this coming year.

Staff have been working on a new enrollment process for new members which includes the use of an electronic form. The new process will provide for more timely enrollment information and improve the process of accurately setting the new employee's retirement benefit tier. In turn, this will improve the accuracy of data received from plan sponsors and address issues with establishing incoming reciprocity for new members.

Currently the data provided to the actuary for the annual valuation is reviewed by staff after the end of the fiscal year. This process will change to a quarterly review that will

address data quality issues. The quarterly review will improve data accuracy and allow MCERA to provide the final data to the actuary earlier, which may allow for completion of the Actuarial Valuation before the end of the calendar year.

Chair Murphy directed deliberations to **Agenda Item D, Disability Consent Agenda** at 9:34 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. Sarah Martinez                      Service-Connected                      Marin County Sheriff

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

It was M/S Cooper/Vasquez to adopt the Administrative Recommendation to grant Sarah Martinez's service-connected disability retirement application with an effective date of October 6, 2018. The motion passed by a vote of 8-0 as follows:

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

Chair Murphy redirected deliberations to **Agenda Item F.2, Retirement Administrator 2023/24 Business Objectives**.

**Retirement Administrator 2023/24 Business Objectives** continued.

**Performance Management**

These Objectives set forth specific performance percentages for member services, such as new retiree payroll inceptions and retirement benefit estimates. Mr. Wickman stated it is very important from a performance standpoint to be accountable to the Board and our members for basic services.

**Business Management**

The goals will be to complete 100% of all employee evaluations, complete Department Analyst and Retirement Manager recruitments, and conduct a new cyber risk assessment.

**Investments**

The Objective is to issue a Request for Proposal (RFP) for an investment consultant and assess responses. In addition, a weekly communication to trustees on investment topics will be developed.



### **Communication and Education**

Mr. Wickman said that MCERA needs to relaunch in-person member workshops, provide additional information to retirees and active members about the Marin County Association of Retired Employees (MCARE), and launch employer training workshops. Based on Trustee Werby's inquiry, Mr. Wickman will report measurable performance for the collaboration with MCARE.

### **Finance and Accounting**

Objectives are to develop an Annual Comprehensive Financial Report (ACFR) template, publish Popular Annual Financial Reports (PAFR) for Fiscal Years 2017 through 2023, and conduct an analysis of AccountMate Chart of Accounts to consolidate and align with Munis and CPAS. Trustee Martinovich approved of the plans to develop the ACFR template, noting the process provides for the opportunity to have input and meet Government Finance Officers Association (GFOA) standards.

It was M/S Gladstern/Cooper to approve the Retirement Administrator Business Objectives as amended per discussions. The motion passed by a vote of 8-0 as follows:

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

#### **3. Future Meetings**

Consider and discuss agenda items for future meetings

No discussion.

### **G. OTHER INFORMATION**

#### **1. Training Calendar (ACTION)**

Mr. Wickman presented the monthly Training Calendar. He noted Trustees Cooper and Vasquez plan to attend the SACRS Conference in November and invited other trustees interested in attending to let staff know. Next year's Pension Bridge Annual Conference and the SACRS Public Pension Investment Management program at U.C. Berkeley have been added to the Training Calendar.

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

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



## H. CONSENT CALENDAR (ACTION)

Mr. Wickman presented the Consent Calendar for the month of August 2023 for consideration by the Board.

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

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

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### CONSENT CALENDAR

MCERA BOARD MEETING, WEDNESDAY, SEPTEMBER 13, 2023

### AUGUST 2023

RETURN OF CONTRIBUTIONS			
Ignacio De La Cruz Jr.	Full Refund - Termination	\$	6,341.79
Ross MacDonald	Full Refund - Termination	\$	18,381.11
Robert Maxim	Full Refund - Active Death of John Maxim	\$	31,689.64
Kristian Louie Nadal	Partial Refund - Correction	\$	2,975.01
Justin Thomas	Full Refund - Termination	\$	3,939.39
Craig Yeager	Full Refund - Termination	\$	10,163.01

BUYBACKS			
Bryan Bostjancic		\$	1,275.75
Desiree Reitknecht		\$	9,373.55

NEW RETIREES	
Zack Azzari	City of San Rafael
Jacqueline Blair	County of Marin - District Attorney
Suzanne Cervantes	County of Marin - Health & Human Services
Lara Giusti	County of Marin - DRO
Antonia Goerss	County of Marin - Assessor-Recorder-County Clerk
Damon Hill	County of Marin - Library
Ernesto Jacobo	County of Marin - Community Development
Steven Jones	County of Marin - Health & Human Services
Whitney King	County of Marin - Health & Human Services


Julie Molina	County of Marin - Library
Paul Mushrush	County of Marin - Public Works
Janell Myhre	County of Marin - Sheriff/Coroner
Ching Shen	County of Marin - Finance
Michael Waters	County of Marin - Fire


DECEASED RETIREES
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Douglas Edelen	County of Marin - Public Works
Philip Fifita	County of Marin - Public Works
Lucia Iglesias	County of Marin - Health & Human Services
Anna Johnson	County of Marin - Finance
Vernon Smith	Marin Superior Court
Michele Taylor	County of Marin - DRO
Joanne Towl	Marin/Sonoma Mosquito & Vector Control District

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There being no further business, Chair Murphy adjourned the meeting at 10:11 a.m.

  
Laurie Murphy, Board Chair

  
Maya Gladstern, Secretary