



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

JUNE 8, 2005

Members Present: Nick Blom, Maria DeAnda, Jim DeMartini, Gary Dial, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Ron Martin, and Linda Stotts-Burnett

Members Absent: None

Others Present: Kelly Cerny, Deirdre McGrath, Patrick McTighe, Dora Seeman, Michele Silva, and Tom Watson

1. Meeting called to order at 2:00 p.m. by Chair Gary Dial

2. **Announcements**

Tom Watson announced that Mike Fisher and Wes Hall have volunteered to canvass ballots on June 21, 2005, 9:00 a.m. to Noon, for the Retirement Board Seat #3 Election.

Darin Gharat arrived at 2:05 p.m.

3. **Public Comment**

None.

4. **Disability Management Program Presentation – County Risk Management Division**

Dora Seeman of the Chief Executive Office-Risk Management division gave the annual presentation on the County's disability management program for fiscal year 2003-2004. Wes Hall asked if information could be provided to demonstrate what the cost savings to the Retirement system were in relation to potential Service-Connected Disability Retirement (SCDR) benefits. Gary Dial stated this additional information would enable the Board to better determine the amount of StanCERA's continued funding of the program. Dora stated she could obtain this information for the Board.

Jim DeMartini arrived at 2:15 p.m.

Pending the additional information, the Board would possibly finalize payment of \$50,000 to Risk Management for the disability management program. The program assists in reducing the number of employees applying for SCDRs. Michele Silva reported there was one employee on a supplemental disability allowance (employee was approved for SCDR but was vocationally rehabilitated back into County service at a lower paying job).

5. **Consent Items**

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

Motion carried.

- a. Approval of the May 24, 2005 Minutes
- b. Approval of Service Retirement(s) – Sections 31499.14. 31760.1 and 31810
 1. Tina Barr-Gwinner, Effective 06-08-05
 2. Robert Cawelti, Effective 06-04-05
 3. Hollie Hall, Effective 06-30-05
 4. Arrahwanna Harris, Effective 06-18-05
 5. Catherine Hearst, Effective 06-01-05
 6. Martha Irwin, Effective 06-05-05
 7. Billie Matthews, Effective 06-18-05
 8. Catherine Sunday, Effective 06-04-05
 9. Susan Thomas, Effective 06-11-05
- c. Approval of Deferred Retirement(s) – Section 31700
 1. David D. Archibald, Effective 05-19-05
 2. Julie Dunning, Effective 05-28-05
 3. Tommy Gong, Effective 04-30-05
 4. Margaret E. Williams, Effective 01-18-04
- d. Approval of Deferred Refund(s) – Section 31700
 1. Somaly Keo
- e. Approval of Optional Settlement 4 – Domestic Relations Orders

6. **Closed Session**

Motion was made by Maria DeAnda and seconded by Wes Hall to adjourn to Closed Session at 2:40 p.m.

Motion carried.

After returning to Regular Session at 2:48 p.m., Tom Watson, Administrator, read the findings of the Closed Session.

The application of Dale Duncan for a Service-Connected Disability Retirement benefit was granted effective March 24, 2005, with vocational rehabilitation within the County if possible.

7. **Administrator**

a. Response to Member's Request for Update of the Ventura Decision

Tom Watson read the nine general steps that need to occur before judgment can be satisfied for the Ventura settlement. StanCERA retired member Dennis Anderson asked what the outside estimation of time would be when payments may be received by members. Deirdre McGrath, Deputy County Counsel said it would be dependent upon the court's schedule.

b. Discussion of Retiree Health Insurance Concerns of a Retired Member

Tom Watson, Administrator announced that the retired member who requested to speak to the Retirement Board wanted more time for research and would not be present at today's meeting. Tom stated the member's preference is to speak in the Closed Session of the July 13, 2005 meeting instead. The Board's consensus was that the member should contact the appropriate insurance and not continue the matter to July 13, 2005 for further discussion.

Motion was made by Darin Gharat and seconded by Maria DeAnda not to continue the matter to the July 13, 2005 meeting for further discussion.

Motion carried.

c. Discussion and Approval of Annual Administrative Budget

Tom Watson, Administrator, presented the StanCERA administrative budget for fiscal year 2005-2006. The budget detailed each line item and totaled \$1,858,206. This line item budget showed an amount of \$65,000 to support the Risk Management disability management program. The Retirement Administrator pointed out that the request was changed to \$50,000, which would then reflect a total annual budget request of \$1,843,206. After discussion, Wes Hall requested to suspend the payment to Risk Management of \$50,000, pending additional information on their disability management program's cost savings to the Retirement system for fiscal year 2003-2004.

Motion was made by Wes Hall and seconded by Maria DeAnda to amend the amount for Risk Management to \$50,000 for fiscal year 2005-2006, with payment contingent upon further information and action by the Retirement Board.

Motion carried.

Motion was made by Wes Hall and seconded by Maria DeAnda to adopt the Administrative Budget of \$1,843,206 with the amendment for fiscal year 2005-2006.

Motion carried.

7. **Administrator (cont.)**

- d. Discussion and Approval of Stanislaus County's Pre-Payment of Employer Retirement Contributions by July 30, 2005

Tom Watson, Administrator briefly reviewed the past practice of the County pre-paying its annual employer retirement contributions at a discount. This practice provides the County with some budgetary savings, and the opportunity for StanCERA to generate additional investment earnings. The Retirement Board members received a worksheet showing the proposed discount and calculations related to the prepayment.

After discussion, motion was made by Darin Gharat and seconded by Nick Blom to approve the County's pre-payment of employer retirement contributions with a 2.70% discount and a one-time payment before July 30, 2005, of \$17,896,000.

Motion carried.

- e. Request for Change in Administrator's Vacation Time

Tom Watson, Administrator requested to withdraw his approved vacation of June 6 and 7, 2005, and change it to November 4 and 7, 2005.

Motion was made by Nick Blom and seconded by Wes Hall to approve the request for change in the Administrator's 2005 vacation time from June 6 and 7, 2005, to November 4 and 7, 2005.

Motion carried.

8. **Correspondence**

None.

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

STANDING COMMITTEES

- a. Retiree Benefits Committee - Wes Hall, Chair

No Report.

- b. Bylaws Committee – Ron Martin, Chair

No Report.

9. **Committee Reports and Recommendations for Action (cont.)**

STANDING COMMITTEES (cont.)

- c. Due Diligence Committee – Nick Blom, Chair

Nick Blom, Chair stated the Due Diligence Committee has a due diligence visit scheduled for San Francisco, June 22 through June 24, 2005. Sites to visit will be Dodge & Cox, Strategic Investment Solutions (SIS), and Buck Consultants-Actuaries (formerly Mellon HR & IS).

- d. Education Committee, Maria DeAnda, Chair

No Report.

AD-HOC COMMITTEES

- a. Independence Committee – Darin Gharat, Chair

Darin Gharat, Chair, stated the committee's next meeting is scheduled for 10:00 a.m., June 28, 2005, Tenth Street Place, 5th Floor. Tom Watson stated he would be submitting information for this meeting to committee members.

- b. Disability Retirement Accountability Committee – Mike Fisher, Chair

Mike Fisher, Chair, stated the committee's next meeting is scheduled for 10:00 a.m., Tuesday, July 26, 2005, at Tenth Street Place, 5th Floor.

10. **Members' Forum (Information and Future Agenda Requests Only)**

Gary Dial asked for a presentation on Retirement Board members' fiduciary responsibilities and liabilities at a future board meeting, due to the recent felony charges facing some of the City of San Diego Retirement System's board members.

11. **Adjournment**

Meeting adjourned at 3:30 p.m.

Respectfully submitted,

Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL