

◆ MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ◆
BOARD OF RETIREMENT MEETING MINUTES
◆ JANUARY 21, 2015 AT 8:30 A.M. ◆

CALL TO ORDER

Shari Schapmire, Board Chair, called the meeting to order at 8:30 a.m.

ROLL CALL

Roll call was conducted with the following members present: Randy Goodman, Kathryn Cavness, John Sakowicz, Ted Stephens, Tim Knudsen, Richard Shoemaker, and Shari Schapmire. Also present: James Wilbanks, Retirement Administrator, Jeff Berk, Legal Counsel, Judy Zeller, Administrative Assistant, Supervisor Dan Gjerde, Appointed Member, Jerilyn Harris, Appointed Member, and Katrina Bartolomie, Assistant Registrar of Voters. Absent: Craig Walker.

Chair Schapmire welcomed our new Retirement Administrator, James Wilbanks.

PUBLIC COMMENT: None.

1) SWEARING IN OF BOARD APPOINTED BOARD MEMBERS SUPERVISOR DAN GJERDE AND JERILYN HARRIS (KATRINA BARTOLOMIE, COUNTY CLERK)

Presenter/s: Chair Schapmire introduced Katrina Bartolomie, Assistant Registrar of Voters, who conducted the swearing in of Mr. Gjerde and Ms. Harris.

2) MINUTES OF THE BOARD MEETING HELD DECEMBER 17, 2014

Board Action: Motion was made by Mr. Goodman to approve the minutes of the board meeting held December 17, 2014. Ms. Cavness seconded the motion and it was approved by the following vote: Ayes: Mr. Goodman, Ms. Cavness, Mr. Sakowicz, Mr. Knudsen, and Ms. Schapmire. Noes: 0. Abstain: Mr. Stephens, Mr. Gjerde, and Ms. Harris. Absent: Mr. Walker.

3) APPROVAL OF CONSENT AGENDA

Board Action: Motion was made by Mr. Goodman to approve the Consent Agenda. Mr. Knudsen seconded the motion and it was approved by the following vote: Ayes: Mr. Goodman, Ms. Cavness, Mr. Sakowicz, Mr. Gjerde, Mr. Stephens, Mr. Knudsen, Ms. Harris, and Ms. Schapmire. Noes: 0. Abstain: 0. Absent: Mr. Walker.

4) DISCUSSION AND POSSIBLE ACTION REGARDING ANY CONSENT AGENDA ITEM NEEDING SEPARATE ACTION

None

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5) DISCUSSION AND POSSIBLE ACTION REGARDING BOARD MEETING MINUTES

Presenter/s: Mr. Wilbanks referenced the board meeting minutes stating that there had been discussion regarding changing of the format during the last board meeting. After consultation with Jeff Berk the joint recommendation regarding the minutes would be to choose a condensed format including only action items. This recommendation was made due to the video recordings of board meetings which can be reviewed at any time, and because action minutes seem to be preferred by most 1937 Act Counties. Mr. Berk explained that he did canvas other 37 Act systems and the majority uses an abbreviated form of minutes. Substance is not included because they have recordings which would save staff time and would require little or no revision. If there was any legal action the content of the minutes can be used against us.

Mr. Stephens commented that it is not practical to watch meetings and trying to find a specific agenda item is difficult. Mr. Shoemaker commented that action minutes eliminate post minute changes. Erica Cooperrider of Mendocino Access TV stated that the recordings can be broken down by agenda item for an additional cost. She also suggested using a digital recorder for back up. The board agreed that the minutes are not transcripts and are satisfactory as they are.

Board Direction: Staff will continue to use the current format of the minutes and will bring this item back to the board for review in 6 months.

6) INVESTMENT REPORT

- Preliminary November 2014 Investment Report

Presenter/s: Mr. Wilbanks referenced the preliminary Monthly Investment Report and commented on potential future changes to the narrative of the report written by Stan Conwell. He stated that we should not predetermine the focus of both this report and the financial report. There is a benefit to having 10 board members looking at the reports and it is important for questions to be asked. He recommended eliminating the narrative transmittal cover letter.

The board felt that staff should bring items of interest to their attention before the meeting in order to focus on that information and the Audit and Budget Committee should be asked to comment on this issue at their next meeting.

Board Direction: Staff will continue to prepare the narrative for the investment and financial reports. The Audit and Budget Committee will discuss this issue at a future meeting.

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7) FINANCIAL REPORT

- Preliminary November 2014 Statement of Plan Net Assets
- Preliminary November 2014 Statement of Changes in Plan Net Assets
- Preliminary November 2014 Cash Flow Analysis
- Preliminary November 2014 Rental Income Net of Expenses
- Preliminary November 2014 Vendor Ledger

Presenter/s: Mr. Wilbanks referenced the preliminary Financial Report.

8) RETIREMENT ADMINISTRATOR'S REPORT

- Annual Trustee Education and Training Report
- Pension Administration System Monthly Status Report
- Real Assets Update - 625 Kings Court
- Administrative and Operations Update

Presenter/s: Mr. Wilbanks referenced the Annual Trustee Education and Training Report. The board discussed what will be done if a board member does not meet the two year educational requirement and expressed interest in finding out what other agencies are doing regarding any penalty. The board agreed that a policy to meet the minimum requirements needs to be established and it is essential that we give each board member an opportunity to meet that minimum.

Mr. Sakowicz referenced his letter regarding the policy of limiting training, stating that the budget sets a ceiling on trustee training, yet we take an oath to attain the highest fiduciary standards. Mr. Goodman replied that there is concern over an unlimited budget as well. Trustees may travel without reimbursement and there is a lot of training available at little or no cost.

Mr. Wilbanks referenced the Pension Administration System Monthly Status Report and explained the automation budget shown on the last page. He mentioned that he met with Rob Ellison of Linea Solutions and others regarding the printing of retirement benefit checks and the possibility of limiting benefit payment options to direct deposit or debit card. He explained that the process and cost are being investigated in order to be more efficient. Mr. Andersen added that County Information Services will not technically support retirement benefit checks and 1099R form printing for MCERA. The Pension Administration System has the capability and it was previously determined that in house processing would be best for MCERA. The board discussed what other systems offer to their members. Mr. Knudsen mentioned that direct deposit could continue after a natural disaster. Most agreed that we should still have the option to print checks and that we may never get away from printing checks completely.

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Mr. Wilbanks reported that 625 Kings Court received a replacement water fountain recently.

Mr. Wilbanks explained that seating changes were made for today's meeting, with prior Chair approval, in order to mix in our new board members and improve their ability to ask questions during meetings. He provided an update on the many projects to come including review of policies and procedures, the audited financial statements and the Governmental Accounting Standards (GAS) 67 report, submission of the Valuation report to the Board of Supervisors, mailing of the Cost of Living Adjustment (COLA) letter to retired members, future imaging of paper records, Disaster Relief Business Continuity (DRBC), the Comprehensive Annual Financial Report (CAFR), updating the member handbook, planning a joint meeting with the Board of Supervisors, planning the next strategic planning workshop, technology, staff training, and pension system training and testing. Mr. Wilbanks added that strategic planning should be done annually.

9) GENERAL BOARD MEMBER DISCUSSION

Mr. Shoemaker asked that the strategic plan statements, including goals and objectives, be posted in the boardroom in a nice format. Mr. Stephens asked to see how a retirement benefit is calculated and suggested training be done for individuals or for the full board. Mr. Sakowicz suggested that we begin to prepare for the joint meeting and asked that special effort be made to reach out to Supervisor McCowen for his input regarding the agenda.

ADJOURNMENT (10:02 a.m.)