

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF DIRECTORS MINUTES OF THE REGULAR MEETING,  
JUNE 17, 2009 AT 8:30 AM,  
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
CONFERENCE ROOM, 625B KINGS CT., UKIAH, CA. 95482**

**1. CALL TO ORDER**

Chair Pearce called the meeting to order at 8:30 am.

Roll call was conducted with the following members present: Randy Goodman, Lloyd Weer, Bob Mirata, Shari Schapmire, Kendall Smith, Dr. Donald Coursey, Dennis Huey, Chair Tim Pearce presiding.

Also present: Tim Knudsen, Alternate Retirement Member; Jim Andersen, Retirement Administrator, Sue Thornhill, Clerk to the Board and Jeanine Nadel, County Counsel.

**2. APPROVAL OF MINUTES**

Upon motion by Trustee Smith, seconded by Trustee Mirata, and carried unanimously; IT IS ORDERED that the minutes of the May 20, 2009, Board meeting are approved.

**3. RETIREMENT ADMINISTRATOR'S REPORT**

**Presenter/s:** Jim Andersen referenced written information previously distributed to the Board.

- a. Mr. Andersen directed the Boards' attention to the information he provided regarding SACRS efforts in hiring the law firm of Hanson Bridgett to begin the process of reviewing the 1937 ACT Law for IRS compliance prior to each system being reviewed by the IRS.
- b. Mr. Andersen referred to an initiative being presented by Paul McCauley calling for substantial increases in Personal Income Tax to be added to anyone receiving a pension of over \$40,000 per year. He noted that all retirees were included, not just public-sector retirees.
- c. Mr. Andersen informed the Board that the Board of Supervisors at their regular meeting June 16, 2009 appointed Caren Callahan to fill the vacant seat on the Board of Retirement. He explained that Ms. Callahan will begin attending the July meeting; as she had a court date in conflict with the June meeting. Discussion occurred relative to the process for receiving applications by the Board of Supervisors, and the consistency

and transparency of process as applied to all applicants, but not in the appropriateness or quality of the ultimate candidate appointed.

- d. Mr. Andersen presented the Board with a report from Roeder Financial ranking the California Pension Systems from “most conservative” to “most optimistic” in the selection of actuarial assumptions and practices. Mr. Andersen pointed out the report showed Mendocino CERA to be the 9<sup>th</sup> most conservative of the 40 systems ranked, in large part due to the short, closed-ended UAAL amortization period contained in the funding agreement with the County.

**Presenter/s:** Sue Thornhill referenced written information previously distributed to the Board regarding withdrawals of contributions and billings for services and fees.

**Board Action:** Motion was made by Trustee Goodman, seconded by Trustee Huey to approve the Retirement Administrator’s Report as presented. Motion carried unanimously.

#### **4. INVESTMENTS/FINANCIALS**

**Presenter/s:** Jim Andersen referenced written reports previously distributed to the Board including the final financial statement for the period ending April 30, 2009 and the preliminary report for the period ending May 31, 2009.

Mr. Andersen drew the Boards attention to the fact the losses in asset values, since their low at the end of February 2009, had recovered in an amount approximating \$33,000,000 to \$34,000,000. He further advised the Board that PIMCO is doing well and the assets allocated for the bond portion of the portfolio have now been evenly distributed between Dodge & Cox and PIMCO at roughly \$40,000,000 each.

**Presenter/s:** Jim Andersen referenced a written report previously distributed to the Board which was prepared by Peter Chan for the performance evaluation for the period ending March 31, 2009.

During the presentation of the report Mr. Andersen advised the Board that Peter Chan is watching Van Guard Small Cap, Fidelity Low Priced Stock and Fremont Inst Micro-Cap and may advise the Board to consider alternate funds based upon either performance or style drift. It was determined that any major fund changes, rebalancing and use of cash should wait until conclusion of the RFP process for a new investment consultant.

**Board Action:** Motion made by Dennis Huey, seconded by Randy Goodman to approve the financial report as presented. Motion carried unanimously.

**Presenter/s:** Jim Andersen presented a copy of the Comprehensive Accounting Financial Report. Discussion occurred about the cost of the report, the content of recycled material in the paper, and the level of professionalism that the Association wishes to portray

through the report. A motion was made by Trustee Smith and seconded by Trustee Weer to accept the CAFR and proceed with the printing of 50 copies for other agencies and to post the report to the website for the employees', retirees' and the public. Motion carried unanimously.

**Public Expression:**

None

**5. HEALTH INSURANCE**

**Presenter/s:** Sue Thornhill presented the "Insurance Reserve Balance Report" which was distributed to the Board and the public at the beginning of the meeting.

Mr. Andersen added that without further changes the fund currently has 20 to 21 months available to pay claims.

**6. MISCELLANEOUS**

**Presenter/s:** Jim Andersen referenced written material previously distributed to the Board regarding the 2009-2010 fiscal year budget.

- a. At the Board's request Jim Andersen presented a more in depth narrative of the budget report that was presented and approved at the May 20, 2009 meeting.

Upon motion by Huey, seconded by Weer, and carried unanimously; IT IS ORDERED that a budget ad hoc committee be formed. Chair Pearce appointed Trustees Goodman, Weer and Huey to the committee.

- b. Jim Andersen discussed the material previously presented to the Board regarding the spring SACRS conference. He advised the Board and the public that a binder has been made available to anyone interested in the written material gathered at the individual sessions attended by the members who attended the conference.

**7. 9:45 ENTERED INTO CLOSED SESSION**

- a. Discussion and possible action on disability applications

**10:50 OUT OF CLOSED SESSION**

**BOARD ACTION FROM CLOSED SESSION**

- a. BAKER, JILL, filed 1/27/2008 for Service Connected Disability

- No action taken
- b. BROIN, KEVIN, filed 04/29/2009 for Service Connected Disability  
**APPROVED**
  - c. CLINE, KEVIN, filed 05/13/2009 for Service Connected Disability  
**APPROVED**
  - d. ELDER, COLONIE, filed 1/14/09 for Service Connected Disability  
No action taken
  - e. HAMMER, LAWRENCE, filed 05/12/2008 for Service Connected Disability.  
No action taken
  - f. HARRISON, JAMES, filed 04/23/2009 for Service Connected Disability  
No action taken
  - g. HEE, WESLEY, filed 05/26/2009 for Non-Service Connected Disability  
**TABLED**
  - h. KOSKINEN, KIM, filed 10/15/2008 for Service Connected Disability  
No action taken
  - i. LEHMAN, FLORENCE, filed 10/30/2007 for Service Connected Disability  
No action taken
  - j. MEYER, SHARON, filed 5/12/2008 for Services Connected Disability  
No action taken
  - k. ROBINOW, PAMELA, filed 4/28/2008 for Service Connected Disability  
No action taken
  - l. WHITE, TAMMY (Brett), filed 11/09/2008 for Service Connected Disability  
No action taken

### **10:50 REPORT OUT FROM CLOSED SESSION**

It was reported that the applications for Kevin Broin and Kevin Cline were approved and the application for Wesley Hee was tabled for additional information.

There being no further business Chairman Pearce adjourned the meeting at 10:55 AM.

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Tim Pearce, Chair

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Susan Thornhill, Retirement Coordinator