

Board of Retirement Meeting Minutes

March 21, 2018 – 8:30 a.m.

Call to Order

Dan Gjerde, Chair, called the meeting to order at 8:34 a.m.

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

Absent: Richard Shoemaker and Craig Walker.

Also present: James Wilbanks, Retirement Administrator, Jeff Berk, Legal Counsel, Stan Conwell, Financial Investment Officer, and Judy Zeller, Administrative Assistant.

Pledge of Allegiance

Public Comment: None

1) Consent Agenda

- Minutes of the February 21, 2018 Board Meeting
- February 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

- Monthly Investment Report

Presenter/s: Dr. Wilbanks referenced the preliminary monthly investment report for February 2018. Discussion included Real Estate reporting and rebalancing.

Craig Walker entered the meeting at 8:39 a.m.

4) Discussion and Possible Action Regarding Potential 2019 Legislative Proposals

- Appointed Alternate Trustee
- Cost of Living Adjustment

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Presenter/s: Dr. Wilbanks referenced his memo discussing two potential legislative items. The first being adding a member to the board to serve as an alternate for the appointed trustees. Discussion included legal issues regarding appointing an alternate trustee, legislation, and voting authority.

Board Direction: Staff will not pursue legislation for an alternate appointed trustee.

The second legislative item being the appropriate region on which a retirement system should base the measurement of annual cost of living adjustments (COLA). Discussion included the Bureau of Labor Statistics (BLS), available statistical data, COLA review and achieving the most accurate Consumer Price Index (CPI) to use. Dr. Wilbanks amended his preliminary recommendation and instead recommended not to pursue legislation at this time, bring the COLA discussion back next month, and include an evaluation of the COLA region in the board work plan discussion.

Board Action: Motion was made by Ms. Schapmire not to pursue cost of living adjustment measurement legislation, bring the COLA discussion back next month, and include an evaluation of the COLA region in the board work plan discussion. Ms. Harris seconded the motion which was approved unanimously.

Dr. Wilbanks confirmed that the Legislative item will be removed from the board work plan following this action.

5) Discussion and Possible Action Regarding Retirement Administrator Report

- Form 700 Reminder
- Kings Court Update
- Investment Program Future Plans

Presenter/s: Dr. Wilbanks provided his administrative report and mentioned that a presentation is scheduled for next month regarding the investment consulting industry.

6) General Board Member Discussion

The Board discussed public employee retirement benefits in general including COLAs, retiree health insurance, social security benefits, and participation in employer deferred compensation plans.

Vice Chair Cavness provided an update on Assembly Bill (AB) 2085, Retirement Systems: Surviving Spouse.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 9:45 a.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday April 18, 2018 at 8:30 a.m. in the Mendocino County Employees Association Conference Room.