



**STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION**  
1010 10th Street, Suite 5800  
P.O. Box 3150  
Modesto, CA 95353-3150

Phone (209) 525-6393  
Fax (209) 525-4334  
www.stancera.org  
e-mail: retirement@  
mail.co.stanislaus.ca.us

## **BOARD OF RETIREMENT MINUTES**

**DECEMBER 11, 2002**

**Members Present:** Nick Blom, Kent Crawford, Gary Dial, Maria DeAnda, Wes Hall, Al Sarina, Virgil Thompson and Tom Watson

**Members Absent:** John Hallford

**Others Present:** Robert Harmon, Victoria Halliday, Karen Gonzales, John Gobel, Paul Harte of Strategic Investment Solutions, Inc., Richard Sadorra, member and spouse, Rachael Sadorra, Thomas Keating and Brad Moore of Stanislaus Consolidated Fire District and Art Londos of Bank of New York.

1. Meeting called to order at 2:02 p.m. by Chair Wes Hall

### **ANNOUNCEMENTS**

Trina Trimble was listed on the agenda for a retirement date of December December 28, 2002 and has requested us to change her retirement effective date to December 30, 2002.

Robert informed the board that we had received some correspondence too late to list on the agenda but needed to be discussed.

Art Londos from Bank of New York was present for the meeting and brought refreshments to share.

### **PUBLIC COMMENT**

None

### **CONSENT ITEMS**

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

Motion carried.

a. Approval of the November 26, 2002 Regular and Closed Session Minutes.

4. **Consent Items**

- Continued -

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

1. Raul DeLeon, CEO, Fleet Services, Effective 12-31-02
2. Beverly Graham, Sheriff, Effective 12-04-02
3. Carl Heffner, CSA, Effective, 12-21-02
4. Suzanne Hiebert, CSA, Effective 12-14-02
5. Diane Hughes-Ott, Environmental Resources, Effective 12-28-02
6. Ronald Johnson, SBT, Effective 12-21-02
7. Jacqueline McDaniel, CSA, Effective 12-31-02
8. Margo Mulliniks, Deferred, Juvenile Hall, Effective 11-02-02
9. Nancy-Anne Pierce, Deferred, Probation, Effective 12-04-02
10. Trina Trimble, Sheriff, Effective 12-30-02
11. Robert Trout, Sheriff, Effective 12-10-02
12. Gilbert Vasquez, CSA, Effective 12-28-02

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

1. Maria Arevalo, Public Defender, Effective 09-27-02
2. Danise Huey, Public Works, Effective 11-15-02

5. **Staff Report of Performance for the month ending November 30, 2002**

Robert Harmon reported that at the end of November 2002 the Association was over \$ 891 million in assets, which was up from the prior month. Returns for the entire portfolio as of November 30, 2002 were 3.98%, 1.73%, -4.19%, 2.05% and 5.62% for the one month, three months, one, three and five years respectively.

Paul Harte presented the board manager updates and a copy of The PunchLine newsletter that they receive in their offices semi-monthly. Virgil Thompson indicated that the newsletter was very informative and requested copies of future articles.

Al Sarina arrived at 2:07 p.m.

Tom Watson arrived at 2:11 p.m.

6. **Closed Session**

Motion was made by Maria DeAnda and seconded by Kent Crawford to adjourn to closed session at 2:24 p.m.

Motion carried.

Closed Session Findings:

6. **Closed Session**

-Continued-

After returning to regular session at 3:17 p.m., Robert Harmon, Administrator, read the findings of the closed session:

The application of Oliver Creel for a service-connected disability retirement was granted effective April 3, 2002 with medical call-back at the discretion of the Administrator.

The application of Richard Sadorra for a non-service-connected disability retirement benefit was granted effective July 19, 2002 with medical call-back at the discretion of the Administrator.

The requested hearing for Michael Bennett's application for a service-connected disability retirement was discussed by the board.

The Administrator's Performance Evaluation was discussed and approved.

7. **Administrator**

As a courtesy to Thomas Keating and Brad Moore from Stanislaus County Consolidated Fire, Item 'd' was discussed out of order. (See item 'd' for discussion.)

a. Approval of 2003 Board of Retirement Schedule

Kent Crawford motioned and Virgil Thompson seconded to approve the 2003 Board of Retirement Meeting schedule.

Motion carried.

b. Discussion from Victoria Halliday regarding Conflict of Interests

Vicki passed out copies of a new bill (AB 1797) regarding Public Officers and Employees Conflict of Interest - Voting and went over Government Code Section §87103 in detail.

c. Discussion regarding possible legislative changes to current law regarding disabilities

Nick Blom has contacted Eileen Melson of the CEO's office regarding requesting a change in the current law regarding disabilities through CSAC. Nick Blom stated that the Board of Supervisors has discussed this issue and is willing to support the legislation since there is a desire to change the current law. Staff will follow-up with information.

7. **Administrator**

- Continued -

- d. Approval of Request by Stanislaus Consolidated Fire Protection District to participate in Retirement Medical Program

Robert Harmon informed the board that he has been working with Brad Moore from Stanislaus Consolidated Fire District on ways to develop a plan to bring the Consolidated Fire retirees' onto our Retirement health insurance plan. Robert has also spoken to Patrick McTighe, our Insurance Consultant, regarding the billing and if there would be any additional costs to the Association or the retirees'. Robert stated that Patrick informed him that he would be able to provide the billing services directly to Stanislaus Consolidated Fire and that there would be no additional costs involved. Virgil Thompson raised concerns regarding costs to our retirees' and also if this would be legal. Vicki Halliday stated she would have to research the legal issue and get back to the board. No action was taken at this time. Robert and Brad Moore will discuss possible options with Barbara Cooper of the health benefits department.

8. **Correspondence**

The Association has received a letter from OE3 regarding health insurance on the 38 retirees that were covered under this plan. John Gobel passed out copies of the letter received and other correspondence. John discussed the issue and contents of the letter received and given the absence of the required contractual agreement and his concerns regarding OE3's offer to selectively ignore plan eligibility requirements, he decided to revisit the issue of ongoing OE3 coverage with Patrick McTighe, StanCERA Administrator and the Board of Retirement. The Board of Retirement was reminded of the OE3 insurance matter, which was discussed in the November 26, 2002 meeting. The Board listened to staff at that meeting and agreed that if OE3 did not alter their plan eligibility and meet the other requirements that StanCERA would not pay the coverage on behalf of the former OE3 members. The Board had reviewed written materials from OE3 on this issue. The Board, in this meeting, listened to staff recommendations, and decided not to schedule a special meeting on this subject or pursue any further administrative remedies, after noting that the fund "will not amend it's eligibility rules".

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

**STANDING COMMITTEES**

- a. Benefits Committee - Wesley Hall, Chair

No report

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

STANDING COMMITTEES

- Continued -

- b. Bylaws Committee - Tom Watson, Chair  
- Approval of Recommended Changes to Bylaws Article X through XII

Tom Watson motioned and Virgil Thompson seconded to approve the recommended changes to Bylaws articles X thru XII.

Motion carried.

- c. Due Diligence Committee - Virgil Thompson, Chair

Virgil Thompson noted that the due diligence reports from MFS and Putnam had been received.

- d. Education Committee - Virgil Thompson, Chair  
- Approval of CALAPRS 2003 Master Calendar of Educational Opportunities and Authorization for Trustees' to attend scheduled meetings and conferences.

Motion was made by Virgil Thompson and seconded by Al Sarina to approve the CALAPRS 2003 master calendar and authorize trustees' to attend meetings and conferences.

Motion carried.

- Approval for Trustees' to attend Institutional Investors Conference in Santa Barbara, California, April 9-11, 2003.

Motion was made by Al Sarina and seconded by Nick Blom to approve attendance for the trustees' to attend the Institutional Investors Conference.

Motion carried.

- Approval for Trustees' to attend CALAPRS Stanford "Principles of Pension Management.

Motion was made by Virgil Thompson and failed due to lack of second for trustees' to attend the CALAPRS Stanford training.

STANDING COMMITTEES

- Continued -

AD-HOC COMMITTEES

e. Independence Committee - Al Sarina, Chair

No report

f. Disability Retirement Accountability Committee - Maria DeAnda, Chair

No report

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

Vicki Halliday noted that she has been contacted by other Safety members regarding John Hallford's position on the Board of Retirement. She stated that she informed them that the Board of Retirement needs an official resignation from John Hallford. Vicki wished everyone Happy Holidays.

Virgil Thompson stated that this was the last meeting for Wes Hall as chair and next year Virgil would become chairperson. Virgil has declined to be chair next year. For rotation of officers, Tom Watson will become chairperson next year with Maria DeAnda as Vice-Chair.

Tom Watson wished everyone a Merry Christmas.

Nick Blom stated that he has enjoyed his years on the Board of Retirement. He stated it was a good experience and hopes to be re-appointed by the Board of Supervisors.

Maria DeAnda wished everyone a Merry Christmas.

Robert Harmon reminded trustees that per the Bylaws, they are not to speak to member/disability applicants regarding their case. Robert also informed the Board that he was elected as Secretary for the CALAPRS board. He also wished everyone Happy Holidays.

Karen Gonzales wished everyone a Merry Christmas.

Wes Hall thanked Vicki and Robert for jobs well done and wished Karen good luck on the delivery of her baby.

11. **ADJOURNMENT**

Meeting adjourned at 4:30 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:  
MICHAEL KRAUSNICK  
County Counsel

---

Victoria Halliday, Deputy County Counsel