

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF DIRECTORS MINUTES OF THE REGULAR MEETING,
JANUARY 28, 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, Eloise Grothe, Lloyd Weer, Bob Mirata, Shari Schapmire, Kendall Smith, Dr. Donald Coursey, Dennis Huey. Chair Tim Pearce presiding.

Also present: Mr. Jim Andersen, Administrator; Mr. Tim Knudsen, Alternate Retirement Member; Ms. Jeanine Nadel, County Counsel; Mr. Harold Loeb, Actuary for Buck Consultants; Ms. Sue Thornhill, Clerk to the Board.

2. APPROVAL OF MINUTES

Upon motion by Trustee Huey, seconded by Trustee Weer, and carried unanimously; IT IS ORDERED that the minutes of the December 17, 2008, Board meeting are approved with amendments.

PUBLIC EXPRESSION

None

In order to accommodate Mr. Harold Loeb representing Buck Consultants, Chair Pearce moved item 4c.

Mr. Loeb gave an extensive review of the Actuarial Study, done by his firm, for the fiscal year end June 30, 2008.

Mr. Loeb reported the system was 94.5% funded for the year end compared to 88.7% for the year end June 30, 2007. Accordingly the Actuary's are recommending the County rates for the next fiscal year be set at 8.53% compared to the current rate of 10.35%.

During further discussion Mr. Loeb explained should the County want to continue on a path of reaching 100% of the UAAL they would need to reserve 12.19% of the total payroll. The actuarial study found the current unfunded liability is \$20,411,000.

Chair Pearce recognized Mr. John Sakowicz, under public expression. Mr. Sakowicz directing his question to Mr. Loeb asked given the current unfunded liability of \$20,411,000 would there be need to consider another Pension Obligation Bond. Mr. Loeb responded that was not an appropriate question for him but that had the Board of Supervisors not done the last Pension Obligation Bond, which was issued in 2002, the current unfunded liability would be \$36,000,000.00.

After further discussion Chair Pearce thanked Mr. Loeb and he left the meeting at 9:10.

Kendall Smith, Trustee expressed her desire for the board to receive and review further financial experience information prior to adopting the actuarial study.

Mr. Jim Andersen, Administrator reminded board in order to meet the timeline needed to have the Board of Supervisors adopt the study in March it will have to be reviewed and a recommendation made by the Board of Retirement in February.

3. RETIREMENT ADMINISTRATOR'S REPORT

Presenter/s: Mr. Jim Andersen, Mendocino County Employees' Retirement Association Administrator; Ms. Sue Thornhill, Clerk to the Board referenced written information previously distributed to the Board regarding withdrawals of contributions and billings for services and fees.

Presenter/s: Mr. Jim Andersen, Mendocino County Employees' Retirement Association Administrator, referenced a written report previously distributed to the Board containing an update regarding the status of projects underway or planned by retirement staff over the next 12 months.

Presenter/s: Mr. Jim Andersen advised the board of a petition being circulated by McCauley who is trying to gather enough signatures to place on the November election to unbind contracts for public retirement benefits for both active and retired members. Mr. Andersen recommends the board watch the progress closely.

Board Action: No action taken

Presenter/s: Ms. Sue Thornhill, Clerk to the Board referenced written information previously distributed to the Board regarding the board's interest in moving the regularly scheduled meetings from the third Wednesday to the fourth Wednesday of each month.

Board Action: Upon motion by Trustee Smith, seconded by Trustee Mirata and carried unanimously; IT IS ORDERED that the Board of Retirement continue to hold regularly scheduled meetings the third Wednesday of each month.

4. INVESTMENTS/FINANCIALS

Presenter/s: Mr. Jim Andersen, Administrator referenced written reports previously distributed to the Board containing updated financial information including the final financial statement for December 31, 2008.

5. A request was made by Ms. Sue Thornhill, Clerk to the Board for the names of the members who plan to attend the Spring SACRS conference to be held May 12-16. The following members expressed their intention to attend: Ms. Shari Schapmire, Mr. Eloise Grothe, Mr. Bob Mirata, Mr. Lloyd Weer, Ms. Kendall Smith, Mr. Tim Pearce, Mr. Randy Goodman and Mr. Tim Knudsen.

6. HEALTH INSURANCE

Presenter/s: Ms. Sue Thornhill, Clerk to the Board referenced the “Insurance Reserve Balance Report”, which was distributed to the Board and the public at the beginning of the meeting.

MISCELLANEOUS

Ms. Sue Thornhill, Clerk to the Board requested the names of those trustees who have not yet attended the “Principles for Trustees” training at the Stanford University Law School. It was determined that four members have not yet attended. Ms. Thornhill explained there are limited openings at this training and she will notify those interested members how many will be allowed to attend this year’s session.

10:45 ENTERED INTO CLOSED SESSION

- a. Update on disability applications

11:20 OUT OF CLOSED SESSION

BOARD ACTION FROM CLOSED SESSION

- a. BAKER, JILL, filed 1/27/2008 for Service Connected Disability
Tabled for further information
- b. BOLCE, KATHLEEN, filed 12/05/08 for Non-Service Connected Disability
APPROVED: As per the following; Ayes 9 Noes 0 Abstain 0
- c. BROWN, DAVID, filed 12/10/08 for Non-Service Connected Disability
APPROVED: As per the following; Ayes 8 Noes 1 Abstain 0
- d. ELDER, COLONIE, filed 1/14/09 for Service Connected Disability
SET FOR HEARING: As per the following; Ayes 9 Noes 0 Abstain 0

- e. HAMMER, LAWRENCE, filed 05/12/2008 for Service Connected Disability.
Set for Hearing
- f. HUGHES, PAMELA, filed 10/30/06 for Service Connected Disability
1/28/09 DENIED: As per the following; Ayes _8_ Noes _0_ Abstain _1_
- g. KOSKINEN, KIM, filed 10/15/2008 for Service Connected Disability
Tabled for further information
- h. LEHMAN, FLORENCE, filed 10/30/2007 for Service Connected Disability
Set for Hearing
- i. MASON, MICHAEL, filed 10/30/2008 for Service Connected Disability
Set for Hearing
- j. MEYER, SHARON, filed a5/12/2008 for Services Connected Disability
Set for Hearing
- k. OGLESBY, JERALD, filed 2/04/2008 for Non-Service Connected Disability
Set for Hearing
- l. ROBINOW, PAMELA, filed 4/28/2008 for Service Connected Disability
Set for Hearing
- m. WHITE, TAMMY (Brett), filed 11/09/2008 for Service Connected Disability
Data being gathered

9) REPORT OUT FROM CLOSED SESSION

Mr. Jim Andersen, Administrator reported the applications for Bolce and Brown were approved, the application for Elder was referred to hearing and the application for Hughes was denied.

There being no further business Chairman Pearce adjourned the meeting at 11:59 AM.

Tim Pearce, Chair

Susan Thornhill, Retirement Coordinator