BOARD OF RETIREMENT
FRESNO COUNTY EMPLOYEES’ RETIREMENT ASSOCIATION
June 7, 2006

Trustees Present:
   Michael Cardenas   Vicki Crow
   Vera Dominguez     Steven Jolly
   Phil Larson        Stephanie Savrnoch
   John Souza

Trustees Absent:
   A. Papaleo         William Storey

Others Present:
   Ronald S. Frye, Alternate Trustee
   Ira Summer, Public Pension Professionals
   Beverly Behan, Mercer Delta
   Barbara Booth Grunwald, Deputy County Counsel
   Roberto L. Peña, Retirement Administrator
   Becky Van Wyk, Chief Accountant
   Elizabeth Avalos, Administrative Secretary

1. Call to Order

   Chair Jolly called the meeting to order at 9:09 AM.

2. Public Presentations

   Roger Greening, FCERA Member, noted that Consent Agenda Item 15 did not state
   the destination in the travel request for Trustee Cardenas and Alternate Trustee Frye.

   Chair Jolly noted that the destination was San Francisco.

   Bonnie Hancock, FCERA Member, noted that she is unable to access documents from
   the FCERA website.

   Becky Van Wyk, Chief Accountant, stated that Adobe Software is required to access
   documents from the FCERA website and that the software is available on the FCERA
   website at no charge. Ms. Van Wyk noted that users can contact our office if they
   experience problems. FCERA Staff assisted Ms. Hancock in acquiring the documents.

Consent Agenda/Opportunity for Public Comment

   Trustee Souza pulled Consent Agenda Item 13.

   A motion was made by Trustee Dominguez, seconded by Trustee Souza, to Approve
   Consent Agenda Items 3-12, 14 and 15. VOTE: Unanimous (Absent – Cardenas,
   Papaleo, Storey)
*3. Approval of the May 17, 2006 Board of Retirement Regular Meeting Minutes and the May 19, 2006 Special Meeting Minutes

RECEIVED AND FILED; APPROVED

*4. Retirements

RECEIVED AND FILED; APPROVED

Mark E. Burton AC/TTC 18.19
Christina Reyna Castillo Children & Family Services 12.50
Victoria Hellenas Behavioral Health 9.04
Sandra L. Pack Community Health, Deferred 7.77
Wayne Peregrin Agriculture 33.99
Patricia Preston Employment & Temp Assist. 18.02
E. Sherrill Travers Assessor-Recorder 16.52
Tongtip Wanapat Employment & Temp Assist. 15.66
John W. Weiser Administrative Office 12.80

*5. Disability Retirements

RECEIVED AND FILED

Angela Audelo Employment & Temp Assist. 5.86
Fred A. Baak Sheriff 6.21
Martin J. Bull Sheriff 27.15
Pamela Lockie Sheriff 13.96
Michael R. Reed Sheriff 10.62

*6. Deferred Retirements

RECEIVED AND FILED

Laura J. Bakker County Counsel 13.96
Loreena Carrasco Personnel Services 5.04
Renna L. Dalman Child Support Services 11.02
Christian Davalos Probation 5.48
Lynette M. Dixon Superior Court 7.29
Michael A. Drake Library 7.48
Douglas N. Edwards Agriculture 29.84
Eric D. Fleming Administrative Office 6.35
Linda Hernandez Assessor-Recorder 6.16
Jason Hubbard Sheriff 3.80
Tonja R. Johnson-Villar Behavioral Health 5.25
George S. Laird, Jr. Behavioral Health 6.84
Martha Sanchez Personnel Services 5.18
Boun Somphong Employment & Temp Assist. 10.52
Tong Tao Sheriff 5.98
Margaret J. Thompson Children & Family Services 8.03
Frank A. Torrez Behavioral Health 6.39
Dewiwaty Widjaja Child Support Services 5.97
Kelly L. Woodard Employment & Temp Assist. 19.91
*7. Request to Rescind Deferred Retirement

RECEIVED AND FILED

Demarco D. Ford  Prodm 5.57
Donya A. Hardgrave  Employment & Temp Assist. 6.51
Lisa L. Hayes-Scott  Children & Family Services 5.18
Bernice C. Weelock  Personnel Services 10.81

*8. Public Records Requests and/or Retirement Related Information Requests from Joan Niboli Gray, Grand Jury; Ralph Jimenez, Director of Personnel Services; Tom Abshere, SEIU Local 535; and Daniel Stone, Office of Assemblymember Keith Richman

RECEIVED AND FILED


RECEIVED AND FILED

*10. Correspondence to Deferred Members of FCERA and active employees of the Special Districts

RECEIVED AND FILED

*11. Report from Roberto L. Peña, Retirement Administrator, on attendance at the SACRS 2006 Spring Conference

RECEIVED AND FILED

*12. Letter to the Board of Retirement from Ira Summer in response to allegations raised by SEIU Local 535 regarding prior actuarial work performed by Ira Summer for Kern County Retirement

RECEIVED AND FILED

*13. Contract with Oliver, Thomas, & Caeton Adjusters, private investigation firm to provide additional information regarding disability applications

Trustee Souza noted that the contract referred to “Attachment A” and that it was not included with the agenda item.

Roberto L. Peña, Retirement Administrator, apologized for the error and the attachment was made available to the Trustees and members of the audience.

A motion was made by Trustee Souza, seconded by Trustee Larson, to Approve Consent Agenda Item 13. VOTE: Unanimous (Absent – Cardensas, Papaleo, Storey)

RECEIVED AND FILED; APPROVED
*14. Request for approval to use contingency funds under the Pensions expense category for Pensions Change Order Number 39 - modifications to custodial bank import file to accommodate new disbursement bank

RECEIVED AND FILED; APPROVED


RECEIVED AND FILED; APPROVED

16. Receive presentation regarding Board Governance services for the Board of Retirement presented by Beverly Behan, Mercer Delta

Roberto L. Peña, Retirement Administrator, reminded the Board of prior discussions related to Board Governance Services and introduced Beverly Behan of Mercer Delta.

Ms. Behan gave a presentation regarding “Effective Board Building” which included strategies, establishing priorities and identifying Board expectations.

Mr. Peña and Trustees Jolly and Crow commented in favor of Board Governance services.

Discussions, questions, and comments followed.

RECEIVED AND FILED

17. Discussion and appropriate action on the June 30, 2005 Actuarial Valuation revised final report presented by Ira Summer, Public Pension Professionals

Ira Summer, Public Pension Professionals, opened discussions by reviewing the changes made to the Actuarial Valuation including the Board’s decisions stopping the TAO COLA after age 62 for anyone who retires on or after July 1, 2006, using approximately $3.9 million from the non-valuation reserve to pay the liability related to the member portion of the TAO COLA for current retirees, and including the impact of the recent changes made to the annual leave program.

During discussions regarding the annual leave program, Trustee Souza noted that when sick/annual leave is converted to retirement service credit the cost should be borne solely by the employer.

After further discussion and review of Fresno County Resolution ordinance 83.017 and G.C. Section 31641.03, it was determined that when sick/annual leave is converted to retirement service credit, the cost is borne solely by the employer.

Mr. Summer stated that the impact of the sick/annual leave plan related to the member contribution rates would be minimal and asked the Board for further direction.
A motion was made by Trustee Crow, seconded by Trustee Savrnoch, to adopt the revised Actuarial Valuation as presented and to direct Mr. Summer to make the necessary adjustments related to the sick/annual leave for the following year. VOTE: Unanimous (Absent – Cardenas, Papaleo, Storey)

RECEIVED AND FILED; APPROVED

Trustee Cardenas arrived at 11:00 AM.

Mr. Summer began his presentation regarding member contribution rates and the smoothing process by reviewing the contribution structure.

In response to a question from Mr. Peña, Mr. Summer stated that of the 1937 Act Systems, FCERA may have the best retirement features because of the benefits that were put in place under the Ventura Settlement.

Discussions, questions, and comments followed.

A motion was made by Trustee Crow, seconded by Trustee Souza, to approve the member contribution rates [Using the smoothing process. Please see minutes of May 3, 2006.]. VOTE: Yes – Cardenas, Crow, Jolly, Larson, Savrnoch, Souza. No – Dominguez. Absent – Papaleo, Storey.

MOTION PASSED

Mr. Peña noted that Administration would be sending a countywide e-mail to the active employees and Special Districts notifying them of the increase.

18. Discussion and appropriate action on the actuarial calculations for various options on the Supplemental (Non-Vested) Health Benefit presented by Ira Summer, Public Pension Professionals

Mr. Summer opened discussions by reviewing the interest crediting process and explaining how the undistributed earnings are distributed.

Mr. Summer reviewed the options available to continue the Supplemental (Non-Vested) Health Benefit with the $56.9 million remaining in the non-valuation reserve.

In response to a question from Trustee Souza, Mr. Summer stated that approximately $2 to $3 million would be used for the Supplemental (Non-Vested) Health Benefit if the Board were to delay any changes for another year.

Discussions, questions, and comments followed related to the additional years that could be added to continue the Supplemental (Non-Vested) Health Benefit by reducing the beneficiary’s continuance to 60%.

A motion was made by Trustee Souza, seconded by Trustee Dominguez, to continue the Supplemental (Non-Vested) Health Benefit with a 100% continuance to the beneficiary for all current Retirees and those who retire prior to June 30, 2007 and to discontinue the Supplemental (Non-Vested) Health Benefit for those who retire on or after June 30, 2007.
Trustees Savrnoch, Jolly and Crow commented opposing the motion.

Les Jorgensen, FCREA, addressed the Board in favor of the motion.

Discussion, questions, and comments followed.


MOTION FAILED

A motion was made by Trustee Savrnoch, seconded by Trustee Larson, to continue the Supplemental (Non-Vested) Health Benefit “as is” for all current and future retirees until the funds are depleted and that an actuarial study be completed every one to two years so that the Board is informed of the approximate time that funds will no longer be available.

Trustee Savrnoch clarified that the motion is not intended to terminate the program and that if funds become available through undistributed earning, the program will continue.


MOTION PASSED

19. Discussion and appropriate action regarding Fresno County Grand Jury Interim Report #1 about FCERA’s retirement pension plan

Roberto L. Peña, Retirement Administrator, opened discussions by explaining to the Board that two of the ten Grand Jury recommendations were related directly to the Board of Retirement and noted that FCERA is required to respond within 90 days of the report.

Mr. Peña noted that with direction from the Board, Administration would draft a response addressing the Grand Jury’s recommendations for the Board’s review.

After further discussions, questions, and comments the Board directed Administration to draft a response to the Grand Jury’s recommendations for their review.

NO ACTION TAKEN

Trustee Crow departed at 12:30 PM.

20. Discussion and appropriate action on applying presumptions for safety members to Special Death Benefit Statute regarding posthumous service-connected disability retirement

Barbara Booth Grunwald, Deputy County Counsel, opened discussions by recommending that the Board direct Administration to apply the “Heart Presumption”
for Safety members to the Special Death Benefit Statute for Posthumous Service-Connected Disability as a general practice.

Mr. Peña clarified that normal disability procedures would be followed and that Administration would provide the Board with recommendations related to disability retirement.

Discussions, questions, and comments followed.

A motion was made by Trustee Dominguez, seconded by Trustee Larson, to approve the recommendation as presented. VOTE: Unanimous (Absent – Crow, Papaleo, Storey)

Mr. Peña noted that Administration would research any beneficiaries of deceased safety members to confirm that the options were properly offered.

RECEIVED AND FILED; APPROVED

21. Discussion and appropriate action regarding the 2006-07 FCERA budget presented by Roberto L. Peña, Retirement Administrator

Due to time constraints Agenda Item 21 was postponed until the Regular Board Meeting on June 21, 2006.

22. Discussion and appropriate action on appointments to the SACRS Nomination Review Ad Hoc Committee

Mr. Peña opened discussions by explaining that SACRS has implemented an Ad Hoc Committee to review the nomination process for SACRS Executive Committee candidates and that parties interested in serving/volunteering for the committee should contact FCERA Administration or the SACRS Association for information.

NO ACTION TAKEN

23. Closed Session:
   a. Conference with Legal Counsel – Actual Litigation - pursuant to G.C. §54956.9(a)
   b. Disability Retirement Applications – Personnel Exception (G.C. §54957):
      1. Lynn Adams

24. Report from Closed Session

   23.a. PULLED
   23.b.1. Lynn Adams – A motion was made and seconded to direct the Administrator to notify the applicant that the application will be denied unless the applicant requests a hearing. M – Souza, S – Larson. VOTE Unanimous. ABSENT – Cardenas, Crow, Papaleo, Storey.
Trustee Larson departed at 12:53 PM.

25. **Report from FCERA Administration**

Mr. Peña gave a brief report on the following items:

1. Generalizing the Board Minutes.
2. Investment related issues would be discussed at the June 21, 2006 Regular Board meeting as well as at the July 5, 2006 Regular Board Meeting.
3. Addressed a staff request to open dialogue with County Personnel and Employee Organizations regarding establishing a rotating modified work week.
4. The fiduciary insurance premium was paid by the County and North Central Fire Protection District.
5. Reminded the Board that the auditors from Brown Armstrong were on-site the week of May 29, 2006 performing interim field work for the financial audit.
6. An agreement was signed by a FCERA member to make full restitution of an overpayment of approximately $80,000.
7. The FCERA building sign has been painted.

26. **Report from County Counsel**

Ms. Grunwald gave a brief report on the following items:

1. Stephens v. County of Tulare
2. Bonner v. County of San Diego
3. Summary of political Reform Act Provisions re Gifts

27. **Board Member Announcements or Reports**

1. Trustee Savnoch stated that she would like to discuss the Fresno Station finances at a later date.
2. Trustees Jolly and Dominguez will be absent at the June 21, 2006 Regular Board meeting.
3. Trustee Jolly commented on recent e-mails received for FCERA Member, Eulalio Gomez.

There being no further business, the meeting was adjourned at 1:15 PM.

________________________________________________________

Roberto L. Peña
Secretary to the Board