

James R. Wilbanks, Ph.D.  
Retirement Administrator



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**MENDOCINO COUNTY**  
EMPLOYEES' RETIREMENT ASSOCIATION  
625-B KINGS COURT  
UKIAH, CALIFORNIA 95482-5027

Date: March 18, 2015  
To: Board of Retirement  
From: James Wilbanks, Retirement Administrator  
Subject: February 2015 Retirement Report

MEMBERSHIP AS OF FEBRUARY 28, 2015:

MEMBERSHIP CATEGORY	NUMBER OF MEMBERS
ACTIVE MEMBERS	1,074
ACTIVE DECEASED	0
RETIRED MEMBERS	1,361
RETIRED DECEASED	1
NEW MEMBERS	6
TERMINATIONS	11
WITHDRAWN NOT VESTED	4
WITHDRAWN VESTED	4
INACTIVE VESTED	278

RETIREMENTS PROCESSED IN FEBRUARY:

RETIREE NAME	DATE OF RETIREMENT	DEPARTMENT
MELBA ANDERSON	02/01/15	SHERIFF
SCOTT ANGELL	02/01/15	DSS
DOUGLAS FORRESTER	02/14/15	DOT
MARY JENKINS	01/25/15	DSS
SHARON MOYLE	02/13/15	DSS
JOHN PARKINSON	01/01/15	DSS
RICHARD RUSSELL	12/31/14	SHERIFF
THOMAS SCHROEDER	01/26/15	DOT
KEITH SQUIRES	01/31/15	SHERIFF
GERALDINE SPERRY	02/01/15	DA

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Date: March 18, 2015  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Financial Report

**Preliminary Monthly Financial Reports, month ending January 31, 2015**

**1. Statement of Plan Net Position**

The report indicates the assets available for future payments to retirees and any current liabilities owed at the end of the month. Cash decreased to \$2.6 million during the month and total net position decreased to \$433.9 million.

**2. Statement of Changes in Plan Net Position**

This report details the current fiscal year additions to and deductions from the fund for the most recent month and fiscal year-to-date. For the month there was a decrease in net position of \$1.8 million and year to date, net position has decreased by \$8.38 million.

**3. Cash Flow Analysis**

This report reviews the sources and uses of cash during the month and year-to-date. MCERA monitors the cash within the fund in accordance with the cash management policy. Cash decreased by \$991,915 during the month.

**4. Office Building Rental Income – Net of Expenses**

This report details the \$8,174 in net income for the monthly report period associated with the 625 Kings Court trust fund asset. YTD expenses totaled \$26,543 and are slightly above the YTD budgeted amount due mainly to higher than estimated utilities expense.

**5. Vendor Ledgers**

The Vendor Ledgers report includes vendor transactions and balances for the monthly report period. The report total ties to accounts payable on the Statement of Plan Net Position. Vendors with no activity this month and a zero balance were excluded.

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF PLAN NET POSITION**  
**January 31, 2015**  
**Preliminary**

**ASSETS**

**CASH AND EQUIVALENTS**

Trust Cash-held at county	\$	2,613,095	

<b>TOTAL CASH AND EQUIVALENTS</b>			<b>2,613,095</b>
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**CURRENT ASSETS**

Accounts Receivable		67,790	
Recoupments		73,235	

<b>TOTAL CURRENT ASSETS</b>			<b>141,025</b>
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**INVESTMENTS, ADJUSTED TO MARKET**

Unrealized Gain(Loss) Invest		80,682,097	
Fixed Income		115,989,090	
International Equities		88,698,602	
Small Cap Equities		22,577,883	
Mid Cap Equities		14,112,483	
Large Cap Equities		78,105,699	
Real Estate		31,268,918	

<b>TOTAL INVESTMENTS, AT MARKET</b>			<b>431,434,772</b>
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<b>TOTAL ASSETS</b>	<b>\$</b>		<b>434,188,892</b>

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts Payable	\$	27,266	
Accrued Wages - 1920 Account		232,302	

<b>TOTAL CURRENT LIABILITIES</b>			<b>259,568</b>
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<b>TOTAL NET POSITION</b>	<b>\$</b>		<b>433,929,324</b>

**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For the Seven Months Ended January 31, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	\$ 1,136,524	\$ 8,349,863
Plan Members	367,215	2,596,692
	<hr/>	<hr/>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,503,739</b>	<b>10,946,555</b>
<b>INVESTMENT INCOME</b>		
Unrealized Gain/(Loss) Invests	(833,005)	(19,213,336)
Rental Income, Net of Expenses	8,174	48,533
Interest	2,862	8,897
Dividends	61,387	8,168,425
Capital Gains	0	9,786,773
Less Investment Expense	0	(251,148)
	<hr/>	<hr/>
<b>Net Investment Income</b>	<b>(760,582)</b>	<b>(1,451,856)</b>
	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	<b>743,157</b>	<b>9,494,699</b>
<b>DEDUCTIONS</b>		
Benefit Payment, Subsidies, & Refunds	(2,529,049)	(17,200,483)
Administrative Expenses	(46,324)	(673,335)
	<hr/>	<hr/>
<b>TOTAL DEDUCTIONS</b>	<b>2,575,373</b>	<b>17,873,818</b>
	<hr/>	<hr/>
<b>Increase (Decrease) in Net Position</b>	<b>(1,832,216)</b>	<b>(8,379,119)</b>
<b>NET POSITION</b>		
<b>Beginning of Period</b>	<b>435,761,543</b>	<b>442,308,443</b>
	<hr/>	<hr/>
<b>End of Period</b>	<b>\$ 433,929,327</b>	<b>\$ 433,929,324</b>
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**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**CASH FLOW ANALYSIS**  
**For the Seven Months Ended January 31, 2015**  
**Preliminary**

	<b>CURRENT MONTH</b>	<b>YEAR TO DATE</b>
<b>ADDITIONS</b>		
<b>CONTRIBUTIONS</b>		
Employer	1,136,524	8,349,863
Plan Member	367,215	2,596,692
	<b>1,503,739</b>	<b>10,946,555</b>
<b>INVESTMENT INCOME</b>		
Rental Income, Net of Expenses	8,174	48,533
Interest	2,862	8,897
Dividends	61,387	2,729,720
Capital Gains	0	0
Less Investment Expense	0	(251,148)
	<b>72,423</b>	<b>2,536,002</b>
<b>TOTAL CONTRIBUTIONS</b>	<b>1,503,739</b>	<b>10,946,555</b>
<b>TOTAL INVESTMENT INCOME</b>	<b>72,423</b>	<b>2,536,002</b>
<b>TOTAL ADDITIONS</b>	<b>1,576,162</b>	<b>13,482,557</b>
<b>DEDUCTIONS</b>		
Benefit Payments and Subsidies	(2,529,048)	(17,200,482)
Administrative Expenses	(46,324)	(673,335)
	<b>(2,575,372)</b>	<b>(17,873,817)</b>
<b>TOTAL DEDUCTIONS</b>	<b>(2,575,372)</b>	<b>(17,873,817)</b>
<b>OTHER INCREASES/(DECREASES)</b>		
Accounts Receivable	79,995	373,906
Accounts Payable	(72,700)	(335,860)
Sale/Purchase of Investments	0	1,999,998
	<b>7,295</b>	<b>2,038,044</b>
<b>TOTAL OTHER INCREASES/(DECREASES)</b>	<b>7,295</b>	<b>2,038,044</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (991,915)</b>	<b>\$ (2,353,216)</b>
<b>SUMMARY</b>		
Cash at End of Period	\$ 2,613,095	\$ 2,613,095
Cash at Beginning of Period	3,605,014	4,966,308
<b>INCREASE (DECREASE) IN CASH</b>	<b>\$ (991,919)</b>	<b>\$ (2,353,213)</b>

**Note: This statement is preliminary and subject to change throughout the fiscal quarter as new information becomes available**

# Mendocino County Employees' Retirement Association

## Rental Income - Net of Expenses

For the Seven Months Ending January 31, 2015

	<u>Current Month</u>	<u>Total Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>
<b>Revenues</b>				
Rental Income	\$ 10,716	129,728	\$ 75,076	75,012
Total Revenues	10,716	129,728	75,076	75,012
<b>Building Expenses</b>				
Landscape & Maintenance	1,300	21,000	11,888	12,250
Security	134	2,600	997	1,517
Insurance	0	2,500	2,517	2,500
Utilities	1,108	17,000	11,141	9,917
Total building operating expenses	2,542	43,100	26,543	26,184
Net Income	\$ 8,174	86,628	\$ 48,533	48,828

**MCERA**  
**Vendor Ledgers**  
**For the Period From Jan 1, 2015 to Jan 31, 2015**

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
aflac AFLAC, INC.	1/31/15	Aflac Jan 2015	PJ	*		3,593.44	3,593.44
allber Alliance Bernstein	1/1/15 1/22/15	Balance Fwd 4200655	CDJ		16,364.04		16,364.04 0.00
amcre AMCRE	1/31/15	AMCRE Jan 20	PJ	*		879.42	879.42
att AT&T	1/15/15	4200200	CDJ		64.20	64.20	0.00
calapr CALAPRS	1/8/15	4199734	CDJ		500.00	500.00	0.00
caldis California State Dusburse	1/27/15	ACHCAL01271	CDJ		692.00	692.00	0.00
cituki City of Ukiah	1/29/15 1/29/15 1/29/15 1/29/15 1/29/15	4201719 4201716 4201718 4201717 4201720	CDJ CDJ CDJ CDJ CDJ		185.80 29.13 126.53 107.69 382.91	185.80 29.13 126.53 107.69 382.91	0.00 0.00 0.00 0.00 0.00
clemen Clearly Mendocino Water	1/15/15	4200266	CDJ		24.00	24.00	0.00
coumen County of Mendocino	1/1/15 1/13/15 1/16/15	Balance Fwd AJE 01-13-15 AJE011614	CDJ CDJ CDJ		140.42 551.29		691.71 551.29 0.00
curdis Curry's Discount Inc.	1/8/15 1/8/15 1/8/15 1/22/15	Credit 4199789 4199791 4199790 4200794	CDJ CDJ CDJ CDJ		33.48 73.34 43.20 25.93	33.48 73.34 43.20 25.93	0.00 0.00 0.00 0.00
depval Deep Valley Security	1/8/15 1/22/15	4199800 4200804	CDJ CDJ		24.95 44.95	24.95 44.95	0.00 0.00
edd EDD	1/27/15	ACH EDD 012	CDJ		46,236.56	46,236.56	0.00
galllp Gallina, LLP	1/1/15 1/15/15	Balance Fwd 456609	CDJ		5,000.00		5,000.00 0.00
gfoa Government Finance Offi	1/8/15	4199865	CDJ		160.00	160.00	0.00
hanbri Hanson Bridgett	1/26/15	1136404	PJ	*		787.10	787.10
irs IRS	1/27/15	ACHIRS01271	CDJ		213,855.99	213,855.99	0.00
linsol Linea Solutions	1/1/15 1/15/15	Balance Fwd 4200417	CDJ		6,930.00		6,930.00 0.00
manphe Manatt, Phelps, Phillips,	1/1/15 1/8/15 1/29/15	Balance Fwd 4199944 4201569	CDJ CDJ CDJ		1,011.50 714.00	1,011.50	714.00 714.00 0.00
menacc Mendocino Access Televi	1/15/15	42004455	CDJ		310.00	310.00	0.00
MES	1/15/15	4200433	CDJ		500.00	500.00	0.00

**MCERA**  
**Vendor Ledgers**  
**For the Period From Jan 1, 2015 to Jan 31, 2015**

Filter Criteria includes: Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
Medical Evaluations Spec							
moncle	1/8/15	4199988	CDJ		400.00	400.00	0.00
Moonlight Cleaning Servi	1/8/15	4199989	CDJ		900.00	900.00	0.00
pacgro Pacific Group Agencies, I	1/31/15	Pedit Jan 2015	PJ	*		21,291.72	21,291.72
pge PG&E	1/8/15	4200014	CDJ		212.51	212.51	0.00
plahot Place Hotel	1/15/15	4200482	CDJ		1,989.93	1,989.93	0.00
segal SEGAL	1/1/15	Balance Fwd					97,268.00
	1/8/15	4200082	CDJ		35,000.00		62,268.00
	1/15/15	4200546	CDJ		1,500.00		60,768.00
	1/22/15	4201183	CDJ		56,000.00		4,768.00
	1/29/15	4201683	CDJ		4,768.00		0.00
shredt Shred-It USA-Concord	1/22/15	4201195	CDJ		66.30	66.30	0.00
smawor Small World Solutions	1/22/15	4201201	CDJ		15.00	15.00	0.00
soncou Sonoma County Counsel	1/1/15	Balance Fwd					5,209.75
	1/29/15	4201693	CDJ		5,209.75		0.00
tosfin Toshiba Financial Service	1/15/15	4200576	CDJ		207.69	207.69	0.00
ukiwas Ukiah Waste Solutions, I	1/22/15	457826	CDJ		63.85	63.85	0.00
usban US Bank	1/1/15	Balance Fwd					3,443.92
	1/2/15	6884 AJE 0102	CDJ		297.54		3,146.38
	1/2/15	4728 AJE 0102	CDJ		298.16		2,848.22
	1/22/15	4728-01/22/15	PJ			714.26	3,562.48
	1/29/15	4728 AJE 0129	CDJ		2,209.01		1,353.47
	1/29/15	6884 AJE 0129	CDJ		639.21		714.26
<b>Report Total</b>					<b>403,908.86</b>	<b>295,553.38</b>	<b>27,265.94</b>

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EMPLOYEES' RETIREMENT ASSOCIATION  
625-B KINGS COURT  
UKIAH, CALIFORNIA 95482-5027

Date: March 18, 2015  
To: Board of Retirement  
From: Stan Conwell, Financial & Investment Officer  
Subject: Monthly Investment Report

**Preliminary Monthly Investment Report for the month ending January 31, 2015**

Market value of investments at the end of the month are presented in column A. The target analysis for the investment portfolio is shown in columns B and C. Column B displays actual percent of portfolio and column C displays the target percent of portfolio. All investment classes are well within target ranges. Market value of investments at the beginning of the fiscal year are shown in Column D. Column E presents the difference between Column A and D, or the change in market value during the current fiscal year. As of January 31, 2015 the fiscal year change in market value is \$(5,987,859). Investments in this report are tracked using fair market value which is the current valuation method used for financial reporting. The total on this report differs from the total assets reported on the Statement of Plan Net Position because the investment report only includes investments and cash and does not include receivables. Please note that rounding may occur in the attached report and can cause figures to vary by a few dollars.

**Mendocino County Employees' Retirement Association**  
**Monthly Investment Report**  
**January 31, 2015**

	A	B	C	D	E
	Market Value of Investments	Percent of Portfolio	Target % (2013 Study)	Start of Fiscal Year Market Value	Fiscal Year Change in Market Value <sup>1</sup>
<b>Domestic Fixed Income</b>					
PIMCO - Total Return Institutional	60,627,061	13.97%	14.00%	57,374,762	3,252,299
Dodge & Cox - Income Fund	60,601,356	13.96%	14.00%	58,101,916	2,499,439
<b>Total Domestic Fixed Income</b>	<b>\$ 121,228,417</b>	<b>27.93%</b>	<b>28.00%</b>	<b>\$ 115,476,679</b>	<b>\$ 5,751,738</b>
<b>Small Cap Growth</b>					
Alliance Bernstein - US Small Cap Growth Fund	6,289,364	1.45%	1.52%	6,694,534	(405,170)
RS Investments - Small Cap Growth Fund Y	5,116,987	1.18%	1.14%	4,732,133	384,854
<b>Total Small Cap Growth</b>	<b>11,406,351</b>			<b>11,426,667</b>	<b>(20,316)</b>
AMG Funds - Micro-Cap Institutional	7,994,945	1.84%	1.90%	8,035,800	(40,855)
<b>Total Small Cap Growth/Micro Cap</b>	<b>19,401,296</b>	<b>4.47%</b>	<b>4.56%</b>	<b>19,462,467</b>	<b>(61,171)</b>
<b>Small Cap Value</b>					
Prudential	12,097,710	2.79%	2.66%	12,598,958	(501,247)
<b>Total Small Cap Value</b>	<b>12,097,710</b>	<b>2.79%</b>	<b>2.66%</b>	<b>12,598,958</b>	<b>(501,247)</b>
<b>Total Small/Micro Cap Equities</b>	<b>\$ 31,499,007</b>	<b>7.26%</b>	<b>7.22%</b>	<b>\$ 32,061,425</b>	<b>\$ (562,418)</b>
<b>Mid Cap Growth</b>					
Morgan Stanley	4,814,020	1.11%	1.14%	4,777,614	36,407
Janus - Enterprise Fund	5,069,032	1.17%	1.14%	4,758,310	310,722
<b>Total Mid Cap Growth</b>	<b>9,883,052</b>	<b>2.28%</b>	<b>2.28%</b>	<b>9,535,924</b>	<b>347,128</b>
<b>Mid Cap Value</b>					
Fidelity Low Priced Stock Fund	4,868,108	1.12%	1.14%	4,894,239	(26,131)
Royce - Total Return Fund	4,632,380	1.07%	1.14%	4,817,934	(185,554)
<b>Total Mid Cap Value</b>	<b>9,500,488</b>	<b>2.19%</b>	<b>2.28%</b>	<b>9,712,173</b>	<b>(211,685)</b>
<b>Total Mid Cap Equities</b>	<b>\$ 19,383,540</b>	<b>4.47%</b>	<b>4.56%</b>	<b>19,248,097</b>	<b>\$ 135,443</b>
<b>Large Cap Core</b>					
Vanguard Institutional Index Fund	21,530,993	4.96%	4.94%	23,915,904	(2,384,911)
<b>Total Large Cap Core</b>	<b>21,530,993</b>	<b>4.96%</b>	<b>4.94%</b>	<b>23,915,904</b>	<b>(2,384,911)</b>
<b>Large Cap Growth</b>					
Harbor Capital Appreciation Fund	24,243,333	5.59%	5.32%	23,908,392	334,941
Janus - Research Fund	24,177,220	5.57%	5.32%	24,594,682	(417,462)
<b>Total Large Cap Growth</b>	<b>48,420,553</b>	<b>11.16%</b>	<b>10.64%</b>	<b>48,503,075</b>	<b>(82,521)</b>
<b>Large Cap Value</b>					
Dodge & Cox Stock Fund	22,360,871	5.15%	5.32%	23,740,685	(1,379,813)
Boston Partners (Formerly ROBECO)	23,585,897	5.43%	5.32%	23,467,671	118,226
<b>Total Large Cap Value</b>	<b>45,946,768</b>	<b>10.59%</b>	<b>10.64%</b>	<b>47,208,356</b>	<b>(1,261,587)</b>
<b>Total Large Cap Equities</b>	<b>\$ 115,898,315</b>	<b>26.70%</b>	<b>26.22%</b>	<b>119,627,334</b>	<b>\$ (3,729,019)</b>
<b>International Stock</b>					
American Funds - EuroPacific	20,727,580	4.78%	4.69%	21,616,103	(888,523)
Harbor international	19,343,189	4.46%	4.69%	21,451,634	(2,108,446)
Columbia Management - International Fund	10,714,597	2.47%	2.50%	11,776,362	(1,061,764)
Janus Overseas	15,895,642	3.66%	4.69%	19,581,811	(3,686,169)
Mondrian	20,661,370	4.76%	4.69%	22,571,671	(1,910,301)
Oakmark	15,375,166	3.54%	3.75%	16,478,315	(1,103,149)
<b>Total International Stock</b>	<b>\$ 102,717,544</b>	<b>23.67%</b>	<b>25.00%</b>	<b>113,475,897</b>	<b>\$ (10,758,353)</b>
<b>Real Estate</b>					
RREEF - Comingled Fund	9,128,365	2.10%	1.80%	7,623,257	1,505,108
RREEF - America REIT II <sup>2</sup>	17,570,320	4.05%	3.50%	16,484,323	1,085,997
Cornerstone Fund <sup>2</sup>	13,145,266	3.03%	3.50%	12,561,621	583,645
625 Kings Court	864,000	0.20%	0.20%	864,000	-
<b>Total Real Estate</b>	<b>\$ 40,707,950</b>	<b>9.38%</b>	<b>9.00%</b>	<b>37,533,200</b>	<b>\$ 3,174,750</b>
<b>Total Investments <sup>3</sup></b>	<b>\$ 431,434,772</b>	<b>99.40%</b>	<b>100.00%</b>	<b>437,422,631</b>	<b>\$ (5,987,859)</b>
<b>Cash in County Treasury</b>	2,613,095	0.60%	0.00%	2,414,520	198,575
<b>Total All Available Funds</b>	<b>\$ 434,047,868</b>	<b>100.00%</b>	<b>100.00%</b>		

1. Fiscal year change may include market value changes due to rebalancing activities.

2. Priced quarterly.

3. Totals may differ between this report and the statement of Net Position due to rounding.