

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF DIRECTORS MINUTES OF THE REGULAR MEETING,  
SEPTEMBER 16, 2009 AT 8:30 AM,  
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
CONFERENCE ROOM, 625B KINGS CT., UKIAH, CA. 95482**

**1. CALL TO ORDER**

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

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

Also present: Jim Andersen, Retirement Administrator, Sue Thornhill, Clerk to the Board. Jeanine Nadel, County Counsel, and John McCowen, Mendocino County Board of Supervisors, along with members of the public.

**2. APPROVAL OF MINUTES**

Upon motion by Trustee Callahan, seconded by Trustee Schapmire, and carried unanimously; IT IS ORDERED that the minutes of the August 19, 2009, Board meeting are approved.

**3. RETIREMENT ADMINISTRATOR'S REPORT**

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

- a Mr. Andersen gave the Board a brief report on the progress of providing information to RV Kuhn's for the multi system comparison report now being prepared.
- b Mr. Andersen reported he has been approached by the Employers Council and the Builders Exchange to attend a meeting and respond to questions they might have regarding the retirement system funding, etc. Also he has been contacted by the Grand Jury and he will be meeting with them next week.

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

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

8:35 Through telephone conference call Harold Loeb, of Buck Consultants actuarial firm to present and discuss his analysis of what difference expanding the corridor and extending the amortization period would make to the County's contribution rates.

Mr. Andersen reminded the Board at the August 19, 2009 Retirement Board meeting they voted to direct Buck Consultants to prepare an actuarial report showing the results of moving to a 30 year amortization period, to expand the corridor from 80/120 to 75/125 and also to recommend to the Board of Supervisors to eliminate the current funding agreement.

**Board Action:** A motion was made by Trustee Coursey, seconded by Trustee Schapmire to direct staff to contact the County Executive Office (CEO) to begin work on a joint presentation to the Board of Supervisors of the calculations prepared by the actuary and to eliminate the funding agreement.

Roll call vote as follows: Ayes; Goodman, Callahan, Weer, Mirata, Schapmire, Smith, Coursey, Knudsen, Pearce. Noes; 0. Motion carried unanimously.

Chair Pearce thanked Mr. Loeb and disconnected the conference call at 9:15.

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

**Presenter/s:** Jim Andersen referenced written reports previously distributed to the Board including the final financial statements for the periods ending June 30, 2009, July 31, 2009 and the preliminary statement for August 31, 2009.

Mr. Andersen advised the Board the assets increased in value by approximately \$12,000,000.00 increasing the gains since February to roughly \$50,000,000. Mr. Andersen also pointed out the health insurance reserve account has only \$5,600,000 remaining.

**Presenter/s:** Jim Andersen introduced Greg DeForrest of Callan Associates. Mr. DeForrest discussed Callans' philosophy and fee structure. He added that as part of their service to the system they would include asset liability studies, custodial services, educational seminars which are presented at "Callan College". He anticipated they will work closely with Peter Chan during the transition.

Jim Andersen reported that during negotiations all parties agreed to a three year contract to be extended to 5 years with the authorization of the Board of Retirement. Jeanine Nadel, County Counsel added that the Board can terminate the agreement at any time but Callan would need to give 6 months notice in order to exit the contract.

Motion was made by Trustee Schapmire, seconded by Trustee Goodman to approve the contract with Callan Associates for investment consulting services; direct staff to begin transition of consultants and formally end the RFP ad hoc committee as the process is now complete.

Roll call vote as follows: Ayes; Goodman, Callahan, Weer, Mirata, Schapmire, Smith, Coursey, Knudsen, Pearce. Noes; 0. Motion carried 9-0.

## **5. HEALTH INSURANCE**

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

Mr. Andersen added that without further changes the fund currently has 17 months available to pay claims.

## **6. MISCELLANEOUS**

- a. Mr. Andersen pulled the discussion of the State of California Department of Rehabilitation lease due to a delay in paperwork from the State of California.
- b. Mr. Andersen advised the Board the Department of Veterans Affairs had requested to use our parking lot during the renovation of their building. He advised the Board staff does not recommend such an agreement since we will also begin renovation when the lease with the State of California is signed. No Board action necessary.
- c. Jim Andersen requested the Board appoint him as their voting proxy for the 2009 fall SACRS conference. Motion by Trustee Mirata, seconded by Trustee Coursey to give Mr. Andersen the proxy as requested. All votes favorable, motion carried.

### **Public Expression:**

John Sakowicz asked Mr. Andersen to explain the pros and cons of abandoning the funding agreement between the Mendocino County Employees Retirement Association and the County of Mendocino Board of Supervisors.

## **7. 9:50 ENTERED INTO CLOSED SESSION**

- a. Discussion and possible action on disability applications

### **10:20 OUT OF CLOSED SESSION**

#### **BOARD ACTION FROM CLOSED SESSION**

- a. BAKER, JILL, filed 1/27/2008 for Service Connected Disability  
**9/16/09 APPLICATION DENIED as per the following:**  
**Ayes: 9, Noes 0, Absent 0, Abstain 0**
- b. ELDER, COLONIE, filed 1/14/09 for Service Connected Disability

- No action taken
- c. HAMMER, LAWRENCE, filed 05/12/2008 for Service Connected Disability.  
No action taken
  - d. KOSKINEN, KIM, filed 10/15/2008 for Service Connected Disability  
No action taken
  - e. LEHMAN, FLORENCE, filed 10/30/2007 for Service Connected Disability  
No action taken
  - f. MEYER, SHARON, filed 5/12/2008 for Services Connected Disability  
No action taken
  - g. ROBINOW, PAMELA, filed 4/28/2008 for Service Connected Disability  
No action taken
  - h. WHITE, TAMMY (Brett), filed 11/09/2008 for Service Connected Disability  
No action taken
  - i. ZIMMERER, TIMOTHY, filed 8/27/09 for Service Connected Disability  
**9/16/09 Application tabled for further information.**

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

It was reported that the application for a service connected disability and non-service connected disability for Jill Baker had been denied. Also the application for Timothy Zimmerer was tabled for further information.

There being no further business Chairman Pearce adjourned the meeting at 10:25 AM.

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Tim Pearce, Chair

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Susan Thornhill, Retirement Coordinator