

**INVESTMENT MCERA RETIREMENT  
BOARD MEETING MINUTES  
Thursday August 8, 2013**

**Roll Call: 8:17 AM**

**Board Members Present:**

Mark Bodley, Ronald Kinchloe, David Ness, Michael Rhodes, Karen Adams, Mary McWatters, Darlene Ingersoll, and Al Peterson. **Counsel:** Michael Calabrese **Staff:** Maria L. Arevalo, David Liu, Yadira Vazquez and Brenda Mojica. **Also Present:** Dr. Fracchia.

**Absent:** Jim Pacheco, Scott Johnston and Deidre Kelsey- Excused.

**Approval of Minutes: Motion to approve July 25, 2013 Board meeting minutes.  
Peterson/McWatters. U/A**

**PUBLIC COMMENT:**

Jenny Juarez commented on her pending disability application for service connected disability. She requested that the Board review a letter and attached medical reports related to her claim.

**CLOSED SESSION—CONFERENCE WITH LEGAL COUNSEL—SIGNIFICANT EXPOSURE TO LITIGATION:**

Existing Litigation Government Code Section 54956.9(a): AFSCME Local 2703 et al v. MCERA, Merced Sup. Ct. Case No. CV003073.

It is the intention of the Retirement Board to meet in Closed Session pursuant to Government Code Section 31532 regarding the confidentiality of member records. Update on the status of or deliberation and action on the application of disability retirements for:

1. Dorothy Jimenez
2. Lisa Wiseman
3. Tim Moore
4. Floyd Shepard III  
Informal Hearing/Dr. Charles Fracchia – Jenny Juarez  
Formal Hearing – None

**RETURN TO OPEN SESSION:**

- **REPORT ON CLOSED SESSION**  
**Motion to accept and consider letter presented by Jenny Juarez.**  
**Kinchloe/Ingersoll. U/A**
- **Motion to deny service connected disability and grant non-service connected disability to Jenny Juarez.**  
**McWatters/Adams. U/A**

**BOARD ACTION/DISCUSSION:**

1. **Education: MCERA's Disability Process/Service Connected Disability.**  
Ms. Arevalo reviewed the steps taken by staff and MCERA's medical advisor in MCERA's Disability Retirement Application Process and provided a disability application packet for the

Board's review. She also discussed the requirements for a finding of a service connected disability with a review of the statutory and case law related to service connection standards. The presentation included the number of disability retirement applications filed and acted upon by the MCERA Board during the last four years.

**2. Review of MCERA's Funding Policy: possible updates.**

Ms. Arevalo presented MCERA's Actuarial Funding Policy adopted by the Board in April of 2012 for the Board's review. After discussion, the Board decided to update sections of the policy to eliminate reference to the Ad Hoc Cola Reserves and the 401(h) Reserve because MCERA no longer maintains these two reserves. The Board also requested a change related to the setting of the amortization period. Trustee Adams proposed that the Board consider adding a Stable Funding provision in the policy which would address excess earnings in future years. Trustee Bodley also supported considering a Stable Funding provision noting it had been discussed at the Berkeley investment course for trustees. After discussion, the Board requested the Plan Administrator to contact the Fund's actuary for more information regarding the concept and to set a possible date for a presentation from the actuary. The Actuarial Funding Policy will be brought back with the proposed changes after consultation with EFI.

**CONSENT CALENDAR:**

**Consent matters are acted upon as one unit, if an item is taken off the Consent Calendar for discussion; it will be heard as the last item(s) of Board Action/Discussion as appropriate.**

**1. RETIREMENTS:**

All items of earnable compensation for service or disability retirements listed below are in compliance with the pay code schedule approved by the Board of Retirement.

1. Havens, Nancy PW	DWI	Eff. 08/02/2013
2. Vaughn, Karen (NSCD)	Health	Eff. 07/11/2013
3. Dierker, Susan	H.S.A.	Eff. 07/13/2013
4. Queen, Dennis	Public Health	Eff. 07/13/2013
5. Valenzuela, Vicki L.	H.S.A.	Eff. 08/05/2013
6. Olsen, David A.	County Counsel	Eff. 07/27/2013

**2. REFUND OF SERVICE PURCHASE: None**

**3. DEATH BENEFIT: None**

**Motion to approve consent calendar  
Bodley/Peterson/ UA**

**INFORMATION ONLY:**

Report on Trustee Pension Investment Seminar at Berkeley: Karen Adams and Mark Bodley reported on the Pension Investment seminar held in Berkeley. Both Trustees reported the course is vigorous and had excellent content. Further, they felt the course was well conducted and recommended MCERA continue to send trustees to the course each year. Staff member, David Liu also commented the course had value both in academic theory and practical application.

**CORRESPONDENCE: NONE**

**OTHER BUSINESS: Future Meetings, Conferences, Future Agenda Items**

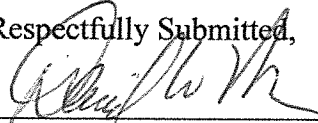
August 22, 2013: Finalist Interview for Domestic Small Cap Manager.

September 26 Investment Meeting: Proposed combined meeting with September 12, 2013 meeting pending availability of investment counsel.

September 13, 2013: Trustee Round Table, San Jose CA

**ADJOURNMENT 9:50 AM**

Respectfully Submitted,



David Ness, Chairman



Al Peterson, Secretary

8-22-2013

Date