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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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Date: August 17, 2016
To: Board of Retirement
From: James Wilbanks, Retirement Administrator
Subject: Administrator Report

July Benefit Paper Check Mailing:

As discussed at the April 2016 Board Meeting, we changed our process on the mailing of paper checks to the last working day of the month in July 2016. As per the new process, paper checks were prepared on July 29, 2016, delivered to the County mail processing staff on the same day who then delivered the checks to the Post Office later that day. It appears that something happened after delivery to the Post Office as those members regularly receiving paper checks did not receive their checks in a timely manner. Based on feedback from members, it appears the checks began arriving to members' homes on Saturday, August 6, 2016.

We issued replacement checks to 14 members in accordance with our existing process and we continue to closely monitor the situation in terms of checks clearing the bank. Additionally, we have identified a process change we may be able implement that would reduce the number of paper checks. We will review and test the solution in the future.

Pension Administration System Monthly Report:

See the attached report from Rob Ellison with Linea regarding the overall project. The Electronic Document Management System (EDMS) project is nearly complete.

We are soft-launching Member Direct (web portal) on August 16, 2016 and will begin actively promoting the portal in the coming weeks.

Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting:

We received the enclosed Government Finance Officers Association (GFOA) Certificate for Excellence in Financial Reporting for our Comprehensive Annual Financial Report (CAFR) for fiscal year 2015.

625 Kings Court Maintenance Update:

We have received bids for the carpet replacement project and are working on proceeding with the project. The exterior paint project is out for bids currently.

Administrative and Operations Update:

Our summer intern, Abraham Rawles, completed his internship last week. I am very grateful for his efforts on the UAAL Analysis project.

This is a very busy time in the MCERA office. We are working on fiscal year end issues including audit preparation and providing actuarial data to Segal. We are also deploying Member Direct which will result in increased client service demands.

Legislative Update (AB1853 and AB2376):

SACRS Sponsored Legislation 8/11/2016

AB 1853 (Cooper D) County employees' retirement: districts: retirement system governance.

Introduced: 2/10/2016

Last Amended: 6/20/2016

Fiscal: N

Urgency: N

Status: 6/28/2016 - Read second time. Ordered to third reading.

Location: 6/28/2016 - S . THIRD READING

Summary: Would authorize the retirement board of any retirement system operating under CERL to elect, by resolution, to be a district under the law. The bill would authorize a board to adopt, by resolution, specified administrative provisions that would classify various personnel of the retirement system as employees of the retirement system and not employees of the county. The bill would require the retirement system to notify, and to meet and discuss with, participating employers in the retirement system, the employees of the system, and an employee organization of the retirement system's intent to exercise this authority at least 60 days before considering a resolution to make these provisions applicable.

AB 2376 (Committee on Public Employees, Retirement, and Soc) County employees' retirement: Los Angeles County.

Introduced: 2/18/2016

Last Amended: 6/20/2016

Fiscal: N

Urgency: N

Status: 8/5/2016 - Enrolled and presented to the Governor at 2:30 p.m.

Location: 8/5/2016 - A . ENROLLED

Summary: CERL defines "Retirement Plan E" to mean the noncontributory retirement plan established by specific provisions, and defines "Retirement Plan D" to mean the contributory retirement plan otherwise available to new members of the retirement system on the transfer date. This bill would revise the definition of Retirement Plan D to, instead, refer to the contributory retirement plan otherwise available to members of the system between June 1, 1979, and December 31, 2012, inclusive.



MENDOCINO COUNTY EMPLOYEES' RETIREMENT SYSTEM
Project: PENSION ADMINISTRATION SYSTEM



Report Type:	Monthly Status Report
Status Date:	8/1/2016
Project Managers:	Rob Ellison – Linea, Jeff Proffitt, LRS Support Manager for Pension Gold
MCERA Team Members:	Katy Richardson, Judy Zeller, Stan Conwell
Report Period:	July 2016

1. Current & Planned Activities

Activity	Comments
PensionGold Implementation Project	<ol style="list-style-type: none"> MCERA successfully completed implementation of the new Pension Administration System, PensionGold on 1/4/2016. The 90 day warranty period ended on 3/31/2016. As of 4/1/2016, the maintenance and support part of the contract began between MCERA and LRS. Remaining tasks held over from the implementation phase of the project are listed as separate activities in this report and include the rollout of the member self-service portal, MemberDirect. Annual system events that happen for the first time in production, such as 1099-R reporting, actuarial extract and reports, and member statements will have a 90 day warranty period following their first run in PensionGold. These are also listed separately below. All other implementation tasks that are complete have been removed from the monthly report.
Maintenance & Support	<ol style="list-style-type: none"> Jeff Proffitt has been assigned as the lead for the MCERA support team for LRS. Jeff and his team made a visit in March 2016, and have been engaged with supporting MCERA with system questions and needed assistance. The following change orders have been requested since the go-live event, as follows: <ol style="list-style-type: none"> Change to make outgoing reciprocity the same as incoming reciprocity from a benefit calculation perspective. This request has been completed. Change to implement the bank reconciliation file with the bank. This request has been completed.
PensionGold MemberDirect Rollout	<ol style="list-style-type: none"> MCERA has successfully completed the Alpha and Beta testing of the Member self-service component of PensionGold, also known as MemberDirect. The testers provided positive feedback on the use of the new site during testing. Staff is ready to “turn on” MemberDirect in August, however, given that MCERA is short one staff member at this time, the rollout of MemberDirect may be delayed until the third resource is on board. The implementation of MemberDirect will allow retirees to see their paystubs online and will offer the members many other features, however, we anticipate higher call and email volumes during the first 90 days that MemberDirect is made available. As such, it would be preferable to have the third resource on board. MCERA will discuss options during August and make a decision on whether to delay the implementation or to move forward in the August time period.
PensionGold Annual Events	<ol style="list-style-type: none"> This includes 1099-R reporting, actuarial extract and reports, and member statements. As these events are planned, MCERA will test and notify LRS of the warranty period.
Imaging Project / PCX	<ol style="list-style-type: none"> LRS has begun the Production scanning of the member and retiree physical files into electronic format. These images eliminate the need for the physical files and the electronic images will be attached to the member’s record in PensionGold.



MENDOCINO COUNTY EMPLOYEES' RETIREMENT SYSTEM
 Project: PENSION ADMINISTRATION SYSTEM



2. Budget Overview

Description	Approved Budget	Paid To Date
Pension Admin System Implementation		
LRS (Hosting, software, vendor implementation services, includes change orders)	*\$1,409,460.00	**\$164,708.10
LRS additional support	***\$862.50	\$862.50
County IT	N/A	\$52,554.03
Linea	\$490,500.00	\$ 409,840.66
Total for all Phases	\$1,900,822.50	\$627,965.29
Projected Total for all Phases		****\$1,865,310.00

*Represents \$1,374,810 original budget + \$34,650 in change orders = \$1,409,460.00

**Represents \$130,058.10 2016 Annual Payment + \$34,650 in change orders = \$164,708.10 as of 5/31/2016

***Represents Support hours through 8/31/2016 with LRS

****Variable depending upon how much Linea comes in under budget. This number is not expected to be exceeded.



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07/22/2016

NEWS RELEASE

For Information contact:
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(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Mendocino County Employees' Retirement Association** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Mendocino County Employees' Retirement Association, California

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.