

Mendocino County Board of Retirement
Audit and Budget Committee Meeting Minutes
April 27, 2017

10:03 a.m.

Participants: Tim Knudsen, Committee Chair, Kathryn Cavness, Patrick Sullivan, James Wilbanks Ph.D., Retirement Administrator, Stan Conwell, Financial Investment Officer, and Judy Zeller, Administrative Assistant. Lee Parker participated by conference call.

Public Comment: None

1) Approval of the June 8, 2016 Committee Meeting Minutes.

The June 8, 2016 Committee meeting minutes were approved by unanimous consent.

2) Discussion and Possible Action regarding the Proposed Budget for Fiscal Year 2017/2018.

Mr. Knudsen requested a statutory budget cap explanation for the benefit of the new committee members. Dr. Wilbanks explained the budget cap per the 37 Act and that it is board policy to not exceed 0.21% of MCERA's actuarial accrued liability. This proposed budget is \$300,000 under the 0.21% cap. Mr. Knudsen referenced committee discussion regarding the last fiscal year budget proposal. He reminded the committee that manager interviews are being conducted in May and June and that will effect our cost in investments. Investment fees are excluded from the cap.

Dr. Wilbanks referenced the budget narrative and overview of the budget proposal. Discussion included legal expense, board expense, additional office expense, an offsite meeting, disability application processing, technology expense, and consultant expense. There are 5 new property maintenance projects planned in the budget proposal which include west side patio enclosure reinforcement, fixing and resurfacing the parking lots, new signage, landscaping and tree removal, and improvements to the employee breakroom area. Dr. Wilbanks requested direction regarding landscaping and the committee agreed to move forward with a \$10,000 cap for landscaping and \$2,500.00 for tree removal. He also asked for direction regarding the employee breakroom area. The committee felt the proposed budget of \$7,000.00 was reasonable, but would be contingent upon County policy.

Board room furniture and public gallery/reception seating was also discussed. The committee approved of the budget proposal to replace the conference room table and gallery/reception chairs, but excluded replacement of board room chairs. This reduced administrative expense by \$8,000.00.

(Pursuant to Government Code Section 54954, this agenda was posted 72 hours prior to the meeting.)

MEETING LOCATION: Retirement Association Conference Room , 625-B Kings Court,

Ukiah, CA 95482 Ph: 707-463-4328 Fax: 707-467-6472

TELECONFERENCE LOCATION: The Office of Leland Parker

Parker Mortgage & Investment Co., 2777 Cleveland Ave., Ste. 113, Santa Rosa CA 95403

Mr. Parker moved to recommend approval of the proposed Fiscal Year 2017/2018 Budget as amend by the committee to the board. Mr. Sullivan seconded and the motion was approved by unanimous consent.

3) Discussion And Possible Action Regarding Financial Statement Audit Services Request For Proposal (RFP).

Dr. Wilbanks reported that one proposal had been received from Brown Armstong, CPAs. Reference checks have been positive and their proposal is good. Gallina LLP did not respond to the RFP due to the merger with Clifiton Larsen Allen. Gallina did not think they would be able to meet our dealine and offered an additional 1 year engagement instead.

Motion was made by Ms. Cavness to recommend approval of a contract for financial statement auditing with Brown Armstrong to the board. Mr. Sullivan seconded and the motion was approved by unanimous consent.

4) Schedule the next Audit & Budget Committee meeting.

The next Audit and Budget Committee meeting is yet to be determined.

Meeting Adjourned at 12:14 p.m.

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