

## **Board of Retirement Meeting Minutes**

**November 1, 2017 – 8:30 a.m.**

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### **Call to Order**

Dan Gjerde, Chair, called the meeting to order at 8:30 a.m.

### **Roll Call and Pledge of Allegiance**

Roll call was conducted with the following members present: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathy Smith, Craig Walker, Tim Knudsen, Jeri Harris, Richard Shoemaker and Dan Gjerde. Also present: Andy Yeung and Dirk Adamsen of Segal Consulting, Greg DeForrest of Callan LLC, James Wilbanks, Retirement Administrator, Stan Conwell, Financial Investment Officer, and Judy Zeller, Administrative Assistant. Absent: None.

**Public Comment:** None

### **1) Consent Agenda**

- Minutes of the Board Meeting Held October 18, 2017
- October 2017 Retirement Report
- Monthly Preliminary Financial Report

**Presenter/s:** Chair Gjerde referenced the consent agenda which was approved by unanimous consent.

### **2) Discussion and Possible Action Regarding Any Consent Agenda Item Needing Separate Action**

None

### **3) Discussion and Possible Action Regarding the June 30, 2017 Actuarial Valuation Study (Segal Consulting)**

**Presenter/s:** Andy Yeung referenced the June 30, 2017 Actuarial Valuation Study and explained that once the report and the recommended contribution rates are approved by the Board of Retirement the valuation report will be presented to the Board of Supervisors for adoption. Mr. Yeung highlighted sections of the report pertaining to the Experience Study completed earlier this year, the Board Funding Policy, the Unfunded Actuarial Accrued Liability (UAAL), and Employer Contributions. The possibility of prepayment of employer contributions was also discussed and the board agreed that this item should be brought back for further discussion in the future.

**Board Direction:** Staff will review options for prepayment of employer contributions or prepayment of the UAAL and will bring a discussion item back to the board in the future.

**Board Action:** Motion was made by Ms. Harris to accept the June 30, 2017 Actuarial Valuation Study and the recommended contribution rates. Ms. Schapmire seconded the motion which was approved unanimously.

### **4) Discussion and Possible Action Regarding the June 30, 2017 Governmental Accounting Standards (GAS) 67 Actuarial Valuation (Segal Consulting)**

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**Presenter/s:** Dirk Adamsen of Segal Consulting referenced the June 30, 2017 GAS 67 Actuarial Valuation Report and explained that this report satisfies the financial reporting requirements for the auditor. Once approved, a companion report, GAS 68, will be prepared for MCERA employers. Mr. Adamsen commented that Total Pension Liability (TPL) is the same as reported in the June 30, 2017 Valuation Report and the market value of investments is used to determine the Net Pension Liability (NPL).

**Board Action:** Motion was made by Ms. Harris to accept the June 30, 2017 GAS 67 Actuarial Valuation Report. Mr. Sullivan seconded the motion which was approved unanimously.

### **5) Discussion and Possible Action Regarding Investment Matters**

- Quarterly Investment Report
- Callan LLC Personnel Update

**Presenter/s:** Greg DeForrest, Callan LLC, referenced the third quarter investment report stating that the portfolio has performed better than the broad market. He informed the board of personnel changes within Callan and that their name has changed to Callan LLC. He referenced highlights of the report and noted that our new investment managers were still in the process of being funded.

### **6) Quarterly Budget Update**

**Presenter/s:** Dr. Wilbanks referenced the Quarterly Budget Update.

### **7) Discussion and Possible Action Regarding Board Work Plan**

- Strategic Planning Off-Site Follow Up
- Board Work Plan

**Presenter/s:** Dr. Wilbanks referenced the current Board Work Plan, the board meeting held September 13-14, 2017, and the new project list compiled at that meeting which will need to be included in the work plan. Review of the new project list lead to discussion regarding categorizing items by importance. The board requested estimates of time and cost for the new projects, and asked for staff input as well. Dr. Wilbanks commented that risk is a very important item, we need our own plan for disaster recovery, a risk assessment must be done, and this may require outside assistance.

**Board Direction:** Staff will edit the new project list and will send out a survey to the board and staff for categorizing by importance. Results will be discussed at a future board meeting.

### **8) Retirement Administrator Report**

- 2017 Plan Status
- SACRS Legislative Item
- 625 Kings Court Update
- MCERA Office Hours
- Draft 2018 Board Meeting Calendar
- MCERA Holiday Hours

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- Fiduciary Insurance Renewal, Waiver of Recourse Payments Due
- Request for Proposals for Actuarial Auditing Services

**Presenter/s:** Dr. Wilbanks referenced his administrative report. The draft 2018 Board Meeting Calendar was reviewed and will be brought back for adoption in December. Payment for the Fiduciary Insurance waiver of recourse was discussed and the Request for Proposal for Actuarial Audit Services was reviewed and will be released.

### **9) General Board Member Discussion**

Mr. Walker commented positively on the newsletter.

### **Adjournment and Notice of Next Board of Retirement Meeting**

Meeting adjourned at 12:17 p.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday December 13, 2017 at 8:30 a.m. in the Mendocino County Employees Association Conference Room.

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