INVESTMENT MCERA RETIREMENT
BOARD MEETING MINUTES
Thursday March 14, 2013

Roll Call: 8:19 AM

Board Members Present:
Mark Bodley, Deidre Kelsey, Jim Pacheco, David Ness, Michael Rhodes, Mary McWatters, Scott Johnston, Ron Kinchloe, Al Peterson, ***Counsel***: Michael Calabrese ***Staff:*** Maria L. Arevalo, Gale Garcia, David Liu and Yadira Vazquez ***Also Present:*** Graham Schmidt and William Hallmark

Absent: Deidre Kelsey arrived 8:25
Karen Adams – excused
Approval of Minutes: Motion to approve the minutes of February 28, 2013.
Bodley/Peterson. U/A

PUBLIC COMMENT: **None**

Trustee McWatters was excluded from closed session related to the AFSCME Local 2703 et al v. MCERA case.

CLOSED SESSION—CONFERENCE WITH LEGAL COUNSEL—SIGNIFICANT EXPOSURE TO LITIGATION: Government Code section 54956.9(C) one case
Existing Litigation Government Code Section 54956.9(a): AFSCME Local 2703 et al v. MCERA, Merced Sup. Ct. Case No. CV003073

RETURN TO OPEN SESSION:

REPORT ON CLOSED SESSION: NONE

BOARD ACTION/DISCUSSION

1. **Approval of Actuarial Review and Analysis as of June 30, 2012 and adoption of Employer Contribution Rate: Graham Schmidt, William Hallmark, EFI Cheiron Actuaries.**
   Graham Schmidt of EFI Cheiron Actuaries presented the results of the Actuarial Valuation as of June 30th 2012. EFI determined the employer contribution rate to be 44.10% for fiscal year 13/14. Mr. Schmidt reviewed each factor that contributed to the increase in the employer contribution rate. He also explained the assumed plan cost will increase moderately in the next year as the deferred losses from FY 2009 are recognized and then remains fairly stable for several years before cost begins to decline. The Board accepted the Valuation Report for fiscal year 2011/2012. Mr. Hallmark discussed GASB changes to Statements 25 and 27. Mr. Hallmark noted GASB Statements 67 and 68 will amend Statements 25 and 27. Implementation of Statements 67 for MCERA will be fiscal year ending June 30, 2014. Staff will follow closely on the updates and will implement accordingly.
   Motion to accept the report and adopt the recommended employer and member rates contained in the report.
   Kinchloe/Peterson. U/A

2. **Recommendation from Ad Hoc RFP Committee of selection of General Investment Consultant and Approval by Board**

The Ad Hoc committee presented the results of the due diligence visits to the three RFP finalists. The committee visited SIS and Milliman in San Francisco and Wurts Associates in Seattle. The committee reported the visits were useful and valuable to the process and recommended SIS be

selected as the new investment consultant. Ms. Arevalo noted that Karen Adams who could not be at the Board meeting wanted to have some comments read to the Board regarding the

selection. Board members discussed the recommendation and also expressed gratitude for Milliman's service to MCERA in the past 15 years. The committee and the Board reviewed the reasons for the recommendation and after discussion; the Board accepted the committee's recommendation.

Motion to accept the Ad Hoc RFP Committee's recommendation to hire SIS as the new Investment Consultant.
Peterson/Bodley. U/A

3. **Approval for Trustee attendance at Pension Bridge Conference, April 16-17. San Francisco.**
   The Board approved the attendance of Michael Rhodes, Ronald Kinchloe and Deidre Kelsey to the Pension Bridge conference**.**
   Motion to approve Pension Bridge Conference attendance.
   Kinchloe/Peterson. U/A

4. **Add Courts pay code VPN to pay code schedule as non pensionable payment. Payment is for vacation payoff amount in excess of 160 hours.**
   Ms. Vazquez noted the Courts are processing their own payroll now and the County will need to add a new pay code, VPN to the pay code schedule for vacation payoff amount in excess of the 160 hours. After discussion the Board approved the new pay code as a non pensionable item of compensation.
   Motion to add Court pay Code VPN to pay code schedule as non pensionable item of compensation.
   Peterson/Bodley. U/A

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 the Closed Session or Board Action/Discussion as appropriate.

SERVICE RETIREMENT:

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

1.	CASERI, GARY	AG COMMISSIONER	Eff. 03/02/2013
2.	HARRIS, CONNIE	HSA	Eff. 02/10/2013
3.	ALANIZ, MARY	HSA	Eff. 02/13/2013
4.	CLARK, LANE	SHERIFF	Eff. 03/03/2013
5.	WRIGHT, PATRICIA	MCMC	Eff. 02/25/2013
6.	MAHAN, KEITH	AGRI COMMISSION	Eff. 02/01/2013

Motion to approve listed retirements
Kelsey/Rhode. U/A

CORRESPONDENCE: NONE

OTHER BUSINESS:
March 28, 2013 Board meeting cancelled due to attendance at CALAPRS Pension Management Course.

INFORMATION ONLY: NONE

ADJOURNMENT 10:10 AM

Respectfully Submitted,

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David Ness, Chairman

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Al Peterson, Secretary

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Date