

Member Benefit Statements for p/e 6/30/08 were mailed out to all but 140 members who had significant data issues remaining to be reconciled. June 30, 2009 statements should be issued on time in August, 2009.

Annual COLA letters were mailed to retirees, informing them of the 2-4% increase. Trustee Wofford expressed concern with member privacy and suggested removal of group coding from the mailing labels.

Buyback requests will be processed next by the Calculations team.

The Accounting team is currently preparing for the 2008 audit which will commence 5/8/09. Preparation for the 2009 audit will follow shortly after, bringing MCERA current for the FY 2010 audit cycle.

The actuaries received demographic and contribution data for p/e 6/30/08 in February, 2009. The preliminary Annual Valuation Report for FY08 and the bi-annual experience study should be released before the end of the fiscal year.

In response to Trustee Wofford's question, Ms. Benner recapped how calculation requests are prioritized, noting that retirements and close-in estimates take priority. Requests for future dated estimates, buybacks, terminations, withdrawals and death benefit distributions are processed next. Delays are generally attributable to incorrect or insufficient payroll information or due to the complexity of the request. Acting Retirement Manager Helen Moody provided several examples, noting that each file brings its own peculiarities.

Ms. Benner reported that the CPAS implementation is going smoothly and is on schedule. She noted that the new system offered self-service to members, remote payroll reporting access for plan sponsors, a significant degree of process automation and embedded workflow capabilities. Servers have been installed at One McInnis and the current CPAS software version should be available in May, when hands-on staff interaction with the system will commence. Parallel testing with BenCal and SAP will begin in late fall.

Discussion continued on improvements in customer service with Trustees Hufford and Gladstern reporting positive feedback provided by members. Trustee Wofford commented negatively, stating that she continued to receive complaints.

In response to a request from Trustee Smith, Ms. Benner delivered a copy of a recent cash reconciliation report showing a \$34 million balance on deposit with the Treasurer that was not recognized by the Auditor-Controller's department. She continued, stating that she had discussed the matter with Matthew Hymel, MCERA Tax Counsel and the Auditor's office. Counsel opined that MCERA figures should be honored pending a complete reconciliation.

3. Key Business Objective #3 – Quarterly Update - Internal Communications

Mary McGovern, HR consultant, addressed the board, and summarized her professional credentials. She recapped the two sessions held with staff and one session with the MCERA management committee. She reported significant progress in unifying the department under a single set of cultural values, development of working teams, and summarized work done to develop department Mission, Vision, and Values statements. Strengthened partnerships with other departments need to continue, especially with HR, retirees and the community.

Strategies for evaluating progress and customer service were discussed, including the possibility of fielding a customer service survey. Staff members were acknowledged for their enthusiasm to initiate improvements and dedication to building a cohesive team. The Chair extended an invitation for Mary McGovern to provide ongoing updates at a future board meeting.

Next, Staff member Anne Highfill presented a letter to the board on behalf of the department. Key highlights included the significant contributions and dedication provided by Accounting, Benefits Calculations, Post Retirement, Administrative Staff and the onsite IST team. The Chair and Trustee Smith acknowledged staff for their hard work and commitment. The Administrator recommended that the letter be published on the department website.

Acceptance of Ms. McGovern's report constitutes completion of the quarterly reporting requirement for the Administrator's Business Objective #3.

In deference to Andy Rogerson, President of the San Rafael Firefighters' union, the board heard item E.2. out of agenda order.

E. OLD BUSINESS

2. Treatment of In-Service Payments in Lieu of Unused Leave (Action)

Trustee Hufford reported that he had a personal financial interest in the matter, and recused himself and left the meeting at 9:43 A.M.

Trustee Haim was excused from the meeting at 9:44 A.M.

Counsel presented an updated resolution to the board which included sick and vacation accruals being grouped under one heading. Ms. Dunning noted recent inclusion of the 7/1/09 effective date in order to allow time for staff to counsel members. Mr. Rogerson, SR Fire thanked the board for making the revisions in response to his request.

Trustee Haim rejoined the meeting in progress at 9:46 A.M.

The Treatment of In-Service Payments in Lieu of Unused Leave for Calculation of Retirement Allowances policy was adopted as the following Resolution.

**RESOLUTION OF THE BOARD OF RETIREMENT
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION NO. 2008/09-04 PERTAINING TO TREATMENT OF
IN-SERVICE PAYMENTS IN LIEU OF UNUSED LEAVE FOR
CALCULATION OF RETIREMENT ALLOWANCES**

WHEREAS, the Marin County Employees' Retirement Association ("MCERA") and the MCERA Board of Retirement ("Board") are governed by the County Employees Retirement Law of 1937 (Gov. Code sections 31450, et seq.) ("CERL"); and

WHEREAS, retirement boards that operate under CERL are required to determine a member's "average compensation" when calculating his or her "compensation earnable", and a member's "final compensation" is then determined based upon his or her "average annual compensation earnable" during the measuring period elected by the member (Gov. Code sections 31461, 31462, and 31462.1); and

WHEREAS, some MCERA members are currently permitted and/or may in the future be permitted, pursuant to memoranda of understanding and other employment contracts (collectively "Contracts"), to receive *in-service* cash payments in lieu of leave (i.e., time off for vacation and sick leave) as distinguished from lump-sum payments of unused leave they receive upon termination of employment; and

WHEREAS, the California Supreme Court determined in *Ventura County Deputy Sheriffs' Ass'n v. Board of Retirement of Ventura County Employees' Retirement Ass'n*, 16 Cal. 4th 483 (1997) ("*Ventura*") that CERL requires such in-service cash payments to be treated as "compensation" under Government Code section 31460 for purposes of calculating compensation earnable. The Supreme Court in *Ventura* did not, however, limit a retirement board's discretion to define compensation earnable in a manner that limits artificial "spiking" of retirement allowance calculations potential created when such in-service cash payments include more compensation in a retirement allowance calculation than the member is able to earn, and permitted to receive in cash, during a twelve-month period (pro-rated by month); and

WHEREAS, one or more of the retirement systems involved in the Judicial Council Coordinated Proceedings that followed *Ventura*, which led to the First District Court of Appeal decision *In re Retirement Cases*, 110 Cal. App. 4th 426 (2003), provided a limitation on "spiking" as contemplated by the above-referenced paragraph, and that limitation was upheld by the San Francisco Superior Court; and

WHEREAS, the Board seeks to act in a manner that is consistent with its fiduciary duties of loyalty and care to serve the overall best interests of all its members and beneficiaries, and believes this Resolution furthers that purpose; and

WHEREAS, the California legislature generally disfavors the artificial inflation of retirement allowances through "spiking" of benefits paid during the final compensation period and has enacted several statutes so providing. *See generally* Gov. Code section 31461.5; *Hudson v. Board of Retirement of the Public Employees' Retirement System*, 59 Cal. App. 4th 1310, 1324 (1997) (interpreting Government Code section 20022 as

excluding conversions in lieu of benefits “made for the express purpose of enhancing... retirement benefits”); and legislative history of Senate Bill 53 of 1993-1994 for discussion of several Public Employees’ Retirement Law provisions enacted to prevent spiking; and

WHEREAS, the definition of “compensation earnable” in Government Code section 31462 limits the “compensation” included therein to that which is “earnable” during the final compensation measuring period, rather than that which has accrued over numerous years of prior service and that could not have been *earned* within a twelve-month annual period; and

WHEREAS, it has come to the Board’s attention that some existing Contracts permit some MCERA members to receive more cash in lieu of accrued leave during a twelve month period than those members are permitted to earn during that period of time, and that the inclusion of such cash payments in their retirement allowances has resulted in disproportionate increases in those members’ retirement allowances, which the Board believes should not be permitted as to future retirement allowance calculations that are performed by MCERA; and

WHEREAS, the Board believes that it is appropriate to provide notice to its membership of its contemplated refinement of its interpretation of “compensation earnable” as set forth herein and thus has adopted an implementation date that permits it to provide such notice of its intended action.

NOW, THEREFORE BE IT RESOLVED that the MCERA Board of Retirement declares the following:

1. The foregoing Recitals are incorporated herein by this reference.
2. Upon an MCERA member’s retirement, any cash payments made to the member in lieu of unused leave during his or her final compensation period (as opposed to a payment made only at termination), shall be included in the member’s compensation earnable pro-rated on a monthly basis. Accordingly, no cash payments shall be included in compensation earnable in excess of that which the member is permitted under the applicable Contracts to earn, and receive in cash, during a single twelve-month period.
3. For purposes of implementing this Resolution, the treatment of cash outs of unused leave adopted herein shall apply to all MCERA members who retire on and after July 1, 2009. All MCERA members who retire before said implementation date shall not be impacted by this Resolution.
4. This Resolution shall be effective on the date of its adoption by MCERA’s Board, and, upon adoption by the Marin County Board of Supervisors under Government Code section 31525, shall be made a part of the Regulations of the Board of Retirement.

ADOPTED AND APPROVED by the Board of Retirement of the Marin County Employees’ Retirement Association on the 8th day of April 2009.

It was M/S Gladstern/Sweet to adopt the resolution pertaining to the treatment of in service payments in lieu of unused vacation and sick leave in the calculation of retirement allowances.

AYES: Arrigoni, Bolger, Gladstern, Haim, Phillips, Richardson,
Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: Hufford

Trustee Hufford rejoined the meeting in progress at 9:47 A.M.

The Board continued with the agenda.

A. BOARD OF RETIREMENT MATTERS

4. Key Business Objective #5 – Quarterly Update - Benefits Administration System

As noted earlier in the meeting, implementation of the Benefits Administration system plan is proceeding on schedule. Servers have been delivered and installed in the Server Room. IST will load the operating system and CPAS will then install and configure Oracle as well as the CPAS software.

5. Termination of Callan/Mercer Merger Discussions

The Administrator reported that the Callan/Mercer merger had been terminated. She also noted the passing of Ed Callan, founder of Callan Associates. Trustee Smith requested that the Board Meeting be adjourned in honor of Ed Callan and deceased MCERA members.

6. Trustee Comments

The Chair recapped a meeting held recently with Matthew Hymel and Dan Eilerman of the County Administrator's office and Supervisors Judy Arnold and Hal Brown. Trustee Arrigoni also attended. Among the topics discussed was the County's sponsorship of AB1034. Joint meetings between the Chair and the Administrator and various Supervisors are anticipated.

The Chair updated the Board on a recent meeting with the Marin Independent Journal, and expressed appreciation for the IJ's hospitality. Trustees Bolger and Arrigoni were also in attendance.

Trustee Smith expressed appreciation to the Board noting that Trustees Bolger and Richardson contributed a tremendous amount of expertise as new members. Trustee Bolger acknowledged members of the Grand Jury, who attended the board meeting, for their hard work.

Trustee Gladstern updated the Board on the Spring 2009, Counsel of Institutional Investors, Search for Alpha Forum, noting that the event was more informative than prior meetings and that at the forum, Mary Shapiro of the SEC discussed challenges similar to those faced by MCERA such as chronic understaffing and outdated or inadequate technology.

Trustee Smith requested that MCERA's Private Equity and Market Neutral Managers provide perspectives on the impact of the proposed short sale regulations. Jim Callahan, Callan Associates, clarified that the proposed short sale regulations would not apply to private equity, stating that he would confirm that the Market Neutral managers were actively monitoring sponsors for prior involvement in questionable investments.

B. OPEN TIME FOR PUBLIC EXPRESSION

None.

C. DISABILITIES

All disability applications are heard in Closed Session unless applicant specifically waives confidentiality and requests that their application be heard in Open Session. Member records are confidential (Government Code Section 31532). (Action)

	<u>Applications to be Heard</u>	<u>Service/Non-Service Connected</u>	<u>Date of Application</u>	<u>Employer</u>
1.	Ermita Atkins Reconsideration of application for disability retirement from a miscellaneous member	Non-Service	8/31/2005	County H&HS
2.	Charles Edwards Initial consideration of application for disability retirement from a miscellaneous member	Service	1/17/2008	County DPW
3.	Wendy Collier Initial consideration of application for disability retirement from a miscellaneous member	Non-Service	8/10/2007	County H&HS
4.	Patrick Higgins Initial consideration of application for disability retirement from a safety member	Service	6/26/2008	County Sheriff

The board recessed to closed session at 9:58 A.M. and reconvened in open session at 11:12 A.M.

The Chair announced the following votes for the record:

It was M/S Smith/Richardson deny the disability retirement application of Ermita Atkins, adopting the findings of fact, the conclusions of law and the recommended decision of the administrative law judge.

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips, Richardson, Smith, Sweet
 NOES: none
 ABSTAIN: none
 ABSENT: none

It was M/S Haim/Sweet to approve Charles Edwards' application for service connected disability retirement.

AYES: Arrigoni, Gladstern, Haim, Hufford, Phillips, Richardson, Smith, Sweet

NOES: Bolger
ABSTAIN: none
ABSENT: none

It was M/S Arrigoni/Richardson to deny Wendy Collier's application for non service connected disability retirement and requested that staff advise Ms. Collier that she has 60 days from receipt of the notice of denial to request an administrative hearing

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

It was M/S Hufford/Gladstern to approve Patrick Higgins' application for service connected disability retirement.

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

In deference to the presenters' schedule, the Board recessed to convene the Investment Committee Meeting at 11:14 A.M.

The Regular Board Meeting was reconvened at 1:57 P.M.

Trustee Gladstern requested that item E.1. be heard out of agenda order. There being no objection, the Board turned to consideration of the draft Resolution Regarding Exclusion of Executive Bonuses from Compensation Earnable.

E. OLD BUSINESS

1. Exclusion of Executive Bonuses from Compensation Earnable (Action)

Ms. Dunning recommended that staff seek complete information from the member as well as the appointing authority regarding the intent when the bonus was issued before deciding whether the retirement allowance of a member retired on or after January 1, 1999 should be reduced due to the inclusion of an executive bonus in the calculation of final average salary.

The Exclusion of Executive Bonuses in the Calculation of Retirement Allowances Policy was adopted, with the clarifying amendments, as the following Resolution.

**RESOLUTION OF THE BOARD OF RETIREMENT
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION NO. 2008/09-05 PERTAINING TO THE TREATMENT OF
EXECUTIVE BONUSES IN THE CALCULATION OF RETIREMENT ALLOWANCES**

WHEREAS, the Marin County Employees' Retirement Association ("MCERA") and the MCERA Board of Retirement ("Board") are governed by the County Employees Retirement Law of 1937 (Gov. Code Sections 31450, et seq.) ("CERL"); and

WHEREAS, in *Ventura County Deputy Sheriffs' Ass'n v. Board of Retirement of Ventura County Employees' Retirement Ass'n*, 16 Cal. 4th 483 (1997), the Supreme Court determined for the first time that, under CERL, bonuses and incentives paid in cash to members constitute "compensation" that is to be included in a member's compensation earnable; and

WHEREAS, the California legislature, the following year, amended CERL, by enacting Government Code Section 31461.5 ("Section 31461.5"), effective January 1, 1999, which requires retirement boards to exclude from retirement allowance calculations certain salary bonuses and other incentive payments made to retirement system members in executive or unclassified management positions because of the dangers posed to the integrity of the actuarial funding scheme supporting retirement system benefits by such unanticipated late-career increases in salary for highly compensated executives; and

WHEREAS, the plain language and legislative history of Section 31461.5 demonstrate that the legislature intended to exclude from compensation earnable, compensation incentive plans that are created for and exclusively provided to executive or unclassified management personnel ("Executive Bonuses"), but not to exclude benefits of broader application that also apply to non-management and civil service personnel that can be more easily anticipated and pre-funded by the system's actuarial funding structure; and

WHEREAS, artificial inflation, or "spiking", of defined benefits by some members increases the potential for unfair cross-subsidies between active members with respect to calculations of member contribution rates.

WHEREAS, the executive members of the system may not have a reasonable expectation that they should have a right to spike their final compensation by the inclusion of unanticipated bonuses during their final compensation period following the adoption of Section 31461.5, and

WHEREAS, the MCERA Board first officially addressed this topic when it confirmed at its February 11, 2009 meeting that the performance bonus it granted to the MCERA Retirement Administrator ("Administrator") during 2008 pursuant to her contract with the Board must be excluded from the calculation of her retirement allowance; and

WHEREAS, the Board seeks to treat the retirement allowances of all similarly situated county employees in the same manner as its Administrator, consistent with the mandate of Section 31461.5 and the need to prevent unanticipated spikes in final compensation that undermine the actuarial integrity of the retirement system.

NOW, THEREFORE BE IT RESOLVED that the MCERA Board of Retirement declares the following:

1. The foregoing Recitals are incorporated herein by this reference.
2. All Executive Bonuses as defined above shall be excluded, as provided by Section 31461.5, from MCERA's determination of all retirement allowances.
3. MCERA staff is directed to exercise reasonable efforts to determine whether any Executive Bonuses were included in the retirement allowance calculation of MCERA members who retired on or after January 1, 1999, when Section 31461.5 was made effective, and if such is discovered, first, to solicit input from the member and his or her former employer regarding the potential applicability of Section 31461.5 and second, at the regular Board meeting following the receipt of sufficient information upon which to make an informed decision, to bring the matter to the Board for action consistent with this Resolution.
4. This Resolution shall be effective on the date of its adoption by MCERA's Board. Upon adoption by the Marin County Board of Supervisors under Government Code section 31525, this Resolution shall be made a part of the Regulations of the Board of Retirement.

ADOPTED AND APPROVED by the Board of Retirement of the Marin County Employees' Retirement Association on the 8th day of April, 2009.

It was M/S Smith/Hufford to adopt the above resolution regarding application of Government Code sections 31461.5, as amended.

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

2. Treatment of In-Service Payments in Lieu of Unused Leave (Action)
Heard earlier in the meeting.
3. Disability Flow Chart (Action)
The Board reviewed revisions to the Disability Retirement Process Flow Chart and compliments on the chart design were provided by the Chair.

It was M/S Hufford/Gladstern to approve the amended disability process flow chart as submitted

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

D. LEGAL MATTERS

The board recessed to closed session at 2:01 P.M and reconvened in open session at 6:07 P.M.

1. Conference with Legal Counsel pursuant to Government Code §54956.9(c) – potential initiation of litigation. One case. (CLOSED SESSION)

The Chair announced that no reportable action was taken during closed session.

2. Conference with Legal Counsel pursuant to Government Code §54956.9(a) – exposure to litigation. Two cases. (CLOSED SESSION)

The Chair announced that no reportable action was taken during closed session.

3. Conference with Legal Counsel pursuant to Government Code §54956.9(b) – existing litigation. Two cases. (CLOSED SESSION)

- a. *Tonnemacher v. MCERA*, Marin County Superior Court Case No. CV081929

The Chair announced that no reportable action was taken during closed session.

- b. *MCERA v. Wooten-Brown, et al.*; Marin County Superior Court Case No. CV085325

The Chair announced that no reportable action was taken during closed session.

F. NEW BUSINESS

1. Preliminary Report of Ad Hoc Committee Regarding Performance Evaluation – Retirement Administrator (CLOSED SESSION)

The Chair announced that no reportable action was taken during closed session.

The Chair requested that the Board take F.3. next out of agenda order. There being no objection, the Board turned to consideration of the Impact on MCERA Retirement Benefits of Contemplated Furloughs.

3. Impact on MCERA Retirement Benefits of Contemplated Furloughs (Action)

Ms. Dunning noted that the City of San Rafael was considering implementing a schedule calling for 13 days off per year, and had requested clarification on whether implementing a furlough would impact calculation of final average compensation and service credit accrual. Ms. Dunning's legal opinion was that furloughs would not impact either item providing that full employer and employee contributions were paid to the retirement system based upon full compensation earnable and normally scheduled hours.

The Administrator suggested that clarification was needed with regard to the impact on service time being accrued as 'units' versus 'hours' in the CPAS system.

A brief discussion ensued on CALPERS' and CALSTRS' application of furloughs.

Trustee Gladstern confirmed that during the SACRS symposium the actuaries proffered a similar explanation of the impact of furloughs on service accrual and final average compensation, and as a result furloughs would reduce salary expense but not retirement expense for impacted employees.

2. Preliminary Recommendation of Ad Hoc Committee Regarding MCERA Internal Operations (Action)

The Chair addressed the board and reported that the ad hoc committee proposed creation of several standing committees be established, including a committee on finance and risk management, member services, and board governance. Examples of committee charters from CALSTRS were submitted for consideration. Further discussion will be agendaized for the May board meeting.

4. Member Eligibility for Retiree Medical Care (Action)

Counsel reported that the County recently clarified that under medical Benefit Plan 3, spousal coverage is available only to those retirees who have 30 or more years of County of Marin or Marin Superior Court service, and that service for other agencies does not count toward eligibility. Ms. Dunning recommended that the current retiree benefit handbook be revised to clarify eligibility requirements for this particular spousal benefit.

It was M/S Gladstern/Bolger that the board direct staff to revise the retiree handbook to correctly reflect the eligibility requirements for 30 year County and Court employees to receive subsidized spousal coverage under the retiree medical plan.

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

5. Public Records Act Request (Action)

In response to the Public Records Act Request, Manatt, Phelps & Phillips requested for all billing rates to be redacted except for Ms. Dunning's in order to preserve attorney-client privilege. Counsel advised that the Board should only waive the privilege as to the redacted documents. Ms. Dunning further advised that billing rates were viewed as proprietary, and that Manatt, Phelps & Phillips would provide indemnification to MCERA and defend MCERA at their expense if a lawsuit were initiated.

It was M/S Haim/Gladstern to provide a redacted billing rate schedule to the Marin Independent Journal.

AYES: Arrigoni, Bolger, Gladstern, Haim, Hufford, Phillips,
Richardson, Smith, Sweet
NOES: none
ABSTAIN: none
ABSENT: none

6. Proposed Revisions to Current Authorized Headcount (Action)

Ms. Benner provided a recap of the long term staffing plan discussed in October, 2008 and requested approval to add one position of Administrative Services Technician, one new position of Principal Systems Analyst (or equivalent), and to upgrade two existing positions of Intermediate Clerk Typist to Senior Clerk Typist. The Principal Systems Analyst position would be filled during FY09-10. The Administrator confirmed that the cost of the request would be included as part of the 8bp administrative cost cap.

Trustee Hufford was excused from the meeting at 6:34 P.M.

Trustee Haim was excused from the meeting at 6:36 P.M.

It was M/S Smith/Richardson to authorize the addition of one position of Administrative Services Technician, one new position of Principal Systems Analyst, and upgrade two existing Intermediate Clerk Typist positions to Senior Clerk Typist.

AYES: Arrigoni, Gladstern, Phillips, Richardson, Smith, Sweet, Webb
NOES: none
ABSTAIN: Bolger, Wofford
ABSENT: Haim, Hufford

7. Proposed Revision to Compensation Range for Assistant Retirement Administrator Position (Action)

Ms. Benner provided a comparative analysis of Assistant Retirement Administrator salaries being offered or paid by Alameda, San Mateo, Contra Costa and Sonoma CERA, together with an analysis of the recruiter's 'comparable' systems, Marin County 'comparable' positions, the impact of Social Security, and attachments detailing the difference in cost of living between the various agencies cited and Novato, CA. Discussion followed on both HR and the Board of Supervisor's response.

It was M/S Arrigoni/Gladstern to request that the Board of Supervisors include a salary of up to \$150,000 in the county's salary schedule for the position of Assistant Retirement Administrator.

AYES: Arrigoni, Bolger, Gladstern, Haim, Phillips, Richardson, Smith, Sweet, Webb, Wofford
NOES: none
ABSTAIN: none
ABSENT: Haim, Hufford

8. AB 1034 – County Sponsored Bill to Permit MCERA to Become Special District (Action)

Political implications and concerns were discussed. Trustee Bolger moved to authorize the Chair to submit a letter to Assemblyman Huffman in support of

AB1034, while reserving the right to table further discussion as to the Board's interest in becoming a special district.

It was M/S Bolger/Arrigoni to authorize the Chair to submit a letter to Assemblyman Huffman in support of AB1034.

AYES: Arrigoni, Bolger, Gladstern, Phillips, Richardson, Smith, Wofford
NOES: Sweet, Webb
ABSTAIN: none
ABSENT: Haim, Hufford

9. Approve Client Conferences and Other Educational Opportunities and Authorize Expenditures (Action)

- a. X* The Wharton School: Investment Strategies June 15-19, 2009
and Portfolio Management Seminar Information
 - b. X* The Wharton School: Investment Strategies Nov. 16-20, 2009
and Portfolio Management Seminar Information
- * *additional information and agenda will follow at a later date*
X *approve for attendance by hourly staff or counsel*
X* *approve for attendance by executive staff*

It was M/S Gladstern/Smith to approve the list of client conferences and other educational opportunities and authorize expenditures for attendance.

AYES: Arrigoni, Bolger, Gladstern, Phillips, Richardson, Smith, Sweet, Webb, Wofford
NOES: none
ABSTAIN: none
ABSENT: Haim, Hufford

10. SACRS Voting Proxy (Action)

Board vote to select a delegate for SACRS May meeting postponed until the May 6 special meeting.

G. INVESTMENT INFORMATION

Nothing to report.

H. FINANCIAL INFORMATION

1. Treasurer's Monthly Report

The Board accepted the Treasurer's monthly report on short term investments for the period ending March 31, 2009.

I. OTHER INFORMATION

- 1. Approved Trustee Training Calendar
- 2. Advance notice of upcoming educational and training opportunities
 - a. # Callan Investments Institute – June 2009 Regional June 24, 2009
Breakfast Workshop

- b. * BLB&G - Institutional Investors Forum: Oct. 22-23, 2009
Protecting Shareholder Value
* *additional information and agenda will follow at a later date*
pre-approved under the Trustee Education Policy

3. County of Marin 2009 Report to the Community
4. ING Clarion – 2009 Conference, April 29-30, 2009 – agenda
5. NCPERS – 2009 Annual Conference and Exhibition May 1-2, 2009 – agenda
6. Investment Advisor – article on The Failure of Asset Allocation, by Timothy J. McIntosh, CIO
7. MCREA *Keeping in Touch* Newsletter, April 2009
8. Update on Callan/Mercer merger discussion. Merger terminated.
9. RREEF – Market Watch, March 16, 2009
10. AEW – 4th Quarter Market Update
11. Abbott Capital – 2008 Year End Private Equity Market Review

J. CONSENT CALENDAR (Action)

It was M/S Smith/Gladstern to approve the Consent Calendar as submitted.

AYES: Arrigoni, Bolger, Gladstern, Phillips, Richardson, Smith,
Sweet, Wofford
NOES: none
ABSTAIN: none
ABSENT: Haim, Hufford

Counsel provided an update on Shelden v. Marin County Employees' Retirement Association noting that the denial by the Superior Court was being appealed to the Supreme Court. The Chair also expressed appreciation for the County of Marin 2009 Report to the Community booklet.

There being no further business, the meeting was adjourned in memory of Ed Callan and deceased MCERA members at 7:11 P.M.

James Phillips, Chairperson

Michael Smith, Secretary