

Mendocino County Board of Retirement
Audit and Budget Committee Meeting Minutes
December 6, 2016

9:00 a.m.

Participants: Tim Knudsen , Kathryn Cavness, Ted Stephens, John Sakowicz, James Wilbanks Ph.D., Retirement Administrator, Stan Conwell, Financial/Investment Officer, and Judy Zeller, Administrative Assistant. Crystal Ekanayake and Dan Matzinger of Gallina LLP participated by teleconference.

Public Comment: None

1) Approval of the June 8, 2016 Committee meeting minutes.

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

2) Discussion and Recommendation regarding the Draft External Audit report for Fiscal Year 2015/2016.

Dr. Wilbanks referenced the draft audit report and invited the committee to discuss the report before Gallina LLP joined the meeting by teleconference.

Mr. Knudsen amended the fiscal year date on the bottom of page 15 to 2015-2016. Mr. Stephens referenced the financial highlights on page 5 and asked if the statements could be improved regarding market value of assets, actuarial value of assets and net position. A statement regarding actuarial determined assets will be included after the first bullet. A statement regarding net pension liability will be included after the fourth bullet.

Mr. Stephens questioned page 20, note 4, and the listing of two public equity securities. Mr. Conwell explained that this note is related to GASB 72 disclosures and added that "Security" should be changed to "Securities" in the investments measured at the net asset value (NAV). The committee discussed the value of Kings Court and including an as of date for the current value in this report. Gallina will be asked about reporting the value of Kings Court.

Crystal Ekanayake and Dan Matzinger of Gallina LLP joined the meeting by conference call. Ms. Ekanayake provided a complete review of the draft audit report. Discussion included administrative expense, technology cost, Government Accounting Standards Board 72 (GASB 72) requirements and how that affected reporting the fair value measurement of investments on page 20, the Kings Court value, and setting policy regarding property appraisals. Ms. Ekanayake announced that Gallina LLP will merge with Clifton Larsen Allen on January 1, 2017.

(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

Phone: 707-463-4328 Fax: 707-467-6472

RETIREMENT ASSOCIATION WEBSITE: www.co.mendocino.ca.us/retirement

Direction: Staff will draft a policy regarding the Kings Court asset including an appraisal schedule.

Motion was made by Mr. Stephens to recommend the amended June 30, 2016 Audit Report to the full board for approval. Mr. Sakowicz seconded the motion and it was approved by the following vote: Ayes: Mr. Sakowicz, Mr. Stephens, Mr. Knudsen, and Ms. Cavness. Noes: 0. Abstain: 0. Absent: 0.

Public Comment: Stan Anderson addressed the Committee.

3) Schedule the next Audit & Budget Committee meeting.

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

Meeting Adjourned at 10:32 a.m.

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