



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

NOVEMBER 25, 2003

Members Present: Nick Blom, Kent Crawford, Maria DeAnda, Gary Dial, Darin Gharat, Wes Hall, Al Sarina and Tom Watson

Members Absent: Mike Fisher

Others Present: Robert Harmon, John Gobel, Victoria Halliday, Karen Gonzales, Linda Stotts-Burnett, Henry Skau and Barry Dennis of SIS.

1. Meeting called to order at 2:00 p.m. by Chair, Tom Watson.

2. **Announcements**

Karen passed out continuing education forms for the members that attended the Fall SACRS conference to complete.

3. **Public Comments**

None

4. **Consent Items**

Motion was made by Nick Blom and seconded by Wes Hall to approve the following items listed.

Motion carried.

a. Approval of the October 28, 2003 Regular Session Minutes

b. Approval of Service Retirement(s) - Sections 31499.14, 31760.1 and 31810

1. Carol Barnes, Effective 11-25-03
2. Charles Barnes, Effective 11-04-03
3. Rebecca Gregory, Effective 11-04-03
4. Rita Keller, Effective 10-31-03
5. Sandra Laikam-Cook, Effective 11-01-03
6. Joli Martin, Effective 11-15-03
7. Ron Mathews, Effective 11-01-03
8. Richard Pierce, Effective 11-01-03
9. Ruben Ramos, Effective 11-03-03
10. Deborah Simpson-Dillard, Effective 11-04-03
11. Thomas Snow, Sr., Effective 11-15-03
12. Tyra Lori Van Ruiten, Effective 11-27-03

4. **Consent Items**

- Continued -

b. **Approval of Service Retirement(s) - Sections 31499.14, 31760.1 and 31810**

13. Reagan Wilson, Effective 10-16-03

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

1. Janice Chichester, Effective 09-18-03
2. Joshua Christensen, Effective 08-25-03
3. Vanessa Menor, Effective 02-25-03
4. Karen Mitchell, Effective 09-13-03
5. Victor Morrison, Effective 11-14-03
6. Mark Louis Pomi, Effective 08-02-03
7. Angela Sargenti, Effective 09-21-02
8. Brandon R. Smith, Effective 02-05-01
9. Mark Sullivan, Effective 11-14-03
10. Pamela Thompson-Ryan, Effective 10-31-03
11. Franklyn Vincent, Effective 05-04-02
12. Scott Von Stade, Effective 10-17-03
13. Bryan Whitemyer, Effective 09-19-03
14. Edward Yoder, Effective 11-14-03
15. Linda Yoder, Effective 11-14-03

d. **Approval of Death Benefit – Sections 31499.14, 31760.1 and 31810**

Robert E. Fairbank, Deceased October 18, 2003. Mr. Fairbank's surviving spouse will receive a lifetime monthly allowance of 60% of the monthly allowance to which the deceased member would have been entitled to if he had retired or been retired by reason of non-service connected disability retirement as of the date of his death.

e. **Approval of Deferred Refund – Section (s) 31700**

1. Alicia Salinas

5. **Closed Session**

As a courtesy to our SIS consultant, closed session was moved to the end of the agenda.

5. **Closed Session- Continued**

Motion was made by Wes Hall and seconded by Kent Crawford to adjourn to closed session at 3:23 p.m.

Motion carried.

After returning to regular session at 4:49 p.m., Victoria Halliday, County Counsel read the findings of the closed session:

The application of LaVonna Bauerrichter was denied for a Non-Service Connected Disability Retirement Benefit.

The application of Scott Oliver for a Non-Service Connected Disability Retirement Benefit was granted effective November 26, 2003, with medical call back at the discretion of the Administrator.

Deputy County Counsel Victoria Halliday gave an update on the Ventura Case

Due to the personnel matter being discussed staff members Robert Harmon and Karen Gonzales removed themselves from the room during the Administrator Performance Evaluation.

The Administrator Performance Evaluation was discussed.

6. **Quarterly Report from SIS**

Barry Dennis of SIS made the quarterly report for the period ending September 30, 2003. Barry stated that it has been a very good run and it continues. Barry stated during the third quarter, the Fed met but did not change the target for the federal funds rate from 1.0%. The trade deficit through August was \$324.4 billion, 22.3% higher than the year-to-date total for the same period in 2002. U.S. Stocks continued to rebound with the DJIA, NASDAQ and the S&P 500 rising 3.8%, 10.1% and 2.6%, respectively. During the quarter, growth and value stocks showed positive results. Global equity markets enjoyed another positive quarter as the weight of economic data pointed toward healthy growth in the second half of 2003. Barry indicated that the Fixed Income market is very volatile at this time.

The portfolio as of September 30, 2003 was over \$993.5 million. The performance summary ending September 30, 2003 for the total fund was 3.7%, 18.8%, 4.7% and 8.6% for the first quarter, one-year, three-years and five years respectively.

7. **Administrator**

- a. Review, discussion and action to: i) terminate Putnam as manager of International Equity securities; ii) hire an interim manager and/or a transition manager; iii) approve search criteria and authorize SIS to conduct a search for one or more International Equity managers.

Barry Dennis of SIS made a recommendation to leave our funds in Putnam while questionnaires are mailed to potential managers and after discussion by the Board of Retirement motion was made by Al Sarina and seconded by Nick Blom to approve a new manager search with the eight finalists recommended by SIS and to include Capital Guardian as a finalist.

Motion carried.

- b. Update on 12th Street building project:

Robert informed the board that he had recently met with the Capital Projects team and that the 12th Street project had been stalled but would be going to bid in mid-December. Robert stated that the bids were due in January with construction to start in the winter. Robert also stated that there had been no real changes in the design.

The Chair called for a break at 3:15 p.m. The meeting reconvened at 3:23 p.m. and went into closed session.

8. **Correspondence**

None

9. **Committee Reports And Recommendations For Action**

STANDING COMMITTEES

- a. Benefits Committee - Wesley Hall, Chair

Wes reviewed and discussed the health insurance open enrollment survey and indicated that the open enrollment went well. Wes also reviewed a notice regarding Hearing Aids and stated he will discuss this at the next Benefits committee meeting.

- b. Bylaws Committee - Maria DeAnda, Chair

No Report

9. **Committee Reports And Recommendations For Action- Continued**

STANDING COMMITTEES

- c. Due Diligence Committee – Maria DeAnda, Chair

No Report

- d. Education Committee - Gary Dial, Chair

- a. Review of Guns and Hoses Conference

Darin Gharat gave a brief overview of the Guns and Hoses Conference he attended with Robert and Vicki. Darin stated that this was a great conference to attend.

AD-HOC COMMITTEES

- e. Independence Committee - Al Sarina, Chair

Al stated that Robert gave a brief update on the building already and that he would be scheduling a meeting at the beginning of the New Year.

- f. Disability Retirement Accountability Committee - Kent Crawford, Chair

No report.

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

Wes Hall reviewed an article from the Pension and Investment magazine regarding Orange County's assumption rate.

10. **Adjournment**

Meeting adjourned at 4:56 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel