

**MINUTES**

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

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

**March 13, 2024 – 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 9:01 a.m.

**ROLL CALL**

PRESENT: Cooper, Gladstern, Klein, Martinovich, Murphy, Poole, Silberstein, Vasquez, Werby, Jones (alternate retired), Shaw (ex officio alternate)

ABSENT: None

**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/Silberstein to approve the January 17, 2024 Investment Committee Meeting Minutes as submitted. The motion passed by a vote of 9-0 as follows:

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

It was M/S Silberstein/Vasquez to approve the February 14, 2024 Board Meeting Minutes as submitted. The motion passed by a vote of 9-0 as follows:

AYES: Cooper, Gladstern, Klein, Martinovich, Murphy, Poole, Silberstein, Vasquez, 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. BOARD OF RETIREMENT MATTERS**

- 1. Administrator’s Report
  - a. Administrator’s Update

Retirement Administrator Jeff Wickman reported six responses to the Investment Consultant Request for Proposal (RFP) were received before the due date. The Ad Hoc Investment Consultant RFP Committee will meet later today to begin the evaluation of responses.

Mr. Wickman said staff have completed physical portfolio rebalancing following the new guidelines in the Investment Policy Statement. Market values were reviewed on March 1<sup>st</sup> with Callan and it was determined that as a result of recent positive equity market performance certain managers were outside their target ranges. The large cap allocation was reduced and additional contributions were made to the fixed income and international equity managers.

Trustee Gullet has resigned from the Board. As a result, a Special Election will be run to fill the alternate safety position this spring.

MCERA received a California Public Records Act request for all holdings in the portfolio back to 2000. The data will be provided from 2008 when the current custodian was hired.



b. Staffing Update

Staff have completed interviews for the Accounting Technician and Retirement Benefits Technician positions and will be making offers this week. Interviews with candidates for the Media Specialist position are underway.

c. Facility Use Report

Last week the MCARE Board held a meeting in the executive Conference Room.

d. Future Meetings

- March 20, 2024 Investment Committee
- March 27, 2024 Finance and Risk Management Committee
- April 10, 2024 Board

2. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Silberstein reported on the Dimensional Fund Advisors (DFA) Institutional Symposium. DFA is finding success with tilting investments to small cap value equities. In one discussion the cause of inflation was attributed to the government printing money during the pandemic. The thesis of another session on equity indices was that while fees are relatively low, they may not be low cost because of the way indices are constructed. In one example there was about a year's delay from when a stock became eligible for an index and when the stock was added to the index. By that time, the stock had doubled in price.

Trustee Werby reported on the CalAPRS General Assembly. One session titled "Approaching the (Employer Contribution) Cliff" addressed the challenges for public pension systems with more retirees and beneficiaries than active members. Trustee Werby listed several points made during a presentation on Artificial Intelligence (AI). One was that software developers prefer to use AI as a resource rather than consult with peers. Views on how AI will contribute to the global economy vary and no one knows where the law of diminishing returns is. Given AI's ability to reduce costs, it is better for society at large. Only larger companies have the capital to make AI investments. Applications of AI include self-driving cars and factory fulfillment centers. One pension fund used AI as a way to improve customer service.

Chair Murphy directed deliberations to **Agenda Item C.1, Disability Consent Agenda.**



**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. Timothy Pratt                      Service-Connected      Southern Marin Fire Protection District

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

It was M/S Werby/Martinovich to adopt the Administrative Recommendation to grant Timothy Pratt’s service-connected disability retirement application with an effective date of July 23, 2023. The motion was approved by a vote of 8-0-1 as follows:

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

Chair Murphy redirected deliberations to **Agenda Item B.2.a, Educational Training: Reports by Trustees and Staff.**

Trustee Vasquez highlighted four themes from the Council of Institutional Investors (CII) Conference: 1) Diversity, equity and inclusion (DEI), Environmental, social and governance (ESG) and the global nature of DEI; 2) the role of the Securities and Exchange Commission (SEC) in regulation; 3) private markets including private credit; and 4) two days visiting the SEC and Congressional and Senate staff officials of both political parties. The first theme focused on a Supreme Court decision last year that called into question the purpose of affirmative action and DEI provisions going forward for college admissions at Harvard.

Trustee Cooper reported one observation from a panel discussion was that several years ago ESG was considered the way to invest, but now it is being widely criticized. One panelist questioned whether ESG aligns with shareholder value. Now, the term “transition investing” is used. Trustee Silberstein noted it used to be a corporate risk if you engaged in discrimination. Now it is a risk if you have a quota system.

Addressing the second theme, Trustee Vasquez said one issue on the horizon for the SEC is to redefine what is a dealer. For example, would major index providers be considered dealers and therefore subject to related SEC oversight. He noted one speaker who traced the history of regulation indicated there is now overregulation by too many agencies. Trustee Cooper added that the point was made that clarifying rules should not be used to overregulate.

Turning to the third theme, Trustee Vasquez reported the growth of private credit reflects rising yields in a rising interest rate environment. The pros of private credit include certainty of capital and certainty of execution. The perils of private credit



include the amount of capital for the risk, high fees, and private debt managers wanting to be paid like private equity managers without the same risk.

The last theme focused on the meetings held by CII at the SEC and U.S. Senate that were informative and covered four issues. The first had to do with Standard & Poor's including companies with dual class shares in broader indices without public comment. The second issue was about front running IPOs by announcing to one share class before the other share class. The third issue was for better disclosure of the reconciliation between GAAP and non-GAAP earnings on proxy statements. Finally, the last item requested better disclosure on proxy statements on worker classification, turnover rates, and total cost of the workforce.

a. Other Comments

No other comments by members of the Board.

**D. NEW BUSINESS**

1. Future Meetings

Consider and discuss agenda items for future meetings

No discussion.

**E. OTHER INFORMATION**

1. Training Calendar (ACTION)

Mr. Wickman discussed updates on the monthly Training Calendar. Trustees Poole and Vasquez will be attending the CalAPRS Advanced Principles of Pension Governance for Trustees course at UCLA. Registration is open for the May SACRS Conference. New Training Calendar events include a Callan Workshop and Introduction to Investments course, and CalAPRS has added a Benefits Round Table at the end of the calendar year.

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

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

**F. CONSENT CALENDAR (ACTION)**

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

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

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

**CONSENT CALENDAR**  
**MCERA BOARD MEETING, WEDNESDAY, MARCH 13, 2024**

**February 2024**

<b>RETURN OF CONTRIBUTIONS</b>
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Laurel Ballou	Full Refund - Termination	\$	12,168.87
Kathleen Calvano	Full Refund - Termination	\$	978.81
Kathleen Fahy	Full Refund - DRO	\$	129,187.78
Lisa Gelling	Full Refund - Termination	\$	20,989.32
Sarrita Rodriquez	Full Refund - Termination	\$	105,958.82
Marcus Sanchez	Full Refund - Termination	\$	7,988.50
Norwisha Taylor	Full Refund - Termination	\$	11,629.49
Everardo Torres	Full Refund - Termination	\$	2,471.27

<b>BUYBACKS</b>
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Kemplen Robbins	\$	13,892.25
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<b>NEW RETIREES</b>
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Christopher Boden	County of Marin - Sheriff/Coroner
Sherry Bruce	County of Marin - DRO
Alicia Giudice	City of San Rafael
Dorothy MacDougald	City of San Rafael - DRO
Alana Maykel	County of Marin - Sheriff/Coroner
Karon Merritt	County of Marin - Health & Human Services
Margaret Olson	County of Marin - DRO
Pamela Roman	County of Marin - Health & Human Services
Tawnya Stansell-Walsh	County of Marin - Health & Human Services
Jocelyn Stortz	County of Marin - Community Development Agency
Kathleen Suhrke	County of Marin - Community Development Agency
Jennifer Vuillermet	County of Marin - County Counsel

<b>DECEASED RETIREES</b>
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David Anderson	County of Marin - Public Works
Craig Burgess	County of Marin - Agriculture, Weights & Measures




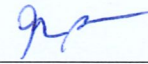
Rose Hall  
Shirley Spencer  
Elizabeth H. Thompson  
Elaine Weston

County of Marin - Finance  
Marin/Sonoma Mosquito & Vector Control - Beneficiary  
County of Marin - Health & Human Services  
County of Marin - Health & Human Services

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

  
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Laurie Murphy, Board Chair

  
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Kelsey Poole, Secretary