

RETIREMENT

RETIREMENT1920

JIM ANDERSEN, Retirement Administrator

RETIREMENT'S BUDGET UNIT

Retirement.....1920

PROGRAM DISCUSSION

Programs: Retirement is responsible for collecting information on all County employees and maintaining that information for future use in enabling employees to retire when they become eligible and choose to do so. The Retirement System maintains information on current retirees and processes the payment of benefits to those retirees. The Retirement System also collects both County and employee contributions and invests those funds, along with income on existing investments, in a manner that will maximize the return on investments while safeguarding the assets of the Retirement System.

Public Trust: Under the direction of the Retirement System Board of Directors, the Retirement System invests the system assets with the judgment and care that a person of prudence would use.

Practices: Maintain all information regarding the Retirement System and system members with the utmost concern for confidentiality for those records and invest funds in a prudent manner.

People: Retirement System staff safeguards the information and investments of the Retirement System in order to maximize the amount of assets available to provide retirement benefits to all County retirees and employees.

MAJOR ACCOMPLISHMENTS IN F/Y 2010-11

Programs: With the guidance of the Mendocino County Employees' Retirement Association's investment consultants, Callan Associates, conducted a liability and asset allocation study, and amended the Investment Policy Statement and portfolio. Conducted four searches and selected managers/funds for specific investment mandates within the portfolio. The retirement system assets have fully recovered from the recession of 2008/09 to a level of \$353 million. The rate of return for the one year period between December 31, 2009 and 2010, was 14.64%. The Association has managed its assets well compared to other public pension plans, endowments, etc., as shown in comparative studies by Callan Associates, Mercer, and R. V. Kuhns & Associates (see the Association's website for reports: www.co.mendocino.ca.us/retirement).

Public Trust: The Association continues to work toward transparency of its operations and financial condition, including maintaining an Association website, televising Board of Retirement meetings, and providing instructional community and member outreach. The Association completed a Request for Proposals for an audit of the primary actuary. Based upon the findings and recommendations of the auditing actuary, the Association chose to discontinue its use of Buck Consultants as its primary actuary, and has entered into a contract with The Segal Company to provide actuarial services into the future. The Association also initiated a Request for Proposals for external financial auditing services. Proposals are due in May of 2011, with a new external auditor expected to be selected before the

close of the 2010/11 fiscal year. The Association received a completed Information Technology Roadmap from Linea Solutions, Inc., in January of 2011. Due to the cost of automation systems, the Board of Directors chose not to move forward with any projects until the funded status of the plan and the County's financing for employer contributions improves. The Board may re-evaluate moving forward with initiatives that are highly important to protecting the continuity of the Association's services. Finally, the Association, in coordination with the law firm of Hanson Bridget, submitted an application to the IRS for a review and reauthorization of the retirement system.

Practices: Retirement services were continued to County employees and retirees during a difficult budget year. An unprecedented number of active members, evaluating the risk of workforce reductions and wage concessions sought information and guidance on the option of retirement. Staff continues to evaluate past practices, policies and vendors with the objective of creating the highest level of confidence in Association business operations by the Board of Retirement, members, and the general public.

People: Recruited a Retirement Specialist Trainee to underfill the Retirement Coordinator vacancy. In addition, the Association will be working with the County on a job sharing arrangement for fiscal and accounting resources.

GOALS/OBJECTIVES FOR F/Y 2011-12

Programs: Continue to review policies and procedures to create a more policy driven environment for Retirement Board decisions and staff activities. Work closely with the new actuaries, The Segal Company, to complete a triennial experience study and valuation study for the year end June 30, 2011. Work closely with new external financial auditors to strengthen internal controls if necessary, and improve financial reporting. Complete a contract with Sonoma County Counsel for legal services, and transition to more active legal oversight of the Association's meetings and operations. With a completed application for a Determination Letter and Voluntary Correction Program submitted to the IRS in January of 2011, continue to prepare for an IRS review of the system.

Public Trust: Continue public outreach and education efforts. Continue to report out on the performance of the Association's system to other public pension plans. Review all longstanding vendor relationships to ensure that the system is receiving the highest quality services at a competitive price.

Practices: Examine the disability application and review process, as well as longstanding vendor relationships that support the Retirement Board's review of applications.

People: Continue training of Retirement Board members and staff.

RETIREMENT

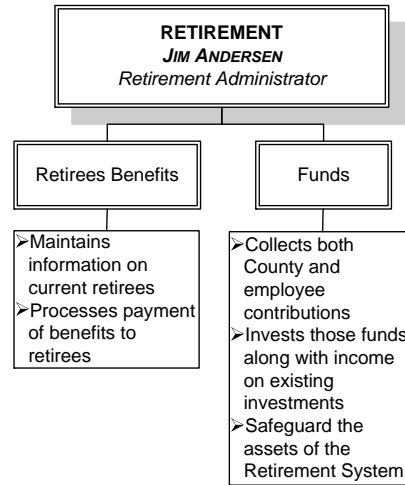
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CURRENT STAFFING

To view staffing levels for this budget unit, see the Position Allocation Table located in this document under the tab **L. Position Allocation Table**.

PROGRAM CHART



SUMMARY OF MAJOR BUDGET ACCOUNTS

Salaries & Employee Benefits

- ◇ Acct. 1011 Includes .5 FTE Accountant (Job Share with the County).

Services & Supplies

- ◇ Acct. 2150 Provides for membership in California Association of Public Retirement Systems (CALAPRS) and the State Association of County Retirement Systems (SACRS).
- ◇ Acct. 2189 Provides for monthly fees to Retirement Board members.

Revenues

- ◇ Acct. 7700 Provides funding from Retirement Trust for administration services.

CEO RECOMMENDED BUDGET COMMENTS

The CEO recommends funding as submitted by the department.

RETIREMENT

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JIM ANDERSEN, Retirement Administrator

State Controller
County Budget Act
2010

County of Mendocino
State of California
Budget Unit Financing Uses Detail
Recommended Budget for Fiscal Year 2011-12

County Budget Form
Schedule 9

Classification:

Function: 1 General Government

Budget Unit: 1920 Retirement

Activity: 101 General - Legislative & Administrative

Fund: 1100 County General

Financing Uses Classification	2009-10 Budget	2009-10 Actuals	2010-11 Budget	2010-11 Actuals	2011-12 Request	2011-12 Recommend	2011-12 Adopted
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

as of 5/31/11

Revenues

825810 Other Govt Aid	449,236	506,590	427,523	0	522,494	521,900	
827700 Other	0	0	0	0	0	0	
Total Revenues	449,236	506,590	427,523	0	522,494	521,900	0

Salaries & Employee Benefits

861011 Regular Employees	285,673	303,483	201,127	213,985	283,877	283,877	
861012 Extra Help	14,000	18,734	20,000	13,579	2,000	2,000	
861013 Overtime Reg Emp	0	0	0	0	0	0	
861021 Co Cont Retirement	37,634	37,132	27,603	28,624	51,201	51,201	
861022 Co Cont OASDI	17,781	15,954	10,785	10,739	15,737	15,737	
861023 Co Cont Medicare	4,158	4,236	2,791	2,962	3,957	3,957	
861024 Co Cont Retire Incr	13,820	13,639	12,350	12,772	22,838	22,838	
861030 Co Cont Health Ins	30,272	33,151	26,254	28,526	37,057	37,057	
861031 Co Cont Unemp Ins	2,179	2,179	3,709	4,925	2,951	2,951	
861035 Co Cont Workers Comp	1,303	1,303	2,123	2,123	1,498	1,256	
Total Salaries & Employee Benefits	406,820	429,811	306,742	318,236	421,116	420,874	0

Services & Supplies

862060 Communications	1,200	2,985	2,063	2,128	2,450	2,450	
862101 Insurance - General	1,266	1,266	1,021	1,021	1,328	976	
862150 Memberships	5,000	4,250	3,750	4,500	6,000	6,000	
862170 Office Expense	15,000	13,727	9,375	11,818	11,550	11,550	
862183 Legal Fees	0	0	25,000	39,639	50,000	50,000	
862189 Prof/Spec Svcs - Other	7,500	36,338	7,500	7,773	9,750	9,750	
862210 Rent/Lease - Bldg Grnds	0	0	51,197	0	0	0	
862230 Info Tech Equip	0	0	0	0	0	0	
862250 Trans/Travel	450	1,020	250	250	300	300	
862253 Travel Out of County	12,000	17,192	20,625	13,541	20,000	20,000	
Total Services & Supplies	42,416	76,779	120,781	80,670	101,378	101,026	0

Total Net Appropriations

	449,236	506,590	427,523	398,906	522,494	521,900	0
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Total Net County Cost

	0	0	0	398,906	0	0	0
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COUNTY OF MENDOCINO

2011-12

RECOMMENDED BUDGET

