

◆MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION◆
BOARD OF RETIREMENT MEETING MINUTES
◆DECEMBER 14, 2011 AT 8:30 A.M.◆

1) CALL TO ORDER

Judy Zeller, Clerk to the Board, called the meeting to order at 8:30 A.M.

Roll call was conducted with the following members present: Shari Schapmire, Randy Goodman, Dr. Don Coursey, Kendall Smith, Ted Stephens, Craig Walker, Tim Knudsen, Bob Mirata and Richard Shoemaker. Also present: Jim Andersen, Retirement Administrator and Judy Zeller, Clerk to the Board.

2) DISCUSSION AND POSSIBLE ACTION REGARDING ELECTION OF OFFICERS AND BOARD MEETING CALENDAR FOR 2011/12

Board Action: Motion was made by Board member Walker to continue with the current officers with the addition of Mr. Knudsen as Secretary. Board member Stephens seconded the motion and it was approved unanimously.

3) PRESENTATION OF PROCLAMATION HONORING DR. DON COURSEY FOR HIS YEARS OF SERVICE ON THE BOARD OF RETIREMENT

Board Direction: The Board requested the creation of a new disability application policy.

4) CLOSED SESSION (8:50 A.M.)

a) Pending disability applications:

- | | |
|---------------------|--------------------------------|
| 1) ALEXANDER, GRETA | (11/17/11) MENTAL HEALTH NSCD |
| 2) HUDSON, GARY | (09/07/10) SHERIFF SCD |
| 3) KOSKINEN, KIM | (10/15/08) HHSA (SOC SERV) SCD |

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

Board Action: The Board approved the Non-Service Connected Disability Application for Greta Alexander. No action taken on the other closed session items.

6) OPEN SESSION & MINUTES OF THE MEETING HELD NOVEMBER 9, 2011

Upon motion by Board member Schapmire, seconded by Board member Goodman; IT IS ORDERED that the minutes of the November 9, 2011 Board meeting are approved.

◆MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION◆
BOARD OF RETIREMENT MEETING MINUTES
◆DECEMBER 14, 2011 AT 8:30 A.M.◆

7) **PUBLIC COMMENT:** None

Board Direction: A request was made to allow public comment at the start of each Board meeting, before the Board enters into closed session.

8) **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 discussed with Hanson Bridgett and Segal the scope of services and projected costs for reviewing excess earnings history, postings to the Retiree Health Insurance reserve, and developing findings and recommendations, if any.
- 2.) Gallina completed its draft financial statements for the fiscal year ending June 30, 2011. The draft statements have been forwarded to The Segal Company and to the Ad Hoc Committee for review.
- 3.) Per the Board's Interest Crediting and Undistributed Earnings Policy, staff has calculated the earnings to post to employee accounts at December 31, 2011. The amount is calculated to be 0.889% (.00889). Only realized net income was used to determine the amount of earnings to post.
- 4.) MCERA received the RVKuhns and Associates comparison of public funds which included identification of all 1937 Act systems. MCERA compares favorably with other 1937 Act systems over the past 5 years, and within certain asset classes, but compared less favorably over the past year.
- 5.) A cash management policy will be presented at the Board's January meeting.
- 6.) Placement agent policy and forms have been mailed to all fund managers.
- 7.) Pay Period 2411 was the first pay period where all employee wages reflect a concession. Knowing this new wage base staff was able to provide the County with an estimate of the increased cost associated with correcting the employee and employer contributions rates beginning January 8, 2012.

Legislation

The California Supreme Court ruled on Retired Employees' Association of Orange County, Inc. v. County of Orange that there can be an implied contract for retiree health care. However, the Court stated that sufficient evidence of having entered into a contract must exist. This case is now pending in Federal Court.

◆ MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ◆
BOARD OF RETIREMENT MEETING MINUTES
◆ DECEMBER 14, 2011 AT 8:30 A.M. ◆

Automation

Linea and staff tentatively agreed on a draft project timeline, beginning in March of 2012 and ending in January 2013, which will be shared with the full Board prior to implementation.

Retiree Healthcare

After 90 day notice to pre-Medicare retirees of the County's intent to cease offering a health plan for that group, the Board appointed a committee of retirees (Mr. Shoemaker, Mrs. Wharff, Mrs. Thornhill, and Mrs. Mordhorst) to meet with County Human Resources to explore alternatives that will maintain access to health care for this population of retirees.

Miscellaneous

A special election for the 3rd Seat, General Member is being conducted and will be completed in time for the January Board meeting.

9) 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 October 2011 and the preliminary November 2011 financial statements.

Board Direction: Staff will present a budget report on Legal fees after the first of the year.

Board Action: Motion was made by Board member Stephens to approve the administrator's report and the Investment/Financial report. Board member Knudsen seconded the motion and it was approved unanimously.

10) PROJECT STATUS REPORT AND POSSIBLE ACTION REGARDING "CORRECTION OF CONTRIBUTIONS RATES" PROJECT

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

Board Action: None

11) DISCUSSION AND POSSIBLE ACTION TO SUPERCEDE A PRIOR BOARD ACTION THAT PROHIBITS BOARD MEMBERS FROM BECOMING RETIREMENT ADMINISTRATOR FOR A PERIOD OF THREE YEARS AFTER LEAVING THE BOARD

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

◆ MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION ◆
BOARD OF RETIREMENT MEETING MINUTES
◆ DECEMBER 14, 2011 AT 8:30 A.M. ◆

Board Action: Motion was made by Board member Coursey stating that current Retirement Board members must resign from the Board before applying for or being appointed as Retirement Administrator. Board member Stephens seconded the motion and it was approved unanimously.

12) REPORT FROM EXECUTIVE RECRUITMENT AD HOC COMMITTEE

Presenter/s: Chair Mirata referenced written reports distributed to the board.

Board Direction: A wider distribution of recruitment information was requested. Cost of advertising was discussed and the Board directed staff to budget a maximum of \$6,000.00 for advertising expense. Any amount over the agreed budget would require additional Board approval.

13) REPORT FROM ATTENDEES OF THE SACRS FALL CONFERENCE

Presenter/s: Tim Knudsen, Bob Mirata, and Jim Andersen.

ADJORNMENT

There being no further business Bob Mirata, Chair, adjourned the meeting at 11:05 a.m.