



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

AUGUST 14, 2002

Members Present: Nick Blom, Kent Crawford, Maria DeAnda, Wes Hall, Al Sarina and Virgil Thompson

Members Absent: Gary Dial, John Hallford and Tom Watson

Others Present: Robert Harmon, Victoria Halliday, Jamie Borba, John Gobel and Robert Snodgrass

1. Meeting called to order at 2:03 p.m. by Chair Wes Hall

2. **ANNOUNCEMENTS**

Robert informed the board that we have received the video tapes from the May 2002 SACRS conference. If anyone is interested in them, they are located in the office library.

Wes stated that he would be interested in reviewing the video on the subject of Asset Smoothing. Robert agreed to look through the video to see if there was anything on tape about smoothing.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

Motion was made by Nick Blom and seconded by Al Sarina to approve the following items as listed.

Motion carried.

a. Approval of the July 23, 2002 Regular and Closed Session Minutes.

4. **CONSENT ITEMS**

- Continued -

b. Approval of Service Retirement(s) - Sections 31499.14, 31760.1 and 31810

1. Paul Birmingham, Community Services Agency, Effective 08-23-02
2. Sandra Halcon, Deferred, Veterans Services, Effective 08-01-02
3. Rolf Kirchhoff, Planning Department, Effective 08-10-02
4. Linda McDermott, Sheriff, Effective 06-15-02
5. Harlan Morgan, Deferred, Environmental Resources, Effective 08-05-02
6. Fred Perez, Jr., City of Ceres, Effective 08-01-02
7. Larry Poaster, B H R S, Effective 08-10-02
8. Edward Ridenour, Sheriff, Effective 08-13-02
9. Richard Sadorra, D E T, Effective 07-19-02
10. Gregory Schoeder, Sheriff, Effective 08-09-02
11. Walter Wong, Deferred, Public Health Dept, Effective 04-01-02

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

1. Dana Sue Benton, D E T, Effective 07-01-02
2. Lynn Hevezi, Probation, Effective 08-06-02
3. Connie Kreider, County Counsel, Effective 07-26-02

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

1. Steven O'Connor

5. **Closed Session**

Motion was made by Al Sarina and seconded by Maria De Anda to adjourn into closed session at 2:05 p.m.

Motion carried.

Closed Session Findings:

After returning to regular session at 2:11 p.m., Robert Harmon, Administrator, read the findings of the closed session:

The application of Robert Snodgrass for a Non-Service Connected Disability Retirement Benefit was approved effective February 1, 2002.

Kent Crawford arrived at 2:15 p.m.

6. **Administrator**

- a. Monthly Staff Report on Investment Performance for Month Ending July 31, 2002

Robert Harmon reported that at the end of July 2002 the association was at \$868 million which was slightly down from the prior month. Returns for the entire portfolio as of July 31, 2002 were -4.98%, -7.60% -8.34%, 1.86% and 5.08% for the one month, three months, one, three and five years respectively.

- b. Adopt Resolution Implementing AB131

Robert presented a Resolution implementing AB131 and requested the board adopt the resolution. Robert explained that AB131 was adopted by the State legislature and signed by the governor in April 2002. AB131 requires us to accept rollovers to buy-back service credit for a very specific set of circumstances. Robert felt that this would apply to few, if any, retirees.

Motion was made by Virgil Thompson and seconded by Al Sarina to adopt the Resolution as presented.

Motion carried.

- c. Update on Health Insurance Open Enrollment & Health Faire

Robert Harmon asked John Gobel to give the board an update on the Health Insurance Open Enrollment and Health Faire scheduled for October 22, 2002.

John stated that StanCERA is holding the Health Faire at Modesto Centre Plaza and that it will be an all day event. There will be two (2) presentations given (one starting at 8:00 a.m. and one starting at 1:00 p.m.). There will be several booths from the different insurance plans and representatives from the area hospitals. They are also working on getting the Public Health Department to give flu shots.

Wes asked if there would be a booth available for taking blood pressure. He suggested asking the Public Health Department nurses if they would be available for that also.

6. **Administrator**
- Continued -

- d. Approval to Engage Hanson Bridgett as Tax Counsel for the Development of a Replacement Benefit Plan

Robert presented a proposal from Robert Blum an attorney regarding establishing a replacement benefit plan under Section 415(m) of the Internal Revenue Code. Robert explained the IRC415 limits benefits to highly compensated employees and also to moderately compensated employees who were hired very young and are retiring young. IRC415 was not a problem prior to implementing enhanced benefits. A replacement benefit plan allows the County to pay the retiree any amounts in excess of the 415 limitations, which StanCERA cannot pay. The amounts paid by the County are then deducted from the County's contribution. Since StanCERA has included the liability for the entire payment amount, this results in only marginal administrative costs for both StanCERA and the County.

After much discussion Robert withdrew the item from consideration.

7. **Correspondence**

None

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

STANDING COMMITTEES

- a. Benefits Committee-Wesley Hall, Chair

The committee will be meeting on August 19, 2002 and will have a report at the next meeting.

- b. Bylaws Committee-Tom Watson, Chair
- Approval of Article IV through Article VIII of Bylaw Changes

After discussion, it was noted that Article 8.1 of the StanCERA Bylaws requires a vote of seven members to change the bylaws therefore, the board was not able to vote on this item.

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

STANDING COMMITTEES

- Continued -

- c. Due Diligence committee-Virgil Thompson, Chair

A reminder to everyone that the next meeting will be held on August 27, 2002 at 10:00 a.m. and that a working lunch will be provided.

The dates of the Due Diligence trip to Boston have been changed to October 30, 2002 through November 1, 2002 due to conflicting schedules. Al Sarina, Maria De Anda and Robert Harmon will be attending.

- d. Education Committee-Virgil Thompson, Chair
- Report from Victoria Halliday on June NAPPA Conference

Victoria Halliday gave a report on the June 2002 NAPPA Conference. She stated that this conference was very informative. She brought back a binder of the different issues that were discussed and welcomed anyone to go through the information.

AD-HOC COMMITTEES

- e. Independence Committee-Al Sarina, Chair

The committee will meet on August 21, 2002 at 10:00 a.m. There will be a lot of information to cover. Consultants from Jones Lang LaSalle will be attending as well as representatives from the County.

- f. Disability Retirement Accountability Committee-Maria DeAnda, Chair

Lois has revised the survey so that it is easier to follow and should enable people to respond with feedback.

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

Vicki enjoyed her vacation and was glad to be back. She gave a quick update on the Ventura proceedings - nothing has been determined at this time.

We discussed/shared some articles from the Modesto Bee regarding up scaled buildings in Modesto and the health insurance costs rising.

Nick stated that Kaiser is looking to open a hospital in this area in the near future.

10. **ADJOURNMENT**

Meeting adjourned at 3:18 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel