



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

July 14, 2010

Members Present:

Lyn Bettencourt, Maria De Anda, Jim DeMartini,
Mike Fisher, Gordon Ford, Darin Gharat, Mike Lynch,
Ron Martin, and Clarence Willmon

Alternate Member Present:

Linda Stotts-Burnett (Alternate Retiree Representative)

Staff Present:

Hank Skau, Operations Manager
Kelly Cerny, Executive Secretary
Michele Silva, Benefits Manager
Kathy Herman, Special Projects Manager

Others Present:

Fred Silva, General Legal Counsel
Deirdre McGrath, Deputy County Counsel
Doris Foster & Monica Nino, Chief Executive Office
Terry Withrow, County Supervisor-Elect

1. Meeting called to order at 2:02 p.m. by Maria De Anda, Chair.

2. **Roll Call**

3. **Announcements**

Ms. Cerny announced Board members received a print correction insert for their State Association of County Retirement Systems' (SACRS) 1937 Act Law Books.

4. **Public Comment**

None.

5. **Consent Items**

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

Motion carried.

a. Approval of the June 22, 2010, Investment Meeting Minutes

5. **Consent Items (Cont.)**

b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

1. Gregory Armbrust, DCSS, Effective 07-02-10
2. Judy Ash, District Attorney, Effective 07-30-10
3. Merry Baker-Pauluk, HSA, Effective 07-03-10
4. Zenaida Beberdick, Treasurer-Tax Collector, Effective 07-01-10
5. Denise Blan, HSA, Effective 07-31-10
6. Bette Blumenstein, HSA, Effective 07-30-10
7. Timothy Bomgardner, Sheriff, Effective 07-10-10
8. Jean Boyden-Canant, DCSS, Effective 07-30-10
9. Sonia Brizuela, HSA, Effective 07-17-10
10. Thomas Brower, Environmental Resources, Effective 07-31-10
11. Betsy Burch, HSA, Effective 07-02-10
12. Georgia Cassidy, Planning, Effective 07-31-10
13. Ronald Cherrier, Public Works, Effective 07-31-10
14. Douglas Correia, Assessor, Effective 07-01-10
15. Sharon Custer, DCSS, Effective 07-31-10
16. David Dolenaar, CEO-Risk Management, Effective 07-31-10
17. Lynda Donaldson, Sheriff, Effective 07-01-10
18. Roger Dunn, GSA, 07-02-10
19. Linda Edman, DCSS, Effective 07-02-10
20. Jennifer Ferry, DCSS, Effective 07-02-10
21. Kathryn Gandy, BHRS, Effective 07-03-10
22. Arnulfo Garcia, Parks & Recreation, Effective 07-31-10
23. Guadalupe Garza, CSA, Effective 07-07-10
24. Jeffrey Graham, HSA, Effective 07-04-10
25. John Gwinner, CSA, Effective 07-03-10
26. Carol Jo Hargreaves, BHRS, Effective 07-31-10
27. Janet Heilbronn, HSA, Effective 06-19-10
28. Susan Hidalgo, CSA, Effective 07-02-10
29. Denton L. Hoeh, Ag Commissioner, Effective 07-24-10
30. Judith Hubers-Brandt, HSA, Effective 07-22-10
31. David Hudson, DCSS, Effective 07-02-10
32. Danise Huey, Clerk-Recorder, Effective 07-05-10
33. Sara Jacques, Sheriff, Effective 07-29-10
34. Katherine Johnson, Library, Effective 07-31-10
35. Chay Khun, HSA, Effective 07-02-10
36. Kim Kirchoff, Stanislaus Regional 911, Effective 05-20-10
37. Maurisa Krepela, CSA, Effective 07-24-10
38. Deborah La Barbera, COOP Extension, Effective 07-01-10
39. Sharon Lizardo, District Attorney, Effective 07-31-10
40. Leslie Loeser, CSA, Effective 07-31-10
41. Darlene Luce, Sheriff, Effective 07-03-10
42. Sandra Manuel, CSA, Effective 07-02-10
43. Marlene McDonald, CSA, Effective 07-16-10
44. Carolyn Mervine, Sheriff, Effective 07-02-10
45. Rose Mitchell, BHRS, Effective 07-15-10

5. **Consent Items (Cont.)**

b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810 (cont.)**

46. Cleopathia Moore-Bell, HSA, Effective 07-01-10
47. Ronald Murphy, CSA, Effective 07-03-10
48. Regina Perdomo, BHRS, Effective 07-31-10
49. Edward Perry, COOP Extension, Effective 07-01-10
50. Patricia Phelan, Library, Effective 07-30-10
51. Joie Phillips-Rainey, Library, Effective 07-17-10
52. Ramiro Porras, BHRS, Effective 07-31-10
53. Sharon Reynolds, Sheriff, Effective 07-31-10
54. Darrielle Rogers, Library, Effective 07-31-10
55. Gwendolyn Rogers, HSA, Effective 07-02-10
56. Patricia Rubalcava, CSA, Effective 07-17-10
57. Evangeline Santos, Auditor-Controller, Effective 07-03-10
58. Jerry Schmidt, Sheriff, Effective 07-03-10
59. Roseanne Serrano, Sheriff, Effective 07-13-10
60. Lindsay Shepheard, CSA, Effective 07-31-10
61. Romina Shummon, District Attorney, Effective 07-02-10
62. Kathryn Sill, HSA, Effective 06-19-10
63. Sharon Skujins, BHRS, Effective 07-30-10
64. Terri Smith, Library, Effective 07-30-10
65. Carol Snyder, CSA, Effective 07-02-10
66. Egon Stammler, CSA, Effective 07-03-10
67. Donna Trio, BHRS, Effective 07-03-10
68. Johnny Valdes, Sheriff, Effective 07-31-10
69. Gary Von Dorst, CSA, Effective 05-28-10
70. La Vern Walters, Assessor, Effective 07-24-10
71. Linda Yoder, HSA, Effective 07-01-10

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

1. Sonia Armas, HSA, Effective 06-07-10
2. Ronald L. Haver, Sheriff, Effective 06-30-10
3. Jennifer Hurtado, CSA, Effective 03-26-10
5. Barbara A. Johnson, BHRS, Effective 02-26-10
6. Gregory Roton, Sheriff, Effective 04-10-10

6. **Correspondence**

- a. Retired Employees of Stanislaus County's (RESKO) Letter Dated June 30, 2010 - Response to the Notification of Proposed Changes Regarding the Use of Excess Earnings

7. **Administrator**

a. Discussion and Action on the Re-allocation of Non-Valuation Reserves

Mr. DeMartini arrived at 2:09 p.m.

Motion was made by Darin Gharat and seconded by Mike Lynch to approve re-allocating the non-valuation reserves comprised of excess earnings prior to July 1, 2009 as follows:

- 1) Transfer \$30,811,861 to a Reserve to Offset Losses/Contra Account with funds from the Revocable Health Benefits Subsidy Reserve;
- 2) Transfer the equivalent of 2% of assets to re-establish the Contingency Reserve (in an approximate amount of \$25 million) with funds from the Revocable Health Benefits Subsidy Reserve;
- 3) Transfer from the Retiree Special or Supplemental Cost of Living Adjustment Reserve enough funds to augment the Retiree \$5,000 Death Benefit/Burial Allowance Reserve to a \$6.1 million balance as of June 30, 2010 (using about \$1 million).

Yes Vote: M. De Anda, M. Fisher, D. Gharat, M. Lynch, R. Martin, C. Willmon

No Vote: J. DeMartini, L. Bettencourt, G. Ford

Motion carried.

b. Presentation of the Updated Strategic Action Plan

Ms. Herman distributed to Board members the three-year strategic action plan the Board approved on June 9, 2010. Ms. Herman gave an overview of the strategic plan and the 2010 action plan. Board members reviewed the most recent strategic action plan quarterly update and expressed their appreciation for the quality of the strategic plan. Ms. Herman noted the strategic plan will be placed on the StanCERA website.

8. **Closed Session**

Motion was made by Mike Fisher and seconded by Lyn Bettencourt to commence to Closed Session at 2:36 p.m.

Motion carried.

Mr. Gharat recused himself at 2:36 p.m. regarding Charley Corle v. Stanislaus County Employees Retirement Association, et al.

Mr. Gharat returned at 3:00 p.m.

Motion was made by Lyn Bettencourt and seconded by Mike Fisher to return to Open Session at 3:21 p.m.

Motion carried.

8. **Closed Session (Cont.)**

Ms. Cerny read the findings of the Closed Session:

- a. Conference with Legal Counsel – Existing Litigation
Charley Corle v. Stanislaus County Employees Retirement Association,
et. al, Stanislaus County Superior Court Case No. 644754, Government
Code Section 54956.9(a)

Motion was made by Ron Martin and seconded by Mike Lynch to proceed
with an appeal of the trial court's decision.

Vote Yes: M. De Anda, J. DeMartini, M. Fisher, G. Ford, M. Lynch, R. Martin,
C. Willmon

Vote No: L. Bettencourt

Motion carried.

- b. Letter from Fred A. Silva, General Legal Counsel Regarding Case Review and
Planning
- c. Public Employee Performance Evaluation - Title: Retirement Administrator
Pursuant to Government Code Section 54957(b)(1)

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

Mr. Silva gave a brief update on the case of Dennis Nasrawi vs. Buck
Consultants. Originally filed in Stanislaus County Superior Court, the case
was removed to Federal Court by the defendants, Buck Consultants and the
matter is now before the Honorable Oliver Wanger. Mr. Silva noted that in
Federal Court Buck Consultants filed a motion to dismiss. The Court granted
the motion on June 29, 2010, and granted the plaintiffs 30 days leave to amend
their complaint.

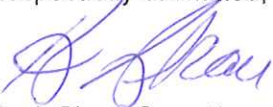
Mr. Gharat commended staff on handling the 71 retirements in the past
month, with the multitude of dynamics and issues surrounding the retirements.
Mr. Gharat said he received nothing but positive feedback on the outstanding
work by staff to ensure the County's voluntary separation/retirement incentive
program is successful.

Ms. Cerny announced Board members had received the National Conference on
Public Employee Retirement Systems' (NCPERS) June/July 2010 newsletter, The
Monitor. Of interest are articles on the Governmental Accounting Standards Board's
(GASB) release in June of the preliminary views for pension accounting.

10. **Adjournment**

Meeting adjourned at 3:28 p.m.

Respectfully submitted,



Hank Skau, Operations Manager

APPROVED AS TO FORM:
FRED A. SILVA, GENERAL LEGAL COUNSEL



Fred A. Silva, General Legal Counsel