BOB MIRATA
CHAIRMAN
B.O.S. APPOINTEE

SHARI SCHAPMIRE
VICE-CHAIRMAN
TREASURER TAX COLLECTOR

TIM KNUDSEN
SECRETARY
ELECTED RETIRED MEMBER

SUPERVISOR KENDALL SMITH
B.O.S. APPOINTEE

JOHN SAKOWICZ
B.O.S. APPOINTEE

TED STEPHENS
B.O.S. APPOINTEE

LLOYD WEER
ELECTED
GENERAL MEMBER

RANDY GOODMAN
ELECTED GENERAL
MEMBER

CRAIG WALKER
ELECTED SAFETY
MEMBER

RICHARD SHOEMAKER
ELECTED RETIRED
ALTERNATE MEMBER

JIM ANDERSEN
RETIREMENT
ADMINISTRATOR

JEFF BERK
LEGAL COUNSEL

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD MEETING AGENDA MAY 16, 2012 – 8:30 A.M.

1) ROLL CALL (8:30 A.M.)

2) PUBLIC COMMENT (Estimated Time 5 min.)
Members of the public are welcome to address the board on subjects within the jurisdiction of the Board of Retirement regarding items both on and off the agenda. The board is prohibited by law from taking action on matters not on the agenda, but may ask questions to clarify the speaker's comment and/or briefly answer questions. The board limits testimony on matters not on the agenda to 5 minutes per person and not more than 10 minutes for a particular subject at the discretion of the Chair of the Board. To best facilitate public expression please complete the speaker form available at the entrance to the boardroom and present to the Clerk to the Board. If you wish to submit written comments please provide 13 copies to the Clerk to the Board prior to the start of the meeting. Public speakers are reminded to announce their names before they address the board.

3) APPROVAL OF THE MINUTES OF THE BOARD MEETING HELD APRIL 18, 2012 (Estimated Time 5 min.)

4) DISCUSSION AND POSSIBLE ACTION REGARDING QUARTERLY PERFORMANCE REPORT (CALLAN ASSOCIATES) (Approximate time 45 min.) (See the Investment Measurement Services Quarterly Review dated March 31, 2012 at www.co.mendocino.ca.us/retirement.

5) DISCUSSION AND POSSIBLE ACTION REGARDING AN EMPLOYMENT AGREEMENT WITH RICHARD A. WHITE FOR THE POSITION OF RETIREMENT ADMINISTRATOR (Estimated Time 15 min.)

BREAK (Approximate Time 9:40 A.M.) (Estimated Time 10 min.)

♦RETIREMENT ASSOCIATON CONFERENCE ROOM: 625-B KINGS COURT, UKIAH, CA 95482♦
♦PHONE 707-463-4328 FAX 707-467-6472♦ WWW.CO.MENDOCINO.CA.US/RETIREMENT♦

6) DISCUSSION AND POSSIBLE ACTION REGARDING AMENDED AGREEMENT WITH JIM ANDERSEN FOR INTERIM ADMINISTRATIVE AND TRANSITIONAL ASSISTANCE SERVICES (Estimated Time 15 min.)

7) PRESENTATION AND DIRECTION REGARDING THE 2012/2013 DRAFT BUDGET (Estimated Time 1 hour)
   a) Reorganization to create a fiscal position
   b) Schedule of Administrative and Investment expenses
   c) Cash Management Plan

8) DISCUSSION AND POSSIBLE ACTION REGARDING THE JUNE 30, 2011 AND 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (Estimated Time 30 min.)

9) PRESENTATION OF RETIREMENT ADMINISTRATOR'S REPORT (Estimated Time 5 min.)
   a) Withdrawal of contributions by terminating employees
   b) Billings for fees and services
   c) Presentation of Administrator's report

10) INVESTMENTS/FINANCIALS (Estimated Time 5 min.)
   a) Presentation of financial statements
   b) Action may be taken to terminate or hire investment managers at any meeting

11) CLOSED SESSION (11:45 A.M.) (Estimated Time 15 min.)
   a) Pending disability applications:
      1) Hudson, Gary (09/07/10) Sheriff SCD

12) REPORT OUT FROM CLOSED SESSION (Estimated Time 5 min.)

13) DISCUSSION AND POSSIBLE ACTION REGARDING APPROVAL OF REIMBURSEMENT OF TRAVEL EXPENSE FOR ATTORNEY CONTINUING EDUCATION AND TRAINING (Estimated Time 10 min.)

14) REPORT FROM BOARD MEMBERS ATTENDING THE SACRS SPRING CONFERENCE MAY 8 -11, 2012 (Estimated Time 10 min.)

ADJORNMENT (Approximate Time 12:25 P.M.)

(Pursuant to Government Code Section 54954, this agenda was posted 72 hours prior to the meeting.)

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
EMPLOYMENT AGREEMENT

This Agreement entered into _____, 2012, by and between the MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, hereinafter referred to as "MCERA", and RICHARD A. WHITE, hereinafter referred to as "EMPLOYEE".

The parties to this Agreement jointly agree to the following terms and conditions of employment of EMPLOYEE in the position of Mendocino County Retirement Association Administrator.

1. DUTIES AND RESPONSIBILITES:

EMPLOYEE is retained to serve as the Administrator of the Mendocino County Retirement System to carry out the duties and responsibilities and administer the Retirement System as set forth in Government Code Sections 31450 et seq. and as otherwise directed by the Mendocino County Retirement Association Board of Retirement. In accordance with Government Code Section 31522.2, EMPLOYEE will serve at the will and pleasure of The Mendocino County Board of Retirement. The Administrator position is to be included in the salary ordinance/resolution adopted by the Mendocino County Board of Supervisors.

2. TERM OF AGREEMENT:

The term of this Agreement shall commence on June 3, 2012 and shall continue in full force and effect until terminated in accordance with paragraphs 1 and 8 of this Agreement.

3. COMPENSATION:

In consideration of the covenants, conditions, agreements and stipulations agreed to by EMPLOYEE as set forth herein, EMPLOYEE is entitled to the following compensation:

A. Salary:
EMPLOYEE shall receive an annual salary of One Hundred Twenty Thousand, Five Hundred Fourteen dollars ($120,514), payable on a bi-weekly basis. EMPLOYEE shall receive all agreed upon pay adjustments and benefits paid to members of the "Department Head and Unrepresented" bargaining unit included in attachment "A" (DEPARTMENT HEAD Benefits).

B. Vacation, Sick Leave, Holidays:

a) Vacation: Upon appointment, EMPLOYEE shall be credited with sixty (60) hours of paid vacation upon the completion of thirteen (13) bi-weekly pay periods of service. Thereafter, vacation shall accrue at the rate of 4.616 hours per pay period of service until the employee has completed three (3) years of service; thereafter, vacation shall accrue at the rate of 6.157 hours every pay period until the employee has completed eight (8) years of service; thereafter, vacation shall accrue at the rate of 7.694 hours per pay period. (Maximum accrual in bank is 440 hours.) Upon separation from employment, EMPLOYEE shall be paid for all accrued vacation time in accordance with County policy.

b) Sick Leave: Upon appointment, EMPLOYEE shall accrue sick leave at the rate of 4.612 hours per bi-weekly pay period. (120 hours per year.)

c) Holiday: EMPLOYEE is entitled to eleven (11) paid holidays per year.

C. Health, Disability and Life Insurance Benefits:

EMPLOYEE shall be eligible to receive basic life and accidental death and dismemberment consistent with that which is provided to all other department heads in attachment "A" (DEPARTMENT HEAD Benefits). EMPLOYEE shall be eligible to receive health, vision dental and comprehensive medical benefits consistent with those offered to all County employees.

4. EMPLOYEE PERFORMANCE EVALUATION:

MCERA shall review and evaluate EMPLOYEE on a semi-annual basis for the first two (2) years of employment, unless the Board of Retirement determines a more frequent performance review is necessary; thereafter, performance review and evaluation shall occur annually. Performance objectives will be established and reviewed at each evaluation to ensure progress toward organizational goals and employee development. The current Retirement Administrator job description is included as attachment B to this contract.

5. WAIVERS OR MODIFICATION:

No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless said waiver, alteration or modification is in writing and signed by a duly authorized representative of MCERA and EMPLOYEE.

6. INTEREST OF CONTRACT EMPLOYEE:

EMPLOYEE hereby declares that he has no interest, direct or indirect, which would conflict in any manner or degree with the performance of service required to be performed pursuant to the Agreement, and that he shall not in the future acquire any such interest. EMPLOYEE shall comply with the laws of the State of California regarding conflicts of interest, including but not limited to Government Code Section 1090, and provisions of the Political Reform Act found in Government Code Sections 87100 et seq., including regulation promulgated by the California Fair Political Practices Commission.

7. TERMINATION:

Either party may terminate this Agreement by written notice. The EMPLOYEE is required to provide ninety days written notice to the Board of Retirement. In the event the Board of Retirement terminates this contract, MCERA is required to provide 90 days notice or the equivalent in salary.

8. SEVERABILITY:

If any provision of this Agreement is held to be unenforceable, the remainder of the Agreement shall be severable and not affected thereby.

9. GOVERNING LAW:

The laws of the State of California shall govern this Agreement.

10. TIME:

Time is of the essence.

11. NOTICES:

All notices that are required to be given by one party to the other under the Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with a United States Post Office for delivery by registered or certified mail addressed to the parties at their current addresses, unless such addresses are changed by notice in writing, to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION:

By:_____
Bob Mirata, Chairman
Of the Board of Retirement

ATTEST:

By _____
Judy Zeller, Clerk to the Board

APPROVED AS TO FORM:

By:_____
Jeff Berk, MCERA Legal Counsel

EMPLOYEE:

By:_____
Richard A. White

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

ATTACHMENT A

DEPARTMENT HEAD Benefits

DEPARTMENT HEAD
Benefits

DEFERRED COMPENSATION MATCH

a. The County shall match a Department Head Employee contribution to deferred comp up to a maximum of 4% of the employee's base salary.

b. This match shall be made on a biweekly basis and shall be consistent with the current laws and regulation governing deferred comp contributions.

Please contact the Auditor's Office regarding this benefit.

(Language taken from the 2001-2004 Amendment to the Department Head MOU)

EDUCATION TRAINING AND HEALTH FLEX BENEFIT PROGRAM

Effective July 1, 2007, $1,500 will be annually placed into a Training, Education and Flexible Benefit Fund. Monies not used within the fiscal year allocated will roll over to next fiscal year, for a maximum of $3,000. Professional association dues are considered an allowable expense. See terms and conditions set forth in Addendum A from the MOU.

Management Training Form and instructions can be found at http://webapps.mendocino.gov/lampacl/login.pl

(1999/2000 Amendment to the Department Head MOU; rev 5/2007.)

AUTO ALLOWANCE

Eligible executive employees and officials who elect to receive an automobile allowance shall receive $250.00 per pay month as a benefit added to their paycheck. See Appendix A for list of eligible classifications.

LONGEVITY PAY

A longevity pay increase shall be paid to Department Heads. An increase shall require a written request by the Department Head and verification of service by the County Human Resources Director.

A Department Head shall be eligible for longevity pay when they have served five (5) years at E-Step or a flat rate salary and upon each five (5) year anniversary thereafter. The increase shall be 2 ½% for each five (5) year period.

(Language from the 1994/1995 Amendment to the Department Head MOU)

MANAGEMENT PERSONAL LEAVE HOURS

Management employees are granted 48 hours per calendar year. This leave must be used by pay period 26 of each year or be lost. This leave is not paid out or carried forward.

(Language from the 1989-1992 Amendment to the Department Head MOU)

VACATION ACCRUAL

The maximum amount of vacation that can be accrued is 440 hours.

PAY IN LIEU OF VACATION

The amount of vacation hours that can be paid out will be 60 hours per fiscal year. A Special Request Form must be completed and sent to the HR Department for approval. The Departmental payroll clerk manually inputs the payroll code that denotes Vacation Pay In Lieu Management.

The Special Request Form can be found on the County Intranet – HR index.

(Language from the 1989-1992 Amendment to the Department Head MOU)

EXTENDED DISABILITY

Employees working in a classification that is assigned to the Management Unit who are absent from work due to illness or injury and who have exhausted all of their sick leave and vacation benefits shall be eligible to receive 100% salary for the first two (2) months after the paid leave has been exhausted; if still unable to work, the employee shall then receive 75% of full salary for a two (2) month period; and then if still disabled, shall receive 50% of salary for another two (2) month period. The employee shall be required to present to the County Personnel director a certificate from a County-designated physician indicating an opinion that the employee can reasonable be expected to recover sufficiently to return to work. The physician's certificate may be obtained through a medical examination at County expense or through consultation between a County-designated physician and the employee's personal physician.

(Language from the 1986/1987 Amendment to the Department Head MOU)

CATASTROPHIC LEAVE POLICY

See new County Catastrophic Leave Policy #39.

BEREAVEMENT LEAVE

Employees who suffer a death in their immediate family or of their domestic partner may be allowed to be absent with pay for three (3) workdays. Bereavement leave may be used non-consecutively within 30 days. Should additional days of leave be necessary the employee may use accrued leave. Should the employee utilize sick leave hours, the maximum available shall be sixteen (16) hours per occurrence. (94/95 MOU)

(Language from the 1994/1995 Amendment to the Department Head MOU)

LIFE INSURANCE

Employees are eligible for $50,000 Basic Life Insurance and $5,000 AD&D.

RETIREMENT

Covered under Social Security and the 1937 Act, both employee and the County pay into the retirement fund. General member retirement shall receive 2%@57 (retirement formula).

In October 2003, the Chief Probation Officer classification shall receive 2%@50 (safety retirement formula).

USE OF 8 HOURS SICK LEAVE FOR WELLNESS PROGRAMS

A. Effective pay period 21 of Fiscal Year 2000-2001 [beginning October 1, 2000], the parties agree that up to 8 hours of sick leave per calendar year may be used by an employee for the purpose of attending an approved County Wellness Program.

B. To use sick leave the employee must have a balance of 40 hours of sick leave accrued at the time the leave is used to attend the Wellness program.

(Language from the 2000/2001 Amendment to the Department Head MOU)

Department Head Bargaining Unit Representative:

Linda Thompson 463-5433

ATTACHMENT B

Retirement Administrator Job Description

MENDOCINO COUNTY GOVERNMENT
CLASS SPECIFICATION

CLASS TITLE:	**RETIREMENT ADMINISTRATOR**	**CLASS CODE: 0166**
DEPARTMENT:	**RETIREMENT**	**FLSA STATUS: E**
REPORTS TO:	**RETIREMENT BOARD**	**DATE: 5/08**
CIVIL SERVICE:	**NO**	**BARGAINING UNIT: Department Head**

JOB SUMMARY:
Under direction of the Retirement Board, administers, plans and directs the activities of the Mendocino County Employees' Retirement Association (MCERA) in accordance with the County Employees' Retirement Act of 1937; assists in the overall planning and development of fund management, financial services and operations of the Retirement Office; performs other responsible fiscal, budgetary and administrative work as required.

DISTINGUISHING CHARACTERISTICS:
The Retirement Administrator is a single at-will executive management position. Direction is received from the Board of Retirement. This position is responsible for the operations and activities of the retirement fund and staff of the MCERA including oversight of all Retirement office activities. The incumbent acts, as designated, for the Retirement Board, assists in formulating and implementing accounting, auditing and financial policy, prepares the Annual Financial Report and advises the Retirement Board on revenue and expenditure matters. Incumbent serves as a working Administrator providing assistance and support in all aspects of the retirement system.

SUPERVISION EXERCISED:
This division management level position is responsible for the operations of Mendocino County Retirement including overseeing all retirement staff.

EXAMPLES OF DUTIES: *Duties may include but are not limited to the following:*

- Plans and directs the executive management of the activities and functions of the Retirement Board including reviewing and analyzing the cash flow and project funds available for investment; providing research data, technical advice and statistical reports regarding securities recommended for investment; analyzing new legislation and actuarial studies to determine financial and administrative impact on the Retirement System and the County.
- Participates in the selection and monitoring of professional consultants for the management of Retirement Trust Fund investments, measurement of investment fund manager performance, actuarial services, investment securities custodial services, and other professional services; prepares and negotiates contracts.
- Develops, coordinates and implements financial and accounting policies and procedures; directs preparation of the County Annual Financial Report and Audits; provides financial and fiscal policy records; advises the Retirement Board on revenue, expenditure and budget matters; computes fund balances, revenues, debt services and other budgetary calculations.
- Carries out supervisory responsibility in accordance with policies, procedures and applicable laws including: interviewing, hiring and training, planning, assigning and directing work; appraising performance; making recommendations for and/or rewarding and disciplining employees; addressing complaints and resolving problems.
- Oversees maintenance of records and accounts for all active and retired members of the system (including Disability Retirement); directs the preparation and issue of the retirement payroll; prepare the retirement financial statements and other complex financial and statistical reports.
- Administers the Disability Retirement Provisions of the plan and makes recommendations to the Board of Retirement on the disposition of disability applications.
- Interprets and applies complex statutory and regulatory provisions relating to the Retirement Association including the 1937 Act Retirement System Laws.
- Represent Retirement Board at meetings with County, State, and Federal officials.
- Serves as liaison to County departments and other agencies; advises County Management and employees on various aspects of retirement benefits and the operation of the Retirement Association.
- Maintain confidential information in accordance with legal standards and /or County policy and regulations.
- Performs other related duties as assigned.

MATERIAL AND EQUIPMENT USED:
Personal Computer and/or Terminal General Office Equipment

MINIMUM QUALIFICATIONS REQUIRED:
Education and Experience:
Possession of a Baccalaureate degree from an accredited college or university with a major in Business, Public

Administration, Accounting or Finance, or closely related field; and five (5) years of progressively responsible administrative and fund management experience in a public retirement system, which has included interpreting and applying retirement law (preferably the County Employees Retirement Act of 1937) and the analysis and placement of investments. (Additional qualifying experience may be substituted for up to two years of the required education on a year-for-year basis.)

Licenses and Certifications: None

KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of:

- County Employees Law of 1937, principles and operations of retirement systems and related laws.
- Accounting and Public Administration principles and practices.
- Actuarial principles and accounting standards as related to pension systems.
- Governmental accounting practices related to retirement systems.
- Administrative principles and practices including goal setting and implementation.
- Principles and practices of effective supervision and training.
- Modern principles, practices and legislative trends relative to County government and government officials.
- Laws, policies, and procedures applicable to assigned work.
- Record keeping, report preparation, filing methods and records management techniques.
- Computer applications, hardware, and other general office equipment related to the performance of the job.

Skill in:

- Time management and project prioritization.
- Planning, organizing, assigning, directing, reviewing, and evaluating the work of staff.
- Selecting and motivating staff and providing for the their training and professional development.
- Researching, compiling analyzing, and summarizing a variety of complex financial and statistical data.
- Preparing clear and concise financial and statistical reports, correspondence and other written materials.
- Communicating clearly and effectively, both orally and in writing.

Mental and Physical Ability to:

- Understand, interpret, and apply provisions of Federal and State Laws and regulations.
- Analyze data, interpret policies, procedures and regulations, and develop appropriate conclusions.
- Prepare and negotiate contracts as required by the Retirement Board.
- Analyze, develop, and modify financial policy, practices, procedures and record keeping.
- Set up, maintain and verify complex, financial accounting systems.
- Analyze administrative problems and situations; resolve conflicts and respond to complaints.
- Establish and maintain effective working relationships with all work-required contacts including the general public.
- Must be able to travel and represent MCERA and attend mandatory training as required by the Retirement Board.
- While performing the essential functions of this job, the incumbent is regularly required to sit, use hands to finger, handle, or feel objects, to reach with hands and arms, and speak and hear.
- Lift, carry, push/pull or move objects weighing up to 20 pounds.

Working Conditions:

- Work is performed in a normal office environment with little exposure to outdoor temperatures or dirt and dust.
- The incumbent's working conditions are typically moderately quiet.

This class specification should not be interpreted as all-inclusive. It is intended to identify the essential functions and requirements of this job. Incumbents may be requested to perform job-related responsibilities and tasks other than those stated in this specification. Any essential function or requirement of this class will be evaluated as necessary should an incumbent/applicant be unable to perform the function or requirement due to a disability as defined by the Americans with Disabilities Act (ADA). Reasonable accommodation for the specific disability will be made for the incumbent/applicant when possible.

their current addresses, unless such addresses are changed by notice in writing, to the other party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION:

By:_____
Bob Mirata, Chairman
Of the Board of Retirement

ATTEST:

By _____
Judy Zeller, Clerk to the Board

APPROVED AS TO FORM:

By:_____
Jeff Berk, MCERA Legal Counsel

EMPLOYEE:

By: Richard A. White
Richard A. White

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

Judy Zeller - RE: confirmation of approval of White contract

From: Jeff Berk <Jeff.Berk@sonoma-county.org>
To: 'Judy Zeller' <zellerj@co.mendocino.ca.us>
Date: 5/7/2012 9:19 AM
Subject: RE: confirmation of approval of White contract

Hi Judy:

Looks good.

Jeff

From: Judy Zeller [mailto:zellerj@co.mendocino.ca.us]
Sent: Monday, May 07, 2012 8:58 AM
To: Jeff Berk
Subject: confirmation of approval of White contract

Hi Jeff,

Please reply to this email of your approval of Mr. White's contract (attached). We will have you sign the original once approved by the Board.

Thank you,

Judy Zeller
Retirement Specialist II
Mendocino County Employees' Retirement Association
zellerj@co.mendocino.ca.us
707-463-4328

MENDOCINO COUNTY BOARD OF SUPERVISORS
ONLINE AGENDA SUMMARY

BOARD AGENDA #____

-Arrangements for public hearings and timed presentations must be made with the Clerk of the Board in advance of public/media noticing
-Agenda Summaries must be submitted no later than *noon* Monday, 15 days prior to the meeting date (along with electronic submittals)
-Send 1 complete original single-sided set and 1 photocopy set – Items must be signed-off by appropriate departments and/or Co. Co.
Note: If individual supporting document(s) exceed 25 pages each, or are not easily duplicated, please provide 7 hard-copy sets)
-Transmittal of electronic Agenda Summaries, records, and supporting documentation must be emailed to: bosagenda@co.mendocino.ca.us
-Electronic Transmission Checklist: ☐ Agenda Summary ☐ Records ☐ Supp. Doc. ☐ If applicable, list other online information below
-Executed records will be returned to the department within one week. *Arrangements for expedited processing must be made in advance*

TO: Board of Supervisors **DATE:** 05/09/2012

FROM: Retirement (MCERA) **MEETING DATE:** 05/22/2012

DEPARTMENT RESOURCE/CONTACT: Jim Andersen **PHONE:** 4328 Present ☐ On Call ☒
____ **PHONE:** ____

Consent Agenda ☒ Regular Agenda ☐ Noticed Public Hearing ☐ Time Allocated for Item: ____

■ **AGENDA TITLE: Approve Employment Agreement with Richard White for the position or Retirement Administrator, Mendocino County Employees' Retirement Association and add the position to the Board of Supervisors' salary resolution if necessary.**

■ **PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:** In October of 2008, the Board of Supervisors approved a similar agreement for James Andersen, the Retirement Administrator appointed by the Mendocino County Employees' Retirement Association Board of Retirement.

■ **SUMMARY OF REQUEST:** Pursuant to Government Code Section 31522.2, the Board of Retirement may appoint an Administrator who shall not be subject to civil service or merit system rules, but must be a County employee. The administrator shall be directed by, and serve at the pleasure of, and may be dismissed at the will of the Board of Retirement. The position of Administrator shall be included in the salary ordinance or salary resolution adopted by the Board of Supervisors. On April 18, 2012, the Board of Retirement appointed Richard White to the position of Retirement Administrator. The salary and benefits offered to Mr. White in his employment agreement are the same as those offered to the current administrator, after the 10% salary reduction, with a lesser accrual of vacation time. The Board of Retirement will discuss and act upon Mr. White's contract at its May 16, 2012 meeting, and will then forward the fully executed contract to the Board of Supervisors for inclusion in its salary resolution.

■ **SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:** www.co.mendocino.ca.us/retirement
■ **ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE):** ☐

FISCAL IMPACT:

Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
MCERA earnings	$15,000	$179,800	Yes ☒ No ☐

■ **SUPERVISORIAL DISTRICT:** 1☐ 2☐ 3☐ 4☐ 5☐ All☐ ■ **VOTE REQUIREMENT:** Majority☒ 4/5ths☐

■ **RECOMMENDED ACTION/MOTION:** Approve Employment Agreement with Richard White for the position of Retirement Administrator, and add it to the Board of Supervisors' Salary Resolution if necessary.

■ **ALTERNATIVES:**

■ **CEO REVIEW (NAME):** ____ **PHONE:** 463-4441

RECOMMENDATION: Agree ☐ Disagree ☐ No Opinion ☐ Alternate ☐ Staff Report Attached ☐

BOARD ACTION (DATE: _____**):** ❑ Approved ❑ Referred to_____ ❑ Other _____

RECORDS EXECUTED: ❑ Agreement: _____ ❑ Resolution: _____ ❑ Ordinance: _____ ❑ Other _____

Revised-01/09

FIRST AMENDMENT TO
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STANDARD SERVICES AGREEMENT
WITH JAMES M. ANDERSEN

This Agreement amendment, dated as of _____, 2012, is by and between the MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, hereinafter referred to as the "MCERA", and JAMES M. ANDERSEN, hereinafter referred to as the "CONTRACTOR".

WITNESSETH

WHEREAS, MCERA may retain independent contractors to perform special services to or for MCERA; and

WHEREAS, MCERA desires to continue to obtain interim retirement administration and transitional support services ("Services"); and

WHEREAS, CONTRACTOR is professionally qualified to provide such Services and is currently engaged by an agreement (March 21, 2012) with MCERA to provide same Services;

NOW, THEREFORE, MCERA and CONTRACTOR agree to the following amendments to the existing agreement (March 21, 2012) to provide the Services, with all other General Terms and Conditions specified in the Agreement, and Additional Provisions attached and incorporated thereto, and all exhibits which are incorporated the current Agreement remaining intact and enforceable:

The compensation payable to CONTRACTOR hereunder shall not exceed Fifteen Thousand Dollars ($15,000) for the term of this Agreement.

Term 20, TERMINATION, shall allow for payment to CONTRACTOR that does not exceed $15,000 for services provided under the agreement and the first amendment to the agreement upon the suspension, termination or abandonment of the agreement by either party.

James M. Andersen
Retirement Administrator

Telephone: (707) 463-4328
(707) 467-6473
Fax: (707) 467-6472

MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: May 9, 2012
To: Board of Retirement
From: Jim Andersen, Interim Retirement Administrator
Subject: Presentation and Direction of Proposed Budget for Fiscal Year 2012/13

Introduction

The Board must adopt an annual budget per Government Code Section 31580.2, and set administrative costs of the Association subject to the limits set forth in that section.

Staff has received requests from the County Executive Office (CEO) for updated narratives and financial schedules for inclusion in the County Proposed Budget. The financial data was due on April 18th and the narrative changes are due on May 1st. The draft Proposed Budget was input into the County's financial system and a narrative was submitted, but changes can be made based upon any action of this Board.

Attached are:

1) A request to Human Resources and the CEO to consider a minor reorganization to add a 1.0 FTE Administrative Services Manager II, or the equivalent, in lieu of MCERA's current MOU with the Assessor/Clerk Recorder: the recommended Proposed Budget.
2) A schedule of proposed expenditure limits for 2012/13; and
3) A cash management plan.

The Board members will recall that the expenses for MCERA are all paid from investment income, consistent with the limits set forth in the Government Code; however, the spending plan has historically been split between budget unit 1920 in the County's general fund, and trust fund 2410-760466. The splitting out of expenses has occurred in part due to the history of the retirement system, which was a legal and accounting element of the County's general fund, as well as constraints of the County's finance system to pay salaries and benefits from the trust account. Ideally, all expenses would now be included in the trust account. For 2012/13, staff has tentatively submitted a budget to the CEO which includes only salaries and benefits in budget unit 1920, as well as a transfer of General Liability Insurance to the County's ISF fund. All other administrative and investment expenses included in the budget adopted by the Board of Retirement in June will be paid from the retirement system trust. In order to maintain full disclosure, the approved budget will be available through MCERA and will be included in the narrative section of the County's proposed and final budgets.

Discussion

Staff is respectful of and sensitive to the Board members' need to carefully review the 2012/13 budget prior to its approval. For this reason, we have placed the budget on the Board's May agenda for presentation and direction, and will bring back the budget for action at your June meeting including any direction received in May.

Although the Proposed Budget schedule includes notes on line item changes, the following is a discussion of material changes in proposed appropriations from the current fiscal year.

1. Salaries and benefits include adding a 1.0 FTE Administrative Services Manager II or a new position with an equivalent salary that reflects the unique fiscal responsibilities required by MCERA as a retirement system. Please see the attached request to consider a minor reorganization for details. The new position would be in lieu of the current MOU with the Assessor/Clerk/Recorder for fiscal services. I have spoken with the Assessor, and with Randy Goodman, and both are willing to extend the MOU through September to provide continuity of monthly financial statements, the closing of MCERA's books, and providing data requested from MCERA's fiscal auditor and actuary. The increased cost of salaries and benefits of adding the 1.0 FTE position (compared to the current MOU with the Assessor) is roughly $52,000.

2. Salaries and benefits also include $15,000 for an extra-help position, consistent with the Linea Solutions contract, to help prepare files for imaging.

3. After one full year of contracting with the Sonoma County Counsel's Office for general counsel to MCERA, staff is recommending a budgeted expenditure of $35,000. Staff has included an additional $25,000 for services from Hanson Bridgett. Outstanding projects from Hanson Bridgett that will not be financed from the settlement proceeds with Buck Consultants include a review of excess earnings and amendment of the Voluntary Correction Plan (VCP) to the IRS based upon said review.

4. Imputed rent has been included in the budget as staff believes it is the proper application of accounting principals and should be considered when determining MCERA's position relative to the administrative expenditure cap.

5. Professional advisor costs for processing disability applications have been maintained for 2012/13. Staff believes that one objective of the Board for 2012/13 should be a thorough review of the disability application and review process, the role of the professional advisors, and whether or not to conduct a procurement process for professional advisors. Until the Board considers whether or not to make this objective a priority for 2012/13, and a project plan has been developed, staff recommends maintaining the projected expenses at the current year's level.

6. The 2012/13 budget anticipates that all costs associated with conversion of hard copy files to an electronic format will occur in the 2012/13 fiscal year. The Board originally directed that the automation project be split over two fiscal years; however, the Correction of Contribution Rates Project delayed the start date of the automation project, and pushed the activities and costs into the 2012/13 fiscal year.

7. Fees for financial auditing and actuarial services include an additional $10,000 and $20,000, respectively. The costs for GALLINA include a recommendation regarding any accounting entries to address historical accounting for excess earnings and assistance with the CAFR. The costs for Segal include a review of our funding policy, including an ad hoc change to the smoothing formula and alternatives to a single, 30 year UAAL amortization schedule with negative amortization. The Board may also wish to have Segal review its earnings crediting policy, however, Segal believes the funding policy is most critical and should occur before preparation of the next valuation study.

Recommended Motion/Action

1. Provide direction to staff for its preparation of a final budget for the Board's action in June.
2. Direct staff whether to proceed or not with development and submission of a minor reorganization and the addition of a 1.0 FTE fiscal position at a salary range consistent with an Administrative Services Manager II.

I will be happy to respond to any questions or comments you may have.

JA

MENDOCINO COUNTY
REQUEST TO ADD POSITION/S, REORGANIZE OR RESTRUCTURE

This request must be submitted to Executive Office and approved prior to submitting Staffing Request to Human Resources requesting additional positions, reorganizations or restructuring.

REQUESTING DEPARTMENT Retirement (MCERA) **Date:** 05/16/2012
Contact Person: Jim Andersen or Richard White **Phone:** 4328

☑ **Add New Position/s** Administrative Services Manager II **Delete** _____
☑ **Create New Classification**
☐ **Study existing position classified as:** _____
☑ **Other - Explain:** Determine if ASMII or new classification is most appropriate given duties

■ **PROGRAM WITHIN THE DEPARTMENT AFFECTED BY THIS REQUEST:** Finance and Investments
☐ State Mandated position

■ **BRIEF SUMMARY/JUSTIFICATION** - *Please explain why this request is necessary, including services affected. Attach extra sheets as needed. (A proposed organizational chart which clearly indicates the reporting relationships MUST be attached):*

For the past year, MCERA has secured 0.5 FTE fiscal services through an MOU with the Assessor. During this test period, MCERA has determined that a full-time position is necessary. The position would prepare monthly financial statements, monitor investments, recommend cash and investment management strategies, close MCERA's books and prepare annual financial statements, coordinate with the independent finanicial auditor and actuary for needed information, prepare the annual State Controller's Office report, and prepare a CAFR and PAFR. These are similar duties to the Auditor and Treasurer, but across a much smaller organization. The assets under management, however, are $355 million, and are critical to financing the pension obligations of the County.

■ **ALTERNATIVES**-*Describe how services will be impacted if the request is not approved as submitted or denied:*

The duties of the 1.0 FTE fiscal manager would fall upon the Retirement Administrator, leaving that individual unable to maintain financial records as well as supervise the office staff, provide policy recommendations, prepare agendas and supporting materials, manage significant projects such as automation conversion, and conduct much needed public and agency communications and education. In addition, the deep accounting skill set to perform the fiscal manager duties is not ordinarily found, or even desired, in an administrator who must perform general management duties.

■ **FUNDING SOURCE/S**
☐ General fund: Budget Unit _____
☐ Grant source: _____ Grant Term: _____
☑ Other Sources: Identify source: GC Section 31580 et seq., earnings on investments
☐ Indirect costs (A-87) ☐ Temporary (or any restrictions) _____

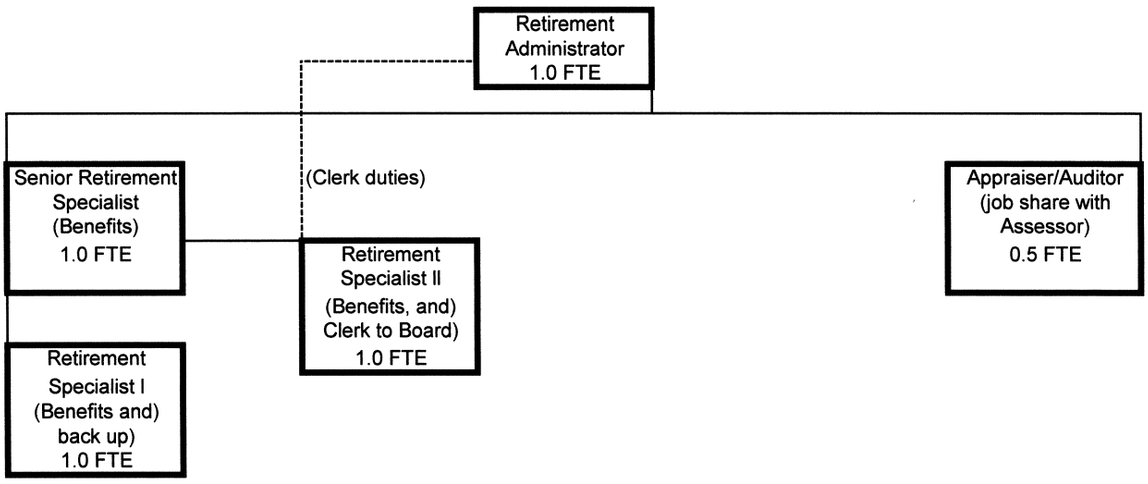
DEPARTMENT HEAD SIGNATURE: James M. Andersen **DATE:** 5/16/12

■ **COUNTY EXECUTIVE OFFICE**
☐ Approved as requested ☐ Approved as Revised ☐ Alternatives Recommended ☐ Denied
Comments:

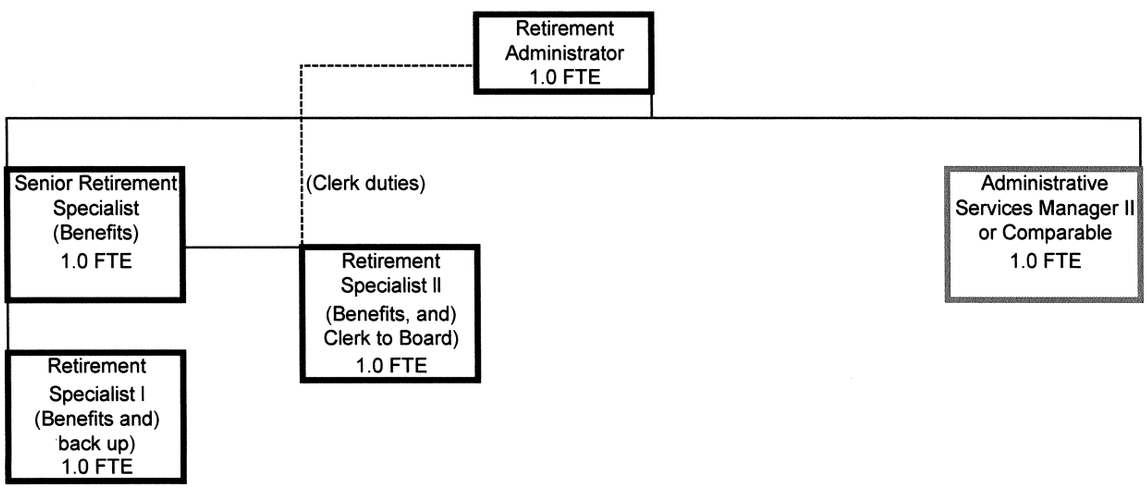
Signature: _____ **Date:** _____

Approved form must be submitted to HR along with Staffing Request, proposed Org Chart, Job Description Form and other pertinent information that will enable HR to review and make recommendation.

Current Organizational Chart
5/16/2012



Proposed Organizational Chart



PROPOSED BUDGET 2012/13
5/9/2012

ACCOUNT #	ACCOUNT	2011/12 BUDGET	2012/13 PROPOSED	INCR/ DECR	FOR CAP CALC
1920-1011	GROSS REG SALARIES (1)	283,877	319,616	35,740	319,616
1920-1012	EXTRA HELP (2)	2,000	15,000	13,000	15,000
1920-1021	RETIREMENT (3)	51,201	75,162	23,961	75,162
1920-1022	SOCIAL SECURITY	15,737	17,629	1,891	17,629
1920-1023	SOCIAL SECURITY B	3,957	4,390	433	4,390
1920-1024	RETIREMENT COLA (3)	22,838	27,957	5,119	27,957
1920-1030	HEALTH INSURANCE (4)	48,689	51,030	2,341	51,030
1920-1031	UNEMPLOYMENT INSURANCE	2,951	3,215	264	3,215
1920-1035	WORKERS COMP	1,498	1,711	213	1,711
TOTAL 1920		**432,748**	**515,710**	**82,962**	**515,710**
2410	COMMUNICATIONS	2,450	2,450	0	2,450
2410	GENERAL INSURANCE	1,328	1,328	0	1,328
2410	MEMBERSHIP	6,000	6,000	0	6,000
2410	OFFICE EXPENSE	11,550	13,000	1,450	13,000
2410	LEGAL EXPENSE (5)	50,000	60,000	10,000	60,000
2410	CONTRACTS	9,750	9,750	0	9,750
2410	RENTS AND LEASES (6)	0	51,200	51,200	51,200
2410	TRAVEL IN-COUNTY	300	300	0	300
2410	TRAVEL OUT OF COUNTY			0	0
2410	BOARD EDUCATION (7)	15,000	15,000	0	15,000
2410	STAFF MEETINGS/ED	5,000	5,000	0	5,000
SUBTOTAL		**101,378**	**164,028**	**62,650**	**164,028**
TOTAL		**534,126**	**679,738**	**145,612**	**679,738**
2410	DISABILITY DUE DILIGENCE (8)	50,000	50,000	0	50,000
2410	DISABILITY HEARINGS (8)	20,000	20,000	0	20,000
2410	MEDICAL REVIEWS (8)	15,000	15,000	0	15,000
2410	AUTOMATION (9)	210,118	300,090	89,972	300,090
2410	AUDIT (10)	20,000	30,000	10,000	30,000
	TOTAL ADMIN EXPENDITURES	**849,244**	**1,094,828**	**245,584**	**1,094,828**
	ADMINSTRATIVE CAP	**2,000,000**			**2,000,000**
	BALANCE UNDER CAP	**1,150,756**			**905,172**
	NOT SUBJECT TO ADMIN CAP				
2410	ALLIANCE BERNSTEIN FEES	35,000	39,000	4,000	
2410	INVESTMENT CONSULTANTS	140,000	140,000	0	
MUTUAL FUND	MONDRIAN FEES	0	105,000	105,000	
MUTUAL FUND	CORNERSTONE FEES	0	110,000	110,000	
2410	BUILDING EXPENSES	17,500	25,000	7,500	
2410	ACTUARY SERVICES (11)	90,000	70,000	-20,000	
2410	FIDUCIARY INSURANCE	35,000	35,000	0	
TOTAL NON CAP		**317,500**	**524,000**	**206,500**	
TOTAL EXP		**1,166,744**	**1,618,828**	**452,084**	

NOTES:

(1) INCLUDES 1.0 FTE FISCAL OFFICER
(2) EXTRA HELP FOR AUTOMATION PROJECT
(3) RETIREMENT RATE INCREASES.
(4) HEALTH INSURANCE ADDED DEPENDENTS.
(5) CONTINUANCE OF ATTORNEY SERVICES WITH SONOMA COUNTY ($35K), HANSON BRIDGETT (
(6) BUDGET IMPUTED RENT
(7) BASED UPON UTILIZATION, STILL BELIEVED TO BE SUFFICIENT FOR BOR TRAINING.
(8) SAME AS LAST YEAR PENDING REVIEW OF DISABILITY PROCESS
(9) LINEA CONTRACT/AUTOMATION COSTS, INCLUDES 2011/12 & 2012/13 COSTS
(10) FEES AGREED WITH GALLINA: AUDIT $20K/ADDITIONAL PROJECTS $10K
(11) FEES AGREED TO WITH THE SEGAL COMPANY: VALUATION $50K/ADDITIONAL PROJECTS $20K

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CASH FLOW ANALYSIS

	JULY 2012 (PROJECTED)	AUGUST 2012 (PROJECTED)	SEPTEMBER 2012 (PROJECTED)	OCTOBER 2012 (PROJECTED)	NOVEMBER 2012 (PROJECTED)	DECEMBER 2012 (PROJECTED)	JANUARY 2013 (PROJECTED)	FEBRUARY 2013 (PROJECTED)	MARCH 2013 (PROJECTED)	APRIL 2013 (PROJECTED)	MAY 2013 (PROJECTED)	JUNE 2013 (PROJECTED)	TOTAL
BEGINNING CASH BALANCE	**3,022,208.06**	**2,332,198.06**	**1,678,138.06**	**1,459,078.06**	**3,769,068.06**	**3,722,508.06**	**3,593,448.06**	**2,903,438.06**	**2,249,378.06**	**2,025,318.06**	**1,335,308.06**	**3,681,248.06**	**3,022,208.06**
ADDITIONS													
CONTRIBUTIONS													
EMPLOYER	910,000.00	910,000.00	910,000.00	910,000.00	1,365,000.00	910,000.00	910,000.00	910,000.00	910,000.00	910,000.00	910,000.00	1,365,000.00	11,830,000.00
PLAN MEMBERS	365,000.00	365,000.00	365,000.00	365,000.00	547,500.00	365,000.00	365,000.00	365,000.00	365,000.00	365,000.00	365,000.00	547,500.00	4,745,000.00
TOTAL CONTRIBUTIONS	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,912,500.00**	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,275,000.00**	**1,912,500.00**	**16,575,000.00**
INVESTMENT INCOME													
RENTAL INCOME, NET OF EXPENSES	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	4,200.00	50,400.00
INTEREST	3,800.00	-	-	3,800.00	-	-	3,800.00	-	-	3,800.00	-	-	15,200.00
DIVIDENDS (PIMCO/DODGE&COX)	120,000.00	120,000.00	550,000.00	120,000.00	120,000.00	690,000.00	120,000.00	120,000.00	550,000.00	120,000.00	120,000.00	550,000.00	3,300,000.00
CAPITAL GAIN	-	-	-	-	-	-	-	-	-	-	-	-	-
LESS INVESTMENT EXPENSE (1)	(98,500.00)	(5,000.00)	-	(98,500.00)	(35,000.00)	(50,000.00)	(98,500.00)	(5,000.00)	(5,000.00)	(98,500.00)	(5,000.00)	-	(499,000.00)
TOTAL INVESTMENT INCOME	**29,500.00**	**119,200.00**	**554,200.00**	**29,500.00**	**89,200.00**	**644,200.00**	**29,500.00**	**119,200.00**	**549,200.00**	**29,500.00**	**119,200.00**	**554,200.00**	**2,866,600.00**
TOTAL ADDITIONS	**1,304,500.00**	**1,394,200.00**	**1,829,200.00**	**1,304,500.00**	**2,001,700.00**	**1,919,200.00**	**1,304,500.00**	**1,394,200.00**	**1,824,200.00**	**1,304,500.00**	**1,394,200.00**	**2,466,700.00**	**19,441,600.00**
DEDUCTIONS													
BENEFIT PAYMENTS AND SUBSIDIES	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(1,900,000.00)	(22,800,000.00)
REFUNDS OF CONTRIBUTIONS	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(100,000.00)	(1,200,000.00)
ADMINISTRATIVE EXPENSES (2)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(48,260.00)	(563,970.00)	(1,094,830.00)
TOTAL DEDUCTIONS	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,048,260.00)**	**(2,563,970.00)**	**(25,094,830.00)**
OTHER INCREASES/DECREASES													
ACCOUNTS RECEIVABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCOUNTS PAYABLE	-	-	-	-	-	-	-	-	-	-	-	-	-
SALE OF INVESTMENTS (3)	53,750.00	-	-	3,053,750.00	-	-	53,750.00	-	-	53,750.00	3,000,000.00	-	6,215,000.00
TOTAL OTHER INCREASES/DECREASES	**53,750.00**	**-**	**-**	**3,053,750.00**	**-**	**-**	**53,750.00**	**-**	**-**	**53,750.00**	**3,000,000.00**	**-**	**6,215,000.00**
INCREASE (DECREASE) IN CASH	**(690,010.00)**	**(654,060.00)**	**(219,060.00)**	**2,309,990.00**	**(46,560.00)**	**(129,060.00)**	**(690,010.00)**	**(654,060.00)**	**(224,060.00)**	**(690,010.00)**	**2,345,940.00**	**(97,270.00)**	**561,770.00**
ENDING CASH BALANCE	**2,332,198.06**	**1,678,138.06**	**1,459,078.06**	**3,769,068.06**	**3,722,508.06**	**3,593,448.06**	**2,903,438.06**	**2,249,378.06**	**2,025,318.06**	**1,335,308.06**	**3,681,248.06**	**3,583,978.06**	**3,583,978.06**

(1) INVESTMENT EXPENSES FOR ALLIANCE BERNSTEIN, CALLAN, MONDRIAN, CORNERSTONE, SEGAL, & FIDUCIARY INSURANCE. TOTAL EXPENSES TIE TO BUDGET
(2) ADMINISTRATIVE EXPENSES TIE TO BUDGET.
(3) SALE OF MONDRIAN/CORNERSTONE SHARES TO PAY MANAGEMENT FEES AND SALE OF SHARES FOR CASHFLOW.

Loc	Dept	Emp	Name	Unit	Regular	Premium	Subtotal	Fica	Medicare	Retirement	Retirement Cola	Healthcare	Total
1920	RETIR	1668	ANDERSEN, JAMES	DEPAI	120,512.60	7,831.20	128,343.80	6,621.60	1,816.06	29,190.71	13,824.40	9,388.17	189,184.74
1920	RETIR	2791	O'FERRALL, CHRISTIE	CONFI	31,925.70	1,596.62	33,522.32	1,748.43	408.91	7,922.10	3,751.86	16,126.75	63,480.37
1920	RETIR	1190	RICHARDSON, KATY	CONFI	45,817.25	2,291.11	48,108.36	2,790.64	652.65	11,369.91	5,384.87	9,388.17	77,694.60
1920	RETIR	2388	ZELLER, JUDITH	CONFI	42,515.20	2,126.80	44,642.00	2,437.85	570.14	10,549.68	4,996.21	16,126.75	79,322.63
1920 Total					240,770.75	13,845.73	254,616.48	13,598.52	3,447.76	59,032.40	27,957.34	51,029.84	409,682.34
			FISCAL POSITION (1.0 FTE)		65,000.00	-	65,000.00	4,030.00	942.50	16,129.22	7,638.70	-	93,740.42
					305,770.75	**13,845.73**	**319,616.48**	**17,628.52**	**4,390.26**	**75,161.62**	**35,596.04**	**51,029.84**	**503,422.76**

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF PLAN NET ASSETS
MARCH 31, 2012
(FINAL)

ASSETS			
CASH AND EQUIVALENTS			
GENERAL CASH	$	1,844,107.89	
TOTAL CASH AND EQUIVALENTS			**1,844,107.89**
CURRENT ASSETS			
RECOUPMENTS		3,015.32	
TOTAL CURRENT ASSETS			**3,015.32**
PROPERTY AND EQUIPMENT			
EQUIPMENT		3,786.40	
TOTAL PROPERTY AND EQUIPMENT			**3,786.40**
INVESTMENTS, AT COST			
BONDS		87,511,500.33	
INTERNATIONAL EQUITIES		77,636,760.80	
SMALL CAP EQUITIES		21,383,960.85	
MID CAP EQUITIES		36,087,567.43	
LARGE CAP EQUITIES		59,652,857.20	
REAL ESTATE		31,021,938.29	
TOTAL INVESTMENTS, AT COST			**313,294,584.90**
TOTAL ASSETS			**$ 315,145,494.51**
LIABILITIES			
CURRENT LIABILITIES			
AMCRE DUES	$	779.78	
FEDERAL WITHHOLDING		358.77	
WAGE ATTACHMENTS		176.74	
PEDIT TRUST DENTAL		18,101.94	
AFLAC INSURANCE		3,000.55	
BUCK SETTLEMENT RESERVE		302,956.20	
TOTAL CURRENT LIABILITIES			**325,373.98**
TOTAL NET ASSETS			**$ 314,820,120.53**

UNAUDITED - FOR INTERNAL USE ONLY

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE NINE MONTHS ENDED MARCH 31, 2012
(FINAL)

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
EMPLOYER	$ 907,588.45	$ 8,510,881.53
PLAN MEMBERS	361,900.10	4,111,240.10
TOTAL CONTRIBUTIONS	**1,269,488.55**	**12,622,121.63**
INVESTMENT INCOME		
RENTAL INCOME, NET OF EXPENSES	10,228.23	35,024.58
INTEREST	(6,028.78)	(497,258.79)
DIVIDENDS	1,369,293.87	5,882,723.90
CAPITAL GAINS	(283.13)	7,206,590.66
LESS INVESTMENT EXPENSE	(100,834.87)	(138,755.15)
TOTAL INVESTMENT INCOME	**1,272,375.32**	**12,488,325.20**
TOTAL ADDITIONS	**2,541,863.87**	**25,110,446.83**
DEDUCTIONS		
BENEFIT PAYMENTS, SUBSIDIES, & REFUNDS	(1,975,247.83)	(17,591,365.68)
ADMINISTRATIVE EXPENSES	(12,425.85)	(96,142.79)
TOTAL DEDUCTIONS	**1,987,673.68**	**17,687,508.47**
INCREASE (DECREASE) IN NET ASSETS	**554,190.19**	**7,422,938.36**
NET ASSETS		
BEGINNING OF YEAR	**314,265,930.34**	**307,397,182.17**
END OF YEAR	**$ 314,820,120.53**	**$ 314,820,120.53**

UNAUDITED - FOR INTERNAL USE ONLY

COMPARISON OF COST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
MARCH 2012 FINAL

	A COST VALUE	B MARKET VALUE	C UNREALIZED GAIN	D GAIN BY CATEGORY	E PRIOR MONTH GAIN/LOSS	F MONTHLY CHANGE	G START OF FISCAL YEAR (MARKET)	H FISCAL YEAR CHANGE (MARKET)
FIXED INCOME								
PIMCO	41,936,987	45,765,541	3,828,554		3,952,356	(123,802)	47,208,923	(1,443,382)
DODGE & COX INCOME	45,574,513	46,091,284	516,771		992,640	(475,869)	50,473,381	(4,382,097)
				4,345,325				
SMALL CAP GROWTH								
ALLIANCE	1,967,850	4,500,762	2,532,912		2,392,925	139,987	4,149,842	350,920
RS EMERGING	2,500,101	3,874,385	1,374,284		1,286,837	87,447	3,883,292	(8,907)
MANAGERS	5,825,409	7,352,078	1,526,669		1,202,145	324,524	7,009,997	342,081
				5,433,865				
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	0	-	-		-	-	-	-
PRUDENTIAL TARGET	7,172,930	6,877,360	(295,570)		(403,825)	108,255	6,717,460	159,900
				(295,570)				
MID CAP GROWTH								
MORGAN STANLEY	4,518,742	5,908,279	1,389,537		1,207,955	181,582	6,016,150	(107,871)
JANUS ENTERPRISE	5,232,908	6,068,902	835,994		712,102	123,892	5,752,795	316,107
				2,225,531				
MID CAP VALUE								
FIDILITY LP STCK	3,917,670	5,768,899	1,851,229		1,725,141	126,088	5,497,767	271,132
ROYCE TOTAL RTN	3,950,378	5,432,630	1,482,252		1,414,894	67,358	5,343,466	89,164
				3,333,481				
LARGE CAP GROWTH								
AMERICAN FUND	8,491,910	11,248,755	2,756,845		2,490,481	266,364	10,762,588	486,167
HARBOR CAP APPRE	8,783,960	12,450,466	3,666,506		3,128,138	538,368	11,269,773	1,180,693
JANUS RESEARCH	8,617,378	11,582,376	2,964,998		2,711,029	253,969	10,986,434	595,942
				9,388,349				
LARGE CAP VALUE								
SELECTED AMERICAN	8,861,931	10,906,141	2,044,210		1,815,601	228,609	10,484,731	421,410
DODGE & COX	13,893,630	16,239,834	2,346,204		2,010,442	335,762	15,957,294	282,540
INVEST CO AMERICA	9,282,865	11,252,407	1,969,542		1,786,106	183,436	10,682,563	569,844
ROBECO	14,500,000	15,521,783	1,021,783		(186,038)	1,207,821	14,491,030	1,030,753
VAN GUARD GR&INC	9,606,724	11,806,718	2,199,994		1,797,190	402,804	10,831,151	975,567
				9,581,733				
INTERNATIONAL STOCK								
EUROPACIFIC	14,519,688	17,012,298	2,492,610		2,496,919	(4,309)	16,443,168	569,130
HARBOR INTL	15,372,603	16,142,035	769,432		823,229	(53,797)	17,012,890	(870,855)
ACORN INTL	5,840,163	8,592,911	2,752,748		2,646,099	106,649	8,952,037	(359,126)
ARTISAN	-	-	-		-	-	-	-
JANUS INTL	15,257,471	14,563,091	(694,380)		18,364	(712,744)	14,726,811	(163,720)
MONDRIAN	15,417,360	15,277,167	(140,193)		(132,143)	(8,050)	14,874,406	402,761
OAKMARK	11,229,477	12,967,008	1,737,531		1,650,324	87,207	13,492,130	(525,122)
				6,917,748				
REAL ESTATE								
RREEF - COMMINGLED FUND	4,151,482	3,587,879	(563,603)		(740,767)	177,164	13,567,707	(9,979,828)
RREEF - AMERICA REIT II	15,996,845	17,520,386	1,523,541		1,332,388	191,153	16,238,535	1,281,851
CORNERSTONE	9,972,499	10,217,049	244,550		-	244,550	-	10,217,049
				1,204,488				
TOTAL MANAGED INVEST.	**312,393,474**	**354,528,424**	**42,134,950**	**42,134,950**	**38,130,532**	**4,004,418**	**352,826,321**	**1,702,103**
OTHER REAL ESTATE								
625 B KINGS COURT	901,112	738,992	(162,120)		(162,120)	-	738,992	-
				(162,120)				
INVESTED FUNDS AVAILABLE	**313,294,586**	**355,267,416**	**41,972,830**	**41,972,830**	**37,968,412**	**4,004,418**	**353,565,313**	**1,702,103**

	BEGINNING MONTH CASH	ENDING MONTH CASH	INCREASE/ DECREASE	GAIN BY CATEGORY	PRIOR MONTH INC/DEC	MONTHLY CHANGE	START OF FISCAL YEAR BALANCE	FISCAL YEAR CHANGE
CASH	1,945,619	1,844,108	(101,511)		-	(101,511)	1,189,486	654,622
				(101,511)				
TOTAL FUNDS AVAILABLE	**315,240,205**	**357,111,524**	**41,871,319**	**41,871,319**	**37,968,412**	**3,902,907**	**354,754,799**	**2,356,725**

COMPARISON OF COST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
MARCH 2012 FINAL

	A	B	C	D	E	F	G	H
	COST VALUE	MARKET VALUE	UNREALIZED GAIN	GAIN BY CATEGORY	PRIOR MONTH GAIN/LOSS	MONTHLY CHANGE	START OF FISCAL YEAR (MARKET)	FISCAL YEAR CHANGE (MARKET)
FIXED INCOME								
PIMCO	41,936,987	45,765,541	3,828,554		3,952,356	(123,802)	47,208,923	(1,443,382)
DODGE & COX INCOME	45,574,513	46,091,284	516,771		992,640	(475,869)	50,473,381	(4,382,097)
				4,345,325				
SMALL CAP GROWTH								
ALLIANCE	1,967,850	4,500,762	2,532,912		2,392,925	139,987	4,149,842	350,920
RS EMERGING	2,500,101	3,874,385	1,374,284		1,286,837	87,447	3,883,292	(8,907)
MANAGERS	5,825,409	7,352,078	1,526,669		1,202,145	324,524	7,009,997	342,081
				5,433,865				
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	0	-	-		-	-	-	-
PRUDENTIAL TARGET	7,172,930	6,877,360	(295,570)		(403,825)	108,255	6,717,460	159,900
				(295,570)				
MID CAP GROWTH								
MORGAN STANLEY	4,518,742	5,908,279	1,389,537		1,207,955	181,582	6,016,150	(107,871)
JANUS ENTERPRISE	5,232,908	6,068,902	835,994		712,102	123,892	5,752,795	316,107
				2,225,531				
MID CAP VALUE								
FIDILITY LP STCK	3,917,670	5,768,899	1,851,229		1,725,141	126,088	5,497,767	271,132
ROYCE TOTAL RTN	3,950,378	5,432,630	1,482,252		1,414,894	67,358	5,343,466	89,164
				3,333,481				
LARGE CAP GROWTH								
AMERICAN FUND	8,491,910	11,248,755	2,756,845		2,490,481	266,364	10,762,588	486,167
HARBOR CAP APPRE	8,783,960	12,450,466	3,666,506		3,128,138	538,368	11,269,773	1,180,693
JANUS RESEARCH	8,617,378	11,582,376	2,964,998		2,711,029	253,969	10,986,434	595,942
				9,388,349				
LARGE CAP VALUE								
SELECTED AMERICAN	8,861,931	10,906,141	2,044,210		1,815,601	228,609	10,484,731	421,410
DODGE & COX	13,893,630	16,239,834	2,346,204		2,010,442	335,762	15,957,294	282,540
INVEST CO AMERICA	9,282,865	11,252,407	1,969,542		1,786,106	183,436	10,682,563	569,844
ROBECO	14,500,000	15,521,783	1,021,783		(186,038)	1,207,821	14,491,030	1,030,753
VAN GUARD GR&INC	9,606,724	11,806,718	2,199,994		1,797,190	402,804	10,831,151	975,567
				9,581,733				
INTERNATIONAL STOCK								
EUROPACIFIC	14,519,688	17,012,298	2,492,610		2,496,919	(4,309)	16,443,168	569,130
HARBOR INTL	15,372,603	16,142,035	769,432		823,229	(53,797)	17,012,890	(870,855)
ACORN INTL	5,840,163	8,592,911	2,752,748		2,646,099	106,649	8,952,037	(359,126)
ARTISAN	-	-	-		-	-	-	-
JANUS INTL	15,257,471	14,563,091	(694,380)		18,364	(712,744)	14,726,811	(163,720)
MONDRIAN	15,417,360	15,277,167	(140,193)		(132,143)	(8,050)	14,874,406	402,761
OAKMARK	11,229,477	12,967,008	1,737,531		1,650,324	87,207	13,492,130	(525,122)
				6,917,748				
REAL ESTATE								
RREEF - COMMINGLED FUND	4,151,482	3,587,879	(563,603)		(740,767)	177,164	13,567,707	(9,979,828)
RREEF - AMERICA REIT II	15,996,845	17,520,386	1,523,541		1,332,388	191,153	16,238,535	1,281,851
CORNERSTONE	9,972,499	10,217,049	244,550		-	244,550	-	10,217,049
				1,204,488				
TOTAL MANAGED INVEST.	**312,393,474**	**354,528,424**	**42,134,950**	**42,134,950**	**38,130,532**	**4,004,418**	**352,826,321**	**1,702,103**
OTHER REAL ESTATE								
625 B KINGS COURT	901,112	738,992	(162,120)		(162,120)	-	738,992	-
				(162,120)				
INVESTED FUNDS AVAILABLE	**313,294,586**	**355,267,416**	**41,972,830**	**41,972,830**	**37,968,412**	**4,004,418**	**353,565,313**	**1,702,103**

	BEGINNING MONTH CASH	ENDING MONTH CASH	INCREASE/ DECREASE	GAIN BY CATEGORY	PRIOR MONTH INC/DEC	MONTHLY CHANGE	START OF FISCAL YEAR BALANCE	FISCAL YEAR CHANGE
CASH	1,945,619	1,844,108	(101,511)		-	(101,511)	1,189,486	654,622
				(101,511)				
TOTAL FUNDS AVAILABLE	**315,240,205**	**357,111,524**	**41,871,319**	**41,871,319**	**37,968,412**	**3,902,907**	**354,754,799**	**2,356,725**

COMPARISON OF COST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
MARCH 2012 FINAL

	A	B	C	D	E	F	G	H
	COST VALUE	MARKET VALUE	UNREALIZED GAIN	GAIN BY CATEGORY	PRIOR MONTH GAIN/LOSS	MONTHLY CHANGE	START OF FISCAL YEAR (MARKET)	FISCAL YEAR CHANGE (MARKET)
FIXED INCOME								
PIMCO	41,936,987	45,765,541	3,828,554		3,952,356	(123,802)	47,208,923	(1,443,382)
DODGE & COX INCOME	45,574,513	46,091,284	516,771		992,640	(475,869)	50,473,381	(4,382,097)
				4,345,325				
SMALL CAP GROWTH								
ALLIANCE	1,967,850	4,500,762	2,532,912		2,392,925	139,987	4,149,842	350,920
RS EMERGING	2,500,101	3,874,385	1,374,284		1,286,837	87,447	3,883,292	(8,907)
MANAGERS	5,825,409	7,352,078	1,526,669		1,202,145	324,524	7,009,997	342,081
				5,433,865				
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	0	-	-		-	-	-	-
PRUDENTIAL TARGET	7,172,930	6,877,360	(295,570)		(403,825)	108,255	6,717,460	159,900
				(295,570)				
MID CAP GROWTH								
MORGAN STANLEY	4,518,742	5,908,279	1,389,537		1,207,955	181,582	6,016,150	(107,871)
JANUS ENTERPRISE	5,232,908	6,068,902	835,994		712,102	123,892	5,752,795	316,107
				2,225,531				
MID CAP VALUE								
FIDILITY LP STCK	3,917,670	5,768,899	1,851,229		1,725,141	126,088	5,497,767	271,132
ROYCE TOTAL RTN	3,950,378	5,432,630	1,482,252		1,414,894	67,358	5,343,466	89,164
				3,333,481				
LARGE CAP GROWTH								
AMERICAN FUND	8,491,910	11,248,755	2,756,845		2,490,481	266,364	10,762,588	486,167
HARBOR CAP APPRE	8,783,960	12,450,466	3,666,506		3,128,138	538,368	11,269,773	1,180,693
JANUS RESEARCH	8,617,378	11,582,376	2,964,998		2,711,029	253,969	10,986,434	595,942
				9,388,349				
LARGE CAP VALUE								
SELECTED AMERICAN	8,861,931	10,906,141	2,044,210		1,815,601	228,609	10,484,731	421,410
DODGE & COX	13,893,630	16,239,834	2,346,204		2,010,442	335,762	15,957,294	282,540
INVEST CO AMERICA	9,282,865	11,252,407	1,969,542		1,786,106	183,436	10,682,563	569,844
ROBECO	14,500,000	15,521,783	1,021,783		(186,038)	1,207,821	14,491,030	1,030,753
VAN GUARD GR&INC	9,606,724	11,806,718	2,199,994		1,797,190	402,804	10,831,151	975,567
				9,581,733				
INTERNATIONAL STOCK								
EUROPACIFIC	14,519,688	17,012,298	2,492,610		2,496,919	(4,309)	16,443,168	569,130
HARBOR INTL	15,372,603	16,142,035	769,432		823,229	(53,797)	17,012,890	(870,855)
ACORN INTL	5,840,163	8,592,911	2,752,748		2,646,099	106,649	8,952,037	(359,126)
ARTISAN	-	-	-		-	-	-	-
JANUS INTL	15,257,471	14,563,091	(694,380)		18,364	(712,744)	14,726,811	(163,720)
MONDRIAN	15,417,360	15,277,167	(140,193)		(132,143)	(8,050)	14,874,406	402,761
OAKMARK	11,229,477	12,967,008	1,737,531		1,650,324	87,207	13,492,130	(525,122)
				6,917,748				
REAL ESTATE								
RREEF - COMMINGLED FUND	4,151,482	3,587,879	(563,603)		(740,767)	177,164	13,567,707	(9,979,828)
RREEF - AMERICA REIT II	15,996,845	17,520,386	1,523,541		1,332,388	191,153	16,238,535	1,281,851
CORNERSTONE	9,972,499	10,217,049	244,550		-	244,550	-	10,217,049
				1,204,488				
TOTAL MANAGED INVEST.	**312,393,474**	**354,528,424**	**42,134,950**	**42,134,950**	**38,130,532**	**4,004,418**	**352,826,321**	**1,702,103**
OTHER REAL ESTATE								
625 B KINGS COURT	901,112	738,992	(162,120)		(162,120)	-	738,992	-
				(162,120)				
INVESTED FUNDS AVAILABLE	**313,294,586**	**355,267,416**	**41,972,830**	**41,972,830**	**37,968,412**	**4,004,418**	**353,565,313**	**1,702,103**

	BEGINNING MONTH CASH	ENDING MONTH CASH	INCREASE/ DECREASE	GAIN BY CATEGORY	PRIOR MONTH INC/DEC	MONTHLY CHANGE	START OF FISCAL YEAR BALANCE	FISCAL YEAR CHANGE
CASH	1,945,619	1,844,108	(101,511)		-	(101,511)	1,189,486	654,622
				(101,511)				
TOTAL FUNDS AVAILABLE	**315,240,205**	**357,111,524**	**41,871,319**	**41,871,319**	**37,968,412**	**3,902,907**	**354,754,799**	**2,356,725**

COMPARISON OF CAST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
APRIL 2012 PRELIMINARY

	A	B	C	D	E	F	G	H
	MARKET VALUE INVESTMENTS	CASH RESERVED	TOTAL AVAILABLE	PERCENT OF PORT.	% BY CLASS	TARGET % (2010 STUDY)	TARGET AS DOLLARS	DIFFERENCE AS DOLLARS
FIXED INCOME								
PIMCO	46,302,017		46,302,017	13.14%		14.000%	49,328,133	3,026,116
DODGE & COX INCOME	46,431,191		46,431,191	13.18%		14.000%	49,328,133	2,896,942
					26.319%	**28.000%**		
SMALL CAP GROWTH								
ALLIANCE	4,510,345		4,510,345	1.28%		1.000%	3,523,438	(986,907)
RS EMERGING	3,842,807		3,842,807	1.09%		1.000%	3,523,438	(319,369)
MANAGERS	7,198,356		7,198,356	2.04%		1.900%	6,694,532	(503,824)
					4.414%	**3.900%**		
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	-		-	0.00%		0.000%	-	-
PRUDENTIAL	6,835,968		6,835,968	1.94%		1.900%	6,694,532	(141,436)
					1.940%	**1.900%**		
MID CAP GROWTH								
MORGAN STANLEY	5,741,956		5,741,956	1.63%		1.400%	4,932,813	(809,143)
JANUS ENTERPRISE	5,994,203		5,994,203	1.70%		1.400%	4,932,813	(1,061,390)
					3.331%	**2.800%**		
MID CAP VALUE								
FIDILITY LP STCK	5,710,814		5,710,814	1.62%		1.400%	4,932,813	(778,001)
ROYCE TOTAL RTN	5,381,193		5,381,193	1.53%		1.400%	4,932,813	(448,380)
					3.148%	**2.800%**		
LARGE CAP GROWTH								
GROWTH FUND OF AMERICA	11,231,680		11,231,680	3.19%		3.000%	10,570,314	(661,366)
HARBOR CAP APPRE	12,390,962		12,390,962	3.52%		3.000%	10,570,314	(1,820,648)
JANUS RESEARCH	11,446,449		11,446,449	3.25%		3.000%	10,570,314	(876,135)
					9.953%	**9.000%**		
LARGE CAP VALUE								
SELECTED AMERICAN	10,844,019		10,844,019	3.08%		3.000%	10,570,314	(273,705)
DODGE & COX	16,042,910		16,042,910	4.55%		4.400%	15,503,128	(539,782)
INVEST CO AMERICA	11,229,872		11,229,872	3.19%		3.000%	10,570,314	(659,558)
ROBECO	15,414,722		15,414,722	4.37%		4.400%	15,503,128	88,406
VAN GUARD GR&INC	11,736,770		11,736,770	3.33%		3.000%	10,570,314	(1,166,456)
					18.524%	**17.800%**		
INTERNATIONAL STOCK								
AMERICAN - EUROPACIFIC	16,943,353		16,943,353	4.81%		4.700%	16,560,159	(383,194)
HARBOR INTL	15,961,812		15,961,812	4.53%		4.700%	16,560,159	598,347
ACORN INTL	8,610,323		8,610,323	2.44%		2.500%	8,808,595	198,272
ARTISAN	-		-	0.00%		0.000%	-	-
JANUS INTL	13,661,567		13,661,567	3.88%		4.700%	16,560,159	2,898,592
MONDRIAN	14,858,817		14,858,817	4.22%		4.700%	16,560,159	1,701,342
OAKMARK	12,356,559		12,356,559	3.51%		3.800%	13,389,065	1,032,506
					23.384%	**25.100%**		
REAL ESTATE								
RREEF - COMMINGLED FUND	3,700,480		3,700,480	1.05%		1.700%	5,989,845	2,289,365
RREEF - AMERICA REIT II	17,747,615		17,747,615	5.04%		4.200%	14,798,440	(2,949,175)
CORNERSTONE	10,217,048		10,217,048	2.90%		2.800%	9,865,627	(351,421)
					8.987%	**8.700%**		
TOTAL MANAGED INVEST.	**352,343,808**	**-**	**352,343,808**	**100.000%**	**100.000%**	**100.000%**	**352,343,808**	**0**
OTHER REAL ESTATE								
625 B KINGS COURT	738,992		738,992	0.209%		0.000%	-	-
					0.000%	**0.000%**		
INVESTED FUNDS AVAILABLE	**353,082,800**	**-**	**353,082,800**	**100.209%**	**100.000%**	**100.000%**	**352,343,808**	**0**

	CASH BALANCE	CASH RESERVED	TOTAL CASH BALANCE	PERCENT OF PORT.	% BY CLASS	TARGET % (2010 STUDY)	TARGET AS DOLLARS	DIFFERENCE AS DOLLARS
CASH	1,007,447		1,007,447	0.285%		0.000%	-	-
					0.000%	**0.000%**		
TOTAL FUNDS AVAILABLE	**354,090,247**	**-**	**354,090,247**	**100.494%**	**100.000%**	**100.000%**	**352,343,808**	**0**

COMPARISON OF COST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
APRIL 2012 PRELIMINARY

	A	B	C	D	E	F	G	H
	COST VALUE	MARKET VALUE	UNREALIZED GAIN	GAIN BY CATEGORY	PRIOR MONTH GAIN/LOSS	MONTHLY CHANGE	START OF FISCAL YEAR (MARKET)	FISCAL YEAR CHANGE (MARKET)
FIXED INCOME								
PIMCO	41,936,987	46,302,017	4,365,030		3,952,356	412,674	47,208,923	(906,906)
DODGE & COX INCOME	45,574,513	46,431,191	856,678		992,640	(135,962)	50,473,381	(4,042,190)
				5,221,708				
SMALL CAP GROWTH								
ALLIANCE	1,967,850	4,510,345	2,542,495		2,392,925	149,570	4,149,842	360,503
RS EMERGING	2,500,101	3,842,807	1,342,706		1,286,837	55,869	3,883,292	(40,485)
MANAGERS	5,825,409	7,198,356	1,372,947		1,202,145	170,802	7,009,997	188,359
				5,258,148				
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	0	-	-		-	-	-	-
PRUDENTIAL TARGET	7,172,930	6,835,968	(336,962)		(403,825)	66,863	6,717,460	118,508
				(336,962)				
MID CAP GROWTH								
MORGAN STANLEY	4,518,742	5,741,956	1,223,214		1,207,955	15,259	6,016,150	(274,194)
JANUS ENTERPRISE	5,232,908	5,994,203	761,295		712,102	49,193	5,752,795	241,408
				1,984,509				
MID CAP VALUE								
FIDILITY LP STCK	3,917,670	5,710,814	1,793,144		1,725,141	68,003	5,497,767	213,047
ROYCE TOTAL RTN	3,950,378	5,381,193	1,430,815		1,414,894	15,921	5,343,466	37,727
				3,223,959				
LARGE CAP GROWTH								
AMERICAN FUND	8,491,910	11,231,680	2,739,770		2,490,481	249,289	10,762,588	469,092
HARBOR CAP APPRE	8,783,960	12,390,962	3,607,002		3,128,138	478,864	11,269,773	1,121,189
JANUS RESEARCH	8,617,378	11,446,449	2,829,071		2,711,029	118,042	10,986,434	460,015
				9,175,843				
LARGE CAP VALUE								
SELECTED AMERICAN	8,861,931	10,844,019	1,982,088		1,815,601	166,487	10,484,731	359,288
DODGE & COX	13,893,630	16,042,910	2,149,280		2,010,442	138,838	15,957,294	85,616
INVEST CO AMERICA	9,282,865	11,229,872	1,947,007		1,786,106	160,901	10,682,563	547,309
ROBECO	14,500,000	15,414,722	914,722		(186,038)	1,100,760	14,491,030	923,692
VAN GUARD GR&INC	9,606,724	11,736,770	2,130,046		1,797,190	332,856	10,831,151	905,619
				9,123,143				
INTERNATIONAL STOCK								
EUROPACIFIC	14,519,688	16,943,353	2,423,665		2,496,919	(73,254)	16,443,168	500,185
HARBOR INTL	15,372,603	15,961,812	589,209		823,229	(234,020)	17,012,890	(1,051,078)
ACORN INTL	5,840,163	8,610,323	2,770,160		2,646,099	124,061	8,952,037	(341,714)
ARTISAN	-	-	-		-	-	-	-
JANUS INTL	15,257,471	13,661,567	(1,595,904)		18,364	(1,614,268)	14,726,811	(1,065,244)
MONDRIAN	15,417,360	14,858,817	(558,543)		(132,143)	(426,400)	14,874,406	(15,589)
OAKMARK	11,229,477	12,356,559	1,127,082		1,650,324	(523,242)	13,492,130	(1,135,571)
				4,755,669				
REAL ESTATE								
RREEF - COMMINGLED FUND	4,151,482	3,700,480	(451,002)		(740,767)	289,765	13,567,707	(9,867,227)
RREEF - AMERICA REIT II	16,224,073	17,747,615	1,523,542		1,332,388	191,154	16,238,535	1,509,080
CORNERSTONE	9,972,499	10,217,048	244,549		-	244,549	-	10,217,048
				1,317,089				
TOTAL MANAGED INVEST.	**312,620,702**	**352,343,808**	**39,723,106**	**39,723,106**	**38,130,532**	**1,592,574**	**352,826,321**	**(482,513)**
OTHER REAL ESTATE								
625 B KINGS COURT	901,112	738,992	(162,120)		(162,120)	-	738,992	-
				(162,120)				
INVESTED FUNDS AVAILABLE	**313,521,814**	**353,082,800**	**39,560,986**	**39,560,986**	**37,968,412**	**1,592,574**	**353,565,313**	**(482,513)**

	BEGINNING MONTH CASH	ENDING MONTH CASH	INCREASE/ DECREASE	GAIN BY CATEGORY	PRIOR MONTH INC/DEC	MONTHLY CHANGE	START OF FISCAL YEAR BALANCE	FISCAL YEAR CHANGE
CASH	1,844,108	1,007,447	(836,661)		-	(836,661)	1,189,486	(182,039)
				(836,661)				
TOTAL FUNDS AVAILABLE	**315,365,922**	**354,090,247**	**38,724,325**	**38,724,325**	**37,968,412**	**755,913**	**354,754,799**	**(664,552)**

COMPARISON OF COST AND MARKET VALUES FOR MENDOCINO COUNTY RETIREMENT ASSOCIATION
APRIL 2012 PRELIMINARY

	A	B	C	D	E	F	G	H
	COST VALUE	MARKET VALUE	UNREALIZED GAIN	GAIN BY CATEGORY	PRIOR MONTH GAIN/LOSS	MONTHLY CHANGE	START OF FISCAL YEAR (MARKET)	FISCAL YEAR CHANGE (MARKET)
FIXED INCOME								
PIMCO	41,936,987	46,302,017	4,365,030		3,952,356	412,674	47,208,923	(906,906)
DODGE & COX INCOME	45,574,513	46,431,191	856,678		992,640	(135,962)	50,473,381	(4,042,190)
				5,221,708				
SMALL CAP GROWTH								
ALLIANCE	1,967,850	4,510,345	2,542,495		2,392,925	149,570	4,149,842	360,503
RS EMERGING	2,500,101	3,842,807	1,342,706		1,286,837	55,869	3,883,292	(40,485)
MANAGERS	5,825,409	7,198,356	1,372,947		1,202,145	170,802	7,009,997	188,359
				5,258,148				
SMALL CAP VALUE								
VANGUARD SMALL CAP INDEX	0	-	-		-	-	-	-
PRUDENTIAL TARGET	7,172,930	6,835,968	(336,962)		(403,825)	66,863	6,717,460	118,508
				(336,962)				
MID CAP GROWTH								
MORGAN STANLEY	4,518,742	5,741,956	1,223,214		1,207,955	15,259	6,016,150	(274,194)
JANUS ENTERPRISE	5,232,908	5,994,203	761,295		712,102	49,193	5,752,795	241,408
				1,984,509				
MID CAP VALUE								
FIDILITY LP STCK	3,917,670	5,710,814	1,793,144		1,725,141	68,003	5,497,767	213,047
ROYCE TOTAL RTN	3,950,378	5,381,193	1,430,815		1,414,894	15,921	5,343,466	37,727
				3,223,959				
LARGE CAP GROWTH								
AMERICAN FUND	8,491,910	11,231,680	2,739,770		2,490,481	249,289	10,762,588	469,092
HARBOR CAP APPRE	8,783,960	12,390,962	3,607,002		3,128,138	478,864	11,269,773	1,121,189
JANUS RESEARCH	8,617,378	11,446,449	2,829,071		2,711,029	118,042	10,986,434	460,015
				9,175,843				
LARGE CAP VALUE								
SELECTED AMERICAN	8,861,931	10,844,019	1,982,088		1,815,601	166,487	10,484,731	359,288
DODGE & COX	13,893,630	16,042,910	2,149,280		2,010,442	138,838	15,957,294	85,616
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ROBECO	14,500,000	15,414,722	914,722		(186,038)	1,100,760	14,491,030	923,692
VAN GUARD GR&INC	9,606,724	11,736,770	2,130,046		1,797,190	332,856	10,831,151	905,619
				9,123,143				
INTERNATIONAL STOCK								
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HARBOR INTL	15,372,603	15,961,812	589,209		823,229	(234,020)	17,012,890	(1,051,078)
ACORN INTL	5,840,163	8,610,323	2,770,160		2,646,099	124,061	8,952,037	(341,714)
ARTISAN	-	-	-		-	-	-	-
JANUS INTL	15,257,471	13,661,567	(1,595,904)		18,364	(1,614,268)	14,726,811	(1,065,244)
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				4,755,669				
REAL ESTATE								
RREEF - COMMINGLED FUND	4,151,482	3,700,480	(451,002)		(740,767)	289,765	13,567,707	(9,867,227)
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CORNERSTONE	9,972,499	10,217,048	244,549		-	244,549	-	10,217,048
				1,317,089				
TOTAL MANAGED INVEST.	**312,620,702**	**352,343,808**	**39,723,106**	**39,723,106**	**38,130,532**	**1,592,574**	**352,826,321**	**(482,513)**
OTHER REAL ESTATE								
625 B KINGS COURT	901,112	738,992	(162,120)		(162,120)	-	738,992	-
				(162,120)				
INVESTED FUNDS AVAILABLE	**313,521,814**	**353,082,800**	**39,560,986**	**39,560,986**	**37,968,412**	**1,592,574**	**353,565,313**	**(482,513)**

	BEGINNING MONTH CASH	ENDING MONTH CASH	INCREASE/ DECREASE	GAIN BY CATEGORY	PRIOR MONTH INC/DEC	MONTHLY CHANGE	START OF FISCAL YEAR BALANCE	FISCAL YEAR CHANGE
CASH	1,844,108	1,007,447	(836,661)		-	(836,661)	1,189,486	(182,039)
				(836,661)				
TOTAL FUNDS AVAILABLE	**315,365,922**	**354,090,247**	**38,724,325**	**38,724,325**	**37,968,412**	**755,913**	**354,754,799**	**(664,552)**

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF PLAN NET ASSETS
APRIL 30, 2012
(PRELIMINARY)

ASSETS			
CASH AND EQUIVALENTS			
GENERAL CASH	$	1,007,446.99	
TOTAL CASH AND EQUIVALENTS			**1,007,446.99**
CURRENT ASSETS			
RECOUPMENTS		2,894.71	
TOTAL CURRENT ASSETS			**2,894.71**
PROPERTY AND EQUIPMENT			
EQUIPMENT		3,786.40	
TOTAL PROPERTY AND EQUIPMENT			**3,786.40**
INVESTMENTS, AT COST			
BONDS		87,511,500.33	
INTERNATIONAL EQUITIES		77,636,760.80	
SMALL CAP EQUITIES		21,383,960.85	
MID CAP EQUITIES		36,087,567.43	
LARGE CAP EQUITIES		59,652,857.20	
REAL ESTATE		31,249,166.80	
TOTAL INVESTMENTS, AT COST			**313,521,813.41**
TOTAL ASSETS			**$ 314,535,941.51**
LIABILITIES			
CURRENT LIABILITIES			
AMCRE DUES	$	793.12	
WAGE ATTACHMENTS		176.74	
PEDIT TRUST DENTAL		18,114.89	
AFLAC INSURANCE		3,002.11	
BUCK SETTLEMENT RESERVE		295,432.20	
TOTAL CURRENT LIABILITIES			**317,519.06**
TOTAL NET ASSETS			**$ 314,218,422.45**

UNAUDITED - FOR INTERNAL USE ONLY

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE TEN MONTHS ENDED APRIL 30, 2012
(PRELIMINARY)

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
EMPLOYER	$ 883,884.33	$ 9,394,765.86
PLAN MEMBERS	349,364.56	4,460,604.66
TOTAL CONTRIBUTIONS	**1,233,248.89**	**13,855,370.52**
INVESTMENT INCOME		
RENTAL INCOME, NET OF EXPENSES	(8,681.35)	26,343.23
INTEREST	5,508.29	(491,750.50)
DIVIDENDS	359,261.02	6,241,984.92
CAPITAL GAINS	0.00	7,206,590.66
LESS INVESTMENT EXPENSE	(36,500.00)	(175,255.15)
TOTAL INVESTMENT INCOME	**319,587.96**	**12,807,913.16**
TOTAL ADDITIONS	**1,552,836.85**	**26,663,283.68**
DEDUCTIONS		
BENEFIT PAYMENTS, SUBSIDIES, & REFUNDS	(2,149,111.22)	(19,740,476.90)
ADMINISTRATIVE EXPENSES	(5,423.71)	(101,566.50)
TOTAL DEDUCTIONS	**2,154,534.93**	**19,842,043.40**
INCREASE (DECREASE) IN NET ASSETS	**(601,698.08)**	**6,821,240.28**
NET ASSETS		
BEGINNING OF YEAR	**314,820,120.53**	**307,397,182.17**
END OF YEAR	**$ 314,218,422.45**	**$ 314,218,422.45**

UNAUDITED - FOR INTERNAL USE ONLY

MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CASH FLOW ANALYSIS
FOR THE TEN MONTHS ENDED APRIL 30, 2012

	CURRENT MONTH	YEAR TO DATE
ADDITIONS		
CONTRIBUTIONS		
EMPLOYER	883,884.33	9,394,765.86
PLAN MEMBER	349,364.56	4,460,604.66
TOTAL CONTRIBUTIONS	**1,233,248.89**	**13,855,370.52**
INVESTMENT INCOME		
RENTAL INCOME, NET OF EXPENSES	(8,681.35)	26,343.23
INTEREST	5,508.29	(491,750.50)
DIVIDENDS	132,032.51	922,958.00
CAPITAL GAIN	0.00	71,349.29
LESS INVESTMENT EXPENSE	(36,500.00)	(175,255.15)
TOTAL INVESTMENT INCOME	**92,359.45**	**353,644.87**
TOTAL ADDITIONS	**1,325,608.34**	**14,209,015.39**
DEDUCTIONS		
BENEFIT PAYMENTS AND SUBSIDIES	(2,005,742.93)	(19,090,084.84)
REFUNDS OF CONTRIBUTIONS	(143,368.29)	(650,392.06)
ADMINISTRATIVE EXPENSES	(5,423.71)	(101,566.50)
TOTAL DEDUCTIONS	**(2,154,534.93)**	**(19,842,043.40)**
OTHER INCREASES/(DECREASES)		
ACCOUNTS RECEIVABLE	120.61	58,792.60
ACCOUNTS PAYABLE	(330.92)	(19,586.89)
BUCK SETTLEMENT	(7,524.00)	295,432.20
SALE/PURCHASE OF INVESTMENTS	0.00	5,116,351.27
TOTAL OTHER INCREASES/(DECREASES)	**(7,734.31)**	**5,450,989.18**
INCREASE (DECREASE) IN CASH	**$ (836,660.90)**	**$ (182,038.83)**
SUMMARY		
CASH AT END OF PERIOD	$ 1,007,446.99	$ 1,007,446.99
CASH AT BEGINNING OF PERIOD	1,844,107.89	1,189,485.82
INCREASE (DECREASE) IN CASH	**$ (836,660.90)**	**$ (182,038.83)**

UNAUDITED - FOR INTERNAL USE ONLY

James M. Andersen
Retirement Administrator

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(707) 467-6473
Fax: (707) 467-6472

MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: May 7, 2012
To: Board of Retirement
From: Jim Andersen, Interim Retirement Administrator
Subject: Discussion and Possible Action to Pay Half (1/2) the Costs for Jeff Berk, MCERA Counsel, to Attend the 2012 National Association of Public Pension Attorneys' Conference

Background

MCERA entered into an agreement with the Sonoma County Counsel for general counsel services. Jeff Berk is the staff attorney currently assigned to provide said services. The agreement with Sonoma County provides an hourly rate for services rendered, but is silent on the ongoing costs of professional education and training on pension issues. Currently, Sonoma County Employees' Retirement Association (SCERA) pays for all education and training for County Counsel's Office staff assigned to SCERA, including attendance at SACRS, CALAPRS roundtable events, etc. Given that both SCERA and MCERA benefit from the education and training provided to staff counsel, SCERA is asking that MCERA pay half (1/2) the costs of Jeff Berk to attend the National Association of Public Pension Attorneys (NAPPA). The conference brochure and agenda is attached.

Discussion

MCERA's contract with SCERA should be reviewed to determine the Board's interest in paying for education and training which is not included as an indirect cost in the billing rates. As for the NAPPA conference in June, the agenda does include issues of interest to MCERA including administrative adjudications and due process, IRS issues, procuring professional services, sponsor bankruptcy, changing actuarial assumptions, new GASB standards, and current legislation. The conference is essentially a week-long training (including travel days) with room rates of $229 per night, and is in Philadelphia, which increases traditional travel costs.

Recommended Motion/Action

MCERA agrees to pay half (1/2) the cost of Jeff Berk's attendance at the 2012 NAPPA conference, and directs staff to begin discussions with Sonoma County Counsel regarding any future training costs and, if appropriate, any changes required to our current contract for general counsel services.

Alternative

MCERA does not agree to pay for any costs of Jeff Berk attending the 2012 NAPPA conference, and directs staff to begin discussions with Sonoma County Counsel regarding any future training costs and, if appropriate, any changes required to our current contract for general counsel services.

JA
Attachment

NATIONAL ASSOCIATION OF
PUBLIC PENSION ATTORNEYS

25TH ANNIVERSARY

1987 - 2012

2012 LEGAL EDUCATION CONFERENCE

June 26-29, 2012
Hyatt Regency Philadelphia at Penn's Landing
Philadelphia, Pennsylvania
(888) 421-1442

CONFERENCE OVERVIEW

New Member and Associate Counsel Session

NAPPA embraces attorneys new to the practice of public pension law and those with many years experience. The New Member and Associate Counsel session is designed to provide new and 'not so new' counsel with useful and practical information. The general session will begin with a two hour basic 'overview' of four subject areas, and the focus of each presenter is: *'based on my experience, and thinking back when I was a recently minted public pension attorney: what are the five important things you (New and Associate Counsel) need to be aware of today?'* After a short break, there will be two separate 'you pick' breakouts with focus similar to the general session: one intended for counsel with less than 3 years public pension law experience, and the other for counsel with greater than 3 years experience.

Dodd-Frank Rulemaking and Current Events Facing the SEC

Our keynote speaker will address the status of Dodd-Frank rulemaking and current issues facing the Securities and Exchange Commission. Following the keynote address, a panel and discussion will focus on investor concerns regarding Federal legislation.

Ethics Issues – Role of In-House Counsel In Administrative Adjudications; and Use of Social Media

In advising state or local agencies, attorneys are subject to conflict of interest rules in the administrative adjudication process. When in-house counsel performs dual roles of providing advocacy and counseling representation, potential conflicts of interest could arise. The first part of this panel will discuss the different types of procedures that are designed to eliminate these potential conflicts and to uphold the due process rights of pension plan members. In the second half of the program, we will address the ethical issues that have arisen from the exploding use of social media from tweeting and friending to blogs and social media policies for public pension plans.

Tax Topics: "Something Old; Something New"

This workshop will have two segments. The first segment will provide NAPPA members with a primer on IRS Private Letter Rulings and IRS Determination Letters. The second segment will be a roundtable discussion by NAPPA members who are governmental attorneys, reviewing their comment letters that have been filed on the ANPRM regarding governmental plan status.

Secondary Transactions 101 and Beyond

The secondary market for alternative investment partnerships has expanded in recent years, and public pension plans (like other limited partners) are increasingly taking advantage of this market to refine their alternative investment portfolio. This panel will discuss the issues of importance to both buyers and sellers of limited partnership interests in the secondary market as well as the duties and concerns of the general partners in consenting to such transactions. The speakers will provide practical advice in preparing for, negotiating and closing these transactions.

Requests for Proposals: Government Procurements in the Twenty-First Century

This workshop will review the general rules for state and public agency procurements with an emphasis on new methods for improving efficiency and bargaining power.

Health Care Affinity Group

This workshop is for NAPPA members who work directly with health plans for public employees and retirees. The presenters will summarize legal developments over the past 12 months, address hot topics (including prepaid cards), and respond to questions from participants.

Public Safety Affinity Group

This is the second annual meeting of this affinity group for NAPPA members who regularly work with public safety plans. This year's topics will include the following: 1) DROP and related configurations; 2) Disability hot topics; and 3) Social Security/Medicare.

Small and Medium Fund Affinity Group

This affinity group meeting is for NAPPA members (in-house and outside counsel) who regularly represent small and medium sized funds, including single-employer funds. This is the second annual meeting of the affinity group. This year's topics will include the following: 1) Managing an alternative asset investment program; 2) What's going on in Wisconsin? -- The view from Milwaukee; and 3) The admissibility and use of electronic documents in hearings.

DC Plan Affinity Group

This workshop is for NAPPA members who directly work with governmental defined contribution plans – 401(a), 401(k), 457(b), and 493(b) plans. For the inaugural meeting of the affinity group we will be addressing three topics: 1) "Soup to Nuts" – The Colorado PERA experience in re-inventing a state 401(k) plan; 2) Uncle Sam's DC Plan – The Thrift Savings Plan; and 3) What is Happening in Washington Affecting Governmental DC Plans?

Municipal Bankruptcy & Employer Withdrawal

Nationally, many municipalities are in fiscal distress. Ongoing funding of pension (and retiree health care) promises are often the largest obligation. Among available state law remedies for managing fiscal distress is municipal (but not state) bankruptcy under Chapter 9 of the US Bankruptcy Code. There are proposals to amend the Code to allow a State the option of bankruptcy. There will be a panel discussion of state law approaches to managing municipal fiscal distress (including Chapter 9), and the arguments for, and against, options for State bankruptcy. Other actions for limiting plan liabilities – employer withdrawal from a system, closing a plan, privatization – will also be discussed, and various methods and means to satisfy funding obligation in such cases. A panel of commentators will address these issues.

CONFERENCE OVERVIEW

Evaluation Processes for Non-Traditional Investments

In an increasingly complex global economy, public pension plans are confronted with an ever-changing array of investment opportunities. Asset classes are blurred, and opportunities exist for the potential of superior returns in a variety of increasingly complex investments that present challenges for boards, investment staff and legal counsel. This panel will discuss issues to be considered in the evaluation of these investments, and processes that can be employed to assist public plans and their boards in fulfilling their fiduciary duties.

Foreign Exchange Trading/Extraterritorial

This Panel will have a two-part focus.
Part 1: We will discuss the foreign exchange transaction issues that have arisen with various custodial banks. We will get into the details of foreign exchange transactions and cases that have been brought against custodial banks.
Part 2: The landscape of U.S. securities laws has drastically changed with the recent Supreme Court case, *Morrison v. National Australia Bank*, 130 S. Ct. 2869 (2010). Due to *Morrison*, investors no longer have the protection of the U.S. securities laws if the securities were purchased on a foreign exchange. This Panel will focus on the many issues that arise as a result of *Morrison*. We will discuss how as institutional investors we can continue to satisfy our fiduciary duty by recovering damages for securities fraud committed by corporations, the securities of which were purchased on a foreign exchange. We will focus on how to track these foreign cases, how to monitor such cases and how to evaluate these cases. We will also discuss some of the issues associated with seeking recovery in certain foreign jurisdictions.

Don't Do the Crime if You Can't Lose the Time: Constitutional Issues and Best Practices for Benefits Forfeiture Cases

Join this panel for an exploration of the constitutional issues involved with benefit forfeitures, including impairment of contract, a discussion of specific forfeiture cases and forfeiture statutes, due process concerns, and best practices for effective administration.

Member Information/Confidentiality

As part of the attack on pubic employees and public pension plans in recent years, many media outlets and others have used specific individual benefit information to inflame the public about the perceived problems with public pension plans. Many states have statutes that require the pension system to keep member and benefit recipient information confidential. This Panel will focus on the various issues around the country related to the confidentiality of member and benefit recipient information. We will look at the different statutes around the country and how courts have interpreted these statutes.

NEW BEST FRIENDS (FRENEMIES?): What Constitutes Undue Influence, Where Can it Come From and What Can You Do About It?

Senior management at many retirement systems face inside and/or outside pressure from a variety of courses – including legislators, investment managers, current and former trustees, and many others. Often, but not always, these pressures involve investment transactions. The problem is how to determine when it crosses the line and what to do about it. This session will address the legal and practical framework in which to address undue influence.

The Impact of Changing Actuarial Assumptions

This Panel will focus on the various issues related to changing actuarial assumptions. Each actuarial assumption change has either a positive or negative impact on the timing and projected costs of funding the benefits promised by the system and we will look at the various assumptions and their impacts. This Panel will also look at when we should be evaluating whether changes to the assumptions are needed. How often should we be conducting an experience study to address our actuarial assumptions? When should the impacts of proposed changes be recognized? This Panel will also address the interplay between changing actuarial assumptions and the constitutional issues associated with benefit changes that result from the actuarial assumption change. Specifically we will look at recent cases that have raised the issue of the constitutionality of changing actuarial assumptions and the timing of the implementation of those changes.

New GASB Standards and NABL Bond Disclosure Guidance

The Governmental Accounting Standards Board (GASB) has been deliberating proposed changes to accounting standards for public plans. GASB is scheduled to issue final accounting standards in June 2012. The panel will discuss the implications of the new standards for public plans. Additionally, the National Association of Bond Lawyers ("NABL") is preparing guidance for NABL members in the preparation of disclosure in connection with municipal bond offerings. A NAPPA Working Group has provided technical comments on the draft guidance and will provide a status report.

Federal/State Legislative Update

This panel will provide the membership with an update on pending federal and state legislative actions affecting the public pension community.

Litigation Update

This program will analyze court decisions from around the country that concern public pension plans. Cases often include issues related to service credit, salary and benefit computation, disability, death benefits, employment after retirement, forfeiture, and other matters.

Agenda

NAPPA Legal Education Conference
June 26 – 29, 2012
Hyatt Regency Philadelphia at Penn's Landing
Philadelphia, Pennsylvania

Tuesday, June 26, 2012

12:00 noon - 5:00 p.m. **Early Conference Check-In**

1:00 p.m.- 5:00 p.m. **New Member and Associate Counsel Session**
Moderator: Mujeeb Shah-Khan – Lead Chair, Mentor Committee; and Senior Assistant City Attorney, Charlotte Firefighters' Retirement System
Speakers: Kevin Lindahl – Co-Chair, Mentor Committee; and General Counsel, Colorado Fire & Police Pension Association
Jake McMahon – Co-Chair, Mentor Committee; and Chief Counsel, Missouri State Employees' Retirement System
Rachel Cohen – Deputy Counsel, Office of the Attorney General, Maryland State Retirement and Pension System
Paul Madden – Lead Chair, Tax Section; and Partner, Whiteford, Taylor & Preston, Baltimore, MD
Jussi Snellman – Partner, Reinhart Institutional Investor Services, Reinhart Boerner Van Deuren, s.c., Madison, WI
Michael Moquin – Special Counsel, Municipal Employees' Retirement System of Michigan
Ashley Dunning – Partner, Manatt, Phelps & Phillips, LLP, San Francisco, CA

Wednesday, June 27, 2012

7:30 a.m. - 8:30 a.m. **Conference Check-In and Continental Breakfast Hosted by NAPPA**

8:30 a.m. - 8:45 a.m. **Welcome and Introduction to the Conference**
Gregory W. Smith – NAPPA President; and Chief Operating Officer/General Counsel, Colorado Public Employees' Retirement Association
Announcements
Eric Wampler – NAPPA Vice President; and Deputy Executive Secretary, Kentucky Teachers' Retirement System

8:45 a.m. - 10:15 a.m. **Dodd-Frank Rulemaking and Current Issues Facing the SEC**
Moderator: Gregory W. Smith – NAPPA President & Chief Operating Officer/ General Counsel, Colorado Public Employees' Retirement Association
Speakers: Ann Yerger – Executive Director, Council of Institutional Investors, Washington, DC
TBA

10:15 a.m. 10:30 a.m. **Break**

10:30 a.m. – 12:00 noon **Ethics Issues: Role of In-House Counsel in Administrative Adjudications; and Use of Social Media**
Moderators: Dulcie D. Brand – Lead Chair, Investment Committee, and Partner, Pillsbury Winthrop Shaw Pittman LLP, Los Angeles, CA
Peter H. Mixon – General Counsel, California Public Employees' Retirement System
Speakers: Ashley Dunning – Partner, Manatt, Phelps & Phillips, LLP, San Francisco, CA
Rebecca Merrill – Special Advisor to the Executive Director and Manager of Special Projects, Teacher Retirement System of Texas

12:00 noon – 1:30 p.m. **Luncheon Hosted by NAPPA**
Speaker: Richard H. Koppes – NAPPA Administrative Officer; and Program Fellow, The Rock Center for Corporate Governance at Stanford Law School

1:30 p.m. – 3:00 p.m. *Concurrent Workshops* (choose one)
(1) Tax Topics: "Something Old; Something New"
Moderator: Paul Madden – Lead Chair, Tax Section; and Partner, Whiteford, Taylor & Preston, Baltimore, MD
Speaker: John A. Nixon – Partner, Duane Morris LLP, Philadelphia, PA
(2) Secondary Transactions 101 and Beyond
Moderator: Dulcie D. Brand – Lead Chair, Investment Committee; and Partner, Pillsbury Winthrop Shaw Pittman LLP, Los Angeles, CA
Speakers: Anthony J. Donofrio – Vice President and Chief Operating Officer, Co-Investments, Hamilton Lane Advisors, L.L.C., Bala Cynwyd, PA
Philip Tsai – Managing Director, UBS Investment Bank, Private Funds Group, New York, NY
Elisa Erlenbach Maas – Director, Richards, Layton & Finger, P.A., Wilmington, DE

3:00 p.m. – 3:30 p.m. **Break**

3:30 p.m.- 5:00 p.m. *Concurrent Workshops* (choose one)

(1) Requests for Proposals: Government Procurements in the Twenty-First Century

Moderators: Dulcie D. Brand – Lead Chair, Investment Committee; and Partner, Pillsbury Winthrop Shaw Pittman LLP, Los Angeles, CA
Peter H. Mixon – General Counsel, California Public Employees' Retirement System

Speakers: Gina M. Ratto – Deputy General Counsel, California Public Employees' Retirement System
Cynthia M. Fain – Senior Assistant General Counsel, Teachers' Retirement System of the State of Illinois

(2a) Health Care Affinity Group

Moderator: Angela Nixon – Legal Counsel, Georgia Municipal Employees' Benefit System

Speakers: Mark Nielsen – Principal, Groom Law Group, Chartered, Washington, DC
Christopher Sears – Partner, Ice Miller LLP, Indianapolis, IN

(2b) Public Safety Affinity Group

Moderator: Jonathan W. Needle – Co-Chair, Tax Section; and Chief Legal Officer, Houston Firefighters' Relief & Retirement Fund

Speakers: Mary Beth Foley – General Counsel, Ohio Police & Fire Pension Fund
Luke Bailey – Partner, Strasburger & Price LLP, Dallas, TX
Carolyn Welch Clifford – Partner, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd., Naperville, IL
Anthony J. "Tony" Roda – Partner, Williams & Jensen, PLLC, Washington, DC

(2c) Small & Medium Fund Affinity Group

Moderator: Beth Conradson Cleary – Assistant City Attorney, City of Milwaukee Employees' Retirement System

Speakers: Charles H. "Chuck" Campbell – Partner, Jackson Walker, LLP, Austin, TX
Lydia Lee – Of Counsel, Lieff, Cabraser, Heimann & Bernstein, LLP, Edmond, OK

(2d) DC Plan Affinity Group

Moderator: Jennifer Kabat – Senior Staff Attorney, Colorado Public Employees' Retirement Association

Speakers: Thomas K. Emswiler – General Counsel, Federal Retirement Thrift Investment Board, Washington, DC
Jon Sheiner – Jonathan Sheiner LLC, Alexandria, VA

Thursday, June 28, 2012

7:30 a.m. – 8:30 a.m. **Continental Breakfast Hosted by NAPPA**

7:30 a.m. – 8:30 a.m. **General Counsel (Only) Breakfast**

Moderators: Gregory W. Smith – NAPPA President; and Chief Operating Officer/General Counsel, Colorado Public Employees' Retirement Association
Eric Wampler – NAPPA Vice President; and Deputy Executive Secretary, Kentucky Teachers' Retirement System
James Salvie – NAPPA Past President; and General Counsel, Massachusetts Teachers' Retirement System

8:30 a.m. – 10:00 a.m. *Concurrent Workshops* (choose one)

(1) Municipal Bankruptcy & Employer Withdrawal

Moderator: Michael Moquin – Special Counsel, Municipal Employees' Retirement System of Michigan

Speakers: Thomas Petroni – Chief General Counsel, Municipal Employees' Retirement System of Michigan
One or two more panelists to be determined

(2) Evaluation Processes for Non-Traditional Investments

Moderators: Dulcie D. Brand – Lead Chair, Investment Committee, and Partner, Pillsbury Winthrop Shaw Pittman LLP, Los Angeles, CA
Peter H. Mixon – General Counsel, California Public Employees' Retirement System

Speakers: Valerie Budzik – Deputy Comptroller for Legal Affairs/General Counsel, New York City Office of the Comptroller, New York, NY
Allan Emkin – Managing Director, Pension Consulting Alliance, Inc., Encino, CA

10:00 a.m. – 10:15 a.m. **Break**

10:15 a.m. – 11:45 a.m. *Concurrent Workshops* (choose one)

(1) Foreign Exchange Trading/Extraterritorial

Moderator: Adam Franklin – Senior Staff Attorney, Colorado Public Employees' Retirement Association

Speakers: Gina M. Ratto – Deputy General Counsel, California Public Employees' Retirement System
Michael D. Herrera – Senior Staff Counsel, Los Angeles County Employees' Retirement Association
Catherine LaMarr – Co-Chair, Remedies Outside the U.S. Working Group; and General Counsel, Office of the Connecticut State Treasurer

(2) Don't Do the Crime if You Can't Lose the Time: Constitutional Issues and Best Practices for Benefits Forfeiture Cases
Moderator: Deborah B. Bacharach – Principal Counsel, Maryland State Retirement and Pension System
Speakers: N. Joseph Marcucci – Deputy Chief Counsel, Pennsylvania State Employees' Retirement System
Carolyn Welch Clifford – Partner, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd., Naperville, IL
James H. Salvie – General Counsel, Massachusetts Teachers' Retirement System

12:00 noon – 1:30 p.m. **Lunch on Your Own**

1:30 p.m. – 3:00 p.m. *Concurrent Workshops* (choose one)
(1) Member Information/Confidentiality
Moderator: James H. Salvie – General Counsel, Massachusetts Teachers' Retirement System
Speakers: Catherine C. Meyer – Counsel, Pillsbury Winthrop Shaw Pittman, LLP, Los Angeles, CA
John Nixon – Partner, Duane Morris, LLP, Philadelphia, PA
(2) NEW BEST FRIENDS (FRENEMIES?): What Constitutes Undue Influence, Where Can it Come From and What Can You Do About It?
Moderator: Eric Wampler – NAPPA Vice President; and Deputy Executive Secretary, Kentucky Teachers' Retirement System
Speakers: Christopher Waddell – Senior Attorney, Olson Hagel and Fishburn, LLP, Sacramento, CA
Allan Emkin – Managing Director, Pension Consulting Alliance, Inc., Encino, CA
Chief Investment Officer -- TBA

3:00 p.m. – 3:30 p.m. **Break**

3:30 p.m. – 5:00 p.m. *Concurrent Workshops* (choose one)
(1) The Impact of Changing Actuarial Assumptions
Moderator: Gregory W. Smith – NAPPA President; and Chief Operating Officer/General Counsel, Colorado Public Employees' Retirement Association
Speakers: John Garrett, ASA, FCA, MAAA – Principal and Consulting Actuary, Cavanaugh Macdonald Consulting, LLC, Kennesaw, GA
Ashley K. Dunning – Partner, Manatt, Phelps & Phillips, LLP, San Francisco, CA
(2) New GASB Standards and NABL Bond Disclosure Guidance
Moderator: Eric Wampler – NAPPA Vice President; and Deputy Executive Secretary, Kentucky Teachers' Retirement System
Speakers: Terry A. M. Mumford – Partner, Ice Miller LLP, Indianapolis, IN
David W. Powell – Principal, Groom Law Group, Chartered, Washington, DC
Edward Koebel – Principal and Consulting Actuary, Cavanaugh Macdonald Consulting, Kennesaw, GA

6:30 p.m. **25th Anniversary Dinner Hosted by NAPPA**

Friday, June 29, 2012

7:30 a.m. – 8:30 a.m. **Continental Breakfast Hosted by NAPPA**

8:30 a.m. – 10:00 a.m. **Federal/State Legislative Update**
Moderator: James H. Salvie – General Counsel, Massachusetts Teachers' Retirement System
Speakers: Jeannine Markoe Raymond – Director of Federal Relations, National Association of State Retirement Administrators, Washington, DC
David Draine – Senior Associate, Pew Center on the States, The Pew Charitable Trusts, Washington, DC

10:00 a.m. – 10:15 a.m. **Break**

10:15 a.m. – 11:45 a.m. **Litigation Update**
Moderator: Eric Wampler – NAPPA Vice President; and Deputy Executive Secretary, Kentucky Teachers' Retirement System
Presenter: Brian J. Goodman – Co-Chair, Benefits Section; and Legal Affairs and Compliance Coordinator, Virginia Retirement System
Robert Coughlin – Counsel, New York State and Local Retirement Systems

12:00 noon – 2:00 p.m. **Luncheon/Business Meeting Hosted by NAPPA**

2:00 p.m. **Adjournment**

REGISTRATION FORM

Please Print

Name: _____ Title: _____

Name (as it should appear on name tag): _____

Pension Fund/Firm: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____ Fax Number: _____

E-Mail Address: _____

Conference Fee: $895 (Includes 3 Breakfasts, 2 Lunches & Thursday 25th Anniversary Dinner)

* * *

In order to estimate the attendance at each workshop, please check which workshop in each group that you may be interested in attending. This is only a tentative selection on your part.

- ❑ **Please check here if this is your first NAPPA Conference**
- ❑ **New Member and Associate Counsel Session**
- ❑ General Counsel (only) Breakfast

Workshop #1 (Choose one)

- ❑ Tax Topics
- ❑ Secondary Transactions 101 & Beyond

Workshop #2 (Choose one)

- ❑ RFP: Govt. Procurements in the 21st Century
- ❑ Health Care Affinity Group
- ❑ Public Safety Affinity Group
- ❑ Small & Medium Funds Affinity Group
- ❑ DC Plans Affinity Group

Workshop #3 (Choose one)

- ❑ Municipal Bankruptcy & Employer Withdrawal
- ❑ Evaluation Processes for Non-Traditional Investments

Workshop #4 (Choose one)

- ❑ Foreign Exchange Trading/Extraterritorial
- ❑ Constitutional Issues & Best Practices for Benefits Forfeiture Cases

Workshop #5 (Choose one)

- ❑ Member Information/Confidentiality
- ❑ What Constitutes Undo Influence, Where Can It Come From & What Can You Do About It?

Workshop #6 (Choose one)

- ❑ The Impact of Changing Actuarial Assumptions
- ❑ New GASB Standards & NABL Bond Disclosure Guidance

Luncheons and Reception

- ❑ Check here if you plan to attend the **Wednesday, June 27 luncheon**
- ❑ Check here if you plan to attend the **Thursday, June 28 25th Anniversary Dinner**
- ❑ Check here if you plan to attend the **Friday, June 29 luncheon/business meeting**

- ❑ **Check here if you would like NAPPA to ship the Conference Binder for you at the conclusion of the conference**

Mail Check & Registration Form to:
NAPPA, 7248 South Land Park Drive, #102, Sacramento, CA 95831
(916) 429-2545 Fax (916) 429-8616

(NAPPA accepts only VISA or MasterCard for payment - see flyer for details)
or you can Register and Pay On-Line at www.nappa.org

THINGS TO REMEMBER

- ❑ **As soon as possible, mail or fax your registration form. Check may follow in the mail. VISA and MasterCard are also accepted. Also, you may register on-line at www.nappa.org. The registration form guarantees your space at the conference if received prior to Tuesday, June 19, 2012.**
- ❑ **If there will be a delay in getting the check processed, please fax a copy of the registration form, (916) 429-8616, as soon as possible so the NAPPA office is notified of your planned attendance.**
- ❑ **Conference Cancellation Policy:** Cancellation **prior to June 1st** – full refund. Cancellation **June 1st through June 15th** – a $150 administrative fee will be deducted from the refund. Cancellation **after June 15th** – no refund. Refunds will be processed after the conference.
- ❑ Attendees are responsible for their own airfare and room costs.
- ❑ To assure yourself a room at the NAPPA conference hotel, please make your hotel reservations **no later than Monday, June 4, 2012**. After that date, the Hyatt Regency Philadelphia will not guarantee you a room nor the **conference rate of $229, single/double**. You may make your reservations by calling the **Hyatt Regency Philadelphia at (888) 421-1442, or register on-line by clicking on the link on the NAPPA website, www.nappa.org** .
- ❑ The NAPPA Legal Education Conference qualifies for CLE credits. Applications will be made by the NAPPA office for all attendees that practice in states requiring continuing legal education.
- ❑ Dress is casual for the conference. Please note that most meeting rooms tend to be on the chilly side, so a sweater or jacket might be appropriate.
- ❑ Sponsors and marketing are prohibited at all NAPPA conferences.
- ❑ If you have special dietary needs, please notify the staff in advance.
- ❑ There is a "No Smoking" policy at all sessions and luncheons.
- ❑ If you encounter any problems when making your reservations, or you have any questions, contact Pam Anderson, pama@nappa.org; Nannette Henderson, nannette@nappa.org; Andrea Daily, andrea@nappa.org; or call (916) 429-2545.

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MEMORANDUM

DATE: July 1, 2011

TO: All County Departments

FROM: Office of the Sonoma County Counsel

RE: County Counsel Hourly Billing Rate for Billable Clients
FY 2011-2012

Pursuant to Government Code section 26520 and Sonoma County Board of Supervisors' Resolution No. 52450, dated February 9, 1976, County Counsel is to be reimbursed for legal services provided to independent entities of local government and departments that are funded from sources other than the County General Fund.

Based on the formula and computation by the Auditor's Office and in consultation with the County Administrator, a billing rate of at least $216.00 per hour for the FY 2011-2012 is justified. *This billing rate only applies to those departments to whom we bill our services.*

If you have any questions regarding the rate, please feel free to contact Susan Sabia at 565-3732.

Bruce D. Goldstein
County Counsel

cc: County Administrator
Auditor