

Board of Retirement Meeting Minutes

February 20, 2019 – 8:30 a.m.

Call to Order

Kathryn Cavness, Board Chair, called the meeting to order at 8:30 a.m.

Present: Shari Schapmire, Julie Forrester, Lee Parker, Kathryn Smith, Tim Knudsen, Jerilyn Harris, Dan Gjerde, and Kathryn Cavness. **Absent:** Richard Shoemaker.

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

Pledge of Allegiance

Public Comment: None.

1) Consent Agenda

- a) Minutes of the January 16, 2019 Board Meeting
- b) January 2019 Retirement Report
- c) Preliminary Monthly Financial Report
- d) Trustee Education and Training Annual Report

Presenter/s: Chair Cavness 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

- a) Callan Firm Update
- b) Investment Beliefs Discussion
- c) 2019 Capital Markets Outlook
- d) Quarterly Investment Report
- e) Monthly Investment Report

Presenter/s: Mr. De Forrest provided an update on Callan LLC, its business model, ethics policy and disclosure policy. He discussed investment philosophy and beliefs with the Board and provided a 2019 Capital Markets Outlook report. Ms. Telleen referenced the quarterly investment report and preliminary investment report for January 2019.

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Board Direction: Callan LLC will revise the investment beliefs statement and staff will bring back to the board for further discussion and direction.

4) Quarterly Budget Update

Presenter/s: Dr. Wilbanks referenced the Quarterly Budget Update prepared by Mr. Conwell.

5) Discussion and Possible Action Regarding Approval of Cost of Living Adjustment (COLA) as of April 1, 2019

Presenter/s: Dr. Wilbanks referenced the Cost of Living Adjustment (COLA) as of April 1, 2019 recommended by Segal Consulting.

Board Action: Motion was made by Mr. Knudsen to accept the annual Cost of Living Adjustment (COLA) recommendation and grant the COLA effective April 1, 2019. Ms. Harris seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Kathryn Cavness, Kathryn Smith, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

Chair Cavness moved harassment prevention training to the end of the meeting and proceeded to agenda item 7.

7) Discussion Regarding Administrative Report

- Seventh Board of Retirement Seat Election Update
- Finance/Investment Officer Recruitment
- Form 700 Filing Reminder
- Legislative Update

Presenter/s: Dr. Wilbanks referenced the administrative report and discussed the Financial Investment Officer recruitment.

8) General Board Member Discussion

None

9) Closed Session

- a) Steve Adams, Corrections Deputy, Amended Application for Service Connect Disability Retirement
- b) Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – Multiple Cases

Report Out From Closed Session

The amended service connected disability application of Steve Adams was denied unanimously, there was no action regarding Conference with Legal Counsel, and direction was given to staff and legal counsel.

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Board Action: Motion was made by Ms. Harris to deny the amended service connected disability application of Steve Adams. Ms. Smith seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Kathryn Cavness, Kathryn Smith, Tim Knudsen, Jerilyn Harris, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

6) Harassment Prevention Training

Presenter/s: Mr. Berk provided harassment prevention training for trustees and MCERA staff.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 1:19 p.m. The next regularly scheduled Board of Retirement meeting will be held Wednesday March 20, 2019 at 8:30 a.m. in the Mendocino County Employees Retirement Association Conference Room.