

Board of Retirement Meeting Minutes

February 21, 2018 – 8:30 a.m.

Call to Order

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

Present: Shari Schapmire, Patrick Sullivan, Lee Parker, Kathy Smith, Tim Knudsen, Jerilyn Harris and Chair Gjerde.

Also present: James Wilbanks, Retirement Administrator, Jeff Berk, Legal Counsel, Stan Conwell, Financial Investment Officer, Judy Zeller, Administrative Assistant, and Greg De Forrest and Mark Wood of Callan LLC.

Absent: Richard Shoemaker, Craig Walker, and Kathryn Cavness by prior arrangements.

Pledge of Allegiance

Public Comment: None

1) Consent Agenda

- Minutes of the January 17, 2018 Board Meeting
- January 2018 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 Investment Matters

- Quarterly Investment Report
- Monthly Investment Report
- 2018 Capital Markets Outlook
- Environmental, Social, and Governance (ESG)/Divestment Education and Training

Presenter/s: Dr. Wilbanks introduced Greg De Forrest and Mark Wood of Callan LLC. Mr. De Forrest began with review of the Capital Markets and Mr. Wood provided information on ESG/Divestment for educational purposes only. The Quarterly Investment Report for the period ending December 31, 2017 was reviewed and the Barings Core Property Fund was discussed. Mr. De Forrest recommended looking at other core real estate investments at this time in order to see what other opportunities are available. The preliminary monthly investment report for January 2018 concluded their presentation.

Board of Retirement Meeting Minutes

February 21, 2018 Continued

4) Discussion and Possible Action Regarding Approval of Annual Cost of Living Adjustment (COLA) as of April 1, 2018

Presenter/s: Dr. Wilbanks referenced correspondence from Segal Consulting recommending a 3% COLA increase as of April 1, 2018 based on the December 2017 Consumer Price Index for the Western Region.

Board Action: Motion was made by Mr. Knudsen to approve the April 1, 2018 COLA as recommended by the actuary. Ms. Schapmire seconded the motion which was approved unanimously.

5) Discussion and Possible Action Regarding Actuarial Practices and Funding Policy

Presenter/s: Dr. Wilbanks referenced the Actuarial Practices and Funding Policy and recommended approval as presented.

Board Action: Motion was made by Ms. Schapmire to approve the Actuarial Practices and Funding Policy. Ms. Smith seconded the motion which was approved unanimously.

6) Discussion and Possible Action Regarding Retirement Administrator Performance Review Policy

Presenter/s: Dr. Wilbanks referenced the Retirement Administrator Performance Review Policy and recommend approval as presented.

Board Action: Motion was made by Mr. Sullivan to approve the Retirement Administrator Performance Review Policy. Mr. Knudsen seconded the motion which was approved unanimously.

7) Discussion and Possible Action Regarding 2018 Actuarial Scenario Analysis Project

Presenter/s: Dr. Wilbanks referenced his memo regarding the 2018 Actuarial Scenario Analysis project. Five different economic scenarios were prepared and one additional scenario, regarding lowering of assumptions, could also be included. Dr. Wilbanks recommended the board decide which scenarios to include in the analysis and to include a budget amendment in a corresponding amount for any motion choosing scenarios.

Board Action: Motion was made by Mr. Parker to approve proceeding with the actuarial analysis project, to have Segal Consulting prepare actuarial scenarios 1-5, and to accordingly amend the Fiscal Year 2017/2018 Budget by \$15,000.00 to pay for this analysis. Ms. Smith seconded the motion which was approved unanimously.

8) Quarterly Budget Update

Presenter/s: Dr. Wilbanks referenced the quarterly budget update prepared by Mr. Conwell.

9) Discussion and Possible Action Regarding Retirement Administrator Report

- **CALAPRS Trustee Roundtable**
- **League of California Cities' Retirement System Sustainability Study and Findings**
- **Kings Court Update**
- **Form 700 Reminder**
- **Final 2018 Board Work Plan**

Board of Retirement Meeting Minutes

February 21, 2018 Continued

Presenter/s: Dr. Wilbanks provided his administrative report. Discussion included CALAPRS meeting attendance, the League of California Cities' Retirement System Sustainability Study, and the Kings Court landscape.

10) General Board Member Discussion

Chair Gjerde and Mr. Parker reported on their attendance at the Callan National Conference in January.

Mr. Knudsen commented on the presentation made by Dr. Wilbanks to the Association of Mendocino County Employees Retirement Association (AMCRE) on February 18th.

Dr. Wilbanks announced that Kathryn Cavness will run for re-election as State Association of County Retirement Systems (SACRS) Secretary.

Mr. Parker asked the board to consider scheduling guest speakers from Loma Linda University to present information regarding alternative investments.

11) Closed Session

- Possible Initiation of Litigation - Pursuant to Government Code Section 54956.9(a)4
- Steve Adams, Corrections Deputy, Service Connected Disability Retirement Application Appeal – Pursuant to Government Code Section 54957(b)

Report Out from Closed Session: No action was taken regarding the Possible Initiation of Litigation. Direction was provided to both staff and legal counsel regarding the Disability Retirement Application Appeal.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 12:50 p.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday March 21, 2018 at 8:30 a.m. in the Mendocino County Employees Association Conference Room.

Board of Retirement Meeting Minutes
February 21, 2018 Continued

Pending Board Approval