



**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

APRIL 9, 2003

Members Present: Nick Blom, Maria DeAnda, Gary Dial, Darin Gharat, Wes Hall and Tom Watson

Members Absent: Kent Crawford, Al Sarina and Virgil Thompson

Others Present: Robert Harmon, Victoria Halliday and Karen Gonzales

1. Meeting called to order at 2:04 p.m. by Chair, Tom Watson.

2. **ANNOUNCEMENTS**

Robert Harmon announced the winner of the election for Seat 7. The winner for the safety representative Seat 7 on the Board of Retirement is Darin S. Gharat. Mr. Gharat will complete the current unexpired term through December 31, 2004. Robert welcomed Mr. Gharat to the board.

Robert welcomed Karen Gonzales back from maternity leave and thanked Jamie Borba for filling in for Karen.

Robert informed the board that John Gobel, Benefits and Operation Manager, was currently on a paternity leave for two weeks.

Maria DeAnda received correspondence regarding AB 55 (Air Time).

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

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

Motion carried.

e. Approval of the March 25, 2003 Regular Session Minutes

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

1. Carla Bartholomew, BHRS, Effective 03-29-03
2. M. Terry Campbell, Courts (GHS), Effective 03-29-03
3. Frank Garcia, Parks, Effective 03-28-03

4. **CONSENT ITEMS**

-Continued-

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

4. Christine Gilroy, District Attorney, Effective 03-29-03
5. Robert Harris, Courts (GHS), Effective 03-29-03
6. Leslie Hopper, Deferred, Effective 04-30-03
7. James Kozik, Public Works, Effective 10-19-02
8. Gayle Smullen, DET, Effective 03-29-03
9. Margaret Williams, Courts (GHS), Effective 03-29-03

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

1. Brenda Boyd, Deferred 01-28-98

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

1. Leslie Agler, CSA, Effective 09-20-02
2. Michael Clements, District Attorney, Effective 03-13-03
3. John Funderburg, Planning, Effective 12-28-02
4. Georgene Jones, Courts, Effective 12-05-02
5. Sandra Jones-Mendoza, BHRS, Effective 03-01-03
6. Robert Macha, Public Works, Effective 03-01-03
7. Celeste Wheeler, Courts, Effective 03-22-03
8. Maria G. Smith, CSA, Effective 03-15-03

e. Approval of Death Benefit - Section 31781

Joni D. Hanley deceased on March 22, 2003. Her named beneficiaries will receive a lump sum death benefit plus the salary benefit.

5. **Closed Session**

Motion was made by Maria DeAnda and seconded by Wes Hall to adjourn to closed session at 2:16 p.m.

Motion carried.

Closed Session Findings:

After returning to regular session at 2:31 p.m., Robert Harmon, Administrator, read the findings of the closed session:

5. **Closed Session**
- Continued -

The application of Fred Perez for a service connected disability retirement was granted effective August 1, 2002 under Government Code Section 31720.5, heart presumption.

The application of John Souza for a service connected disability retirement was granted effective December 11, 2002 with appropriate medical call back.

The board noted the withdrawal of application for a service connected disability retirement from James Kozik. Mr. Kozik has retired under a service retirement.

6. **Administrator**

a. Update on Safety Member Seat #7 Election

Robert informed the board that he has certified the safety member election and there were a total of 199 votes. Three votes were invalid and the winner of the election is Darin Gharat.

b. Update of Portfolio Transition

Robert informed the board that the transition to fund the new asset managers and rebalance the portfolio have been completed.

c. Report by Stanislaus County Risk Management regarding the Disability Management Program and Approval for Continued Funding

Peggy Huntsinger from the CEO- Risk Management Division was present and gave a presentation. Peggy stated that her department is currently working on a medical matrix and that Lois Ertel and herself made a presentation in Florida regarding this program and the job tasks analysis. It was noted that this program has saved the retirement association approximately \$2 million dollars since it started.

6. **Administrator**

- Continued -

- c. Report by Stanislaus County Risk Management regarding the Disability Management Program and Approval for Continued Funding

Motion was made by Nick Blom and seconded by Maria DeAnda to approve the continued payment of \$50,000 to help offset the costs and continue the program.

- d. Update and Report of 2003 Strategic Planning Session

Robert requested this report be delayed for a future meeting.

- e. Discussion and Action on Actuarial Policy

Robert passed out a summary of the actuarial policy recommendations. Robert also noted that the association had received a letter from Reagan Wilson, CEO supporting the recommended changes in the actuarial assumptions. Questions were raised regarding defining excess earnings and any future change in the interest assumption rate.

Nick Blom motioned and Wes Hall seconded to approve the recommended changes with the minimum rate for crediting interest to members accounts at .25% annually and the maximum at the actuarial earnings assumption rate (currently 8%).

Motion carried.

- f. Review of RFP's for Audit Services and Selection of Finalists

Robert informed the board that the association had mailed ten RFP's out and we only received three responses.

Wes Hall motioned and Maria DeAnda seconded to invite all three candidates to give a presentation on May 27, 2003.

Gary Dial Abstained

Motion carried.

6. **Administrator**
-Continued-

- g. Discussion and Action on Request to Issue RFP's for a Pension Administration System

Robert presented an updated copy of the RFP that will be mailed out to about ten companies.

Nick Blom motioned and Darin Gharat seconded to accept the RFP as presented authorize Robert to issue the RFP.

Motion carried.

7. **Correspondence**

Maria DeAnda received correspondence from members regarding AB 55. No action was taken at this time.

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

STANDING COMMITTEES

- a. Benefits Committee - Wes Hall, Chair

- Committee report and Approval of Recommendations from meeting of March 27, 2003.

Retirement Board Chair, Tom Watson, directed staff to research the taxability issue on the health insurance allowance and have the Benefits committee bring back a full report before July 1, 2003 for changes to be implemented by January 2004.

- b. Bylaws Committee - Maria DeAnda, Chair

No report.

- c. Due Diligence Committee - Maria DeAnda, Chair

No report.

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

STANDING COMMITTEES

- Continued -

d. Education Committee - Gary Dial, Chair

- Approval for Victoria Halliday and Mick Krausnick to attend NAPPA Annual Conference on June 25-27, 2003 in San Francisco.

Motion was made by Nick Blom and seconded by Darin Gharat to approve attendance and costs for Victoria Halliday and Mick Krausnick to attend Annual NAPPA Conference.

Motion carried.

AD-HOC COMMITTEES

e. Independence Committee - Al Sarina, Chair

- 12th Street Building Update.

Robert informed the board that he had blue prints representing the core of the new building.

f. Disability Retirement Accountability Committee - Kent Crawford, Chair

No report.

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

Vicki Halliday informed the board that she would not be at the April 22, 2003 meeting and that Mick Krausnick will cover for her.

Vicki Halliday informed the board that she has been contacted by a private firm attorney, Mark McNair, regarding securities litigation and the request to make a presentation for services to the board.

Wes Hall thanked Vicki for the refreshments and wished her a Happy Birthday.

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

-Continued –

Gary Dial informed the board that he would not be at the April 22, 2003 meeting.

Darin Gharat thanked Jamie Borba for her help with the election procedures and stated he was glad to be elected to the board of retirement.

Maria DeAnda informed the board that she would not be at the April 22, 2003 meeting.

Robert Harmon informed the board that he had received staff kudos for Dawn Lea for assisting members on their benefits and he also will not be at the April 22, 2003 meeting.

Tom Watson received an e-mail regarding chair persons at SACRS. Copies will be made of e-mail and passed out to all board members.

10. **ADJOURNMENT**

Meeting adjourned at 4:29 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel