

Board of Retirement Meeting Minutes

December 12, 2018 – 8:30 a.m.

Call to Order

Dan Gjerde, Chair, called the meeting to order at 8:31 a.m.

Present: Patrick Sullivan, Shari Schapmire, Lee Parker, Craig Walker, Tim Knudsen, Jerilyn Harris, Chair Gjerde and Richard Shoemaker.

Absent: Kathryn Smith and Kathryn Cavness by prior arrangement.

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

Pledge of Allegiance

Public Comment: None.

1) Discussion and Possible Action Regarding Election of Board of Retirement Officers for 2018/2019 and Appointments to Audit and Budget Committee

Presenter/s: Chair Gjerde referred to the Election of Board of Retirement Officers for 2018/2019.

Board Action: Motion was made by Ms. Harris to nominate Ms. Cavness as Chair, Mr. Parker as Vice Chair, and Mr. Knudsen as Secretary. Ms. Schapmire seconded the motion which was approved unanimously.

Vice Chair Parker acted as Chair due to Ms. Cavness' absence and he deferred appointments to the Audit and Budget Committee until next meeting.

2) Discussion and Possible Action Regarding Adoption of the 2019 Board Meeting Calendar

Presenter/s: Vice Chair Parker referenced the 2019 Board Meeting Calendar.

Board Action: Motion was made by Ms. Harris to approve the 2019 Board Meeting Calendar as presented. Mr. Walker seconded the motion and it was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Lee Parker, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

3) Consent Agenda

- a) Minutes of the November 7, 2018 Board Meeting
- b) November 2018 Retirement Report
- c) Preliminary Monthly Financial Report

Board of Retirement Meeting Minutes

December 12, 2018 Continued

Presenter/s: Vice Chair Parker referenced the consent agenda which was approved by unanimous consent.

4) Discussion and Possible Action Regarding Any Consent Agenda Item Needing Separate Action

None

5) Audit and Budget Committee Report

- a) Discussion and Possible Action Regarding Adoption of the Financial Statements and Independent Audit Report for Year Ended June 30, 2018

Presenter/s: Dr. Wilbanks explained that the Audit and Budget Committee had previously approved the report at their December 4, 2018 meeting and had made recommendation to adopt the Financial Statements and Independent Audit Report for Year Ended June 30, 2018.

Ashley Casey of Brown Armstrong addressed the Board by video conference and briefly discussed the audit report.

Board Action: Motion was made by the Audit and Budget Committee to adopt the Financial Statements and Independent Audit Report for Year Ended June 30, 2018. A second motion was not required and the report was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Lee Parker, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

6) Discussion and Possible Action Regarding General Investment Consulting Services Request for Proposals (RFP)

- a) RFP Finalist Presentations
 - Aon Hewitt
 - Callan
 - Meketa
 - NEPC
- b) Board Discussion and Selection of Provider

Presenter/s: Dr. Wilbanks referenced the RFP for General Investment Consulting Services and explained the process. Four Investment Consultant finalists including Aon Hewitt, Callan LLC, Meketa, and NEPC provided presentations to the Board.

9:20 a.m. Mr. Walker left the meeting and returned at 10:13 a.m.

Board discussion followed the presentations. Mr. Knudsen made motion to continue with Callan as MCERA's investment consultant and Ms. Schapmire seconded. Mr. Gjerde made an alternate motion to table the discussion until the next board meeting.

Board of Retirement Meeting Minutes

December 12, 2018 Continued

Board Action: Motion was made by Mr. Gjerde to table the discussion regarding General Investment Consultant selection to the next board meeting. Ms. Harris seconded the motion which failed by the following vote: Ayes: Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: Shari Schapmire, Patrick Sullivan, Lee Parker, Craig Walker. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

Board Action: Motion was made by Mr. Knudsen to continue with Callan LLC for General Investment Consulting services. Ms. Schapmire seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Lee Parker, and Tim Knudsen. Noes: Craig Walker, Jerilyn Harris, and Dan Gjerde. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

7) Discussion and Possible Action Regarding Investment Matters

- a) Monthly Investment Report

Presenter/s: Dr. Wilbanks referenced the monthly investment reports for October and November.

8) Discussion Regarding Budget Update

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

9) Audit and Budget Committee Report

- a) Discussion and Possible Action Regarding Approval of Fiscal Year 2018/2019 Revised Budget

Presenter/s: Dr. Wilbanks referenced a revised budget for Fiscal Year 2018/2019 which was previously presented to the Audit and Budget Committee at their December 4, 2018 meeting. The committee recommended approval of the revised budget as presented and has made motion to do so to the board.

Board Action: Motion was made by the Audit and Budget Committee to approve Fiscal Year 2018/2019 Revised Budget as presented. A second motion was not required and the motion was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Lee Parker, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

10) Discussion and Possible Action Regarding Governance Evaluation Results

Presenter/s: Dr. Wilbanks referenced the results of a recent Board Governance Evaluation.

11) Discussion and Possible Action Regarding Employment Agreement with James R. Wilbanks, Ph.D., for the Position of Retirement Administrator

Presenter/s: Mr. Sullivan referenced the revised employment agreement with James Wilbanks for the position of Retirement Administrator.

Board of Retirement Meeting Minutes

December 12, 2018 Continued

Board Action: Motion was made by Mr. Walker to adopt the revised Employment Agreement with James R. Wilbanks, Ph. D. for the position of Retirement Administrator as presented. Ms. Harris seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Patrick Sullivan, Lee Parker, Craig Walker, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Kathryn Smith and Kathryn Cavness.

12) Discussion Regarding Administrative Report

- Holiday Office Hours Reminder
- Fiduciary Waiver of Recourse Payment Reminder
- Form 700 Filing

Presenter/s: Dr. Wilbanks referenced the administrative report.

13) Discussion and Possible Action Regarding Calling a Special Election to fill a Vacancy in the Second Seat on the Board of Retirement

Presenter/s: Dr. Wilbanks announced the resignation of Mr. Sullivan as Trustee effective December 15, 2018. A special election must be called to fill the vacancy for the remainder of his term ending November 31, 2019.

Board Action: Motion was made by Mr. Walker to call a special election to elect one General Member to the Board of Retirement. Mr. Sullivan seconded the motion which was approved unanimously.

14) Discussion and Possible Action Regarding Proclamation of the Mendocino County Board of Retirement Honoring Patrick Sullivan for His Service to Mendocino County Employees Retirement Association

Presenter/s: Dr. Wilbanks honored Mr. Sullivan with a Proclamation from the Mendocino County Board of Retirement.

15) General Board Member Discussion

Ms. Harris suggested scheduling a holiday gathering for board and staff next year and offered to host the event.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 1:30 p.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday January 16, 2018 at 8:30 a.m. in the Mendocino County Employees Retirement Association Conference Room.