

Board of Retirement Meeting Minutes

April 18, 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, Craig Walker, Tim Knudsen, Jerilyn Harris, Richard Shoemaker and Chair Gjerde.

Absent: None

Also present: James Wilbanks, Retirement Administrator, Jeff Berk, Legal Counsel, Stan Conwell, Financial Investment Officer, and Judy Zeller, Administrative Assistant, and Jim Failor, Chief Investment Officer, Sonoma County Employees' Retirement Association.

Pledge of Allegiance

Public Comment: None

1) Consent Agenda

- Minutes of the March 21, 2018 Board Meeting
- March 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 Presentation Regarding Managing the Investment Function & Investment Consulting Structures

Presenter/s: Dr. Wilbanks introduced Jim Failor, Chief Investment Officer (CIO), Sonoma County Employees' Retirement Association, who provided an informational presentation regarding managing the investment function and investment consulting structures. Discussion included structures for investment staff and consultant, outsourcing a CIO, asset allocation strategy, investment policy statement, due diligence, choosing an investment consultant, and the role of a transition manager.

Mr. Shoemaker left the meeting at 10:00 a.m.

4) Discussion and Possible Action Regarding Investment Matters

- Monthly Investment Report

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Presenter/s: Dr. Wilbanks referenced the preliminary monthly investment report.

5) Discussion Regarding Illustrations of Employer Contribution Rates, Unfunded Actuarial Accrued Liabilities and Funded Percentages under Different Market Return Scenarios and under an Alternative Set of Economic Assumptions

Presenter/s: Dr. Wilbanks referenced correspondence from Segal Consulting regarding Actuarial Stress Testing. Discussion included the results of five (5) market return scenarios, payment of additional employer contributions and prepayment of annual employer contributions, establishing a County reserve investment account, increases in employer rates due to experience studies, and sharing the results of this study with the plan sponsors.

6) Discussion and Possible Action Regarding Audit & Budget Committee Charter

Presenter/s: Dr. Wilbanks referenced the Committee Charter which is due for review

Board Action: Motion was made by Ms. Harris to adopt the Audit and Budget Committee Charter with proposed changes. Ms. Cavness seconded the motion which was approved unanimously.

7) Discussion and Possible Action Regarding the 2018 Board Work Plan

- Evaluation and Review of Annual Cost of Living Adjustment (COLA) Region

Presenter/s: Dr. Wilbanks referenced his memo regarding review of the COLA region and made recommendation to include the COLA review in the board work plan, to complete review by the 3rd quarter, and to schedule review every five years thereafter without other significant changes to regions. The board work plan was also reviewed. Discussion included the addition of begin dates for all projects, new additions and deletions of work plan items, and community presentations.

Board Direction: Staff will include evaluation and review of the COLA region in the Board Work Plan with a completion target of the 3rd Quarter.

8) Discussion and Possible Action Regarding Retirement Administrator Report

- Retirement Administrator Evaluation
- July 2018 Board Meeting
- SACRS Legislative Report

Presenter/s: Dr. Wilbanks provided his administrative report. Discussion included the July board meeting alternate location and the SACRS legislative Report.

Board Direction: Staff will present a plan to the board next month regarding scheduling a coastal meeting in the fall and this will include amending the adopted 2018 board calendar.

9) General Board Member Discussion

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10) Closed Session

- Honisuki Cano, Health Program Eligibility Worker, Women, Infants and Children (WIC), Service Connected Disability Application

Report Out From Closed Session

Board Action: Motion was made by Mr. Sullivan to approve Ms. Cano's application for a service connected disability retirement. Ms. Cavness seconded the motion which was approved unanimously. Direction was also given to staff.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 11:59 a.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday May 9, 2018 at 8:30 a.m. in the Mendocino County Employees Association Conference Room so that trustees can attend the May 15-18, 2018 SACRS Spring Conference.