

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF DIRECTORS MINUTES OF THE REGULAR MEETING,
FEBRUARY 18, 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 8:35 am.

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

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

2. APPROVAL OF MINUTES

Upon motion by Trustee Huey, seconded by Trustee Mirata, and carried unanimously; IT IS ORDERED that the minutes of the January 28, 2009, Board meeting are approved with amendments.

PUBLIC EXPRESSION

There being only one member of the public wishing to speak Chair Pearce related he would hold public expression until after item 4 was completed.

3. RETIREMENT ADMINISTRATOR'S REPORT

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

Presenter/s: Jim Andersen referenced written material previously distributed to the Board regarding the 1920 Budget and all other expenditures subject to the Government Code budget threshold. The expenditures for 2008/09 are within limits and expected to be at year end.

Trustee Smith thanked Mr. Andersen for the information and requested the updated information be brought back to the board each quarter.

Board Action: Motion was made by Trustee Weer, seconded by Trustee Huey to approve the Retirement Administrator's Report as presented. Motion carried unanimously with Trustee Coursey absent.

4. INVESTMENTS/FINANCIALS

Presenter/s: Jim Andersen referenced written reports previously distributed to the Board including the final financial statement for the period ending January 31, 2009, highlighting changes in market value of assets during the prior month.

Presenter/s: Jim Andersen referenced a written report previously distributed to the Board containing a copy of the "The California Pension Protection Act of 1992 (Proposition 162)".

In the Brief Summary of the Agenda Item Mr. Andersen, referenced the establishment of an ad hoc committee whereby the Board of Supervisors appointed Supervisors Smith and McCowen to address "County/Retirement System partnership responsibilities for 2009" (copy also attached to information packet).

Mr. Andersen referred to item #4 on the Board of Supervisors agenda summary, which stated "Establish a mutual review process of the actuarial report that establishes the annual contribution rate for retirement".

Mr. Andersen's recommendation to the Board of Retirement was to create an ad hoc committee of members Pearce and Mirata to meet with the Board of Supervisors ad hoc committee on "County/Retirement System Partnership Responsibilities for 2009." Direct staff to develop and submit a letter informing the Board of Supervisors of the Board of Retirement ad hoc committee, and communicating topic 4 is not consistent with Proposition 162 and should be removed from the list of topics.

Board Action: A motion was made by Trustee Mirata and seconded by Trustee Schapmire to approve the Administrators' recommendation. Motion carried unanimously with Trustee Coursey absent.

Public Expression:

Chair Pearce recognized John Sakowicz who spoke briefly on the importance of reporting earnings on an absolute return basis.

Mr. Sakowicz also announced he would be speaking the following evening at the Alex Rohrbaugh center and invited the board members to attend.

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.

Board Action: Trustee Knudsen requested an additional line be added to the report indicating the dollar amount received from the retiree’s each month separately from the County share reserved.

6. MISCELLANEOUS

Requests were made for the following to be added to the March agenda.

- a. Annual retiree cost of living raises
- b. The possibility of the Board of Retirement hiring an independent attorney.

7. 9:35 ENTERED INTO CLOSED SESSION

- a. Discussion and possible action on disability applications

9:55 OUT OF CLOSED SESSION

BOARD ACTION FROM CLOSED SESSION

- a. BAKER, JILL, filed 1/27/2008 for Service Connected Disability
No action taken
- b. ELDER, COLONIE, filed 1/14/09 for Service Connected Disability
No action taken
- c. HAMMER, LAWRENCE, filed 05/12/2008 for Service Connected Disability
No action taken
- d. HAMMER, MYRL, filed 06/26/2008 for Non-Service Connected Disability
Tabled for further information
- e. KOSKINEN, KIM, filed 10/15/2008 for Service Connected Disability
Tabled for further information
- f. LEHMAN, FLORENCE, filed 10/30/2007 for Service Connected Disability
No action taken
- g. MASON, MICHAEL, filed 10/30/2008 for Service Connected Disability
No action taken
- h. MEYER, SHARON, filed 5/12/2008 for Service Connected Disability
No action taken
- i. OGLESBY, JERALD, filed 2/04/2008 for Non-Service Connected Disability
No action taken
- j. ROBINOW, PAMELA, filed 4/28/2008 for Service Connected Disability
No action taken
- k. WHITE, TAMMY (Brett), filed 11/09/2008 for Service Connected Disability
No action taken

9:55 REPORT OUT FROM CLOSED SESSION

Jim Andersen reported the applications for Myrl Hammer and Kim Koskinen were tabled for further information and the application for Gerald Oglesby will be placed on the agenda for action at the March 2009 meeting.

8. PAUL OBEDENCIO, REPRESENTING BUCK CONSULTANTS

Mr. Obedencio entered the meeting at 10:00 am, at which time Mr. Harold Loeb was brought in by conference call to review the Actuarial Study for the fiscal year end June 30, 2008, which was originally presented at the January 2009 meeting.

Mr. Obedencio presented additional information on "Pension Valuation: Purpose, Process and Results". Mr. Obedencio explained how and why the information is gathered for the annual actuarial report.

After some questions directed to both Harold Loeb and Paul Obedencio a motion was made by Trustee Mirata, seconded by Trustee Schapmire to recommend the Board of Supervisors leave the County's contribution rates at 10.35%. All votes favorable with Trustee Coursey absent.

A motion was made by Trustee Smith, seconded by Trustee Mirata to accept the recommendation of the Actuary's for employees rates (pages #42 to #47). All votes favorable with Trustee Coursey absent.

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

Tim Pearce, Chair

Susan Thornhill, Retirement Coordinator