



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

August 9, 2000

Members Present: Lyn Bettencourt, Maria DeAnda, Wes Hall, Joash Paul, and Al Sarina

Members Absent: Nick Blom, Virgil Thompson, Tom Watson, and Steve Yauch

Others Present: Victoria Halliday, Robert Harmon, Lois Ertel; Paul Urban, member

1. Meeting called to order at 2:00 p.m. by Chairman Joash Paul.

2. **ANNOUNCEMENTS**

Lois thanked the Board members for turning in their SACRS Fall Conference registrations.
(Just need Nick Blom and Steve Yauch)

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

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

Motion carried.

a. Approval of the July 25, 2000 Regular Session Minutes.

b. Approval of Service Retirement(s) - Sections 31760.1 and 31810

1. Raymond Harter, District Attorney's Office, Effective 07-29-00
2. Linda J. Wall, Assessor's Office, Effective 08-01-00
3. Robert M. Wildman, Public Defender, Effective 08-01-00
4. Barbara Wilson, Community Services Agency, Effective 08-01-00
5. Charles R. McKenna, District Attorney's Office, Effective 08-02-00
6. Thomas A. Bright, II, Mental Health, Effective 08-06-00
7. John Luther, Public Works, Effective 08-11-00
8. Marlene Pat Seidel, Clerk/Recorder's Office, Effective 08-26-00
9. David E. Graves, Community Services Agency, Effective 08-31-00

d. Approval of Deferred Retirement(s) - Section 31700

1. Ronald D. Thissen, City of Ceres, Effective 06-30-98

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4. **CONSENT ITEMS -Continued**

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

2. Charles D. Woods, City of Ceres, Effective 09-11-98
3. Millis Manafi, City of Ceres, Effective 11-09-99
4. Joseph L. Wadley, Health Services Agency, Effective 06-01-00
5. Carol E. Long, Public Defender's Office, Effective 06-09-00
6. Jimmy C. Thao, Public Health Dept., Effective 06-09-00
7. Miller B. Go, Health Services Agency, Effective 06-16-00
8. Abel Tagre, Community Services Agency, Effective 6-19-00
9. Peter W. Larson, Jr., Clerk/Recorder's Office, Effective 07-01-00
10. Janice Madere-Dawkins, Employment & Training, Effective 07-12-00
11. Theresa M. Hubert, Library, Effective 07-28-00

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

1. Maricela Carbajal

f. **Approval of Death Benefit - Section 31781**

Patty J. Herfurth, deceased 07-23-00. Surviving spouse, Henry Herfurth, will receive a lump sum death benefit and retirement contributions.

5. **CLOSED SESSION:**

Prior to going into closed session, Paul Urban thanked the Board for the opportunity to speak on his own behalf. He stated the type of work, the long hours, and the conditions of the work environment all contributed to his medical condition which has disabled him from performing his job as a Deputy Coroner. Although he enjoyed the investigative work, most of the job was an emotional strain and very draining. The case load in 1997 (when he last worked) was 1800 to 1900 a year. He believes Deputy Coroners need less hours and more help.

Motion was made by Al Sarina and seconded by Lyn Bettencourt to adjourn to closed-session at 2:10 p.m.

Motion carried.

Closed Session Findings:

After returning to regular session at 2:19 p.m., the Assistant Administrator read the findings of the closed session:

- a. The application of Paul Urban for a service connected disability retirement benefit was denied.

Closed Session Findings-Continued:

- b. The application of Judith Smith for a service connected disability retirement benefit was granted effective April 7, 2000.
- c. The application of James Tackett for a service connected disability retirement benefit was granted effective April 7, 2000, with appropriate medical call back at the Administrator's discretion due to his age, and revision if he is rehabilitated within StanCERA covered employment.

6. **ADMINISTRATOR**

a

At the June 14, 2000 Board meeting, the Board elected to have staff notify the 11 members affected of the reversal by the Appellate Court of the original "San Diego" decision granting them a Tier 1 status based on reciprocity with continuous membership from June 30, 1980 or prior. They will be returned to a Tier 2 status, but will not be required to make up any additional member contributions. Before taking this action, the Board asked the Administrator to communicate with the Board of Supervisors about this issue to see if they wished to grant a benefit to these 11 members by allowing them to keep their Tier 1 status granted prior to the reversal on appeal. If no action was taken by July 31, 2000, the retirement staff would be instructed to follow through with the recommendation of the Administrator in administering member benefits according to the law.

This information was sent to the Board of Supervisors requesting it be placed on their agenda for decision on August 8, 2000. Because we did not make a recommendation, (leaving this to Reagan Wilson, CEO), the item was pulled by the CEO's office with a request to discuss this with the CEO.

Motion was made by Lyn Bettencourt and seconded by Al Sarina to postpone a decision on this issue until the September 26, 2000 meeting, allowing the Administrator to communicate with Reagan Wilson, CEO.

Motion carried.

- b. A presentation was given and materials furnished on the Style Advisor software program at the Board meeting on 7/25/00 with a decision to be made on the purchase of same at this meeting. Robert Harmon advised the Board he had just heard prior to the meeting that John McLaughlin, our consultant with Capital Resource Advisors (CRA), had phoned to say a similar program was available from CRA with no additional cost to us. Robert Harmon thinks an independent verification of data is important and recommends buying the Style Advisor software program. Virgil Thompson had asked for the opportunity to study the materials on this program, and knowing he would not be at this meeting, asked Wes Hall to report to the Board his approval of the purchase of this program.

6. **ADMINISTRATOR-Continued**

- b. Based on the approval of County Counsel to the agreement contract, motion was made by Lyn Bettencourt and seconded by Wes Hall to grant approval for the Administrator to sign a license agreement with Zephyr Associates, Inc. for the Style Advisor software program at an annual cost of \$15,000. Approval of the budget each year will allow the Board to review this contract annually prior to the time for renewal.

Motion carried.

- c. Since it was thought more Board member input was desirable, motion was made by Lyn Bettencourt and seconded by Maria DeAnda to table the review of Board Planning Sessions as requested by Steve Yauch until the next Administrative meeting in September.

Motion carried.

7. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

- a. Benefits Committee-Wesley Hall, Chairman

Wes Hall reported a full committee met on August 1, 2000 with guests Patrick McTighe, Insurance Consultant, Gene Fowler, President of RESCO and Wally Morrow, RESCO benefit committee. The first item on their agenda was correspondence with Nell Fortner which was referred to Patrick McTighe to investigate. He will inform the committee of the outcome.

Lyn Bettencourt reported on the second item on the agenda regarding proposed legislation on SB670, AB1937 and one other bill (number unknown). He thinks recommendations on these bills should be considered at a later time with a full Board. Lyn Bettencourt stated that new legislation should be reviewed with CEO, City, and Unions. Robert Harmon reported that CEO staff had suggested representatives from the retirement system should be present during negotiations with unions.

The third item on their agenda were the new rates from PBGH for retiree health benefits in 2001. Pacificare will increase by about 10% and, as before, National Health Plans (NHP) does not submit rates to PBGH. It has been difficult for our consultant, Patrick McTighe, to obtain this information from NHP which is the choice of approximately 50% of retirees, even though they have been traditionally more costly. He has been told a 20% increase is expected. All rates would affect Medicare plans as well as non-Medicare plans. Kaiser Permanente has decreased their rates from 2000 and the committee recommends adding them to our plan.

7. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION-Continued**

a. Benefits Committee-Wesley Hall, Chairman

Motion was made by Wes Hall and seconded by Lyn Bettencourt to add Kaiser to our plans.

Motion carried.

It was further reported the open enrollment for 2001 retiree health care plans will be held on November 8 and 9, 2000 in Harvest Hall at the new Ag Center on Cornucopia Way. Patrick McTighe is trying to upgrade the dental care plan for retirees.

b. Bylaws Committee-Steve Yauch, Chairman

No report.

c. Due Diligence Committee-Lyn Bettencourt, Chairman

Lyn Bettencourt stated he would give a report on the due diligence visits to Capital Resource Advisors and Putnam Investments at the next meeting when a full Board is present. He plans to provide a written report with the agenda packet giving Board members an opportunity to review it prior to the meeting.

d. Education Committee-Virgil Thompson, Chairman

Consideration of revising this committee to more actively review and recommend educational opportunities (only other Board member assigned to this committee is Wes Hall) was postponed until the next meeting.

It was reported the SACRS Fall Conference will have a session presented by David Dolanar and Peggy Huntsinger of the CEO/Risk Management Division on Stanislaus County's Disability Program. They plan to meet with the Board prior to this time to provide specific dollar figures as requested and to give a preview of their program for SACRS.

Agenda items for the next meeting should cover approval of travel expenses for those attending the Capital Resource Advisors Summit on October 11-14, 2000 and the Consultants Roundtable (designed for those that use consultants) offered by Institutional Investor Institute in San Francisco on October 2-3, 2000.

8. **MEMBERS FORUM (Information and Future Agenda Requests Only)**

John McLaughlin has asked to meet with the Due Diligence committee to discuss questions for due diligence trips and frank discussion about CRA (Capital Resource

8. **MEMBERS FORUM (Information and Future Agenda Requests Only)- Continued**

Advisors). He will not be available for the Board meeting on August 22, 2000. Robert Harmon suggested this be done after the due diligence committee makes their report on visits and at a time when John McLaughlin will be in town for a Board meeting.

Krys Upstill would like to give Retirement Board members "Actuarial 101" as part of its educational program. It was recommended she be invited to present this thirty to forty-five minute program at a Board meeting in the near future.

Since she will be in court, Victoria Halliday will have a back up for the Board's September 13, 2000 meeting.

9. **ADJOURNMENT**

Meeting adjourned at 3:15 p.m.

Respectfully submitted,

Robert Harmon, Assistant Administrator
For
Tom Watson, Secretary
Board of Retirement

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel