

Board of Retirement Meeting Minutes

December 11, 2019 – 8:30 a.m.

Call to Order

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

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

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

Presenter/s: Chair Cavness referred to the Election of Board of Retirement Officers for 2019/2020.

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

Chair Cavness announced that appointments to the Audit Committee are as follows: Mr. Knudsen, Chair, Mr. Cromer, Ms. Cavness, and Ms. Forrester.

2) Discussion and Possible Action Regarding Adoption of the 2020 Board Meeting Calendar

Presenter/s: Chair Cavness referenced the 2020 Board Meeting Calendar.

Board Action: Motion was made by Ms. Forrester to approve the 2020 Board Meeting Calendar as presented. Ms. Harris seconded the motion which was approved unanimously.

3) Consent Agenda

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

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

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

None

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5) Audit Committee Report and Recommendation

- a) Discussion and Possible Action Regarding Adoption of the Financial Statements and Independent Audit Report for Year Ended June 30, 2019

Presenter/s: Mr. Knudsen, Committee Chair, explained that the Audit Committee reviewed approved the audit report as presented at their November 25, 2019 meeting. Committee recommendation is to approve the Financial Statements and Independent Audit Report for Year Ended June 30, 2019. Ashley Casey of Brown Armstrong was available by phone for any questions regarding the report.

Board Action: Motion was made by the Audit Committee to approve the Financial Statements and Independent Audit Report for Year Ended June 30, 2019 as presented. A second motion was not required and the report was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Quincy Cromer, Tim Knudsen, Jerilyn Harris, Kathryn Cavness, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: 0.

Ms. Harris left the meeting at 11:00 a.m.

6) Discussion and Possible Action Regarding Investment Matters

- a) Infrastructure Fund Manager Presentations
 - 1. IFM Investors
 - 2. JPMorgan
- b) Possible Action to Add Infrastructure to Asset Allocation
- c) Possible Action to Hire Infrastructure Manager
- d) Monthly Investment Report

Presenter/s: Greg DeForrest, Clair Telleen, and Jan Mende of Callan LLC provided an introductory report on infrastructure fund managers JPMorgan and IFM Investors. Both made presentations to the board regarding their infrastructure portfolios.

Board Action: Motion was made by Mr. Parker to add a 6% allocation to Infrastructure to MCERA's asset allocation. Mr. Knudsen seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Quincy Cromer, Tim Knudsen, Kathryn Cavness, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Jerilyn Harris.

Board Action: Motion was made by Mr. Parker to equally split the investment between both Infrastructure Managers, IFM Investors and JPMorgan. Mr. Cromer seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Quincy Cromer, Tim Knudsen, Kathryn Cavness, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Jerilyn Harris.

7) Discussion and Possible Action Regarding Resolution 2019 – 04 Defining Compensation Earnable Pursuant to Government Code Section 31461 For Members Who Are Not Subject to Government Code Section 7522.34 (Non-PEPRA Members)

Presenter/s: Dr. Wilbanks referenced resolution 2019-04 defining compensation earnable for members who are not subject to PEPRA and an accompanying memo explaining changes to the resolution.

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Board Action: Motion was made by Ms. Schapmire to approve resolution 2019-04 as presented. Mr. Gjerde seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Quincy Cromer, Tim Knudsen, Kathryn Cavness, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Jerilyn Harris.

8) Discussion and Possible Action Regarding Resolution 2019 – 05 Defining Pensionable Compensation Pursuant to Government Code Section 7522.34 For Members Who Are Not Subject to Government Code Section 31461 (PEPRA Members)

Presenter/s: Dr. Wilbanks referenced resolution 2019-05 defining pensionable compensation for PEPRA members and an accompanying memo explaining the changes to the resolution.

Board Action: Motion was made by Mr. Gjerde to approve resolution 2019-05 as presented. Ms. Forrester seconded the motion which was approved by the following vote: Ayes: Shari Schapmire, Julie Forrester, Lee Parker, Quincy Cromer, Tim Knudsen, Kathryn Cavness, and Dan Gjerde. Noes: 0. Abstain: 0. Absent: Jerilyn Harris.

9) Discussion Regarding Administrative Report

- a) Holiday Office Hours Reminder
- b) Fiduciary Waiver of Recourse Payment Reminder
- c) Form 700 Filing

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

10) General Board Member Discussion

11) Closed Session

- a) Guadalupe Chavez, Senior Program Specialist, Service Connected Disability Application

Report Out From Closed Session

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

Adjournment and Notice of Next Board of Retirement Meeting

Meeting adjourned at 12:59 p.m.

The next regularly scheduled Board of Retirement meeting will be held Wednesday January 15, 2020 at 8:30 a.m. in the Mendocino County Employees Retirement Association Conference Room.