

**MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD  
OF DIRECTORS MINUTES OF THE REGULAR MEETING,  
OCTOBER 20, 2010 AT 8:30 AM,  
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
CONFERENCE ROOM, 625B KINGS CT., UKIAH, CA 95482**

**1. CALL TO ORDER**

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

Roll call was conducted with the following members present:, Bob Mirata, Shari Schapmire, Don Coursey, Tim Pearce, Lloyd Weer, Randy Goodman, Kendall Smith, Dennis Huey and Tim Knudsen. Members absent: Caren Callahan. Also present: Jim Andersen, Retirement Administrator, Judy Zeller, retirement staff, Greg Ungerman, Callan Associates, and members of the public.

Caren Callahan entered the meeting at 8:35 am.

**2. APPROVAL OF MINUTES**

**Upon motion by Trustee Smith, seconded by Trustee Schapmire, and carried unanimously; IT IS ORDERED that the minutes of the September 15, 2010 Board meeting are approved.**

**3. PROCLAMATION HONORING SUE THORNHILL FOR HER YEARS OF SERVICE**

**Presenter/s: Tim Pearce presented Sue Thornhill with a Proclamation honoring her for her years of service and congratulated her on her decision to retire.**

**4. DISCUSSION AND POSSIBLE ACTION REGARDING DOMESTIC EQUITIES AND REAL ESTATE (CALLAN ASSOCIATES)**

**Presenter/s:** Greg Ungerman of Callan Associates referenced written material previously distributed to the Board. (See US Equity Structure and Real Estate Manager Structure at [www.co.mendocino.ca.us/retirement](http://www.co.mendocino.ca.us/retirement).)

Greg Ungerman presented and explained the Domestic Equity Manager Structure and the Real Estate Manager Structure reviews provided by Callan Associates. Four Domestic Equity Structure and Real Estate Structure alternatives were discussed, including current structure.

**Board Action: Motion was made by Trustee Smith to accept the Real Estate Manager Structure alternative B, seconded by Trustee Schapmire and carried unanimously.**

No Action was taken on the Domestic Equity Manager Structure. Mr. Ungerman suggested that the Board review the alternatives again at the November board meeting after the 3<sup>rd</sup> Quarter Performance report presentation. The Board agreed to continue this item to the November meeting.

## **5. RETIREMENT ADMINISTRATOR'S REPORT**

**Presenter/s:** Jim Andersen referenced his written report, previously distributed to the Board, and offered the following comments.

- a. Withdrawal of Contributions by Terminating Employees.
- b. Billings for Fees and Services.
- c. Presentation of Administrator's Report.

### **Financial**

1. EFI Actuaries has begun their audit of Buck Consultants' June 30, 2009 valuation report and 2005 to 2008 Experience Study.
2. Buck Consultants has begun their valuation study for the period ending June 30, 2010.
3. V. James Sligh is scheduled to begin his independent audit of MCERA in November 2010.
4. Bradford & Marzec and Dodge & Cox have been contacted regarding the change in fixed income management per the Board's action in September.

### **Legislative**

1. AB 609 (Conway) was signed into law, and will become effective January 1, 2011. This establishes a new administrative cap at the greater of Twenty-One Hundredths of 1% of Accrued Actuarial Liabilities (AAL), or \$2 million.
2. AB 1987, the "anti-spiking" bill, was vetoed.

### **Automation**

Linea Solutions has completed amendments to the Information Technology Road Map requested by the ad hoc committee and will meet with the committee in November.

### **IRS Reauthorization**

The first draft of our application for a Determination Letter from the IRS has been completed and returned to Hanson Bridgett. A representative from Hanson Bridgett will be attending the November board meeting to discuss the application.

## **Retiree Healthcare**

Consistent with the Board of Supervisors resolution 98-147 and IRS Code Section 401, the County will be submitting a letter to MCERA stating the projected cost of retiree health care claims and administration for the 2010/11 fiscal year, along with incurred but not paid claims (IBNP), as determined by the County's health care actuary (Mercer). MCERA will transfer County contributions that otherwise would have been deposited into the pension to Human Resources, budget Unit 716, for payment of retiree health care costs. In turn MCERA will use accrued excess earnings to offset the contribution that would have been made to pension reserves. We have confirmed this approach with Hanson Bridgett.

## **Miscellaneous**

1. As of the filing deadline for election of MCERA directors, only two Individuals had applied for seats. Randy Goodman applied for his existing seat (2) for general members and Craig Walker applied for Tim Pearce's seat (7) for safety members. Both candidates were unopposed and we have requested that the Board of Supervisors instruct the County Clerk to cast unanimous ballots for both members. Three Board of Supervisor appointed seats (4, 5, 9) are also up for consideration.

2. MCERA staff is now down to three full time employees, causing difficulty in covering the lunch hour whenever one or more employees is out of the office (e.g., sick, vacation, training, meet and confer, etc.). It is recommended that staff close the office from noon to 1:00 pm to allow for a one hour lunch period.

**Board Action: Motion was made by Trustee Smith to approve the administrator's report, seconded by trustee Mirata and carried unanimously.**

## **6. INVESTMENTS/FINANCIALS**

**Presenter/s:** Jim Andersen referenced written reports distributed to the Board, including the June, July, and August 2010 final financial reports, the September 2010 preliminary financial report and the September 30, 2010 preliminary market value report.

## **7. MISCELLANEOUS**

a. Report from Board members on Callan College attendance.

**Presenter/s:** Randy Goodman, Don Coursey and Kendall Smith reported on their experience at the Callan College October 12-13, 2010.

b. Public Comment.

No public comment to report.

11:20 am: Entered into closed session.

## **8. DISCUSSION AND POSSIBLE ACTION ON DISABILITY APPLICATIONS.**

11:45 am: Out of closed session.

## **9. BOARD ACTION FROM CLOSED SESSION**

- a. Broin, Lori filed 9/29/09 for Service Connected Disability  
No action taken
- b. Canale, Mark filed 5/25/10 for Service Connected Disability  
No action taken
- c. Hammer, Lawrence filed 05/12/08 for Service Connected Disability  
No action taken
- d. Hudson, Gary filed 9/07/10 for Service Connected Disability  
Continued
- e. Koskinen, Kim filed 10/15/08 for Service Connected Disability  
No action taken
- f. Ndaka, Richard filed 9/17/10 for Non-Service Connected Disability  
Unanimously Approved for Non-Service Connected Disability
- g. Vest, Deborah filed 05/05/10 for Service Connected Disability  
Unanimously Approved for Service Connected Disability
- h. White, Tammy (Brett) filed 11/09/08 for Service Connected Disability  
No action taken
- i. Zimmerer, Timothy filed 8/27/09 for Service Connected Disability  
No action taken

11:46 am: Report out from closed session.

The non-service connected disability application for Richard Ndaka and the service connected disability application for Deborah Vest were both approved unanimously.

There being no further business Chairman Pearce adjourned the meeting at 11:47 am.