

◆MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION◆  
BOARD OF RETIREMENT MEETING MINUTES  
◆NOVEMBER 9, 2011 AT 8:30 A.M.◆

**1) CALL TO ORDER**

Bob Mirata, Board Chair, called the meeting to order at 8:30 A.M.

Roll call was conducted with the following members present: Bob Mirata, Shari Schapmire, Randy Goodman, Lloyd Weer, Ted Stephens, Tim Knudsen, Kendall Smith, and Dr. Don Coursey. Also present: Jim Andersen, Retirement Administrator and Judy Zeller, Clerk to the Board. Member absent: Craig Walker. Member absent by prior arrangement: Dennis Huey.

**2) PRESENTATION OF PROCLAMATION HONORING DENNIS HUEY FOR HIS YEARS OF SERVICE ON THE BOARD OF RETIREMENT**

**3) CLOSED SESSION (8:35 A.M.)**

**a) Pending disability applications:**

- 1) HUDSON, GARY (09/07/10) SHERIFF SCD
- 2) KOSKINEN, KIM (10/15/08) HHSA (SOC SERV) SCD
- 3) LAWSON, BECKY (10/11/11) INFORMATION SVCS SCD

**b) Disability retirement case review:**

- 1) BROIN, LORI APPROVED FOR SCD 11/17/2010

**4) REPORT OUT FROM CLOSED SESSION (9:05 A.M.)**

**Board Action:** The Board approved the Service Connected Disability Application for Becky Lawson. Direction was given to staff on the other closed session items.

**5) OPEN SESSION & APPROVAL OF MINUTES OF OCTOBER 19, 2011 (9:00 A.M.)**

**Upon motion by Board member Goodman, seconded by Board member Weer; IT IS ORDERED that the minutes of the October 19, 2011 Board meeting are approved.**

**6) PUBLIC COMMENT:** None

**7) DISCUSSION AND POSSIBLE ACTION REGARDING QUARTERLY PERFORMANCE REPORT (CALLAN ASSOCIATES)**

**Presenter/s:** Greg DeForrest, Callan Associates, referenced written reports previously distributed to the Board.

**Board Direction:** Staff was asked to present a cash flow analysis to the Board at a future meeting.

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**BREAK (Approximate time 9:50 A.M.)**

**8) DISCUSSION AND POSSIBLE ACTION REGARDING ACTUARIAL TRIENNIAL STUDY (THE SEGAL COMPANY)**

**Presenter/s:** Paul Angelo and Andy Yeung, The Segal Company, referenced written reports previously distributed to the Board.

**Board Action:** Motion was made by Board member Smith to approve the Segal actuarial experience study and to adopt the proposed actuarial assumptions in appendix B for use in the June 30, 2011 Actuarial Valuation. The motion was seconded by Board member Schapmire and it was approved unanimously.

**LUNCH BREAK (Approximate time 12:20 P.M.)**

**RECONVENE (Approximate time 1:15 P.M.)**

**9) DISCUSSION AND POSSIBLE ACTION REGARDING RETIREMENT ADMINISTRATOR'S REPORT**

- a) **Withdrawal of contributions by terminating employees**
- b) **Billings for fees and services**
- c) **Presentation of Administrator's report**

**Presenter/s:** Judy Zeller reported withdrawals of contributions, new retirees, and retiree deaths. Jim Andersen referenced written reports previously distributed to the Board.

**Financial**

1.) Gallina has provided preliminary audited financial statements to staff. The final audit cannot be completed until after the valuation study for June 30, 2011 is completed by The Segal Company.

2.) Gallina did have discussions with Hanson Bridgett, and are preparing a scope of service and projected cost for reviewing excess earnings history (with Segal), postings to the Retiree Health Insurance reserves and developing findings and recommendations, if any, as a result of their review.

**Legislation**

1.) Governor Brown released a proposal for pension reform. His twelve point plan did not impact existing retirees, and the only proposal for existing employees was a rate structure that shared contributions equally between the employer and employee. The Governor cited

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constitutional restrictions for limiting reform to existing retirees and active pension system members.

2.) The Board directed staff to submit a request to SACRS regarding legislation pertaining to the Pellerin court decision. SACRS has agreed to add this legislative proposal to their legislative agenda.

**Miscellaneous**

1.) With the assistance of the County Elections Division, staff conducted the election for the Board of Retirement, 8th seat, Retired member. Tim Knudsen was elected to fill the seat vacated by Dennis Huey.

2.) A special election for the Alternate member is being held. Declarations are due November 10, 2011 by 5:00 p.m. Ballots will be sent to retirees on November 23<sup>rd</sup> and the election is scheduled to be held on December 12th.

3.) The annual Callan Investments Institute National Conference will be held January 30 thru February 1, 2012 in San Francisco. Board members are encouraged to attend.

**Board Direction:** The Audit ad hoc committee members requested to review copies of the Gallina draft independent audit report. Board members requested additional education and help in understanding retirement benefits into the future. Staff will prepare a presentation to be placed on a future agenda.

**Board Action:** Motion was made by Board member Smith to approve the administrator's report. Board member Goodman seconded the motion and it was approved unanimously.

**10) INVESTMENTS/FINANCIALS**

- a) **Presentation of financial statements**
- b) **Action may be taken to terminate or hire investment managers at any meeting**

**Presenter/s:** Jim Andersen referenced the final September 2011 financial statement and the preliminary October 2011 financial statements.

**11) DISCUSSION AND POSSIBLE ACTION REGARDING PLACEMENT AGENCY POLICY**

**Presenter/s:** Jim Andersen and Jeff Berk, legal counsel, referenced written reports previously distributed to the Board.

**Board Direction:** To direct staff to send the policy and form to all existing fund managers, and to include the policy in the solicitation of and contracts with all future managers, and direct

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that the policy be brought back to the Board for review no later than two years from its adoption.

**Board Action:** Motion was made by Board member Goodman to adopt the Placement Agency Policy statement and Placement Agent Disclosure Form. Board member Stephens seconded the motion and it was approved unanimously.

**12) PROJECT STATUS REPORT AND POSSIBLE ACTION REGARDING "CORRECTION OF CONTRIBUTION RATES" PROJECT**

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

**Board Direction:** The Board requested scheduling a special Board of Retirement meeting December 12, 2011 at 1:00 p.m. to discuss and take action regarding proposed corrected contribution rates prepared by The Segal Company for fiscal years 2009/10, 2010/11, and 2011/12. The rates, if adopted, will be placed on the Board of Supervisors December 13, 2011 agenda. Once adopted by the Board of Supervisors, corrected rates for fiscal year 2011/12 will begin January 8, 2012.

**Board Action:** Motion was made by Board member Knudsen to accept the project status report and to direct that no (0.00%) earnings/interest will be deducted from reimbursements for employee over-contributions or added to recoupment for employee under-contributions. Board member Goodman seconded the motion and it was approved unanimously.

**13) DISCUSSION AND POSSIBLE ACTION REGARDING STATEMENT OF AUTHORIZED SIGNATURE**

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

**Board Action:** Motion was made by Board member Stephens to approve the statement of authorized signature prepared by staff. Board member Knudsen seconded the motion and it was approved unanimously.

**ADJORNMENT (Approximate time 3:05 P.M.)**

There being no further business Bob Mirata, Chair, adjourned the meeting at 3:05 P.M.