



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

JULY 13, 2005

Members Present: Maria DeAnda, Jim DeMartini, Mike Fisher, Gordon Ford, Darin Gharat, Ron Martin and Steve Yauch

Alternate Members Present: Linda Stotts-Burnett

Members Absent: Wes Hall

Others Present: Robert Blum, Kelly Cerny, David Dolenaar, Lois Ertel, Deirdre McGrath, Mary Schortner, Michele Silva, Hank Skau, and Tom Watson

1. Meeting called to order at 2:00 p.m. by Chair Steve Yauch

2. **Announcements**

Steve Yauch, Chair, announced he was glad to return to the Retirement Board.

3. **Public Comment**

Retiree member Paul Gieke distributed written materials and requested to address the Retirement Board in a closed session regarding health insurance and personnel matters.

Deirdre McGrath arrived at 2:10 p.m.

4. **Presentation of StanCERA's 2004 Cost Savings in the Stanislaus County Disability Management Program – Chief Executive Office-Risk Management Division**

David Dolenaar of the Chief Executive Office-Risk Management division gave a presentation on StanCERA's cost savings in the County's disability management program for fiscal year 2003-2004. This program generates cost savings due to vocational rehabilitation of injured County employees in the same department or another department who might file for a service-connected disability retirement. This past fiscal year through April 2005, 16 employees were accommodated or re-trained to continue working within the County at a cost savings of \$2 million. The Retirement Board approved \$50,000 to support the funding of the disability management program.

5. **Consent Items**

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

Motion carried.

- a. Approval of the June 28, 2005 Minutes
- b. Approval of Service Retirement(s) – Sections 31499.14. 31760.1 and 31810
 1. James Brazelton, Effective 07-31-05
 2. Carol Chapman, Effective 07-01-05
 3. Linda Eppers, Effective 07-02-05
 4. Patricia Harp, Effective 07-09-05
 5. Shirley Wagoner, Effective 07-02-05
 6. Kevin Williams, Effective 07-02-05
- c. Approval of Deferred Retirement(s) – Section 31700
 1. Matthew T. Cantrell, Effective 05-27-05
 2. Kathryn Holloway, Effective 05-14-05
 3. Lester Leon Murphy, Effective 05-21-05
 4. Barry W. Qualle, Effective 06-04-05
 5. Andrea Valtierra, Effective 02-05-05
 6. Susan White, Effective 06-09-05
- d. Approval of Refund of Contributions to Designated Beneficiary - Section 31702
 1. Giselle Denning, Deceased May 11, 2005, Deferred Member, Options Pursuant to Government Code Section 31702 and Probate Code Section 5000(b)(1)

The fiancé of the designated beneficiary of Giselle Denning provided a letter from the designated beneficiary supporting the Board's approval to receive the member's contributions.

6. **Closed Session**

Motion was made by Maria DeAnda and seconded by Darin Gharat to adjourn to Closed Session at 2:26 p.m.

Motion carried.

After returning to Regular Session at 4:23 p.m., Tom Watson, Administrator, read the findings of the Closed Session.

The application of Richard Alves for a Non-Service-Connected Disability Retirement benefit was granted effective November 4, 2004.

6. **Closed Session (cont.)**

The application of Gerald Klee for a Non-Service-Connected Disability Retirement benefit was granted effective July 13, 2005.

The application of Ruby Mendosa for a Non-Service-Connected Disability Retirement annuity was granted effective March 29, 2005.

7. **Administrator**

- a. Discussion and Approval of Providing Funding of \$50,000 to the Stanislaus County's Disability Management Program

Upon hearing the presentation of David Dolinar, Risk Management and the cost savings to StanCERA associated with the disability management program the Board agreed to support the funding of this program.

Motion was made by Gordon Ford and seconded by Maria DeAnda to approve the funding of \$50,000 for the Stanislaus County Disability Management Program.

Motion carried.

- b. Administrative Tasks Calendar 2005 Report for the Quarter Ending June 30, 2005

Tom Watson, Administrator gave a written report of completed administrative tasks for the quarter ending June 30, 2005. Steve Yauch, Chair, asked about the status of the TACS Computer Services-Public Employees' Retirement Administration (PERA) software project. Tom Watson responded that schedules continue to be generated and project deadlines change, yet the goal remains for completion by December 2005. Tom stated the delivered products at times do not work properly and StanCERA staff notifies TACS of issues to be addressed. TACS has received all contract payments to date for the work performed in accordance with the contract (approximately 75% of the total) and the remaining 25% would not be paid until StanCERA receives all contracted parts in good working order and staff signs off on the finished product. Tom said if for some reason the goal of December 2005 is moved back, there are systems in place to keep processes going.

- c. Update of Administrator's 2005 Goals through June 30, 2005

Tom Watson, Administrator gave a written update of the progress of Administrator Goals through June 30, 2005.

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.

- c. Due Diligence Committee – Darin Gharat, Chair

Report of Due Diligence Visit June 2005 – San Francisco

Darin Gharat, Chair, gave a brief summary of the written report on the recent due diligence visit to investment manager Dodge & Cox, consultants Strategic Investment Solutions, Inc. (SIS), and actuary Buck Consultants, an ACS Company. Trustees Darin Gharat, Ron Martin, and Tom Watson, Administrator, made the trip to San Francisco. The visits were informative. Dodge & Cox continues to perform well and their organization is impressive. Consultants SIS proved to be quite helpful. All three companies completed a questionnaire submitted to them. Copies of the questionnaires with responses were given to board members for review.

- d. Education Committee, Maria DeAnda, Chair

No Report.

AD-HOC COMMITTEES

- a. Independence Committee – Darin Gharat, Chair

Discussion & Approval of the Draft Statement of Independent Operations to be reviewed by the Bylaws Committee or adopted as Bylaw Section 1.9

The Board considered the draft statement as approved by the Independence Committee. There was one change to the language concerning County Counsel.

Motion was made by Darin Gharat and seconded by Ron Martin to approve the Statement of Independent Operations with the language change and adopt it as Section 1.9 of the StanCERA By-laws.

Motion carried.

- 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)**

Linda Stotts-Burnett will not be at the July 26, 2005 Board meeting.

11. **Adjournment**

Meeting adjourned at 4:36 p.m.

Respectfully submitted,

Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK, COUNTY COUNSEL

Deirdre McGrath, Deputy County Counsel