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Date: May 10, 2017
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: Budget Authority Request

Stan Conwell, Finance/Investment Office at MCERA has been with the Association for almost three years now. Stan is pursuing the Chartered Alternative Investment Analyst (CAIA) Charter. He passed the Level One Exam in March of this year. Stan was able to utilize the Education, Training and Health Flex Benefit Program provided for in the Memorandum of Understanding (MOU) between Mendocino County and the Mendocino County Association of Confidential Employees to offset some of the expense involved in the Level One Exam. It is important to note that Stan prepared and studied for the Level One Exam on his own time.

The MOU provides for \$800 per fiscal year for the employee to use at their discretion, with some requirements. These funds can be rolled over, for at most two years. Stan exhausted his two years of Flex Benefit to pay for the CAIA Level One Exam fee and related study materials. The CAIA exam fees are \$1,250 per exam.

As a part of building a strong team at MCERA, I feel it is important to support our staff. To that end, I inquired of the Mendocino County Auditor & Controller as to whether the Association could pay some of the fees involved in this effort. The Auditor indicated that the benefits outlined in the relevant MOU are the only such benefits he could authorize for payment.

There is a clear benefit to the Association from Stan pursuing the CAIA Charter. As he prepares for the Level Two Exam, he will gain significant knowledge directly applicable to the work on the MCERA investment program. Additionally, the FY-17 Budget documents, contained elsewhere in Board materials, show the Association is well below budget in the Staff Education and Training sub-category.

Given the direct benefit to the Association, and the fact that there is ample room in the relevant budget sub-category, I would like the Association to support Stan in his efforts as he pursues the CAIA Charter by paying some of the costs involved. Specifically, I propose the Association pay for the study materials and the CAIA Charter Level Two Exam fees one time only. If Level Two Exam must be taken again, those expenses would be the responsibility of Mr. Conwell.

I present this request to the Board because there is no clear authority to pay these costs in light of the guidance from the Auditor. Additionally, I present this request, rather than a change to the Budget Adoption Policy, as this is a unique case for the Association and time is a factor. If the Board desires such a policy change, I am happy to craft such language in the future.

Estimated Cost to the Association: \$1,750

I recommend the Board approve the Association paying the CAIA Level Two Exam fee and related study materials for Stan Conwell.