

◆MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION◆  
BOARD OF RETIREMENT MEETING MINUTES  
◆OCTOBER 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 AND PLEDGE OF ALLEGIANCE**

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

**PUBLIC COMMENT:** None

**1) MINUTES OF THE BOARD MEETING HELD SEPTEMBER 21, 2016**

**Presenter/s:** Chair Goodman referenced the September 21, 2016 minutes which were approved by unanimous consent.

**2) CONSENT AGENDA**

- September 2016 Retirement Report
- Quarterly Trustee Education and Training Report

**Presenter/s:** Chair Goodman referenced the Consent Agenda which was approved by unanimous consent.

Mr. Stephens requested including years of service and pension amounts in the September 2016 Retirement Report.

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

None

**4) DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENT REPORT**

- Preliminary Monthly Investment Report
- Investment Manager Status Update: Royce Total Return, Morgan Stanley, RS Investments, PIMCO

**Presenter/s:** Dr. Wilbanks referenced the preliminary monthly investment report prepared by Callan Associates.

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Craig Walker entered the meeting at 8:34 a.m.

**5) MONTHLY FINANCIAL REPORT**

**Presenter/s:** Dr. Wilbanks referenced the monthly financial report prepared by Stan Conwell, Financial/Investment Officer.

Discussion included tracking certain expenses, including administrative expense and investment expense, within the financial report. Dr. Wilbanks explained that greater detail is included in the quarterly budget updates.

Supervisor Dan Gjerde entered the meeting at 8:47 a.m.

**6) DISCUSSION AND POSSIBLE ACTION REGARDING BOARD WORK PLAN**

**Presenter/s:** Dr. Wilbanks referenced the board work plan. The board policy overhaul is nearing completion and the Cost of Living (COLA) analysis will be complete this quarter. Ms. Harris stated her appreciation of this very clear board work plan.

**7) DISCUSSION AND POSSIBLE ACTION REGARDING AGREEMENT WITH MANAGED MEDICAL REVIEW ORGANIZATION (MMRO)**

**Presenter/s:** Dr. Wilbanks referenced his memo regarding the need for renewal of the contract with MMRO for processing of disability applications and a revised fee schedule. He recommended a two year agreement renewal to include the revised fee schedule. Discussion included the complexity and number of disability cases, and whether there were cost savings.

**Board Action:** Motion was made by Mr. Stephens to authorize the Retirement Administrator to execute a two year contract extension with MMRO per staff's recommendation. Ms. Schapmire seconded the motion and it was approved by the following vote: Ayes: Kathryn Cavness, John Sakowicz, Supervisor Dan Gjerde, Ted Stephens, Craig Walker, Tim Knudsen, Jeri Harris, Shari Schapmire, and Randy Goodman. Noes: 0. Abstain: 0. Absent:0.

**8) DISCUSSION REGARDING "OPTICAL REVIEW AND ANALYSIS OF THE MENDOCINO COUNTY EMPLOYEES RETIREMENT ASSOCIATION UNFUNDED ACTUARIAL ACCRUED LIABILITY" STUDY**

**Presenter/s:** Dr. Wilbanks presented a review and analysis of the MCERA UAAL. He stated that this project has been very difficult. This is the best product we can hope for without spending a lot of money. In this report we acknowledge that we do have a UAAL and that it does impact the plan sponsors and this organization. What has happened in the past cannot be changed. We must move forward to improve governance of the fund and this organization. Ten recommendations are included in this report.

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**Public Comment:** Stan Anderson, Richard Respini, and Ken Fowler addressed the board.

**9) RETIREMENT ADMINISTRATOR REPORT**

- Marin CERA Court Case Update
- Pension Administration System Monthly Update
- 625 Kings Court Maintenance Update
- Administrative and Operations Update
- Board of Retirement General Member Election
- Legislative Update (AB1853 and AB2376)

**Presenter/s:** Dr. Wilbanks presented his administrative report which included Marin CERA court case update, a report on the pension administration system, and update on Kings Court maintenance, board election results, and a legislative update. Discussion included the benefits of the pension administration system and the imaging of member files.

**10) GENERAL BOARD MEMBER DISCUSSION**

Ms. Schapmire requested the UAAL amortization schedule be available for review at time of valuation presentation in November.

**11) CLOSED SESSION**

- Conference with Labor Negotiator Regarding Retirement Administrator – Pursuant to Government Code Section 54957.6

**REPORT OUT OF CLOSED SESSION**

Direction was given to the labor negotiator regarding the retirement administrator contract.

**ADJOURNMENT AND NOTICE OF NEXT BOARD OF RETIREMENT MEETING**

- The next regularly scheduled Board of Retirement meeting will be held Wednesday November 2, 2016 at 8:30 a.m. in the Mendocino County Employees' Association Conference Room.