

MINUTES

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

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

May 1, 2024 – 9:00 a.m.

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 9:02 a.m.

ROLL CALL

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

ABSENT: Klein, Jones (alternate retired)

**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 Silberstein/Vasquez to approve the April 10, 2024 Board Meeting Minutes as submitted. The motion passed by a vote of 8-0 as follows:

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

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 said the SACRS Spring Conference is next week. Joining him in attending are Trustees Cooper, Murphy, Silberstein, and Vasquez.

The renewal cycle for MCERA’s cybersecurity insurance is in process. Administrator Wickman and Jim Vorhis, Nossaman insurance specialist, met with the broker to go over any changes in the renewal application. Mr. Wickman indicated that it is possible that we could see a slight reduction in premium but that would not be known until a renewal proposal is received.

Mr. Wickman reported that all MCERA employees had completed their required annual cybersecurity training. Throughout the year Marin County IST conducts random testing of employees. Chair Murphy commended MCERA staff for performing well on these cybersecurity tests.

b. Staffing Update

Chris Nunez has begun work as MCERA’s Media Specialist.

c. Facility Use Report

The Marin County Association of Retired Employees Board will hold its meeting in the Executive Conference room tomorrow.

d. Future Meetings

- June 3, 2024 Finance and Risk Management Committee
- June 12, 2024 Board

2. Standing Committee Report – Governance Committee

a. Proxy Voting Reports

Proxy voting records of public equity managers for December 31, 2023

Governance Committee Chair Chris Cooper reported the Committee reviewed proxy voting reports for the second half of 2023. Institutional Shareholder Services (ISS) voted proxies on MCERA’s behalf for the Dimensional Fund Advisors (DFA) and State Street Global Advisors portfolios utilizing the Public Fund Policy and custom Say on Pay Policy recommendations. Reporting included voting rationales and votes on executive compensation for the six months ending March 31, 2024.

Trustee Shaw joined the meeting in progress.

b. 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

Trustee Silberstein explained that MCERA’s Say on Pay policy requires a “no” vote for any pay proposals where the executive compensation is more than 100 times the median pay of the firm’s employees. As a result, MCERA’s votes against “say on pay” proposals are more in line with other pension funds. Trustee Vasquez asked if compensation is adjusted for parity. In response, Trustee Silberstein said SEC guidelines provide for flexibility in computing the pay ratio, which can be adjusted based on purchasing power.

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

Review and discuss the ISS quarterly Risk Assessment Report

Jack Ferdon reviewed the ISS Governance Risk Report for the fourth quarter of 2023 and first quarter of 2024. The reports list companies that rank poorly on the ISS Quality Score. Staff provided two separate reports listing: (1) Which of MCERA’s investment managers were investing in the companies on the Quality Score list along with MCERA’s specific investment value; (2) Which managers held companies with proxy contests.

d. Existing Policies – Standard Review with Proposed Updates

1. Trustee and Staff Travel Expense Policy (ACTION)

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

Mr. Wickman stated updates to the Trustee and Staff Travel Expense Policy clarify all SACRS and CalAPRS programs are exempt from limitations on overnight events. Trustee Werby asked about a trustee paying his own way, and Counsel Dunning indicated this can be done so long as the trustee is not attending as MCERA’s representative. She advised that the Policy provides Board oversight regarding trustees’ attendance at events as MCERA representatives, when those events are not pre-authorized by the Board through the Policy itself.

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Trustee and Staff Travel Expense Policy as submitted. The motion passed by a vote of 8-0 as follows:

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

2. Policy Regarding Adoption of Actuarial Economic Assumptions (ACTION)
Consider possible action on Governance Committee recommendation to adopt updates to policy

Updates to the Policy Regarding Adoption of Actuarial Economic Assumptions align the valuation year with the June 30, 2023 Actuarial Valuation.

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Policy Regarding Adoption of Actuarial Economic Assumptions as submitted. The motion passed by a vote of 8-0 as follows:

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

3. Conflict of Interest Code (ACTION)
Consider possible action on Governance Committee recommendation to adopt updates to policy

Updates to the Conflict of Interest Code increase the gift limit from \$520 to \$590.

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

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

4. Actuarial Funding Policy (ACTION)
Consider possible action on Governance Committee recommendation to adopt updates to policy

Updates to the Actuarial Funding Policy reduce amortization periods by one year and update the calendar year to 2023.

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board adopt the updates to the Actuarial Funding Policy as submitted. The motion passed by a vote of 8-0 as follows:

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

5. Class Action Securities Litigation Policy (ACTION)

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

Updates to the Class Action Securities Litigation Policy align the policy with current practice to report on matters MCERA is taking an active role in. In addition, settlement payments to MCERA will be reported quarterly.

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board adopt updates to the Class Action Securities Litigation Policy as submitted. The motion passed by a vote of 8-0 as follows:

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

6. Policy Regarding Actuarial Equivalence Determinations for Modified Retirement and Survivor Allowances (ACTION)

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

Updates to the Policy Regarding Actuarial Equivalence Determinations for Modified Retirement and Survivor Allowances provide for revised mortality assumptions included in the 2024 Experience Study.

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board adopt the updates to the Policy Regarding Actuarial Equivalence Determinations for Modified Retirement and Survivor Allowances as submitted. The motion passed by a vote of 8-0 as follows:

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

e. Existing Policies - Standard Review without Proposed Updates

Governance Committee Chair Cooper stated the Governance Committee recommends that the Board accept the review of the policies listed below as Agenda Items B.2.e.1-9. The motion passed by a vote of 8-0 as follows:

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

1. Accessibility of Records Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
2. Budget Policy and Adoption Process (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
3. Disability Retirement and Survivor Benefits Applications Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
4. Election and Duties of Board of Retirement Officers Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
5. Investment Code of Conduct and Insider Trading Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
6. Placement Agent Payment Disclosure Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
7. Reciprocal Members' Final Compensation Determinations Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
8. Retirement Administrator Annual Performance Evaluation Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates
9. Senior Management Contingency Plan Policy (ACTION)
Conduct standard policy review and consider possible action on Governance Committee recommendation to review without making updates

Chair Murphy directed deliberations to **Agenda Item C, Disability Consent Agenda** at 9:32 a.m.

C. DISABILITY CONSENT CALENDAR (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. Matthew Ruzick 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/Werby to adopt the Administrative Recommendation to grant Matthew Ruzick’s service-connected disability retirement application with an effective date of January 20, 2022. The motion passed by a vote of 8-0 as follows:

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

Chair Murphy directed deliberations to **Agenda Item B.3, Ad Hoc Committee Reports.**

3. Ad Hoc Committee Reports
 - a. Ad Hoc Investment Education Committee

Mr. Wickman reported he and Ad Hoc Investment Education Committee members Trustees Klein, Murphy, and Poole met to consider what additional educational material would be of value to the trustees. Trustee Klein provided examples of investment-related podcasts she accesses to stay current on investment topics. The Committee members reviewed the materials and also found them to be helpful. The information will be shared with the entire Board. Mr. Wickman will also gather ideas from the investment consultant, managers, and other CERL systems for the Committee to consider at its next meeting.

- b. Ad Hoc Investment Consultant RFP Committee

The Ad Hoc Investment Consultant RFP Committee is made up of Trustees Murphy, Klein, Silberstein and the Administrator. After completing the evaluations of responses to the RFP, the Committee met and decided to conduct interviews with three companies. After the interviews are complete the Committee will determine whether to make a recommendation to the Board in June or consider other candidates.

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Silberstein reported during the Callan National Conference Jim Callahan announced Callan's highest revenue ever. The firm advises on \$4.5 trillion in assets for 265 clients. Callan's capital markets expectations over the next ten years are a 5.25% return on bonds and 7.65% for equities. Clients are interested in private credit and the average public pension plan funded ratio is 75%. Keynote speaker Ian Bremmer pointed out there are new players in the world global economy, while the U.S. is playing by old rules. The goal for deeply declining Russia was to integrate it into the Western economy. China's new economy is more integrated with Western economies but not more democratic. In the Middle East and the Ukraine, conditions are expected to deteriorate. A panel on the capital markets expects the U.S. economy to slow to 2% growth in 2024.

b. Other Comments

No other comments by the trustees.

D. NEW BUSINESS

1. SACRS Voting Delegate (ACTION)

Select delegate and alternate delegate to vote on MCERA's behalf at the 2024 SACRS Business Meeting May 10, 2024

Mr. Wickman stated the Board is to select the delegate and alternate delegate to vote on MCERA's behalf during the SACRS Business Meeting on May 10, 2024. Trustees Cooper, Murphy, Silberstein, and Vasquez are attending the SACRS Conference. Two items are up for action: Election of the SACRS Board of Directors and Audited Financial Statements.

It was M/S Gladstern/Cooper to select Laurie Murphy as delegate and Daniel Vasquez as alternate delegate to vote on MCERA's behalf at the SACRS Business Meeting on May 10, 2024. The motion passed by a vote of 8-0 as follows:

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

2. SACRS Business Meeting Agenda and Action Items (ACTION)

Consider and discuss items on the business meeting agenda that will be voted on by SACRS member systems and provide direction to the MCERA Voting Delegate

Mr. Wickman stated Vivian Gray, SACRS Nominating Committee Chair and past President of SACRS, will present **Agenda Item #6**: the slate of officers recommended by the Nominating Committee. Based on the Board's action at its April 10, 2024 meeting, MCERA's voting delegate should be directed to vote in favor of a motion that adopts the Nominating Committee's recommended slate of candidates.

Steve Delaney, SACRS Audit Committee Chair, will present **Agenda Item #7**: the SACRS Audited Financial Statements for fiscal years ending June 2022 and June 2023. MCERA's voting delegate should be directed to vote in favor of a motion that adopts the Audited Financial Statements for fiscal years ending June 2022 and June 2023.

It was M/S Werby/Silberstein to direct the MCERA voting delegate to vote in favor of motions to adopt the slate of officers recommended by the SACRS Nominating Committee and to adopt the SACRS Audited Financial Statements for fiscal years ending June 2022 and June 2023. The motion passed by a vote of 8-0 as follows:

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

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

No discussion.

E. OTHER INFORMATION

1. Training Calendar (ACTION)

Mr. Wickman presented the monthly Training Calendar. Updates include Callan's Alternative Investments session in August and the Nossaman Pensions, Benefits & Investments Fiduciaries' Forum in October in Berkeley. Trustee Silberstein plans to attend the fall SACRS Conference.

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

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

F. CONSENT CALENDAR (ACTION)

Mr. Wickman presented the monthly Consent Calendar for consideration by the Board. He noted there were 33 retirements for the month of April 2024. Trustee Gladstern commended staff for processing the numerous retirements, and Mr. Wickman highlighted Lori Detweiler's work making sure the individuals were all set up correctly on the retiree payroll for April. Assistant Retirement Administrator Anya Bakerink explained retirement applications may be received no more than 60 days in advance of retirement.

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

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

**CONSENT
CALENDAR**

MCERA BOARD MEETING, WEDNESDAY, MAY 1, 2024

APRIL 2024

RETURN OF CONTRIBUTIONS

Habad Ahmad	Full Refund - Termination	\$ 20,609.52
Adam Black	Partial Refund - Erroneous Contributions	\$ 1,365.89
Sharon Carlin	Full Refund - Termination	\$ 13,787.58
Scott Freedman	Partial Refund - Erroneous Contributions	\$ 375.59
Amanda Hellman	Full Refund - Termination	\$ 2,470.06
Dora Hunt	Full Refund - Termination	\$ 30,242.96
Teyona Thompson	Full Refund - Termination	\$ 74,108.33
Jeanne Villa	Partial Refund - Erroneous Contributions	\$ 648.67

BUYBACKS

Jonathan Butler	\$ 12,613.59
Logan Collier	\$ 11,444.98
Jeremy Mondot	\$ 5,608.10
Matthew Terrill	\$ 16,732.99

NEW RETIREES

Jonathan Berg	Marin County Courts
Edward Chiu	City of San Rafael
Mary Colla	County of Marin - Information Services & Technology
Logan Collier	County of Marin - Public Defender
Scott Freedman	Novato Fire Protection District
Geneva Dicochea	Novato Fire Protection District - DRO
Carolyn Glendening	County of Marin - Board of Supervisors
Matthew Hymel	County of Marin - Office of the County Executive
Dean Joyner	County of Marin - Office of the County Executive
Filemon Lacap	County of Marin - Sheriff/Coroner
Yoke Leow	County of Marin - Department of Finance
Eric Lueder	County of Marin - Public Works

Julie Magnus	County of Marin - Library
Daniel Maples	County of Marin - Sheriff/Coroner
Michael McPeck	County of Marin - Assessor-Recorder-County Clerk
Susan Medina	County of Marin - Sheriff/Coroner
Bettina Murphy	County of Marin - Health & Human Services
Kathryn Nishimura	County of Marin - Health & Human Services
Maureen O'Connell	County of Marin - Child Support Services
Steven Perl	County of Marin - County Counsel
Michelle Pitts	County of Marin - Probation
Timothy Pratt	Southern Marin Fire Protection District
Holly Price	County of Marin - District Attorney
Brian Robinson	County of Marin - Health & Human Services
Bridget Scheiner	County of Marin - Assessor-Recorder-County Clerk
Mark Sedlack	City of San Rafael
Jim Selmi	County of Marin - Information Services & Technology
Rosemary Slote	County of Marin - District Attorney
Philip Smith	Marin/Sonoma Mosquito & Vector Control District
Stott, Matthew	County of Marin - Sheriff/Coroner
Cordi Sullivan	Southern Marin Fire Protection District
Margie Todd	County of Marin - Health & Human Services
Eva Wihardja	County of Marin - Probation

DECEASED RETIREES

Donna Galli	County of Marin - Beneficiary
Patricia Gurin	County of Marin - District Attorney
Lucy Mellor	City of San Rafael - Beneficiary
Lois Rawson	County of Marin - Public Defender
Toby Richards	Marin County Courts
James Robertson	County of Marin - Public Works

There being no further business, Chair Murphy adjourned the meeting at 9:58 a.m.


 Laurie Murphy, Board Chair


 Kelsey Poole, Secretary