

MINUTES

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

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

September 11, 2024 – 9:00 a.m.

This meeting was held at the address listed above and 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, 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**

Trustee Vasquez explained by video teleconference connection that he was invoking the “just cause” provision to attend this meeting remotely due to being in New York City to attend, on behalf of MCERA, the concurrent Council of Institutional Investors Fall Conference held from September 9 through the morning of September 11, 2024.

MINUTES

It was M/S Silberstein/Werby to approve the August 14, 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: 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. 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

Mr. Wickman announced the annual process for electing Board of Retirement Officers begins with the review and discussion of the Election and Duties of Board of Retirement Officers Policy which he presented.

2. Candidates for Board Officers

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

The Administrator said trustees may express their interest in serving as Chairperson, Vice Chairperson, or Secretary of the Board at the October 9, 2024 Board meeting. Voting for new officers occurs at the November Board meeting.

C. BOARD OF RETIREMENT MATTERS

1. Administrator's Report

a. Administrator's Update

Mr. Wickman reported Bruce Raabe was appointed as the Sixth Member of the Retirement Board by the Board of Supervisors on September 10, 2024. Following orientation on September 17, Trustee Raabe's first meeting will be the Investment Committee on September 18, 2024.

Milliman has kicked off its audit of MCERA's June 30, 2023 Actuarial Valuation and Experience Study developed by Cheiron. Audit results will be brought to the Board this fall.

Jeanne Villa will be the new Seventh Member as of November 1, 2024, replacing Maya Gladstern who is leaving the Board at the end of her current term.

Mr. Wickman noted this is a busy time of the year for California Public Records Act requests. He commended staff Todd Miller, Vladimir Matyurin, and Anya Bakerink for responding to recent requests in a timely manner.

b. Staffing Update

Robert Sanders, Senior Benefits Technician, has accepted a position with the Alameda County Employees' Retirement Association. The Administrator said Mr. Sanders has been a valuable member of MCERA's team and will be missed. Trustee Gladstern said Mr. Sanders has done a great job for MCERA. Staff will be conducting interviews shortly with candidates for the vacant Senior Retirement Benefits Technician position.

c. Facility Use Report

The Marin County Association of Retired Employees (MCARE) held a Board meeting in the Executive Conference room during the period.

d. Future Meetings

September 17, 2024 Audit Committee
September 18, 2024 Investment Committee
October 9, 2024 Board

2. Standing Committee Reports – Finance and Risk Management Committee

a. Administrative Budget Fiscal Year 2023/24 Fiscal Year Review

Consider and review expenses for quarter and fiscal year ending June 30, 2024

Total administrative expenditures for the fiscal year were 83%. Total Salaries and Benefits were 87%, slightly under budget due to staff vacancies. Overall Services and Supplies expenses were 92%.

b. Non-budgeted Expenses

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

See Finance and Risk Management Committee meeting packet or minutes.

c. Quarterly Checklist

Consider, review and updates on the following:

1. Other expenses per Checklist Guidelines

Software and ergonomic equipment were purchased for new employees.

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

See discussion above.

3. MCERA educational and event-related expenses

A detailed report listed travel and conference expenses by attendee.

4. Continuing Trustee Education Log

The Continuing Trustee Education Log shows trustees are achieving 24 hours in 2 years.

5. Internal controls, compliance activities and capital calls

Total private equity distributions received were \$40.7 million and total capital calls were \$11.3 million for the fiscal year. Since June 30, 2024 MCERA has received private equity distributions of just over \$6.5 million and paid capital calls of just under \$2 million. Opportunistic managers called \$1.4 million and distributed \$4.1 million for the fiscal year.

6. Class action securities litigation settlements

There is a confidential attorney-client privileged memo on a recent securities litigation settlement MCERA received. MCERA was not a plaintiff in the matter but was seeking to receive a fair settlement on its claim.

7. Vendor services provided to MCERA

No discussion.

8. MCERA staffing status

See Administrator's Report above.

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

No discussion.

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

No discussion.

d. Annual Audit of Financial Statements Update

See Audit Committee meeting packet.

3. Ad Hoc Committee Report – Ad Hoc Strategic Workshop Education Committee

a. Strategic Workshop Agenda (ACTION)

Consider and take possible action to approve agenda

Ad Hoc Strategic Workshop Committee Chair Vasquez presented the proposed agenda for the October 15, 2024 Strategic Workshop. His expectation is that knowledgeable speakers will engage in extensive and intensive discussions of investment-related topics with the Board.

It was M/S Werby/Gladstern to approve the Strategic Workshop Agenda 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: None

4. Trustee Comments

a. Educational Training: Reports by Trustees and Staff

Trustee Cooper reported on the NCPERS Public Pension Funding Forum in Boston. The first session regarding U.S. demographic challenges was a big-picture view of how changes in the number of employees working to support retirees may affect public pensions over time. Effects of Artificial Intelligence include increased efficiencies leading to fewer employees needed to perform work. In another discussion a recommendation for pension plans with growing negative cash flows was to raise cash. Trustee Cooper's assessment was it was a good conference that he would attend again.

b. Other Comments

No other comments by the trustees.

Chair Murphy directed deliberations to **Agenda Item F, New Business.**

F. NEW BUSINESS

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

Chair Murphy reported the result of the trustees' discussion and input to the Retirement Administrator Evaluation was a great review for Mr. Wickman.

2. Retirement Administrator 2024/25 Business Objectives (ACTION)
Consider and take possible action to approve Business Objectives

Mr. Wickman presented Business Objectives for 2024/25 that were developed by the Leadership Team of Assistant Retirement Administrator Anya Bakerink, Chief Financial Officer Chuck McBride and Mr. Wickman.

In Benefit Administration the objectives are to complete the audit of the Actuarial Experience Study and 2023 Actuarial Valuation Report and present the final report to the Board for discussion, implementing new task tracking and workflow software for MCERA's business operations, and completing the reorganization of the Benefits team.

Trustee Silberstein asked about any surprises or difficulties found during the benefits team restructuring assessment. Ms. Bakerink replied staff looked at the current organizational structure, required skills and structure used by other CERL systems. There were no surprises, she said. The focus was on how restructuring could improve operational efficiencies and eliminate gaps. Staff provided important input on the structure. The goals included ensuring that responsibility and accountability were in alignment and providing more opportunity for promotion within the teams.

In Performance Management, performance metrics guide the work of staff and ensure a high standard of customer service.

Business/Personnel Management goals include completing 100% of employee evaluations this year and recruiting benefits staff, including a Benefits Supervisor. In addition, Linea Secure will conduct another cybersecurity risk assessment with results brought to the Finance and Risk Management Committee.

For Investments the real assets portfolio will be evaluated during the Strategic Workshop on the 15th of October. Also, Investment Beliefs will be reviewed by the Investment Committee. In Communication and Education, Chris Nunez is working on the redesign of MCERA's website. We will also implement a process that allows for the electronic delivery of mass mailings like a member newsletter, annual statements and COLA letters.

In Finance and Accounting, we will be developing an Annual Comprehensive Financial Report (ACFR) and publish a Popular Annual Financial Report (PAFR) In addition, the quarterly checklist for the Finance and Risk Management Committee and the Committee's Charter will be reevaluated.

Trustee Werby asked about the connection between the Business Objectives and the Retirement Administrator Performance Evaluation Policy. Based on discussions, the Chair directed that the Policy be placed on the October 23, 2024 Governance Committee meeting agenda for consideration.

It was M/S Werby/Silberstein to approve 2024/25 Business Objectives 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: None

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

No discussion.

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

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. Joseph Doherty Service Connected Novato Fire Protection District

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

2. Daniel Gemma 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 Silberstein/Gladstern to adopt the Administrative Recommendation to grant Joseph Doherty's service-connected disability retirement application with an effective date of March 31, 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: None

It was M/S Gladstern/Silberstein to adopt the Administrative Recommendation to grant Daniel Gemma's service-connected disability retirement application with an effective date of May 28, 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: None

Chair Murphy recessed Open Session and reconvened the meeting in Closed Session at 9:45 a.m.

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

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 Board will move into Closed Session via virtual breakout room if the applicant or counsel appear before the Board remotely. The live stream will indicate the Board is in Closed Session.

1. Laurie Lewis-Fullwood Service Connected County of Marin Health & Human Services Department

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

Trustee Poole disclosed that she worked in the same department as the applicant. In order to avoid any conflict of interest, she recused herself from the matter and left the room while the Board considered the application.

Chair Murphy recessed Closed Session and reconvened the meeting in Open Session at 10:08 a.m. Trustee Poole rejoined the meeting.

Chair Murphy reported on the recusal of Trustee Poole, including the reason for that recusal that Trustee Poole had provided, and further reported that the Board denied the application for a service-connected disability retirement and granted non-service connected disability retirement to Laurie Lewis-Fullwood. The motion passed by a vote of 7-0-1 as follows:

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

G. OTHER INFORMATION

1. Training Calendar (ACTION)

The Administrator presented the monthly Training Calendar for consideration by the Board. One update shows Trustee Vasquez will be attending the NCPERS Accredited Fiduciary Program Modules 3 & 4 in Palm Springs in October.

It was M/S Werby/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: None

H. CONSENT CALENDAR (ACTION)

It was M/S Cooper/Gladstern 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: None

CONSENT CALENDAR
MCERA BOARD MEETING, WEDNESDAY, SEPTEMBER 11, 2024

AUGUST 2024

RETURN OF CONTRIBUTIONS			
Kenneth Nelson	Full Refund - Termination	\$	2,707.29

BUYBACKS			
Rachel Kallok		\$	18.00
Lilana Lopez		\$	6,190.94
Mike Taul		\$	1,500.00

NEW RETIREES	
Michelle Allen-Higgins	County of Marin - Sheriff/Coroner
Camilo Bayot Jr	City of San Rafael
Nathan Craver	County of Marin - Information Services & Technology
Christopher Godley	County of Marin - Sheriff/Coroner
Johanna Good	County of Marin - Agriculture, Weights & Measures
Linda Martinez	County of Marin - MCERA
Stefan Parnay	County of Marin - Agriculture, Weights & Measures
Ulises Ramirez	County of Marin - Probation
Ellen Silber	County of Marin - Health & Human Services
Dennis Patrick Young	Southern Marin Fire Protection District

DECEASED RETIREES	
Elizabeth Berry	Marin Superior Court
Inge Brower	County of Marin - Beneficiary
Patricia Daly	County of Marin - Public Works
Leonardo Iglesias	County of Marin - Beneficiary
Assunta Stallone	County of Marin - Public Works
Evie Wilson	County of Marin - Data Processing

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


Laurie Murphy, Board Chair


Kelsey Poole, Secretary