

Board of Retirement Meeting Minutes

November 6, 2019 – 8:30 a.m.

Call to Order

Kathryn Cavness, Board Chair, called the meeting to order at 8:31 a.m.

Present: Shari Schapmire, Julie Forrester, Lee Parker, Kathryn Smith, Quincy Cromer, Tim Knudsen, and Kathryn Cavness.

Absent: Jerilyn Harris by prior arrangement, Richard Shoemaker and Dan Gjerde.

Also present: James Wilbanks, Executive Director, Jeff Berk, Legal Counsel, F. Robert Reveles, Financial/Investment Officer, and Judy Zeller, Administrative Assistant.

Pledge of Allegiance

Public Comment: None.

1) Consent Agenda

- a) Minutes of the October 16, 2019 Board Meeting
- b) October 2019 Retirement Report
- c) Preliminary Monthly Financial Report

Presenter/s: Chair Cavness referenced the Consent Agenda which was approved by unanimous consent.

Mr. Knudsen noted that the October 2019 Retirement Report Fiscal Year totals needed to be updated. Staff will update this report and redistribute to trustees.

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

None

3) Discussion and Possible Action Regarding Investment Matters

- a) Quarterly Investment Performance Summary
- b) Quarterly Investment Performance Full Report

Presenter/s: Greg DeForrest and Claire Telleen of Callan LLC referenced the quarterly investment report for MCERA. Two Infrastructure Fund managers will present at the December meeting.

Board of Retirement Meeting Minutes

November 6, 2019 Continued

4) Discussion and Possible Action Regarding the June 30, 2019 Actuarial Valuation Study

Presenter/s: Andy Yeung of Segal Consulting referenced the June 30, 2019 Actuarial Valuation Study.

Board Direction: Segal Consulting will create a four year amortization layer to reflect the total deferred actuarial investment gains and losses per the recommendation on page 7 of the June 30, 2019 Actuarial Valuation Report.

Board Action: Motion was made by Mr. Parker to adopt the June 30, 2019 Actuarial Valuation Study and the recommended contribution rates effective July 1, 2020 as presented. Ms. Schapmire seconded the motion which was approved unanimously.

5) Discussion and Possible Action Regarding the June 30, 2019 Governmental Accounting Standards (GAS) 67 Actuarial Valuation

Presenter/s: Andy Yeung of Segal Consulting referenced the June 30, 2019 GAS 67 Actuarial Valuation.

6) Discussion and Possible Action Regarding Actuarial Standards of Practice No. 51 Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions

- a) Compliance with Risk Presentation
- b) Kern County Employees Retirement Association Risk Report as of June 30, 2018
- c) Orange County Employees Retirement Association Risk Report as of December 31, 2018

Presenter/s: Andy Yeung of Segal Consulting presented information regarding Actuarial Standards of Practice No. 51 Assessment and Disclosure of Risk.

Dr. Wilbanks recommended having Segal Consulting prepare a stand-alone risk report to include both Deterministic and Stochastic modeling and to continue this process every three years, after the conduct of the triennial actuarial experience study. Mr. Yeung recommended completing this first risk report before the June 30, 2020 Valuation Study is due.

Board Action: Motion was made by Mr. Knudsen to ask Segal Consulting to produce a Deterministic and Stochastic stand-alone risk report after the conduct of the triennial actuarial experience study, to work with staff, and to continue to make this a scheduled practice every three years. Ms. Forrester seconded the motion which was approved unanimously.

7) Quarterly Budget Update

Board of Retirement Meeting Minutes

November 6, 2019 Continued

Presenter/s: Dr. Wilbanks referenced the quarterly budget update.

8) Discussion and Possible Action Regarding Direction to MCERA Voting Delegate Regarding the State Association of County Retirement Systems (SACRS) Fall Business Meeting November 15, 2019

Board Action: Motion was made by Mr. Cromer to direct the SACRS Voting Delegate to vote in favor of the SACRS motion to support SB 783. Ms. Smith seconded the motion which was approved unanimously.

Board Action: Motion was made by Ms. Forrester to direct the SACRS Voting Delegate to support legislative proposal submitted by the Los Angeles County Employees Retirement Association. Ms. Schapmire seconded the motion which was approved unanimously.

9) Discussion Regarding Administrative Report

- a) PSPS Update
- b) Benefit Payment Policy
- c) Fiduciary Insurance Renewal, Waiver of Recourse Payments
- d) 2020 Board Meeting Calendar
- e) Holiday Office Hours

Presenter/s: Dr. Wilbanks referenced the administrative report. An update to the Business Continuity Plan due to the PSPS was discussed. The 2020 board meeting calendar was discussed and the December meeting will be held on the 16th. The final calendar will be adopted at the December board meeting.

10) General Board Member Discussion

Ms. Schapmire inquired about board appointments.

Ms. Smith reported that this would be her last meeting. The board thanked her for her service and she was reminded that she may continue to serve until a new appointment has been made.

Mr. Parker stated that he is not seeking reappointment, but will continue to serve until a new appointment has been made.

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 11:11 a.m. The next regularly scheduled Board of Retirement meeting will be held Wednesday December 11, 2019 at 8:30 a.m. in the Mendocino County Employees Retirement Association Conference Room.