



STANISLAUS COUNTY
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BOARD OF RETIREMENT MINUTES

January 10, 2007

Members Present: Jim De Martini, Mike Fisher, Gordon Ford, Mike Lynch, and Wes Hall

Alternate Members Present: Linda Stotts-Burnett (Alternate Retiree Representative)

Members Absent: Maria De Anda, Darin Gharat, Ron Martin and Steve Yauch

Others Present: Kelly Cerny, Deirdre McGrath, Michele Silva, and Tom Watson

1. Meeting called to order at 2:00 p.m. by Wes Hall, Vice-Chair

2. **Rotation of Officers**

Pursuant to Bylaws Section 1.5, Wes Hall is Chair of the 2007 Retirement Board and Mike Fisher, Vice Chair.

3. **Announcements**

Tom Watson, Retirement Administrator, announced that 298 eligible retiree members received the one-time special cost of living adjustment on the payroll of January 2, 2007. Total amount paid was \$543,506.62

Tom distributed to board members two bound actuarial reports from Buck Consultants. The reports included the Stanislaus County Employees' Retirement Association's (StanCERA) Report on the Actuarial Valuation as of June 30, 2006; and StanCERA's triennial Report on the Experience Study For the Period July 1, 2003 through June 30, 2006. Tom informed board members that Harold Loeb of Buck Consultants, StanCERA's actuarial firm, will give a presentation on both reports at the January 23, 2007, Board meeting.

Gordon Ford, Trustee, asked whether the Board should be concerned that two of the principal actuaries were no longer with the actuarial firm. Mr. Watson responded no as the statisticians compiling the data remain the same.

Kelly Cerny, Secretary, announced that Item #9 of this Agenda should be "National Association of Public Pension Attorneys (NAPPA)."

4. **Public Comment**

None.

5. **Consent Items**

Kelly Cerny, Secretary stated that Item #12 in the December 13, 2006 Minutes, should be Item #10; and in the following Consent Item #5b(3), the correct spelling is "Gary."

Motion was made by Mike Fisher and seconded by Jim DeMartini to approve the following items as listed and with the corrections presented.

Motion carried.

- a. Approval of the December 13, 2006 Meeting Minutes
- b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

- 1. Rudy Duran, BHRS, Effective 01-20-07
- 2. Richard Harris, DCSS, Effective 01-26-07
- 3. Gary Lacy, District Attorney, Effective 01-08-07
- 4. Nancy Larson, CSA, Effective 01-03-07
- 5. Charlene Lee, CSA Effective 12-11-06
- 6. Kim Mallock-Hutsell, BHRS, Effective 01-20-07
- 7. Raymond Simon, Board of Supervisors, Effective 01-09-07
- 8. Nancy Stenger, CSA, Effective 01-20-07
- 9. George Stillman, Public Works, Effective 01-06-07

- c. Approval of Deferred Retirement(s) – **Section 31700**

- 1. Charlene Boone, BHRS, Effective 11-02-06
- 2. Sheila Cumberland, City of Ceres, Effective 12-15-06
- 3. Mary Guerrero, Treasurer-Tax Collector, Effective 08-02-06
- 4. Heidi McNally-Dial, City of Ceres, Effective 12-14-06

- d. Approval of Deferred Retirement Refund(s) **Section 31701**

- 1. Belinda Rollicheck

6. **Closed Session**

Motion was made by Mike Fisher and seconded by Mike Lynch to commence to Closed Session at 2:07 p.m.

Upon returning to Regular Session at 2:25 p.m., Wes Hall, Chair, read the findings of the Closed Session.

Motion was made by Wes Hall and seconded by Mike Lynch to accept the Retirement Administrator's performance evaluation with a .8% wage increase to reach the maximum of the salary band, and a one-time bonus of 2.5%; effective January 1, 2007. The Board will also study the issue of raising the salary band of the Retirement Administrator.

Motion carried.

7. **Administrator**

- a. Discussion and Action on Attendance and Travel Costs for the State Association of County Retirement Systems' Extra-Ordinary Business Meeting and Education Symposium 2007, Universal City, California, February 5-6, 2007

Tom Watson informed Board members they were in receipt of a written announcement from the State Association of County Retirement Systems (SACRS) regarding a special business meeting to be held February 5, 2007. The meeting's purpose is for the voting membership to finish voting on business items held over from the Fall 2006 SACRS Conference due to a request for more information. Voting action from each Board is required. An educational symposium is planned for February 6, 2007.

Motion was made by Gordon Ford and seconded by Mike Fisher to approve the attendance and travel costs for the SACRS Extra-Ordinary Business Meeting and Educational Symposium 2007, Universal City, California, February 5-6, 2007.

Motion carried.

- b. Discussion and Action on the Voting Delegate and Alternate Voting Delegate for the State Association of County Retirement Systems' (SACRS) Extra-Ordinary Business Meeting, February 5, 2007, Universal City, California

Motion was made by Mike Fisher and seconded by Gordon Ford to authorize Wes Hall, Chair, as the Voting Delegate and direct the Chair to authorize the Alternate Voting Delegate accordingly to vote on behalf of StanCERA at the SACRS Extra-Ordinary Business Meeting, February 5, 2007.

Motion carried.

- c. Report on 1937 Act Retirement Systems' Legal Services Costs

Tom Watson gave a verbal summary of the written information Board members received on the legal services costs of other 1937 Act systems. Mr. Watson explained this was a result of a request from the Retired Employees of Stanislaus County (RESCO). Mr. Watson stated seven of the larger systems were canvassed. Overall StanCERA compares favorably to these systems. There was no additional request from the Board members present for further information.

8. **Standing Committee Assignments for 2007**

Wes Hall, Chair, informed Board members they had received a written copy of proposed Board of Retirement 2007 Committee Assignments. Wes said the assignments would remain as proposed unless Board members informed him otherwise.

9. **Deputy County Counsel's Report on the National Association of Public Pension Attorneys' (NAPPA) June 2006 Conference**

Deirdre McGrath, Deputy County Counsel gave a brief review of her report on attending the June 2006 NAPPA Conference held in New York City. Deirdre said it was a comprehensive conference. She mentioned that public pension systems nationwide are experiencing similar issues. These issues include but are not limited to conflict of interest, fiduciary responsibilities and the need for systems to obtain more information from their investment consultants about transparency and disclosure of hidden costs and fees of investment managers.

Wes Hall expressed his appreciation for the inclusive written report.

10. **Correspondence**

- a. Letter from Dodge & Cox Dated December 6, 2006 - Notification of Ratings Transition/Downgrade, HCA, Inc.

The Board reviewed the letter from Dodge & Cox regarding the ratings on review and subsequent downgrade of the fixed income investment of the HCA Inc., bonds.

- b. Notes of Appreciation from Retirees for the Special Cost of Living Adjustment (COLA)

Kelly Cerny circulated 11 notes of appreciation from retirees who received the special COLA on January 2, 2007.

11. **Members' Forum (Information and Future Agenda Requests Only)**

Deirdre McGrath reiterated the fiduciary underwriter would like questions to be submitted prior to its presentation at the February 14, 2007, Board of Retirement meeting. This is to aid the underwriter in presenting the information the Board is interested in regarding fiduciary insurance.

Tom Watson noted the underwriter had requested questions be submitted prior to the presentation to avoid a delay in research to provide the information.

Gordon Ford requested the fiduciary underwriter provide the monetary value of the insurance – dollar for dollar.

Wes Hall requested the fiduciary underwriter to provide an overview of the protection the insurance supplies.

Kelly Cerny requested those Board members interested in attending the California Association of Public Retirement Systems' (CALAPRS) "*Principles of Pension Management for Trustees*," course, March 27-30, 2007, to contact her for registration prior to January 31, 2007. Tom Watson mentioned SACRS and UC Berkeley are also offering for the first time this year, a public pension investment management program in June 2007.

12. **Adjournment**

Meeting adjourned at 2:52 p.m.

Respectfully submitted,

Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL

Deirdre McGrath, Deputy County Counsel