



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

FEBRUARY 12, 2003

Members Present: Kent Crawford, Maria DeAnda, Wes Hall, Pat Paul, Al Sarina, Virgil Thompson and Tom Watson

Members Absent: Gary Dial

Others Present: Robert Harmon, Victoria Halliday, Jamie Borba, Doris Graham - Retiree, Darin Gharat - Sheriff, Andy Eshoo - Attorney

1. Meeting called to order at 2:00 p.m. by Vice-Chair, Maria De Anda.

2. **ANNOUNCEMENTS**

Jamie requests that those who are planning on attending the SACRS Spring Conference to please let her know in the next two weeks so that she may reserve the rooms.

Jamie requested that those who are planning on attending the CALAPRS General Assembly on 3/8 - 3/11 in Monterey to please let her know so that she can make arrangements.

3. **PUBLIC COMMENT**

Darin Gharat introduced himself and stated that he is interested in running for the Safety Representative Seat #7.

4. **CONSENT ITEMS**

Motion was made by Al Sarina and seconded by Wes Hall to approve the following items listed.

Motion carried.

a. Approval of the January 28, 2003 Regular and Closed Session Minutes.

4. **CONSENT ITEMS**

-Continued-

b. Approval of Service Retirement(s) - Sections 31499.14, 31760.11 and 31810

1. Ida Austin, CSA, Effective 02/01/03
2. Patrick Bates, Public Works, Effective 02/01/03
3. Gerry Caviness, CSA, Effective 02/08/03
4. Fred Garcia, Environmental Resources, Effective 02/18/03
5. Francine Houtchens, BHRS, Effective 01/18/03
6. Linda Kirkland, HSA, Effective 02/26/03
7. Jerry Kleven, Sheriff, Effective 02/01/03
8. Paul Lewis, Sheriff, Effective 02/01/03

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

1. Richard Heljik, HSA, Effective 01/11/03
2. Lawrence Low, DCSS, Effective 12/13/02
3. Virginia Madueno, DET, Effective 01/15/03
4. Shalini Narayan, Probation, Effective 01/24/03
5. Michael Scheid, DCSS, Effective 01/02/03
6. Barbara Torres, CSA, Effective 03/31/01

Per request of the Administrator, skipped to Administrator's section before going into closed session.

5. **Closed Session**

Motion was made by Virgil Thompson and seconded by Kent Crawford to adjourn to closed session at 3:30 p.m.

Motion carried.

Closed Session Findings:

After returning to regular session at 3:57 p.m., Robert Harmon, Administrator, read the findings of the closed session:

The application of Marcie Mc Cullough for a non-service connected disability retirement was granted effective February 8, 2003.

The Administrator's 2003 Performance Goals were discussed and approved.

Victoria Halliday gave an update of the Ventura Litigation.

6. **Administrator**

- a. Approval of the 2003 COLA for retirees

Robert discussed the recommended COLA for 2003. The San Francisco CPI was 1.5% for 2002. This will be effective April 1, 2003 and will be paid on the May 1, 2003 check to retirees. Retirees with credits on their COLA bank will receive more than 1.5%.

Motion was made by Al Sarina and seconded by Wes Hall to approve the COLA as of 04/01/03 for Payment on 05/01/03.

Motion carried.

Andy Eshoo arrived at 2:10 p.m.

- b. Acceptance of Fiscal Year End June 30, 2002 Audit Report by John Barnhart, CPA

Robert discussed the Audit Report by John Barnhart in detail explaining reserves, etc. StanCERA has voluntarily implemented the GAS 34 this year. A discussion of the impact of the down market on reserves and future contribution rates followed.

It was suggested that StanCERA make a presentation to the Board of Supervisors on actuarial issues.

Motion was made by Virgil Thompson and seconded by Maria De Anda for the acceptance of Fiscal Year End June 30, 2002 Audit Report by John Barnhart, CPA.

Motion carried.

Tom arrived at 2:26 p.m.

Pat Paul arrive at 2:27 p.m.

- c. Approval of issuance of Request For Proposal for Audit Services.

Robert discussed the Request for Proposal time line. He is requesting to have a Comprehensive Annual Financial Report (CAFR) in accordance with the standards established by the Government Finance Officers Association (GFOA) as part of the 06/30/03 financial audit.

6. **Administrator**

-Continued-

- c. Motion was made by Maria De Anda and seconded by Kent Crawford for the approval to issue Request for Proposal for Audit Services for Fiscal Year End June 30, 2003.

Motion carried.

- d. Discussion of issuance of a Request For Proposal for a Pension System.

Robert discussed issuing a Request For Proposal for Retirement Information and Benefit Payment system software. He stated that programs are running anywhere from \$350,000 to \$1,500,000. It is his intent to try to get what StanCERA needs for the lowest price. If it is decided to approve this item at a later date, the financial burden could be spread over 3 fiscal years. Robert would like to have a system installed and running before StanCERA's move in December 2004.

Wes requested that any of the companies that would like to bid for this come in with presentations of their systems.

- e. Approval of calendar for election of Safety member (and Alternate) seat #7

Robert discussed the calendar for election of Safety member (and Alternate) seat #7. The Notice of Election will be distributed to all Full-Time Safety Members with payroll on February 19, 2003.

Motion was made by Virgil Thompson and seconded by Al Sarina for the approval of calendar for election of Safety member (and Alternate) seat #7.

Motion carried.

- f. Update on Mid-year budget.

Robert presented a Mid-year budget for review. StanCERA is under budget and doing well. It looks as if StanCERA will end the fiscal year under what was initially budgeted at the beginning of the fiscal year.

6. **Administrator**

-Continued-

- g. Update on Retiree Health Insurance Coverage through Operating Engineers Local No. 3

Robert gave an update on the Retiree Health Insurance Coverage through Operating Engineers Local No. 3 (OE3). StanCERA received the plan change from the Plan Administrators of the Operating Engineers Local No. 3. Effective with the March 3, 2003 payroll StanCERA will start to deduct premiums from the retirees checks. 18 of the 36 OE3 members stayed with the plan.

Tom Watson called a break at 3:23 p.m.

Tom Watson called the meeting back to order at 3:30 p.m.

7. **Correspondence**

Vicki received letters on the costs of meals at the SACRS conference.

The Tier 3 buy-back calculations went out on January 20, 2003. We have received a lot of calls from members calling to schedule an appointment to start the buy-back process.

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

STANDING COMMITTEES

- a. Benefits Committee - Wes Hall, Chair

Wes restated that the COLA raise for 2003 will be 1.5% effective April 1, 2003 to be paid on the May 1, 2003 payroll.

- b. Bylaws Committee - Maria De Anda, Chair

None

- c. Due Diligence Committee - Maria De Anda, Chair

None

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

STANDING COMMITTEES

-Continued-

d. Education Committee - Gary Dial, Chair

1. Discussion for authorization and approval for Board and Staff to attend the Frank Russell Client Conference 4/22 - 4/26/03 in Washington D.C.

Motion was made by Al Sarina and seconded by Virgil Thompson for authorization and approval for Board and Staff to attend the Frank Russell Client Conference 4/22 - 4/26/03 in Washington D.C.

Motion carried.

AD-HOC COMMITTEES

e. Independence Committee - Al Sarina, Chair

The committee met on February 5, 2003 to discuss the status of the 12th Street Project. The parking garage issues will be going to the Board of Supervisors on February 18, 2003. As it stands, the parking garage is ahead of the projected time lines.

f. Disability Retirement Accountability Committee - Kent Crawford, Chair

None

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

Robert would like the Discussion and approval for the Request For Proposal for the system software to be put on the February 25, 2003 agenda.

It was requested by the Board to put the Frank Russell Conference agenda on the March 12, 2003 agenda.

Vicki will have a report finished for the Board at the March 12, 2003 meeting on her NAPPA Conference.

Wes expressed his thanks to Karen for the birth announcements. He also appreciated all of the work that Robert put into the Administrator's 2003 Goals.

Kent stated that he will not be able to attend the March CALAPRS meeting or the SACRS Conference in May.

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

-Continued-

Robert stated that the Bank of New York and StanCERA have agreed on all points and the contracts will be signed and completed by the end of the month.

Robert passed out menus for the Board to choose one lunch and one dinner for the Strategic Planning Session.

10. **ADJOURNMENT**

Meeting adjourned at 4:20 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel