Call to order: Chairperson White called the meeting to order at 9:04 AM.


Absent: McGlashan, Jones

Minutes: It was M/S Smith/Phillips to approve the Minutes of the Regular Meeting of November 16, 2005, as submitted.

Ayes: All Present
Noes: None
Absent: McGlashan, Jones

Board of retirement matters:

After discussion, it was M/S Gladstern/Smith to keep the current Board officers. Trustee Arrigoni asked the makers of the motion to amend the motion and appoint Trustee Haim to replace him as Vice-Chair; the makers of the motion agreed, to keep Trustee White as Chair, Trustee Gladstern as Secretary, and to appoint Trustee Haim as Vice-Chair.

Ayes: All Present
Noes: None
Absent: McGlashan, Jones

Trustee Haim complimented staff on the quality of the minutes. He also reported that the Retiree Holiday Lunch was well attended and enjoyed.

Trustee Gladstern made reference to the “Pomerantz Monitor” and distributed copies of Pension & Investments ONLINE, urging monitoring of proxies and the filing of security litigation claims. Staff responded that Bank of New York had been contacted and that a summary response was expected by the end of the year.
DISABILITIES

The Board moved into Closed Session at 9:16 AM to hear all disability applications with the exception of John Gotts’ (since County Counsel Richardson was not yet present), and reconvened into Open Session at 9:35 AM; the Chair read the results into the record, as follows.

1. APPLICATIONS TO BE HEARD

JOHN GOTTS (2/9/04) PARKS & OPEN SPACE (S/C)
Reconsideration of an Application for Disability Referred to a Hearing Officer

[Moved to after Item 5.a.]

RUBY DAVIS (9/17/04) HEALTH & HUMAN SERVICES (S/C)
Initial Consideration of an Application for Disability Filed by a Miscellaneous Member

The Board considered Ms. Davis’ application for service connected disability retirement and voted unanimously in Closed Session to refer the application to a hearing officer.

KELLY MEYER (6/2/05) SHERIFF’S DEPARTMENT (S/C)
Initial Consideration of an Application for Disability Filed by a Miscellaneous Member

The Board granted Ms. Meyer’s application for service connected disability retirement by unanimous vote in Closed Session.

RHONDA LONG (12/03/04) HEALTH & HUMAN SERVICES (S/C)
Request for Extension of Time in which to Hold Hearing

The Board granted Ms. Long’s request for a 90-day extension of time in which to hold a hearing by unanimous vote in Closed Session.

Staff reviewed pending applications.

2. ADDITIONAL INFORMATION REQUIRED

GLORIA GARCIA (11/14/03) HEALTH & HUMAN SERVICES (S/C)
(Awaiting Supporting Documentation)

KENNETH DAVIS (11/18/03) SHERIFF’S DEPARTMENT (S/C)
(Awaiting Supporting Documentation)

LEE RICHARDSON (6/24/05) SHERIFF’S DEPARTMENT (S/C)
(Awaiting Supporting Documentation)

JAMES MacDONALD (8/11/05) SAN RAFAEL POLICE (S/C)
(Awaiting Additional Authorization)
CAROL THOMAS (8/18/05) HEALTH & HUMAN SERVICES (S/C)
(Awaiting Completion of Internal Review)

ERMITA ATKINS (8/31/05) HEALTH & HUMAN SERVICES (S/C)
(Awaiting Supporting Documentation)

MICHAEL OLSEN (9/22/05) SOUTHERN MARIN FIRE (S/C)
(Awaiting Completion of Internal Review)

BRIAN WATERBURY (10/20/05) SAN RAFAEL FIRE (S/C)
(Awaiting Completion of Internal Review)

3. APPLICATIONS ASSIGNED TO HEARING OFFICER

<table>
<thead>
<tr>
<th>Date of Application</th>
<th>Date of Hearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>DONALD HOBBS</td>
<td>(To Be Set)</td>
</tr>
<tr>
<td>(2/11/05)</td>
<td></td>
</tr>
<tr>
<td>GRACE DAMATO (HOLLEY)</td>
<td>11/14/05</td>
</tr>
<tr>
<td>(3/29/05)</td>
<td></td>
</tr>
<tr>
<td>RHONDA LONG</td>
<td>(To Be Set)</td>
</tr>
<tr>
<td>(12/03/04)</td>
<td></td>
</tr>
<tr>
<td>MONICA QUINN</td>
<td>4/12/05</td>
</tr>
<tr>
<td>(7/6/04)</td>
<td></td>
</tr>
</tbody>
</table>

4. NEW APPLICATIONS

THOMAS SMILEY (11/28/05) SAN RAFAEL POLICE (S/C)

COUNTY COUNSEL BUSINESS

5. CLOSED SESSIONS

CONFERENCE WITH LEGAL COUNSEL — POSSIBLE LITIGATION
Significant Exposure to Litigation Pursuant to Subdivision (b)(3)(A) of California Government Code Section 54956.9
(Undetermined Number of Cases)

The Board moved into Closed Session at 9:37AM and reconvened into Open Session at 9:48 AM; the Chair announced that there had been discussion with County Counsel regarding possible litigation, but no action had been taken.

OLD BUSINESS

(None)
NEW BUSINESS

5.a. Retiree Appeal
Richard Sheldon—Ventura Pay Category

After discussion, it was moved by Trustee Gladstern to delay action on the request from Mr. Sheldon’s attorney for Appeal of Denial of Request to Re-categorize Earnings, to have staff consult with the human resources department regarding issues and personnel policy, and to bring the item back at a later date. Motion died for lack of a second.

It was M/S Haim Phillips to deny the request from Mr. Sheldon’s attorney for Appeal of Denial of Request to Re-categorize Earnings.

AYES: Phillips, Arrigoni, Haim, Smith, Hufford
NOES: Gladstern
ABSENT: McGlashan, Jones

1. APPLICATIONS TO BE HEARD, Continued

JOHN GOTTS (2/9/04) PARKS & OPEN SPACE (S/C)
Reconsideration of an Application for Disability Referred to a Hearing Officer

[Moved from Item 1]

With Patrick Richardson, County Counsel, in attendance, the Board moved into Closed Session at 10AM to hear the remainder of disability applications, and reconvened into Open Session at 10:41 AM; the Chair read the results into the record, as follows:

By unanimous vote in Closed Session, the Board upheld the hearing officer’s recommendation to deny Mr. Gotts’ application for service connected disability retirement.

6. Changes to Southern Marin Fire Protection District Plan
Acceptance of Board of Directors Resolution 05-06-8
(From Section 31664.1 to 31664.2)

It was M/S Phillips/Smith to accept Resolution 05-06-8 of the Southern Marin Fire Protection District Board of Directors, pertaining to Safety Members hired on or after July 1, 2005, pursuant to Government Code Section 31664.2.

AYES: All Present
NOES: None
ABSENT: Jones, McGlashan
7. Annual Actuarial Valuations
   Acceptance of Reports

Rick Roeder of Gabriel Roeder Smith & Company presented the annual valuation reports. He referred to the executive summaries of each report, discussed key information and fielded questions from the Board.

It was M/S Smith/Gladstern to accept the actuarial studies as presented, and in accordance with Government Code Sections 31453 and 31454, to direct that the County and the other Contracting Districts implement the employee and employer contribution rates contained in the actuarial studies beginning with the first payroll period of the 2006/07 fiscal year, but in no event later than 90 days after the beginning of that fiscal year; also, to recommend to the Board of Supervisors that there be no adjustment in the methodology for the determination of the interest crediting rate.

   AYES: All Present
   NOES: None
   ABSENT: Jones, McGlashan

8. Retiree Medical Expense
   Setting of Allocation and Maximum Dollar Amounts

Staff presented a brief history and information for the Board to review regarding proposed increases in the allocation factor and maximum dollar amount due to premium increases.

After discussion, it was M/S Haim/Gladstern to increase the allocation factor from $343.65 per year of service to $384.47 per year of service, and to increase the annual maximum payment amount from $6,873.00 to $7,689.40 for calendar year 2006.

   AYES: All Present
   NOES: None
   ABSENT: Jones, McGlashan

9. Contract Approval (Oral)
   Request Board Approval for Outside Counsel

Staff and the Board discussed

After discussion with staff, it was M/S Phillips/Gladstern to direct staff to engage Steefel, Levitt & Weiss to review the current insurance coverage.

   AYES: All Present
   NOES: None
   ABSENT: Jones, McGlashan
9.a. Approval of Conflict Waiver with Steefel, Levitt & Weiss

After discussion with staff, it was M/S Phillips/Gladstern to approve the conflict waiver with Steefel, Levitt & Weiss as presented.

AYES:      All Present
NOES:      None
ABSENT:    Jones, McGlashan

10. Trustee Training

Morgan Stanley Int’l Client Conference, February 8-9, 2006, New York City
NCPERS 2006 Annual Legislative Conference, February 6-8, 2006, Washington, DC
CALAPRS Principles of Pension Management Course, March 28-31, 2006, Palo Alto, CA
Wharton School of Business Executive Education Course, June 19-23, 2006, Philadelphia
RREEF 2006 Educational Client Seminar, January 26, 2006, La Quinta, CA
CALAPRS Administrators Roundtable, January 27, 2006, San Diego, CA

Staff announced that MCERA had become a member of NCPERS.

Trustee Thomas gave a report on his recent attendance of the Callan College in San Francisco.

After discussion, it was M/S Hufford/Gladstern to grant approval for attendance by Trustees and appropriate staff who wish to attend the conferences and training presented above and to authorize payment of related expenses.

AYES:      All Present
NOES:      None
ABSENT:    Jones, McGlashan

INFORMATIONAL

11. Board Meeting Schedule  2006
   Revised Version

12. Trustee Training
   Approved Training Calendar

Staff noted that the calendar would be revised in an updated version.

12.a. SACRS Photo Directory 2005-2006
FINANCIAL INFORMATION

Western Asset Management Monthly Report
Domestic Fixed Income Core Plus Portfolio

The Board asked staff to have Callan Associates research Western’s holdings in General Motors bonds.

Domestic Fixed Income Core Portfolio

International Growth Equity Portfolio

International Value Equity Portfolio

Large Cap Value Equity Portfolio

17. RCM Monthly Report
Large Cap Growth Equity Portfolio

18. Dimensional Fund Advisors Monthly Report
Small Cap Value Portfíolio

Small Cap Growth Equities Portfolio

20. Woodmont Companies Monthly Report
Real Estate Portfolio

Futures Overlay Program

22. Fidelity Investments Monthly Report
Market Neutral

Market Neutral

Market Neutral

25. Treasurer’s Monthly Report
Short Term Investments

Trustee Smith distributed a copy of the Treasurer’s Monthly Report to the Board.
CONSENT CALENDAR

It was M/S Phillips/Gladstern to approve the Consent Calendar.

AYES: All Present
NOES: None
ABSENT: McGlashan, Jones

OPEN TIME FOR PUBLIC EXPRESSION

It was M/S Hufford Smith to adjourn the Regular Meeting of December 14, 2005 at 11:48 AM.

AYES: All Present
NOES: None
ABSENT: McGlashan, Jones

Sandy White, Chairperson

Maya Gladstern, Secretary