



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

JUNE 9, 2004

**Members Present:** Nick Blom, Kent Crawford, Maria DeAnda, Gary Dial, Darin Gharat, Wes Hall, Mike Fisher, Al Sarina, Linda Stotts-Burnett and Tom Watson

**Members Absent:**

**Others Present:** Robert Harmon, Karen Gonzales, Victoria Halliday, Kathy Herman, Jaime J. Jimenez, member, Andy Nguyen and Mike Moehle from Mellon HR and Investor Solutions, Ed Fenton from County Risk Management Department, Stan Risen and Monica Nino-Reed from the County CEO Division and Gina Leguria from County Counsel/CEO Division.

1. Meeting called to order at 2:00 p.m. by Chair, Maria DeAnda.

2. **Announcements**

Robert requested volunteers to help canvas the election ballots on June 22, 2004, beginning at 9:00 a.m. Wes Hall and Linda Stotts-Burnett volunteered.

Al Sarina announced his resignation from the Board of Retirement effective June 30, 2004. His last meeting date will be June 22, 2004.

Robert Harmon announced that the County offices will be closed on Friday, June 11, 2004 for a National Day of Mourning for President Ronald Reagan.

Wes Hall arrived at 2:01 p.m.  
Nick Blom arrived at 2:02 p.m.

3. **Public Comments**

None

4. **Consent Items**

Motion was made by Tom Watson and seconded by Darin Gharat to approve the following items listed.

Motion carried.

a. Approval of the May 25, 2004 Regular and Closed Session Minutes

4. **Consent Items- Continued**

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

1. Linda Alberta, Effective 06-02-04
2. Cornel Ard, Effective 06-19-04
3. Jane Barry-Davis, Effective 06-03-04
4. Marvin Caldwell, Effective 06-04-04
5. Carl Erwin, Effective 06-26-04
6. Kathleen Forcht, Effective 06-30-04
7. Jacqueline Marchetti, Effective 06-26-04
8. Josefina Moreno, Effective 05-29-04
9. Nancy Smith, Effective 06-12-04
10. Margaret Speed, Effective 06-05-04
11. Robert Tuttle, Effective 06-03-04

c. Approval of Deferred Retirement(s) – **Sections 31700**

1. Michael Firpo, Effective 05-26-04
2. John Gobel, Effective 05-14-04
3. John Hernandez, Effective 05-13-04
4. Adela Keeno, Effective 02-12-04
5. Robert Patterson, Effective 05-21-04
6. Alfred Tyree, Effective 06-01-04
7. James Watson, Effective 05-28-04
8. Adam Whitney, Effective 06-11-04

5. **Closed Session**

Motion was made by Darin Gharat and seconded by Wes Hall to adjourn to the first closed session at 2:04 p.m.

Motion carried.

After returning to regular session at 2:09 p.m., Robert Harmon, Administrator, read the findings of the closed session:

The application of Jamie Jimenez for a service connected disability retirement benefit was approved effective June 9, 2004 with medical call back at the discretion of the Administrator.

Kent Crawford arrived at 2:09 p.m.

5. **Closed Session- Continued**

Motion was made by Nick Blom and seconded by Kent Crawford to adjourn to the second closed session at 5:10 p.m.

Motion carried.

After returning to regular session at 5:36 p.m., Robert Harmon, Administrator, read the findings of the closed session:

Discussion and Action on Issues of Ventura Implementation, Settlement and Unfunded Liability Payment Options were discussed. No formal action was taken.

6. **Administrator**

a. Presentation from Risk Management on Fiduciary Liability Insurance

Ed Fenton of the Stanislaus County Risk Management distributed a handout, gave a brief presentation and answered questions from the board regarding StanCERA's fiduciary liability insurance. Ed stated that StanCERA has a \$5 million maximum aggregate liability protection through the Travelers with no limits and a \$25,000 deductible. Ed also stated that there was no conflict of interest with Al Sarina being on the Board of Retirement as Stanislaus County, not StanCERA hired CAPAX, the firm that Al Sarina actually works for.

b. Discussion and Action to Adopt Actuarial Valuation and Experience Study by Mellon HR Consultants and changes to Assumptions, Contribution Rates for Fiscal Year 2004/2005 and Interest Crediting Rate for Fiscal Year 2004/2005.

Robert Harmon distributed a handout titled "Use of Contingency Reserves for Rate Stabilization" for the Board of Retirement to review.

Mike Moehle and Andy Nguyen were present from Mellon HR Consultants and discussed the experience study, actuarial valuation, current assumptions, contribution rates and the interest-crediting rate for the period ending June 30, 2003.

6. **Administrator- Continued**

- b. Discussion and Action to Adopt Actuarial Valuation and Experience Study by Mellon HR Consultants and changes to Assumptions, Contribution Rates for Fiscal Year 2004/2005 and Interest Crediting Rate for Fiscal Year 2004/2005.

Stan Risen of the County CEO's office made comments regarding the 2004/05 County Budget and asked the Board of Retirement to consider Robert Harmon's recommendation for one year.

Wes Hall asked Tom Watson for any comments or concerns he may have. Tom Watson stated he has a concern as a board member regarding changing 3% contingency reserve to 1% to cover the employer contribution rates.

After discussion, motion was made by Wes Hall and seconded by Nick Blom to accept the Experience Study for the period ending June 30, 2003 as presented, including recommended changes to actuarial assumptions, accept the Actuarial Valuation as of June 30, 2003, sans contribution rates, and continue the interest crediting rate of ¼% (.0025) for fiscal year 2004/2005. It was requested the adoption of the contribution rates for fiscal year 2004/2005 be brought back to the Board of Retirement at the meeting of June 22, 2004 for further discussion.

Kent Crawford opposed.

Motion carried.

- c. Discussion and Action on Restriction on Gift(s) Policy submitted by Darin Gharat, Board Member.

The Board of Retirement discussed the policy that was submitted for review and approval. After discussion it was the consensus of the board to add additional language to the policy and bring it back to the July 14, 2004 meeting for action.

- d. Discussion and Action Regarding AB 1977

Robert Harmon gave an update on Assembly Bill 1977. He explained how the original bill was submitted and explained the reasons the bill did not pass through the legislative committee. No further action was taken.

A ten-minute break was taken at 4:00 p.m.  
Mike Fisher left the meeting at 4:05 p.m.  
The meeting reconvened at 4:12 p.m.

6. **Administrator- Continued**

- e. Discussion and Action to Adopt Fiscal Year 2004/2005 Administrative Budget

After discussion, motion was made by Nick Blom and seconded by Al Sarina to adopt fiscal year 2004/2005 Administrative Budget. Any amounts associated with the Ventura Case to be included in settlement discussions with Stanislaus County.

Motion carried.

- f. Discussion and Action to Adopt Excess Earnings Crediting Policy

Robert Harmon distributed a handout titled "Excess Earnings Policy" for the Board of Retirement to review.

After discussion no action was taken and it was requested that this issue be placed on the meeting agenda for July 14, 2004.

7. **Correspondence**

- a. Discussion regarding letter from California State Controller and response to Chairman William Donaldson of the U.S. Securities and Exchange Commission.

Robert discussed the reason behind the letter and response written. It was the consensus of the Board that no further action is taken.

7. **Correspondence - Continued**

- b. Action on Request from prior member, Brenda Sistine, to return contributions previously absorbed under Section 31629 in order to establish reciprocity with a reciprocal agency.

Motion was made by Darin Gharat and seconded by Al Sarina to deny request from prior member, Brenda Sistine, to return contributions previously absorbed under Section 31629 in order to establish reciprocity with a reciprocal agency.

Motion carried.

A five-minute break was taken at 5:05 p.m.  
The meeting reconvened at 5:10 p.m.

8. **Committee Reports And Recommendations For Action**

STANDING COMMITTEES

- a. Benefits Committee - Wesley Hall, Chair

Wes Hall reported that StanCERA should be receiving the response from RESCO regarding the Health Insurance Stipend.

- b. Bylaws Committee – Nick Blom, Chair

Nick Blom stated the Bylaws committee is waiting for the results from RESCO to set a committee meeting.

- c. Due Diligence Committee – Gary Dial, Chair

No report

- d. Education Committee – Al Sarina, Chair

Al Sarina stated he had no report other than to mention that the Board of Retirement had made a conscientious decision for continued education, would like to see that the Board continue with the education and reminded all board members that they must attend one SACRS meeting every two years.

8. **Committee Reports And Recommendations For Action- Continued**

AD-HOC COMMITTEES

- e. Independence Committee – Kent Crawford, Chair

No report

- f. Disability Retirement Accountability Committee – Darin Gharat, Chair

Darin Gharat stated that a committee meeting has been scheduled for June 22, 2004 at 1:00 p.m.

9. **Members' Forum (Information And Future Agenda Requests Only)**

Victoria informed the board that she had mailed letters to all managers for costs of the Spring SACRS dinners.

Wes thanked Karen Gonzales for filling in for Robert Harmon while he was on Vacation.

Tom stated he would miss Al Sarina as a board member.

Darin stated he was sad to see Al Sarina leave the Board of Retirement. Darin also requested Robert to provide a written overview of StanCERA's Information Technology system.

Karen informed the board regarding SACRS 50<sup>th</sup> Anniversary pen given to the board members as well as distributed a copy of StanCERA's 2003 Annual Report.

Robert informed the board that Westland Development contacted him regarding leasing a portion of our space in our new building. Robert stated that they are interested in leasing approximately 6500 square feet without any tenant improvements. Robert hopes they have a plan together within two weeks in order for a "Letter of Intent" to be placed on the June 22, 2004 board meeting.

10. **Adjournment**

Meeting adjourned at 5:46 p.m.

Board of Retirement Minutes  
June 9, 2004  
Page 8

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:  
MICHAEL KRAUSNICK  
County Counsel

Victoria Halliday, Deputy County Counsel