

MEMORANDUM

TO: File
FROM: Charnel K. Benner, CFP, Retirement Administrator
DATE: November 19, 2007
RE: MCERA Elected Retirement Board Member Duties

California Government Code section 31522 provides that the “official duties of elected retirement board members who are employees of the county or a district *shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties.*” (Emphasis added.) The “precedence” afforded to board duties under Section 31522 arises from the fact that all Board members act as fiduciaries when administering the Marin County Employees’ Retirement Association (“MCERA”) retirement system for the benefit of its members and their beneficiaries. Thus, Board members’ responsibilities to the members and beneficiaries of MCERA will normally take precedence over their regular employment duties. In addition, because time spent on Board duties is part of a Board member’s employment duties, that time may not be offset against time otherwise earned by a similarly situated employee who is not on the MCERA Board (such as vacation, personal, holiday, or other such time). *See generally* CAL. LAB. CODE §§ 200, 201 and 204 (wages must be paid for labor performed personally by an employee). The official duties of Board members include, and are not limited to, the following:

- Preparation for and attendance at a regular Board meeting each month, as well as five to six investment committee meetings, two strategic workshops, ad hoc committee meetings and any special Board meetings that are required for the proper discharge of Board business through the year. Those meetings involve significant MCERA business, such as selection and monitoring of investment managers, actions on disability retirement applications, and administration of the retirement system.

- Attendance at conferences, meetings and advanced educational courses that provide important fiduciary education to Board members. As provided in MCERA’s Trustee Education Policy, the Board strongly encourages its members’ regular attendance at numerous conferences, educational meetings and courses during each of their terms of office, as listed therein (totaling approximately five to ten meetings/conferences/courses each year). This education must continue throughout a Board member’s tenure on the Board, so that he or she continues to remain current with respect to changes and developments in legal, investment and other arenas that are critical to a Board member’s proper functioning as a trustee of the retirement system. In addition, ethics certification for Board members is mandated every two years.

- On-site visits to the offices of MCERA’s investment managers and attendance at client conferences of those managers. This duty is part of Board members’ obligation to engage in due diligence with respect to their selection and retention of MCERA’s numerous investment managers.