

Board of Retirement Meeting Minutes

November 7, 2018 – 8:30 a.m.

Call to Order

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

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

Absent: Craig Walker.

Also present: James Wilbanks, Executive Director, Jeff Berk, Legal Counsel, Stan Conwell, Financial Investment Officer, Greg De Forrest and Claire Telleen of Callan LLC, Andy Yeung of the Segal Consulting, Michael Celentano, and Judy Zeller, Administrative Assistant.

Pledge of Allegiance

Public Comment: None.

1) Consent Agenda

- a) Minutes of the October 17, 2018 Board Meeting
- b) October 2018 Retirement Report
- c) Preliminary Monthly 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) Administrative Hearing

- a) Appeal of Administrative Decision to require submission of certified marriage certificate in order to initiate survivor benefit - Michael Celentano

Presenter/s: Dr. Wilbanks referenced the Appeal of Administrative Decision filed by Mr. Celentano. Mr. Celentano addressed the Board regarding his appeal.

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

Board Direction: Staff will review document requirements and will draft a required documents policy in the future.

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Board Action: Motion was made by Mr. Parker to grant Mr. Celentano's appeal based on a preponderance of evidence the Mr. and Mrs. Celentano were married. Mr. Knudsen seconded the motion which was denied by the following vote: Ayes: Kathryn Cavness, Lee Parker, and Tim Knudsen, Noes: Shari Schapmire, Patrick Sullivan, Kathryn Smith, Craig Walker, Jerilyn Harris, and Dan Gjerde. Abstain: 0. Absent: 0.

Board Action: Motion was made by Mr. Sullivan to deny Mr. Celentano's appeal. Mr. Walker seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathryn Smith, Craig Walker, Jerilyn Harris, and Dan Gjerde. Noes: Tim Knudsen. Abstain: 0. Absent: 0.

4) Discussion and Possible Action Regarding Investment Matters

- a) Quarterly Investment Report
- b) Preliminary Monthly Investment Report

Presenter/s: Greg De Forrest and Claire Telleen referenced the quarterly investment report summary for the period ending September 30, 2018. The preliminary investment report for October 2018 was not available for review.

5) Discussion and Possible Action Regarding the June 30, 2018 Actuarial Valuation Study

Presenter/s: Andy Yeung of Segal Consulting referenced the June 30, 2018 Actuarial Valuation Study.

Board Direction: Staff and Segal Consulting will look at including an assumption regarding reciprocal salaries to future valuations with the next experience study.

Board Action: Motion was made by Ms. Schapmire to adopt the June 30, 2018 Actuarial Valuation Study. Ms. Harris seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathryn Smith, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

6) Discussion and Possible Action Regarding the June 30, 2018 Governmental Accounting Standards (GAS) 67 Actuarial Valuation

Presenter/s: Dirk Adamsen and Andy Yeung of Segal Consulting referenced the June 30, 2018 GAS 67 Actuarial Valuation.

Board Action: Motion was made by Ms. Harris to adopt the June 30, 2018 GAS 67 Actuarial Valuation. Mr. Sullivan seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathryn Smith, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

7) Discussion Regarding MCERA Unfunded Actuarial Accrued Liability (UAAL) Educational Item

Presenter/s: Dr. Wilbanks referenced educational information regarding the UAAL.

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Board Direction: Staff will edit the UAAL item as discussed.

8) Discussion and Possible Action Regarding Conflict of Interest Policy

Presenter/s: Dr. Wilbanks referenced the Conflict of Interest Policy.

Board Action: Motion was made by Ms. Smith to approve the Conflict of Interest Policy as presented. Ms. Schapmire seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathryn Smith, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

9) Discussion and Possible Action Regarding Placement Agent Disclosure Policy

Presenter/s: Dr. Wilbanks referenced the Placement Agent Disclosure Policy.

Board Action: Motion was made by Mr. Knudsen to approve the Placement Agent Disclosure Policy as presented. Ms. Cavness seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Kathryn Cavness, Lee Parker, Kathryn Smith, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

10) Discussion Regarding Administrative Report

- a) Investment Consultant RFP Update
- b) Holiday Office Hours Reminder
- c) Draft 2019 Board Meeting Calendar
- d) Governance Evaluation
- e) Fiduciary Insurance Renewal, Waiver of Recourse Payments
- f) MCERA Staff Response to Emergency Declaration

Presenter/s: Dr. Wilbanks referenced the administrative report. The 2019 Board Meeting Calendar will be adopted at the December meeting and the RFP finalists will be scheduled to make their presentations.

11) General Board Member Discussion

Mr. Sullivan asked to receive RFP finalist information, if any for Board review, well in advance of the December meeting.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 11:53 a.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday December 12, 2018 at 8:30 a.m. in the Mendocino County Employees Retirement Association Conference Room.