



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

JANUARY 11, 2006

Members Present: Maria DeAnda, Jim DeMartini, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Mike Lynch, Ron Martin, and Steve Yauch

Members Absent: None

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

Others Present: Kelly Cerny, Deirdre McGrath, Hank Skau, and Tom Watson

1. Meeting called to order at 2:00 p.m. by Chair Darin Gharat

2. **Announcements**

Darin Gharat, Chair, announced following the Board meeting he would meet with Retirement Board trustees who are interested in filling vacancies on Retirement Board Committees.

3. **Rotation of Officers**

Pursuant to Bylaws Section 1.5, Darin Gharat is Chair of the 2006 Retirement Board and Wes Hall, Vice Chair.

4. **Public Comment**

Joan Clendenin, retiree, announced she along with other retirees were present for information on retiree health insurance issues.

5. **Consent Items**

Wes Hall thanked staff for listing the name of the department next to each retiree's name on the Consent Items.

Motion was made by Steve Yauch and seconded by Mike Fisher to approve the following items as listed.

Motion carried.

a. Approval of the December 14, 2005 Minutes

5. **Consent Items (cont.)**

b. Approval of Service Retirement(s) – Sections 31499.14, 31760.1, 31662.2 & 31810

1. George Burrows, Public Works, Effective 01-04-06
2. Cathy Cawelti, HSA, Effective 01-07-06
3. El Wana Claunch, BHRS, Effective 01-14-06
4. Sharon Dean, DER, Effective 01-21-06
5. Larry Johnson, Sheriff, Effective 01-13-06
6. David Jones, Probation, Effective 01-05-06
7. Darrell Long, Sheriff, Effective 01-07-06
8. Sharon Miller, CSA, Effective 01-07-06
9. Cristeta Ofreneo, DCSS, Effective 01-04-06
10. Patricia Parmley, Fleet Svcs., Effective 01-04-06
11. Francisco Parrera, HSA, Effective 01-31-06
12. David Schroeder, Ph.D, BHRS, Effective 01-07-06
13. Melvin Snow, BHRS, Effective 01-14-06
14. Jacqueline Tomlinson, HSA, Effective 12-21-05
15. Deanne Ulyak, CSA, Effective 01-07-06
16. Lesley Vanderpool, Sheriff, Effective 01-21-06

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

1. Susan Butcher, CSA, Effective 12-03-05
2. Rosalinda Garcia, CSA, Effective 12-10-05
3. Randall A. Hatch, City of Ceres, Effective 10-21-05
4. Nancy McClure-Quintana, HSA, Effective 12-06-05
5. Lisa Reece, Probation, Effective 12-09-05

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

1. Georgene Jones, Probation, Effective 12-05-02

Jim DeMartini in at 2:03 p.m.

6. **Closed Session**

- a. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to Government Code Section 54956.9(b): two potential cases

Motion was made by Maria DeAnda and seconded by Mike Fisher to commence the Closed Session at 2:04 p.m.

Return to Open Session at 2:52 p.m.

A break was taken at 2:52 p.m.

Members returned at 2:59 p.m.

7. **Administrator**

a. Update of Administrative Tasks for the Post-Ventura/*Francis* Settlement

Hank Skau, Operations Manager, provided a verbal report on the Post-Ventura/*Francis* Settlement. Hank provided background on the Settlement, along with an update of the processing schedule for the payment of prospective benefits.

Hank informed the Board that the Court approved the settlement on December 12, 2005. Approximately 2,800 notices, applications and an explanation about the settlement were mailed to retirees and their beneficiaries on December 22, 2005. Applications are to be returned no later than February 28, 2006. To date, 460 applications have been received, with 75 applications, or, a little less than 20%, that do not qualify for the settlement. Jim DeMartini inquired as to what amount of money this could signify. Deirdre McGrath, Deputy County Counsel, said approximately \$6-\$10 million, contingent upon how many people apply for the benefit who are eligible.

b. Administrative Tasks Quarterly Report for Period Ending December 31, 2005

Tom Watson, Administrator, gave a brief overview of the written calendar report the Board received on the status of administrative tasks for the quarter ending December 31, 2005.

c. Special Projects (TACS & 12th Street Office) Quarterly Report – January 2006

Kathy Herman, Special Projects Manager, gave a written and verbal report on the status of the 12th Street office and TACS – the implementation of the pension software. Kathy informed the Board there is approximately 5,000 square feet to lease in the new building. Management staff and outside counsel will draft a lease agreement and assist in the leasing process. On January 18, 2006, potential real estate brokers are invited to interview with staff and counsel so that one can secure a qualified tenant. The tentative date for moving is June 2006.

The TACS pension software implementation continues to move forward. Work has begun on existing member salary and contribution data from 1999 through 2005, to be sorted, recompiled and transferred electronically. Testing of estimates and all of the system's complexities are continuous. TACS staff indicates the completion date could be August 2006.

8. **Correspondence**

a. Letter from Charlotte Capital – Investment Performance for StanCERA Portfolio

The Board reviewed a letter received from Charlotte Capital regarding the investment performance of StanCERA's small cap value portfolio.

8. **Correspondence (cont.)**

- b. Letter from MFS Institutional Advisors – Investment Performance for StanCERA Portfolio

The Board reviewed a letter received from MFS Institutional Advisors regarding the investment performance of StanCERA's large cap growth portfolio.

- c. Letter from Dodge & Cox - Changes to Senior Management at Dodge & Cox

The Board reviewed a letter received from Harry R. Hagey, Chief Executive Officer and Chairman of Dodge & Cox, StanCERA's fixed income and large cap equity portfolio manager. The letter detailed the anticipated senior management changes taking place at Dodge & Cox in 2006.

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

Tom Watson, Administrator, announced that to date, StanCERA has received 17 thank-you notes from retirees regarding the special COLA they received in their January 3, 2006 check.

9. **Committee Reports and Recommendations for Action**

STANDING COMMITTEES

- a. Retiree Benefits Committee - Wes Hall, Chair

- i. Report on Retiree Health Insurance Issues

Wes Hall, Chair, distributed to the Board a comprehensive report on the Committee's activities to date regarding retiree health insurance issues. Issues include retiree health insurance liability and funding. At the Board's direction, the Committee is studying all aspects of retiree health insurance, to return with final recommendations in April 2006.

- ii. Set Special Retirement Board Meeting for 10:30 a.m., Wednesday, April 12, 2006 – Retiree Health Insurance Issues

Darin Gharat, Chair, set a Special Retirement Board Meeting for 10:30 a.m., Wednesday, April 12, 2006. The meeting will be held in the Community Room, Stanislaus County Nick W. Blom Salida Regional Library, Salida. The meeting will focus on the final recommendations from the Committee to the Board regarding proposed changes to retiree health insurance.

Joan Clendenin, representing the Retired Employees of Stanislaus County Association (RESCO) asked if a report would be available to RESCO prior to the April 12, 2006 special meeting. Deirdre McGrath, Deputy County Counsel, responded that RESCO will be notified per the statutes (Government Code Sections 31592.5 & 31694.5).

9. **Committee Reports and Recommendations for Action (cont.)**

STANDING COMMITTEES (cont.)

b. Retiree Benefits Committee (cont.) - Wes Hall, Chair

iii. Report on January 3, 2006 Retiree Special Cost of Living (COLA) Payment

Wes Hall, Chair, distributed to the Board a written report of the January 3, 2006, special cost of living payment. StanCERA paid 314 retirees and beneficiaries a total of \$519,322.72 for this year's special COLA. All of these payments were based on retirements prior to April 1981 (members who have been retired for 24 years or more).

b. Education Committee, Maria DeAnda, Chair

i. Updated Educational Hours for Retirement Board Members

Maria DeAnda, Chair, noted the Board received an updated report on educational hours for the year 2005. Maria asked Board members to review their individual records for accuracy. The information will be placed in a database.

ii. Discussion and Approval of Attendance and Travel Costs for the State Association of County Retirement Systems' (SACRS) Symposium of Other Post Employment Benefits (OPEB) and The Government Accounting Standards Board's (GASB) Statements #43 and #45, February 22 – 23, 2006, Sacramento, California

Motion was made by Steve Yauch and seconded by Wes Hall to approve the attendance and travel costs for the SACRS' Symposium on OPEB and GASB Statements, Sacramento, February 22 - February 23, 2006.

Motion carried.

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

Kelly Cerny informed Board members the Fair Political Practice Commission's (FPPC) 700 form for 2005-06 is due April 1, 2006.

Mike Lynch asked for a written county counsel opinion on the vesting (or non-vesting) of retiree health insurance benefits; and for a survey of other 1937 Act systems as to whether they offer a "means" test for retiree health insurance.

Darin Gharat asked staff for further inquiry of the Chief Executive Office and Auditor-Controller's Office as to whether an explicit determination has been completed of the County's cost for reporting health insurance liability.

11. **Adjournment**

Meeting adjourned at 3:41 p.m.

Respectfully submitted,

Tom Watson, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL

Deirdre McGrath, Deputy County Counsel