

Richard A. White, Jr.
Retirement Administrator



Telephone: (707) 463-4328
(707) 467-6473
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MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

Date: December 18, 2013
To: Board of Retirement
From: Richard White, Retirement Administrator *RAW*
Subject: Accountant position recruitment

Summary: The Board of Retirement directed staff at the December 4, 2013 meeting to discuss options regarding the accountant position with County Human Resources and the Executive Office and report back to you at this meeting.

Staff Recommendation(s): (1) Submit the item for approval on the Board of Supervisors agenda; (2) Recruit for the Retirement Association Financial/Investment Officer position.

Background: The Board of Retirement directed that the retirement association develop class specifications for an accounting position dedicated to the Retirement Association. The class specifications for the position are included for your review and include these important requirements for MCERA:

DESIRED DUTIES: An accounting position can fulfill a number of financial and investment related duties for the Association:

- *Tracking of changes in market value of assets, monitoring liquidity, and rebalancing asset classes to targets contained in the investment policy statement.*
- *Updating financial reports including the balance sheet, income statement, and changes in market value of assets, and reconciling all balance sheet accounts.*
- *Annual financial activities including assisting in the external audit, actuarial valuation, State Controllers Report, CAFR, federal survey of retirement systems and SACRS comparative survey of 1937 Act systems.*
- *Semi-annual computation of interest/earnings to post to reserves.*
- *Closing of books, ensuring all financial reports are properly maintained.*
- *Developing proposed and final budgets and monitoring expenditures throughout year.*
- *Prepare monthly financial statements and annual reports, monitors investments, recommends cash and investment strategies, perform annual year-end closing functions and financial statements.*
- *Coordinates with independent financial auditor and actuary; performs other responsible fiscal, budgetary and administrative work as required.*

SECONDARY DUTIES: An accounting position could also be used to fulfill administrative duties and function more in a managerial role for the Association. The concept approved by the Board of Retirement last year was to add these secondary duties to the position. Some of these duties could include:

- *Assist the Retirement Administrator with asset allocation rebalancing, updates to investment policies and objectives and the periodic review and monitoring of asset classes, sub-asset classes and investment manager risk; monitors and reports on changes in capital markets, earnings, fees and legal requirements related to MCERA's investment matters.*
- *Interpret and apply complex statutory and regulatory provisions relating to the Retirement Association including the 1937 Act Retirement System Laws.*
- *Acting on behalf of or perform some duties of Retirement Administrator in the Retirement Administrator's absence.*

The salary scale for the position is approximately \$93,000 which includes salary and benefits. (The salary scale for the full-time entry-level accountant position is approximately \$71,000 or \$57,000 for the part-time position).

Discussion: Based upon discussion with County Human Resources and the County's Chief Executive Officer, it is recommended that should MCERA decide to proceed with an accountant position that the Association utilizes the Financial/Investment Officer position classification.

The recommendation was made because of the fact that the position description was extensively researched and developed as a position dedicated to our retirement association. As such, the aforementioned class specifications and salary was developed specifically for MCERA and certified by the Civil Service Commission last year for this purpose.

Additionally, it was recommended that this position be brought forth to the Board of Supervisors as a non-consent agenda item to be presented to them for approval utilizing the "add/delete" process which means to delete the previously approved accountant position and adding this position in its place. The recruitment process could begin subsequent to this action.

**MENDOCINO COUNTY GOVERNMENT
CLASS SPECIFICATION**

CLASS TITLE: RETIREMENT ASSOCIATION FINANCIAL/INVESTMENT OFFICER **CLASS CODE: C39D**
DEPARTMENT: EMPLOYEE'S RETIREMENT ASSOCIATION **FLSA STATUS: N**
REPORTS TO: RETIREMENT ADMINISTRATOR **DATE: 7/12**
CIVIL SERVICE: YES **BARGAINING UNIT: CONFIDENTIAL**

JOB SUMMARY:

Under direction of the Retirement Administrator, performs highly complex financial / accounting work in support of Mendocino County Employees' Retirement Association (MCERA) in accordance with the County Employees' Retirement Act of 1937; prepares monthly financial statements and annual reports, monitors investments, recommends cash and investment strategies, performs annual year-end closing functions and financial statements, coordinates with independent financial auditor and actuary; performs other responsible fiscal, budgetary and administrative work as required.

DISTINGUISHING CHARACTERISTICS:

The Retirement Association Financial/Investment Officer is a single incumbent class responsible for the accounting and financial systems and for assisting the Retirement Administrator in monitoring, reviewing, analyzing and problem-solving matters related to the management and allocation of MCERA's assets and investments. This class differs from the Retirement Administrator in that the latter is responsible for the overall function of MCERA. This class differs from other County Accounting and Auditor classes by virtue of its responsibility for the specialized pension accounting and investment functions which comprise the independent County Retirement system operating under the 1937 County Retirement Act.

SUPERVISION EXERCISED:

No supervision is exercised. Incumbent may have responsibility for training and technical oversight of the work staff, may serve as lead worker.

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

- Assist the Retirement Administrator with asset allocation rebalancing, updates to investment policies and objectives and the periodic review and monitoring of asset classes, sub-asset classes and investment manager risk; monitors and reports on changes in capital markets, earnings, fees and legal requirements related to MCERA's investment matters.
- Monitor and analyze the performance of MCERA's investments in public and private markets; make recommendations regarding investments and assets.
- Prepare monthly financial statements, monitor investments, review and reconcile investment statements, reconcile employee reserve accounts, recommend cash and investment management strategies.
- Prepare annual financial statements and coordinate with independent financial auditor and actuary in the development of Audited Financial Statements and Actuarial Valuation and Review. Make recommendations to the Retirement Administrator regarding recommendations in the Auditor's Management Letter.
- Prepare annual State Controller's report, Comprehensive Annual Financial Report (CAFR), Popular Annual Financial Report (PAFR) and other required reports.
- Assist the Retirement Administrator with reporting requirements related to the Comprehensive Annual Financial Report, the annual Actuarial Valuation Report and the Quarterly Performance Report.
- Perform financial analysis and/or provide data at the request of the Retirement Administrator or the MCERA Board.
- Assist in the design, development, recommendation and implementation of investment related operational and internal control policies and procedures in accordance with the goals and guidelines established by the MCERA Board.
- Interpret and apply complex statutory and regulatory provisions relating to the Retirement Association including the 1937 Act Retirement System Laws.
- Maintain confidential information in accordance with legal standards and /or County policy and regulations.
- May act on behalf of or perform some duties of Retirement Administrator in the Retirement Administrator's absence.
- 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 four(4) years of progressively responsible professional level accounting or auditing experience, preferably in a California government agency retirement system. (Additional qualifying experience may be substituted for up to two years of the required education on the basis of two years experience for one year of education.)

Licenses and Certifications: None required; CPA preferred

KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of:

- County Employees Law of 1937, principles and operations of retirement systems and related laws.
- Governmental Accounting Standards Board (GASB) Statements, Interpretations, Technical Bulletins and Concept Statements.
- Governmental accounting practices, actuarial principles and accounting standards related to pension systems.
- Investment categories and transactions, asset allocation and financial management procedures and practices.
- Modern portfolio theory and application.
- Risk monitoring and management methods and techniques.
- Analytical techniques commonly used in the management of equity and fixed income portfolios.
- Economic and market conditions and trends and their effect on short and long term investment strategies.
- Administrative principles and practices including goal setting and implementation.
- 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.
- 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.
- Understand and assess the quality, accuracy and reliability of manager and consultant reports and the application of such data.
- Formulate and make recommendations on investment policies and strategies.
- Analyze data, interpret policies, procedures and regulations, and develop appropriate conclusions.
- Set up, maintain and verify complex, financial accounting systems.
- Prepare and present reports on portfolio performance and investment activity.
- Establish and maintain effective working relationships with all work-required contacts including the general public.
- 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.

Richard A. White, Jr.
Retirement Administrator



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

Date: December 18, 2013
To: Board of Retirement
From: Richard White, Retirement Administrator *(initials)*
Subject: Retirement Administrator Recruitment

Summary: The Retirement Administrator position will be open in March, 2014 due to my previously announced resignation from MCERA. The Board of Retirement discussed the recruitment for the Administrator position at your meeting of December 4, 2013 and appointed an Ad Hoc Committee of Board members Shari Schapmire, John Sakowicz and Tim Knudsen as the body to facilitate the search and recruitment.

The Board of Retirement requested an opportunity to review the job position description which was provided to you and it also included in this item. Additionally, the Board held discussion about the accounting position which could influence the direction of the recruitment for the retirement administrator position. The accountant position is also included for discussion in this agenda.

Staff Recommendation: Provide direction to staff and the Ad Hoc Committee on the search and recruitment for the Retirement Administrator position.

**MENDOCINO COUNTY GOVERNMENT
CLASS SPECIFICATION**

CLASS TITLE: RETIREMENT ADMINISTRATOR
DEPARTMENT: RETIREMENT
REPORTS TO: RETIREMENT BOARD
CIVIL SERVICE: NO

CLASS CODE: 0166
FLSA STATUS: E
DATE: 5/08
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 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.

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

Date: December 18, 2013
To: Board of Retirement
From: Richard White, Retirement Administrator *rw*
Subject: Accounting Services Contract

Summary:

The Board of Retirement contracted with Fechter & Company, Certified Public Accountants as the professional services provider for our accounting services on September 19, 2012. The professional accounting services will continue to be provided primarily by Scott A. German, CPA who has been a principal with Fechter & Company since 2009 and has practical experience providing outsourced controller services to a wide variety of clients.

The firm had a contract for Fiscal Year 2012-2013 and the Board approved these accounting services for a six month period for Fiscal Year 2013-2014.

It is necessary to request that the Board approve an additional six month contract term through the remainder of this Fiscal Year to provide accounting services to the Association. The terms and conditions of the new contract remain the same as the current contract. Mr. German is available for an extended contract period beyond the fiscal year end should the Board wish to pursue a longer-term contract at this point or in the future.

The scope of the contract will continue to have Mr. German on-site at MCERA for three days per month, billed at \$150 per hour and reimbursement of travel expenses to include five hours of travel time, mileage, meals, per diem and lodging.

Recommended Action:

Approve an extension of the professional accounting services with Fechter & Company, Certified Public Accountants for an amount not to exceed \$37,500 for January through June, 2014.

**AMENDMENT TO
MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STANDARD SERVICES AGREEMENT**

This Agreement amendment, dated as of December 18, 2013, is by and between the MENDOCINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, hereinafter referred to as the "MCERA", and Fechter & Company, 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 Accounting Services ("Services"); and

WHEREAS, CONTRACTOR is professionally qualified to provide such Services and is currently engaged by an agreement dated July 1, 2013 with MCERA to provide same Services;

NOW, THEREFORE, MCERA and CONTRACTOR agree to the following amendments to the existing agreement (July 1, 2013) 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 term of the Agreement shall be extended through June 30, 2014 (WITNESSETH and EXHIBIT A).

The compensation payable to CONTRACTOR hereunder shall not exceed Seventy Five Thousand Five Hundred Dollars (\$75,000.00) for the term of this Agreement.

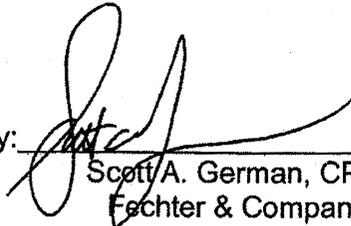
Term 20, TERMINATION, shall allow for payment to CONTRACTOR that does not exceed \$75,000.00 for services and related travel expenses provided under the agreement dated July 1, 2013 prior to the effective date of any suspension, termination or abandonment of the agreement by either party.

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: _____
Richard A. White, Jr.
Retirement Administrator

CONTRACTOR/COMPANY NAME

By:  _____
Scott A. German, CPA
Fechter & Company

NAME AND ADDRESS OF CONTRACTOR:

Fechter & Company
1870 Avondale Avenue, Suite 4
Sacramento CA 95825

ATTEST:

By: _____
Judy Zeller, Retirement Specialist II

APPROVED AS TO FORM:

By: _____
Jeff Berk, MCERA Legal Counsel

INSURANCE REQUIREMENTS:

KRISTIN McMENOMEY, Director
General Services Agency

By: (see agreement dated 7/1/13)
Risk Manager

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



**FECHTER
& COMPANY**
Certified Public Accountants

Craig R. Fechter, CPA, MST
Scott A. German, CPA

May 14, 2013

RECEIVED BY

MAY 20 2013

The Mendocino County Employees'
Retirement Association

VIA EMAIL AND FACSIMILE (707) 463-4328

Richard A. White
Retirement Administrator
Mendocino County Employees' Retirement Association
625 B Kings Court
Ukiah, California 95482

Dear Mr. White;

We are pleased to confirm our understanding of the services we are to provide Mendocino County Employees' Retirement Association (The Association) on a month to month basis

This agreement is essentially an extension under the same terms and conditions as outlined in the engagement letter dated September 18, 2012.

Scope of Services to be Provided

Fechter & Company, Certified Public Accountants will provide the following services on a monthly basis:

- We have assigned Scott German, CPA as your primary contact on this engagement. Not only is he your contact, he will be the staff responsible for the completion of the services.
- On or about the 10th and 11th day of each month our representative will be present in your offices to prepare and or review reconciliations of all balance sheet accounts. We understand that we will be responsible for the recording of investment gains, losses, fees, etc. which arise from the Association's investment activities.
- Our representative may attend the monthly Board meeting to assist with the presentation of the financial information. We understand that this *may* on occasion be accomplished via teleconference.
- We will provide assistance with the preparation of the CAFR. This will be accomplished with the primary staff on the engagement and others from our office.
- We will assist with the preparation and submission of the State Controllers Report.

WE WILL NOT:

- Provide any actuarial analysis, assessment of your actuaries or any other services related to the calculation of actuarial liabilities.
- Provide any day to day bookkeeping, authorization of payments or payroll services.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. You are also responsible for making all management decisions and performing all management functions; for designating an individual with suitable skill, knowledge, or experience to oversee our assistance with the preparation of your financial statements and related notes and any other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Association and the respective changes in financial position and where applicable, cash flows, in conformity with U.S. generally accepted accounting principles.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us and your independent audit firm of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

Engagement Administration

The Firm will issue invoices on a monthly basis immediately following our attendance at the Board meeting. These invoices will be due by the last day of the month in which they are issued. A late fee of \$50 is applied to invoices not paid under the terms of the engagement letter and will be added to the following months invoice.

The fees and expenses for the engagement are as follows:

- We will bill our services at our standard rate of \$150 per hour. Our time will include 5 hours for travel each time we travel to your offices.
- Because of the long distance we believe that it will be in the best interest of the Association if when we do travel to your office, we arrive the night before. Therefore, we will work with the Association staff to make appropriate hotel accommodations using any corporate discounts that may be available and these costs will be borne by the Association.

- When we travel out of town, our Firm's policy is to reimburse our staff for meals at actual. In order to alleviate any concerns that you may have, we have modified our policy for this engagement to pay the Standard GSA rate about based on the travel rates for San Francisco as follows:

○ Breakfast	\$ 12
○ Lunch	18
○ Dinner	36
○ Incidentals	<u>5</u>
Total per day	\$ <u>71</u>

- We will charge mileage at the current IRS standard rates.
- This arrangement may be terminated by either part with 30 days written notice.

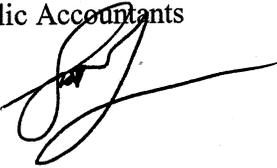
We understand that your process includes formalizing this arrangement with a county prepared contact that will have this engagement letter incorporated either as an attachment or by reference.

We appreciate the opportunity to be of service to Mendocino County Employees' Retirement Association and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Fechter & Company,
Certified Public Accountants



RESPONSE:

This letter correctly sets forth the understanding of Mendocino County Employees' Retirement Association.

By: _____
Title: _____
Date: _____