



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

August 9, 2006

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

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

Members Absent: Gordon Ford

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

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

2. **Announcements**

None.

3. **Public Comment**

None.

4. **Consent Items**

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

Motion carried.

- a. Approval of the July 25, 2006 Minutes
- b. Approval of Service Retirement(s) – Sections 31499.14. 31760.1, 31662.2 & 31810
 1. B. Gail Black, BHRS, Effective 08-14-06
 2. Danny Davis, City of Ceres, Effective 08-31-06
 3. Diane Guerra, BHRS, Effective 08-19-06
 4. RuthAnn Kunishige, CSA, Effective 08-02-06

4. **Consent Items (cont.)**

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

5. Ronald Morris, GSA, Effective 08-31-06
6. Kathleen Phillips, Superior Court, 08-15-06
7. Karen Sandidge, BHRS, Effective 07-07-06
8. Steven Surges, BHRS, Effective 08-20-06
9. Dean Wilson, Probation, Effective 08-01-06

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

1. Sylvia Adame, CSA, Effective 07-15-06
2. Tamara McCurtin, HSA, Effective 07-15-06
3. Jean Harter, CSA, Effective 07-15-06
4. Victor Cabello, Sheriff, Effective 08-13-05
5. Christopher Emerson, CEO, Effective 06-30-06
6. Ruthild D. Ferguson, HSA, Effective 06-03-06
7. Andrea Rosa Moreno, HSA, Effective 03-23-06
8. Belinda Rollicheck, District Attorney, Effective 07-01-06

d. Approval of Disability Retirements – **Section 31724**

1. Lester Murphy, City of Ceres, Service-Connected, Effective 03-18-06
2. Giles New, Sheriff, BHRS, Service-Connected, Effective 03-01-06

5. **Closed Session**

Motion was made by Mike Fisher and seconded by Maria DeAnda to commence to Closed Session at 2:02 p.m.

Motion carried.

Returned to Open Session at 2:07 p.m.

6. **Administrator**

a. Special Projects Update – New Office and TACS Technology

Kathy Herman, Special Projects Manager, gave the Board of Retirement an update of the status of the new office, and the TACS retirement administration software.

Kathy informed Board members there is a list of small items to be completed for StanCERA's office. An open house is planned for the future after other County occupants arrive and the security construction is complete.

6. **Administrator (cont.)**

b. Special Projects Update – New Office and TACS Technology (cont.)

Kathy reported the active member processing in TACS went live as of July 1, 2006 and staff is no longer posting payroll contributions parallel in the old system. The old system will be accessible for historical research only.

Kathy provided a live demonstration of the TACS software system by navigating through screens to show a sample of an inquiry into a record. Kathy noted that 5,400 members' records in the system had interest posted to each, and for the first time member statements will be printed from the TACS system alone. Staff will be able to track all contributions and changes in a more timely manner. Wes Hall, Vice-Chair, inquired about security of the system and will it adapt to changes, specifically laws that change affecting employee and employer contributions. Kathy responded the system is protected and it allows for programming of tables to accommodate possible changes. Kathy distributed to board members sample member statements. Approximately four modules of the system are left to be completed.

Board members thanked Kathy for the well-presented material.

c. Post-Ventura/*Francis* Settlement Additional Benefits Cost Report

Tom Watson, Administrator, reported the actuarial liability for the prospective retirement benefits paid in accordance with the post-Ventura/*Francis* settlement was received. The liability for the prospective retirement benefits to be paid is \$3,422,122. Tom reiterated the statistical information from his written report to the Board dated August 2, 2006. There were 767 applications received, 376 applicants received additional benefits, and the total cost of benefits was slightly over \$7 million.

Items 6d., 6e., and 7a. Tabled to September 13, 2006 - See Below

6. **Administrator (cont.)**

- d. Discussion and Action on the Interim Retiree Health Insurance Guidelines Policy
- e. Discussion and Action on the Draft Retiree Health Allowance Policy

7. **Correspondence**

- a. Retired Employees of Stanislaus County's (RESKO) Letter Dated July 12, 2006 – Response to Proposed Changes in the Retiree Health Allowance Policy

Deirdre McGrath, Deputy County Counsel, requested Items 6d., 6e., and 7a. be tabled until the Board of Retirement meeting of September 13, 2006. Deirdre recommended the ad-hoc retiree benefits committee or the retiree benefits committee be available within this timeframe to reconsider the items and the

Items 6d., 6e., and 7a. Tabled to September 13, 2006 - See Below (cont.)

current proposal by this date. Deirdre mentioned this was a result of re-examining the conflict of interest laws after a recent San Diego Court ruling in one of the City of San Diego cases. The Board discussed this issue and then requested that clarification and a comprehensive analysis of the Board of Retirement's decisions be addressed as to whether there are potential conflicts of interest. Deirdre said this could not be completed by September 13, 2006, however, she would keep members informed of such issues as they arose in the future since each analysis is fact-dependent. She would currently focus on the retiree health allowance item. Deirdre explained Government Code Section 1090 addresses conflicts of interest in regards to contracts.

Motion was made by Mike Lynch and seconded by Steve Yauch to postpone Action on Items 6d., 6e. and 7a., Interim Retiree Health Insurance Guidelines Policy; Draft Retiree Health Allowance Policy; and the Letter from the Retired Employees of Stanislaus County's (RESCO) Letter Dated July 12, 2006 – Response to Proposed Changes in the Retiree Health Allowance Policy, respectively; until September 13, 2006, when Counsel has completed her analysis of this matter.

Motion carried.

Lyn Bettencourt, retired member, addressed the Board of Retirement stating he was concerned with this second delay, that the Board of Retirement had begun a decision process, with a response from RESCO, and it is now postponed. Deirdre said RESCO would remain part of this decision process if required.

8. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Education Committee – Maria DeAnda, Chair

- i. Discussion and Action on Attendance and Costs for the Pensions & Investments' (P&I) 9th Annual West Coast Defined Contribution Conference, October 8-10, 2006, San Francisco, California

Steve Yauch and Jim DeMartini, Trustees, informed the Board this conference appears to be useful and would add to the Board's knowledge of defined contribution plans. As members of the Strategic Planning – DB Plans & Alternatives Committee, both commented it would be beneficial to the committee and interested board members to attend.

Motion was made by Ron Martin and seconded by Mike Fisher to approve attendance and travel costs for the P&I 9th Annual West Coast Defined Contribution Conference, October 8-10, 2006, San Francisco, California.

Motion carried.

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

Kelly Cerny asked that Board members who are planning on attending upcoming seminars to please contact her for arrangements.

Wes Hall requested a copy of a written roster of StanCERA's vendors. Tom Watson responded that a written directory is available and will be mailed to Board members.

10. **Adjournment**

Meeting adjourned at 3:09 p.m.

Respectfully submitted,

Tom Watson, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL

Deirdre McGrath, Deputy County Counsel