

◆MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION◆  
BOARD OF RETIREMENT MEETING MINUTES  
◆JANUARY 19, 2016 AT 8:30 A.M.◆

**CALL TO ORDER**

Randy Goodman, Board Chair, called the meeting to order at 8:30 a.m.

**ROLL CALL**

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

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENT:** None

**1) MINUTES OF THE BOARD MEETING HELD DECEMBER 2, 2015**

**Presenter/s:** Chair Goodman referenced the December 2, 2015 board meeting minutes.

The December 2, 2015 board meeting minutes were approved by unanimous consent.

**2) CONSENT AGENDA**

- A. Interest Crediting and Undistributed Earnings Policy Revocation and Direction to Staff**
- B. December 2015 Retirement Report**
- C. Annual Trustee Education and Training Report**

**Presenter/s:** Chair Goodman referenced the consent agenda.

The Consent Agenda was approved by unanimous consent.

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

None

Mr. Stephens entered the meeting at 8:33 a.m.

**4) AUDIT AND BUDGET COMMITTEE REPORT**

- **Discussion and Possible Action regarding Adoption of the Financial Statements and Independent Audit Report for Year Ended June 30, 2015 (Gallina, LLP)**

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**Presenter/s:** Mr. Stephens, Audit and Budget Committee Chair, and Crystal Ekanayake of Gallina LLP, referenced the draft Financial Statements and Independent Audit Report for Year Ended June 30, 2015.

Ms. Ekanayake stated that the information reviewed in the draft audited financial statements was materially accurate. Gallina recommended board review of contracts which should be documented in meeting minutes. All other past recommendations have been previously implemented. She added that the MD&A is not audited by Gallina and MCERA has ownership of the information included in that section.

Dr. Wilbanks stated that the committee approved a motion to recommend approval of the financial statements to the full board as amended during the January 7, 2016 committee meeting. This constitutes a motion for approval and does not require a second. Supervisor Gjerde made motion to amend the first motion to include additional information regarding the increase in the UAAL in the Financial Highlights portion of the Management Discussion and Analysis section of the report. Ms. Cavness seconded the motion.

**Board Action:** Motion was made by Supervisor Gjerde to amend the motion of the Audit and Budget Committee as discussed previously. Ms. Cavness seconded the motion and the amendment to the first motion was approved by the following vote: Ayes: Ms. Cavness, Mr. Sakowicz, Supervisor Gjerde, Mr. Walker, Mr. Knudsen, Ms. Harris, Ms. Schapmire, and Mr. Goodman. Noes: Mr. Stephens. Abstain: 0. Absent: 0.

Mr. Stephens made motion to update the MD&A financial highlights to show that there are no new dollars going into the plan. There was no second to this motion and the motion failed.

**Board Action:** Motion was made by the Audit and Budget Committee to adopt the Financial Statements and Independent Audit Report for Year Ended June 30, 2015 as amended and the motion was approved by the following vote: Ayes: Ms. Cavness, Mr. Sakowicz, Supervisor Gjerde, Mr. Walker, Mr. Knudsen, Ms. Harris, Ms. Schapmire, and Mr. Goodman. Noes: Mr. Stephens. Abstain: 0. Absent: 0.

**5) DISCUSSION AND POSSIBLE ACTION REGARDING MONTHLY INVESTMENT REPORT**

- **Investment Manager Status Update: PIMCO, Royce Total Return, Morgan Stanley**

**Presenter/s:** Dr. Wilbanks referenced the Monthly Investment Report.

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6) MONTHLY FINANCIAL REPORT

**Presenter/s:** Dr. Wilbanks referenced the Monthly Financial Report.

7) DISCUSSION AND POSSIBLE ACTION REGARDING 2016 BOARD WORK PLAN

**Presenter/s:** Mr. Goodman referenced the 2016 Board Work Plan and called for a motion. Supervisor Gjerde motioned to approve, Ms. Harris seconded the motion.

The 2016 Board Work Plan was approved by unanimous consent.

8) DISCUSSION AND POSSIBLE ACTION REGARDING OVERPAYMENT POLICY AMENDMENTS

**Presenter/s:** Mr. Goodman referenced the Overpayment Policy and amendments and called for a motion. Motion was made by Supervisor Gjerde to approve, seconded by Ms. Cavness.

Mr. Stephens strongly urged the board not to approve this policy.

**Board Action:** Motion was made by Supervisor Gjerde to approve the Overpayment Policy as amended. Ms. Cavness seconded the motion and the motion was approved by the following vote: Ayes: Ms. Cavness, Mr. Sakowicz, Supervisor Gjerde, Mr. Knudsen, Ms. Harris, Ms. Schapmire, and Mr. Goodman. Noes: Mr. Stephens and Mr. Walker. Abstain: 0. Absent: 0.

9) DISCUSSION AND POSSIBLE ACTION REGARDING DRAFT RETIREE MAILING POLICY

**Presenter/s:** Mr. Goodman referenced the draft Retiree Mailing Policy and called for a motion. Motion was made by Mr. Walker, seconded by Ms. Cavness to approve.

Board discussion followed regarding how the policy affects the Association of Mendocino County Retired Employees (AMCRE), MCERA approval of the AMCRE newsletter, and whether the policy needed to be specific to AMCRE. Mr. Berk explained that the policy is intended to be broad to cover others and administrative review of the AMCRE newsletter is up to the board.

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

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**10) DISCUSSION AND POSSIBLE ACTION REGARDING RETIREMENT ADMINISTRATOR EVALUATION POLICY AMENDMENTS AND RETIREMENT ADMINISTRATOR EVALUATION FORM**

**Presenter/s:** Mr. Goodman referenced the Retirement Administrator Evaluation Policy amendments and the Retirement Administrator Evaluation Form and called for a motion. Motion was made by Mr. Walker, seconded by Mr. Sakowicz to approve.

Board discussion followed regarding the evaluation criteria and whether it should be included in the policy or not. It was suggested that direction be given to staff to include the criteria in the policy. The motions to approve were withdrawn. Mr. Sakowicz made motion to amend the draft policy to include the criteria and Ms. Harris seconded the motion. A final policy will come back to the board for approval at their next meeting.

**Board Action:** Motion was made by Mr. Sakowicz to amend the Draft Administrator Evaluation Policy and Retirement Administrator Evaluation Form. Ms. Harris seconded the motion and the motion was approved by the following vote: Ayes: Ms. Cavness, Mr. Sakowicz, Supervisor Gjerde, Mr. Walker, Ms. Harris, Ms. Schapmire, and Mr. Goodman. Noes: Mr. Stephens and Mr. Knudsen. Abstain: 0. Absent: 0.

**Public Comment:** Stan Anderson addressed the board.

**11) DISCUSSION AND POSSIBLE ACTION REGARDING BUDGET ADOPTION POLICY AMENDMENTS**

**Presenter/s:** Mr. Goodman referenced the Budget Adoption Policy Amendments and called for a motion. Mr. Sakowicz made motion to approve, seconded by Kathryn Cavness.

Mr. Stephens asked to include language that this budget is zero based and Supervisor Gjerde suggested adding that to the very first sentence of the policy. Mr. Sakowicz amended his motion to approve the policy with the addition of zero based to the first sentence. Ms. Cavness agreed.

**Board Action:** Motion was made by Mr. Sakowicz to approve the Budget Adoption Policy as amended. Ms. Cavness seconded the motion and the motion was approved by the following vote: Ayes: Ms. Cavness, Mr. Sakowicz, Supervisor Gjerde, Mr. Stephens, Mr. Walker, Mr. Knudsen, Ms. Schapmire, and Mr. Goodman. Noes: Ms. Harris. Abstain: 0. Absent: 0.

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**12) RETIREMENT ADMINISTRATOR'S REPORT**

- Pension Administration System Monthly Update
- SACRS Response to MCERA Board Query
- Administrative and Operations Update

**Presenter/s:** Dr. Wilbanks referenced the Pension Administration System Monthly Update and a letter from State Association of County Retirement Systems (SACRS).

**13) GENERAL BOARD MEMBER DISCUSSION**

The board briefly discussed the afternoon joint meeting the Board of Supervisors Resolution 09-218.

**ADJOURNMENT (10:20 a.m.)**

**NOTICE OF NEXT RETIREMENT BOARD MEETING**

- The next Board of Retirement meeting will be held today, January 19, 2016, at 12:00 p.m. at the Ukiah Conference Center, 200 South School Street, Ukiah, CA 95482 for Board Training to be followed by a joint meeting of the Board of Retirement and the Mendocino County Board of Supervisors at 2:00 p.m.