



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
832 12th Street, Suite 600  
Modesto, CA 95354  
MAIL: P.O Box 3150, Modesto 95353-3150

Phone (209) 525-6393  
Fax (209) 558-4976  
www.stancera.org  
e-mail: retirement@stancera.org

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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

September 9, 2009

**Members Present:** Maria De Anda, Jim De Martini, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Mike Lynch, and Ron Martin

**Alternate Member Present:** Linda Stotts-Burnett (Alternate Retiree Representative)

**Members Absent:** Clarence Willmon

**Staff Present:** Tom Watson, Retirement Administrator  
Kelly Cerny, Executive Secretary  
Joyce Parker, I.T. Coordinator

**Others Present:** Ed Burroughs, Assistant County Counsel  
Doris Foster & Monica Nino, Chief Executive Office

1. Meeting called to order at 2:01 p.m. by Gordon Ford, Chair
2. **Roll Call**
3. **Announcements**

Mr. Watson announced he had been given a letter from Mr. Hall on behalf of the Retired Employees of Stanislaus County's (RESCO) Board of Directors. Mr. Watson verbally read the letter, dated September 9, 2009.

"Attention: Stanislaus County Employees Retirement Association

On September 9, 2009, the RESCO Board voted and unanimously approved to support StanCERA's position not to release information to The Modesto Bee, under the Freedom of Information Act because the request was misdirected to StanCERA and should be redirected to the Stanislaus County Board of Supervisors. RESCO recognizes consideration of privacy laws such as release of individual names, the contribution of monies retirees paid into the retirement system, and violation of certain state laws protecting law enforcement." Submitted by Michael O'Neal, RESCO Board President.

4. **Public Comment**

None.

5. **Consent Items**

Ms. Cerny informed Board members that Mr. William Andrews, Consent Item #5b.1., withdrew his application for retirement on September 7, 2009, and therefore removes himself from the Consent Items.

Motion was made by Maria De Anda and seconded by Wes Hall to approve the following items as listed and amended.

Motion carried.

- a. Approval of the August 25, 2009, Investment Meeting Minutes
- b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
  - ~~1. William Andrews, District Attorney, Effective 09-09-09~~ (rescinded 09/07/09)
  2. Bernard Green, BHRS, Effective 09-13-09
  3. Angeln Machado, BHRS, Effective 09-01-09
  4. Fanchon Rush, GSA, Effective 09-05-09
  5. Carol Stockton, Alliance Worknet, Effective 08-07-09
  6. Brent Thayne, Sheriff, Effective 09-05-09
  7. Darlene Wiseman, HSA, Effective 09-19-09
- c. Approval of Deferred Retirement(s) – **Section 31700**
  1. Carrie Campbell, DCSS, Effective 11-06-08
  2. Kathryn Holloway, City of Ceres, Effective 06-22-09\*  
\*(Amended previous date approved on July 8, 2009)
- d. Approval of Disability Retirement – **Section 31724**
  1. Maralee Clifton, Sheriff, Non-Service-Connected, Effective 03-02-09
  2. Kayta Loeffler, BHRS, Non-Service-Connected, Effective 02-13-09
  3. Tony Zaia, Probation, Service-Connected, Effective 04-07-09

6. **Administrator**

- a. Presentation and Discussion of the June 30, 2009, Year-End Reserves (Unaudited Figures)
- b. Summary of Meeting with the Stanislaus County Board of Supervisors Chair, the County Chief Executive Officer, and the Board of Retirement Chair, on Thursday, August 27, 2009

7. **Correspondence**

- a. State Association of County Retirement Systems' (SACRS)  
Memorandum Dated September 1, 2009 – County Retirement Board  
of Trustees

Mr. Watson gave a brief overview of the SACRS's letter addressed to 1937 Act County Board of Supervisors, SACRS' Trustees, and the California State Association of Counties (CSAC). The letter written by Mr. Robert Palmer, SACRS Interim Executive Director, is a reminder to these entities of the fiduciary responsibilities of Board of Retirement Trustees under Government Code Section 31522: "The official duties of elected board members who are employees of the county or district shall be included as part of their county or district employment and their board duties shall normally take precedence over any other duties." The letter also cites the California Constitution, Article 16, Section 17 (a) and (b) that, also governs the fiduciary responsibilities of retirement boards and trustees.

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

**STANDING COMMITTEES**

- a. Internal Governance Committee (IGC) – Ron Martin, Chair

- i. Verbal Report on the Annual Audit

Mr. Martin informed the Board that the IGC met on Wednesday, July 8, 2009, with StanCERA's new audit firm of Macias, Gini & O'Connell (MGO), LLP. MGO was onsite for field work for the annual financial audit the week of July 6 through July 10, 2009. The IGC met with MGO for the financial statement audit entrance conference. Mr. Martin noted the firm returned the week of August 24 through August 28, 2009, to complete the financial audit fieldwork. The CAFR will be available for review in October, and then presented to the IGC at its October 27, 2009, meeting. Final acceptance by the Board of Retirement will be at the Board's November 24, 2009, meeting.

- ii. Verbal Report on the Operational Audit

Mr. Martin informed the Board the IGC met today prior to the Board of Retirement meeting. The Committee reviewed two Request for Proposals (RFPs) received for selection of an operational audit services firm for StanCERA's operational risk assessment for future operational audits. The IGC selected the firm Vavrinek, Trine, Day & Company (VTD), LLP, of Pleasanton, CA. The fee is about \$16,000, considerably lower than the other firm's proposal. The audit firm will assess StanCERA's operational procedures and perform a risk analysis on those areas that are not at risk and areas that may have risk and determine options to minimize risk. Mr. Martin noted the audit will take two VTD staff approximately 70 hours to complete.

8. **Committee Reports & Recommendations for Action (Cont.)**

**AD-HOC COMMITTEES**

b. Ad-Hoc General Legal Counsel Committee – Gordon Ford, Chair

i. Verbal Report on the Request for Proposals (RFPs)  
for General Legal Counsel Received August 31, 2009

Mr. Ford gave the Board an overview of the Ad-Hoc Committee's meeting of September 8, 2009. The Committee met to review RFPs received for the position of general legal counsel. Mr. Ford informed the Board one individual attorney and seven law firms responded. The individual attorney had no public retirement system or 1937 Act retirement system experience.

The Committee reviewed the fees presented in the RFPs and determined that cost and the amount of time spent with future general legal counsel are main factors. Mr. Ford said the Committee explored concepts and ideas on how to proceed with this process. Mr. Ford and Mr. Watson answered the Board members' various questions.

Board members expressed their interest in potentially hiring a local firm.

Mr. Burroughs informed the Board that County Counsel will continue to represent the Board of Retirement as long as the Board continues to make a diligent effort to move forward with obtaining general legal counsel.

Mr. Ford said the Committee will continue to meet and will bring back further information to the Board at the September 22, 2009, Board of Retirement meeting.

9. **Closed Session**

a. Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Subdivision (b) of Section  
54956.9: Two Cases

Motion was made by Darin Gharat and seconded by Mike Fisher to commence to Closed Session at 3:04 p.m.

Mr. Burroughs announced that Closed Session is authorized by Government Code Section 54956.9 Subdivision (b) (1) (b). The Board of Retirement will consider two Public Record Act requests. One is from the California Newspaper Publishers Association (CNPA Services), Inc., dated August 31, 2009, and one is from the California First Amendment Coalition dated September 1, 2009. Each request is for the disclosure of the names of all retirees and beneficiaries who receive monthly pensions in 2009, and the monthly amounts.

9. **Closed Session (Cont.)**

- a. Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Subdivision (b) of Section  
54956.9: Two Cases (cont.)

Motion was made by Wes Hall and seconded by Mike Fisher to return to  
Open Session at 3:30 p.m. Ms. Cerny read the findings of the Closed Session:

Motion was made by Maria De Anda and seconded by Mike Fisher to deny the  
CNPA Services Inc.'s request for a list of each retiree/beneficiary receiving pension  
benefits from StanCERA in 2009 and the monthly amount of their pension, including  
the name and monthly pension for each retiree or beneficiary.

Roll Call Vote Yes: M. De Anda, M. Fisher, D. Gharat, W. Hall, and R. Martin

Roll Call Vote No: J. DeMartini, G. Ford, and M. Lynch

Motion carried by a 5-3 vote.

Motion was made by Mike Fisher and seconded by Maria De Anda to deny the  
California First Amendment Coalition's request for a list of each retiree/beneficiary  
receiving pension benefits from StanCERA in 2009 and the monthly amount of their  
pension including the name and monthly pension for each retiree or beneficiary.

Roll Call Vote Yes: M. De Anda, M. Fisher, D. Gharat, W. Hall, and R. Martin

Roll Call Vote No: J. DeMartini, G. Ford, and M. Lynch

Motion carried by a 5-3 vote.

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

Mr. Ford requested an item be placed on the September 22, 2009, Board of  
Retirement agenda from the Ad-Hoc General Legal Counsel Committee –  
discussion and action on recommendations to hire external general legal counsel.

Mr. Ford thanked County Counsel for continuing to represent the Board of Retirement  
as it diligently continues to seek general legal counsel.

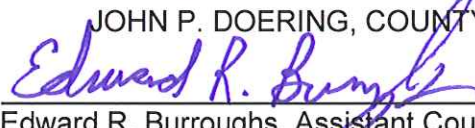
Mr. Watson reminded the Ad-Hoc Funding Policy Development Committee of  
Mr. Lynch, Mr. Gharat, and Mr. Martin, that the Committee will meet immediately  
following the Board of Retirement meeting.

11. **Adjournment**

Meeting adjourned at 3:35 p.m.

Respectfully submitted,

  
Tom Watson, Retirement Administrator

APPROVED AS TO FORM:  
JOHN P. DOERING, COUNTY COUNSEL  
  
Edward R. Burroughs, Assistant County Counsel