



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

September 12, 2007

- Members Present:** Maria De Anda, Jim De Martini, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Mike Lynch, Ron Martin, and Steve Yauch
- Alternate Member Present:** Linda Stotts-Burnett (Alternate Retiree Representative)
- Members Absent:** *None.*
- Others Present:** Kelly Cerny, Patty Hill-Thomas, Deirdre McGrath, Monica Nino-Reid, Terry Rein, Michele Silva, and Tom Watson

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

2. **Announcements**

None.

3. **Public Comment**

None.

4. **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 August 28, 2007, Meeting Minutes
- b. Notice of Election 2007 – Seat #7 Safety Representative and Alternate Safety Representative

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

c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810 (cont.)**

1. Stephanie Chandler, HSA, Effective 09-08-07
2. Michele Frank, Public Works, Effective 09-28-07
3. Nancy Gum, CSA, Effective 09-05-07
4. Randy Harris, Probation, Effective 09-02-07
5. Timothy Helfer, Superior Court, 09-05-07
6. Linda Jue, BHRS, Effective 09-28-07
7. Dorothy Kobes, Library, Effective 09-29-07
8. Sylvia Nessi, BHRS, Effective 09-29-07
9. Maria Oxford, BHRS, Effective 09-29-07
10. Carmen Rivas, Treasurer/Tax Collector, Effective 09-05-07
11. Christine Rowan, Library, Effective 09-29-07

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

1. Cyndi Grabow, HSA, Effective 08-01-07
2. Gregory Jones, Sheriff, Effective 07-27-07
3. Timothy Koch, Emergency Services, Effective 05-01-07
4. Gity Miller, Public Works, Effective 04-04-07
5. Britt Moore, Alliance Worknet, Effective 07-07-07
6. Steve Parodi, District Attorney, Effective 07-14-07
7. Mary Kathryn Sill, HSA, Effective 06-29-07
8. Jonathan Zimmerman, Sheriff, Effective 07-07-07

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

1. Linda Fields

f. Approval of Disability Retirements – Section 31724

1. Judith Andrews, Non-Service-Connected, HSA, Effective 08-01-07
2. Carolyn Fraser, Non-Service-Connected, Assessor, Effective 04-18-07
3. Kevin Lane, Non-Service-Connected, BHRS, Effective 05-31-07

Mike Lynch arrived at 2:02 p.m.

Item #6. Heard Out of Order

6. Administrator

- a. Stanislaus County's Response to Inquiry of Appraisal Work To Extend the 66 Year Condominium Interest to 99 Years

Patty Hill-Thomas, Chief Operating Officer, and Monica Nino-Reid, Assistant Executive Officer, Stanislaus County; along with Terry Rein, Counsel; were present to explain and answer questions regarding the Board of Retirement's inquiry as to how the amount of the condominium units was determined for the additional payment for the extension of the condominium interest.

Ms. Hill-Thomas distributed a copy of a recently approved Board of Supervisors' Item, B-10, August 28, 2007, with details of the condominium project documents. She provided a brief history of the unique partnership of a general law county, private industry, and StanCERA who have condominium interests in the 832 12th Street building. The agreement also includes the parking license for the use of the county-owned garage that will also be shared by the Gallo Center for the Arts' upcoming events on weekends and evenings.

Ms. Hill-Thomas gave a summary of the County's position to revise the condominium documents to correct a title issue, and extend the County's condominium interest term from 66 years to 99 years. County Counsel reviewed the potential revisions to determine whether the extension could be granted or whether there was a need to show some additional public benefit. County Counsel concluded there was a need to show a public benefit to extend the initial 66 year condominium interest agreement to 99 years, particularly with a private company involved (Westland Development Company). Ms. Hill-Thomas explained that the Board of Retirement had the same opportunity to extend its condominium interest for the sixth floor. Ms. Hill-Thomas said the future value of the building was not appraised, however the value used was the investment calculation for the core and shell of the building at the time of the original agreement with Westland Development Company. This value, when discounted at the Treasury pool rate, was then used to calculate the amount to pay to extend the condominium interests.

Ms. Hill-Thomas and Ms. Rein answered the Board's various questions. Wes Hall, Chair, expressed concern about current parking, with the garage already filling up prior to the opening of the Gallo Center for the Arts. He inquired about the reserved spaces. Ms. Hill-Thomas said StanCERA has exclusive rights to 56 parking spaces each day of the week, 6:00 a.m. to 6:00 p.m., with non-exclusive rights after hours. After some discussion, Ms. Hill-Thomas and Mr. Watson, addressed the parking concern with a plan to place cones at spaces to reserve parking for board members when the retirement board meetings occur.

- b. Discussion and Action on Extending the Condominium Interest to 99 Years From 66 Years for the 832 12th Street Building

Motion was made by Mike Fisher and seconded by Jim DeMartini to approve the payment of \$420,000 to Stanislaus County per the schedule proposed by Stanislaus County, so that StanCERA's condominium interest at 832 12th Street, Sixth Floor, may be extended from 66 years to 99 years.

Motion carried.

Item #6. Heard Out of Order

6. Administrator (cont.)

Ron Martin arrived at 2:52 p.m.

- c. Discussion and Action on Dodge & Cox's Request Dated August 27, 2007, to Amend Dodge & Cox's Equity Guidelines in StanCERA's Statement of Investment Policy

Tom Watson, Administrator, gave a brief overview of the written request dated August 27, 2007, from Dodge & Cox, StanCERA's large cap value equity and fixed income investment manager. The request was to amend the current equity guidelines for Dodge & Cox in StanCERA's Statement of Investment Policy. The amended language entails excluding foreign companies' stocks from the 20% ceiling if the stock is included in the S&P 500 Index.

Motion was made by Steve Yauch and seconded by Darin Gharat to amend the equity guidelines in StanCERA's Statement of Investment Policy, Page 10, Paragraph 3 to read, "The securities of foreign based companies included in the S&P 500 Index are excluded for purposes of calculating the maximum percent of foreign securities held."

Gordon Ford opposed.

Motion carried.

- d. Discussion of the Board of Retirement 's September 19, 2007, Half-Day Retreat

Mr. Watson mentioned that the written agenda for the Wednesday, September 19, 2007, Half-Day Retreat, was distributed to board members. The topic of the retreat was Board Governance, with a presentation by Cortex Applied Research. Kelly Cerny, Secretary, pointed out that paper copies of the PowerPoint presentation were now available for those interested in reading it prior to the retreat.

5. Closed Session

Motion was made by Mike Fisher and seconded by Maria De Anda to commence to Closed Session at 2:57 p.m.

Michele Silva recused herself at 2:57 p.m.

Tom Watson recused himself at 2:57 p.m.

Darin Gharat recused himself at 3:13 p.m. from Closed Session Item 5b.

Upon returning to Regular Session at 3:38 p.m., Kelly Cerny, Board Secretary, read the findings of the Closed Session.

Michele Silva, Tom Watson and Darin Gharat returned at 3:38 p.m.

- a. The application of Stephen Collyer for a service-connected disability retirement was denied.

5. **Closed Session (cont.)**

b. William Gaede, Retiree – Disability Benefit

It was determined Mr. Gaede is no longer permanently incapacitated for his position of Deputy Sheriff-Custodial. The Board of Retirement directed staff to send this matter to Mr. Gaede's employer, the County of Stanislaus, to determine whether the employer will offer to reinstate Mr. Gaede. A written copy of such determination should be provided to StanCERA.

Item #6. Heard Out of Order

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

Steve Yauch, Trustee, mentioned he will not be available to attend the September 19, 2007, Board of Retirement Half-Day Retreat.

Darin Gharat, Trustee, suggested that for those members who may be interested, the upcoming National Conference on Public Employees Retirement System's (NCPERS) Public Sector Health Care Symposium & Exposition is a good educational opportunity. Darin Gharat and Linda Stotts-Burnett, the alternate retiree representative, attended the Symposium last year. Darin provided a printed brochure to Gordon Ford, Chair of the Education Committee.

Michele Silva, Benefits Manager, informed board members that in processing the last payroll it was brought to StanCERA's attention that some retirees had additional amounts withheld in their federal tax withholding. A letter of explanation was immediately mailed the same day to affected retirees. Ms. Silva said new procedures have been implemented to ensure this will not occur again. Ms. Silva said the retirees were given the option to adjust their federal withholding for the October payroll, to compensate for this overpayment. Staff verbally talked to 91 affected retirees, and to date, 28 requested to make a one-time change to their October federal tax withholding.

8. **Adjournment**

Meeting adjourned at 3:50 p.m.

Respectfully submitted,

Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL

Deirdre McGrath, Deputy County Counsel