



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

### BOARD OF RETIREMENT MINUTES

May 22, 2007

**Members Present:** Jim DeMartini, Mike Fisher, Gordon Ford, Darin Gharat, Wes Hall, Mike Lynch, Ron Martin and Steve Yauch

**Members Absent:** *Maria De Anda*

**Alternate Member Present:** Linda Stotts-Burnett, Alternate Retiree Representative

**Others Present:** Kelly Cerny, Natalie Elliott, Paul Harte-Strategic Investment Solutions (SIS), Deirdre McGrath, Michele Silva, Max Swango-INVESCO, and Hank Skau

1. Meeting called to order at 2:00 p.m. by Wes Hall, Chair.

2. **Announcements**

None.

3. **Public Comment**

None.

4. **Consent Items**

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

Motion carried.

- a. Approval of the April 24, 2007 Minutes
- b. Report on the May 2, 2007, Pre-Retirement Seminar
- c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
  1. Betty Bickner, Sheriff, Effective 05-08-07
  2. Rodolfo Borrego, BHRS, Effective 03-26-07
  3. Bonnie Clements, Assessor, Effective 04-19-07
  4. Stella Galupi, DCSS, Effective 05-06-07
  5. Robert Harmon, StanCERA, Effective 04-13-07
  6. Adrian Kumar, HSA, Effective 05-04-07

4. **Consent Items (cont.)**

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

7. Robert Mabry, Public Works, Effective 05-12-07
8. Cathleen St. Martin, BHRS, Effective 05-15-07
9. Barbara Summerlot, GSA, Effective 03-31-07
10. Susan White, DCSS, Effective 05-01-07

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

1. Francisca Franco, HSA, Effective 10-21-04
2. Christopher Freeman, Library, Effective 03-03-07
3. Pamela Grassmidt, HSA, Effective 11-23-06
4. Robert Lejeck, CSA, Effective 04-21-07
5. Shari Luquire, Library, Effective 02-03-07
6. Shelly Marquer, Superior Court, Effective 03-16-07
7. James R. Reeves, City of Ceres, Effective 01-30-07
8. John Schaper, HSA, Effective 03-30-07
9. Marlene Whittington, HSA, Effective 01-25-03

e. Approval of Deferred Retirement Refund(s) **Section 31701**

1. Mark T. Sullivan
2. Robin Wright

f. Approval of Disability Retirements – **Section 31724**

1. Maria Duarte, HSA, Non-Service-Connected, Effective 12-08-06
2. Dorothy Soske, CSA, Non-Service-Connected, Effective 10-23-06

5. **Closed Session**

Motion was made by Steve Yauch and seconded by Mike Fisher to commence to Closed Session at 2:02 p.m.

Gordon Ford arrived at 2:03 p.m.

Upon returning to Regular Session at 2:06 p.m., Kelly Cerny, Secretary, read the findings of the Closed Session.

The application of Clara Golding for a Non-Service-Connected Disability Retirement benefit was granted effective June 29, 2006. The application for a Service-Connected Disability Retirement was set for hearing before a hearing officer.

6. **Educational Presentation on Real Estate Investment Trusts by INVESCO**

Paul Harte introduced Max Swango, a partner of Invesco Realty Advisors in Dallas, Texas. Max gave a verbal presentation on real estate investment trusts (REITs).

Ron Martin arrived at 2:16 p.m.

INVESCO manages investments in both direct property and real estate securities in the United States and Europe. The group focuses on top-down fundamentals combined with bottom-up local market intelligence. Senior members of the management team have worked together for more than 14 years. Headquartered in Dallas, Texas, INVESCO manages approximately \$30 billion in direct real estate assets and publicly-traded real estate securities (primarily equity REITs)

Mr. Swango gave an overview of the advantages of REITs, investment options, and the current market outlook. Real estate provides portfolio diversification with low correlations to other asset classes. Mr. Swango answered questions from board members.

Darin Gharat left at 2:51 p.m.

7. **Strategic Investment Solutions, Inc. (SIS) Monthly Performance Review for the Month Ending April 30, 2007**

Darin Gharat returned at 2:52 p.m.

Paul Harte, SIS, presented the monthly performance review for the period ending April 30, 2007. StanCERA's portfolio is \$1.43 billion, a 2.31% increase from the prior month. The overall rate of return for this fiscal year to date is 14.69% slightly under StanCERA's policy index of 15.49%. However, this return is significantly over the fiscal year to date assumed rate of 6.73%. Paul said with 10 months of the 12-month fiscal year completed, the fund overall is doing well.

Paul informed the Board there would be a report next month on the Due Diligence visits to Mazama Capital Management and LSV Asset Management.

8. **Administrator**

a. Fiscal Year 2007-2008 Administrative Budget

Hank Skau, Operations Manager, gave a brief summary of the 2007-2008 fiscal year budget. Hank mentioned the budget is scheduled for discussion and action at the June 13, 2007, Board of Retirement meeting. Highlights include changing to a solo fiduciary liability insurance policy with an increase to the premium; and reclassification of two Confidential Assistant IV positions to Confidential Assistant V(s). Hank responded to board members' questions. Hank said he will have competitive rates for the fiduciary insurance changes available for the next Board meeting.

8. **Administrator (cont.)**

b. StanCERA's Bylaw Provisions Related to Independent Operation and Travel

Michele Silva, Benefits Manager, informed the Board they were in receipt of the Administrator's memorandum dated May 14, 2007. The memorandum discussed the Bylaws pertinent to StanCERA's independent operations and travel reimbursement. This information was requested by Mike Fisher, Trustee, at the April 11, 2007, Board of Retirement meeting. Michele informed board members that the Bylaws Committee would take any recommendations for any additions or changes they may have.

c. Government Finance Officers Association (GFOA) News Release - Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year Ending June 30, 2006

Wes Hall, Chair, mentioned that board members had received a written letter and news release from the Government Finance Officers Association (GFOA). The letter notified StanCERA that the Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2006, qualified for a Certificate of Achievement for Excellence in Financial Reporting. The certificate and plaque is awarded to StanCERA, and in particular, staff member Natalie Elliott, StanCERA's accountant. Wes noted this is the second successive time StanCERA received the certificate. Board members congratulated Natalie for her hard work to receive this prestigious accounting award. Wes asked for a news release to be sent to the media.

d. BMTI's Complaint/Contact Log of January 1, 2007 through March 31, 2007

Board members reviewed Hank's written report of BMTI's first quarter Complaint/contact log of 2007. Hank noted there were no negative responses received from members.

9. **Correspondence**

Wes Hall, Chair, noted Board members were in receipt of the following correspondence. There were no questions or comments from Board members.

a. Delaware Investments News Release of April 16, 2007 – New Head of Equity Investments

b. Strategic Investment Solutions, Inc. Memorandum Dated May 2, 2007 - Resignation of Margaret Jadallah – Director of Manager Research

c. State Association of County Retirement Systems' (SACRS) Press Release Dated May 15, 2007

d. Retiree Note of Appreciation for the Cost of Living Increase Effective April 1, 2007 – Paid May 1, 2007

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

**STANDING COMMITTEES**

a. Education Committee – Gordon Ford, Chair

- i. Discussion and Action on Attendance, Travel, and Costs for The Opal Financial Group's "Investment Trends Summit 2007," July 15-17, 2007, Girdwood, Alaska

Motion was made by Gordon Ford and seconded by Ron Martin to approve attendance, travel, and costs, for The Opal Financial Group's "Investment Trends Summit 2007," July 15-17, 2007, Girdwood, Alaska

Motion carried.

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

Mike Lynch, Trustee asked to have The Public Journal's , June 27, 2007, seminar, "*Prefunding – A New Way of Life & Other Significant Local Agency Changes*," added to the next board meeting agenda.

Kelly Cerny, Secretary, asked for appointed board member volunteers to assist with the canvassing of the Seat #2 election ballots on June 21, 2007.

12. **Adjournment**

Meeting adjourned at 3:39 p.m.

Respectfully submitted,

Michele Silva, Benefits Manager

APPROVED AS TO FORM:  
MICHAEL KRAUSNICK, COUNTY COUNSEL

By: \_\_\_\_\_  
Deirdre McGrath, Deputy County Counsel