

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF DIRECTORS MINUTES OF THE REGULAR MEETING,  
NOVEMBER 18, 2009 AT 8:30 AM,  
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
CONFERENCE ROOM, 625B KINGS CT., UKIAH, CA. 95482**

**1. CALL TO ORDER**

Chair Tim Pearce called the meeting to order at 8:35 am.

Roll call was conducted with the following members present: Randy Goodman, Caren Callahan, Lloyd Weer, Bob Mirata, Shari Schapmire, Dennis Huey, Tim Knudsen, Dr. Don Coursey and Tim Pearce. Members absent: Kendall Smith

Also present: Jim Andersen, Retirement Administrator, Sue Thornhill, Clerk to the Board, Jeanine Nadel, County Counsel, Tim Garrison, General Services, Greg Ungerman, and Greg DeForrest of Callan Associates.

**2. APPROVAL OF MINUTES**

Upon motion by Trustee Mirata, seconded by Trustee Schapmire, and carried unanimously; IT IS ORDERED that the minutes of the October 21, 2009, Board meeting are approved as amended.

**3. RETIREMENT ADMINISTRATOR'S REPORT**

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

- a. Mr. Andersen reported on the R. V. Kuhns & Associates, Inc. comparative analysis of the Mendocino CERA with other systems, including 1937 Act systems. The report was distributed to the Board members as well as the Grand Jury, the Board of Supervisors, and posted to our website.
- b. Mr. Andersen informed the Board that he has not received a response to his letter to Mr. John Dickerson requesting specific information supporting his claim that excess earnings were posted "illegally".
- c. Mr. Andersen commented to the Board that there have been questions for some time about the 1996 and 2002 Pension Obligation Bonds (POBs), and concerns expressed that this is a significant and hidden cost of funding our Unfunded Accrued Actuarial Liabilities, and the retirement system in general. Mr. Andersen informed the Board that there had been a letter to the editor from the Farm Bureau regarding requested information from the Executive Office.

- d. Mr. Andersen stated that in preparing a response he had initiated a survey of all SACRS systems of the employer rates and any principle and interest on POBs expressed as a percentage of payroll. Once the data is collected it will be presented to the Board.
- e. Mr. Andersen reported that the RFQ/I to develop an Information Technology Roadmap was posted on our website October 23, 2009. Questions were received through October 30<sup>th</sup>, with responses to the questions posted on our website on November 5, 2009. Final responses are due on November 20, 2009. Then the Software Search ad hoc committee will review responses and present a vendor to the Board for consideration.
- f. Mr. Andersen reported to the Board that the October 30, 2009 Retiree Payroll was transmitted late due to human error and that all steps were being taken to correct this error and avoid any delays in future payrolls. We will be working with General Services and Information Services to improve the payroll process.

**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 Mirata, seconded by Trustee Weer to approve the Retirement Administrator's Report as presented. Motion carried unanimously.

**Presenter/s:** Sue Thornhill discussed the renewal of the Fiduciary Insurance policy and the requirement of each member of the Retirement Board to remit payment for the waivers of recourse. County Counsel requested an opportunity to review the Board payment provisions.

**Board Action:** Motion was made by Trustee Huey, and seconded by Trustee Coursey to approve the renewal of the Fiduciary Insurance policy. Motion carried unanimously.

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

**Presenter/s:** Jim Andersen referenced written reports previously distributed to the Board, including the preliminary financial statement for the period ending October 31, 2009. Mr. Andersen advised the Board the assets increased in value by approximately \$22.4 million for the fiscal year since July 1, 2009.

**Presenter/s:** Greg Ungerman and Greg DeForrest of Callan Associates presented their first quarterly report to the Board. The presentation included a walk through of the report format and the specific performance of MCERA's portfolio for the 3<sup>rd</sup> Quarter of 2009. Information on the Callan College and a Liability and Asset Allocation Study was also presented.

**Presenter/s:** Jim Andersen presented the third quarter performance report from P. Chan & Co., Inc. and stated that the numbers are nearly identical to those presented by Callan Associates.

**Presenter/s:** Jim Andersen presented the quarterly financial update of administrative expenses (Budget 1920 and other administrative expenses under Government Code Section 31580.2).

## 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.

The Board was further advised that currently the life of the insurance reserves is 13.84 months.

## 6. MISCELLANEOUS

- a. **Presenter/s:** Jeanine Nadel presented information on adoption of Government Code Section 31760.3 which requires notification to the current spouse of the selection of benefits or change of beneficiary made by member. The Board of Supervisors adopted Resolution 09-255 on November 10, 2009 adopting Section 31760.3. The retirement staff will proceed with implementing this policy.
- b. **Presenter/s:** Mr. Andersen requested the Board to approve a resolution authorizing himself and the Chair to sign documents as needed on behalf of the Board of Retirement. The Board approved this resolution.  
**Board Action:** Motion was made by Trustee Weer, and seconded by Trustee Coursey to approve the resolution. The motion was passed unanimously.
- c. **Presenter/s:** Mr. Knudsen, Mr. Huey, Mr. Goodman and Mr. Andersen reported on the Fall SACRS Conference.
- d. **Presenter/s:** Mr. Anderson and Tim Garrison presented information regarding the lease with the State of California Department of Rehabilitation and asked for the Board’s approval.  
**Board Action:** Motion was made by Trustee Schapmire, and seconded by Trustee Huey to approve the lease and authorized the Chair to sign the lease agreement. The motion was passed unanimously.
- e. **Presenter/s:** Mr. Andersen presented information on contracting with Suzanne De Kozan, of Sonoma CERA, to provide legal services-disability.  
**Board Action:** Motion was made by Trustee Weer, and seconded by Trustee Goodman to approve the contract with Ms. De Kozan. The motion was passed unanimously.

**Public Expression:** None

## 7. 10:25 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, LORI, filed 09/29/09 for Service Connected Disability  
**CONTINUED FOR FURTHER REVIEW**
- c. ELDER, COLONIE, filed 1/14/09 for Service Connected Disability  
No action taken
- d. HAMMER, LAWRENCE, filed 05/12/2008 for Service Connected Disability.  
No action taken
- e. KOSKINEN, KIM, filed 10/15/2008 for Service Connected Disability  
No action taken
- f. LEHMAN, FLORENCE, filed 10/30/2007 for Service Connected Disability  
No action taken
- g. MEYER, SHARON, filed 5/12/2008 for Services Connected Disability  
No action take
- h. ROBINOW, PAMELA, filed 4/28/2008 for Service Connected Disability  
No action taken
- i. WHITE, TAMMY (Brett), filed 11/09/2008 for Service Connected Disability  
No action taken
- j. ZIMMERER, TIMOTHY, filed 8/27/09 for Service Connected Disability  
**11/18/09 SET FOR HEARING as per the following:**  
**Ayes: 8, Noes 0, Absent 1**

### **10:20 REPORT OUT FROM CLOSED SESSION**

It was reported that the application for a service connected disability for Lori Broin was continued for further review and the application for service connected disability for Timothy Zimmerer was set for a hearing.

There being no further business Chairman Pearce adjourned the meeting at 11:00 A. M.

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Tim Pearce, Chair

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Susan Thornhill, Retirement Coordinator