



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

November 28, 2000

Members Present: Lyn Bettencourt, Kent Crawford, Maria DeAnda, Wes Hall, Al Sarina, Virgil Thompson, Steve Yauch, and Tom Watson

Members Absent: Nick Blom

Others Present: Victoria Halliday, Robert Harmon, Lois Ertel; Horton Shapiro of Dodge & Cox

1. Meeting called to order at 2:04 p.m. by Chairman Lyn Bettencourt.

2. **ANNOUNCEMENTS**

Tom Watson, Administrator, introduced Kent Crawford who was appointed by the Board of Supervisors on October 31, 2000 to complete the term for Seat #6 through 12/31/2001. At the Board's request, Kent Crawford provided a little history about himself.

Board members were reminded to turn in their receipts and education reports for the Fall SACRS Conference.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

Motion was made by Virgil Thompson and seconded by Wesley Hall to approve the following items as listed.

Motion carried.

a. Approval of the October 24, 2000 Regular Session Minutes.

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

1. Victor Ringsby, Parks & Recreation, Effective 10-03-00
2. Robert Eskew, Purchasing, Effective 11-04-00
3. Barbara Puckett, Mental Health, Effective 11-17-00
4. Sandra Tuggle, Treasurer/Tax Collector's Office, Effective 11-25-00
5. Shirley Moody, Health Services Agency, Effective 11-28-00

4. **CONSENT ITEMS -Continued**

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

1. Paul J. Ulyak, Emergency Dispatch, Effective 11-18-96
2. Donald L. Kendall, East Side Mosquito Abatement, Effective 12-31-98
3. Richard Wall, Sheriff's Office, Effective 05-27-00
4. Diane Herring, Public Defender's Office, Effective 07-13-00
5. Craig S. Gundlach, District Attorney's Office, Effective 09-12-00
6. Gene A. Gomes, Public Works. Effective 10-07-00
7. Gay L. McDaniel, Sheriff's Office, Effective 10-13-00
8. Barbara L. Denlis, Planning Dept., Effective 11-01-00
9. Steve O. Olson, Public Works, Effective 11-02-00

d. **Approval of Refund for Deferred Retirement Member(s) - Section 31701**

1. Tammy Hurst
2. Janice Madere-Dawkins

e. **Approval of Death Benefit - Section 31781.3**

Suraj Vhan, deceased 10-10-00. Surviving spouse, Sunila Vhan, will receive a lump sum death benefit and a 60% continuance of amount spouse would have received with a non-service connected disability retirement benefit.

Maria DeAnda and Victoria Halliday arrived at 2:15 p.m.

5. **QUARTERLY REPORT BY DODGE & COX**

Horton Shapiro from our investment manager, Dodge and Cox, presented the regular quarterly report of investment performance for the period ending September 30, 2000. The report indicated that the entire portfolio returned 10.1% for the year, 8.4% annually compounded over the past 3 years and 13.0% per year compounded for the past 5 years (these are market rates of return). A detailed report is available in the Retirement Office.

6. **STAFF REPORT OF MONTHLY INVESTMENT PERFORMANCE FOR OCTOBER 2000**

In a review by Robert Harmon of the monthly investment performance, it was noted the total fund had a rate of return for a one month period of -0.33% and 11.24% for the last 12 months. Other income on the portfolio includes securities lending and commission recapture in the amount of \$19,466 for the month.

7. **STAFF QUARTERLY REPORT ON FUND PERFORMANCE**

This new report developed by Robert Harmon provides many facts of interest as well as a review of the quarterly performance of the fund and the statement of the retirement system. The report indicated that the entire portfolio returned 13.77% for the quarter ending September 30, 2000. This is a comprehensive report of the style matrix of each manager which provides valuable information to the Board. It was covered in detail by Robert Harmon at this first presentation with expressions of commendation and appreciation expressed by the Board. (Complete report available in the retirement office.)

8. **CLOSED SESSION:**

Motion was made by Virgil Thompson and seconded by Tom Watson to adjourn to closed-session at 4:25 p.m.

Motion carried.

Closed Session Findings:

After returning to regular session at 5:15 p.m., it was reported that an update of the "Ventura" litigation was given by Victoria Halliday, Deputy County Counsel.

9. **ADMINISTRATOR**

- a. Administrator, Tom Watson, reported the Board of Supervisors on October 31, 2000 approved and will allow the employees moved to Tier 1 status in the Stanislaus County Employees' Retirement Association pursuant to the case of Lear v San Diego County Employees' Retirement Association to retain their Tier 1 status.
- b. Since no applications were received for the Alternate Safety Board member, Seat #7, there will be no election at this time.

10. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

- a. Benefits Committee-Wesley Hall, Chairman

Wesley Hall asked if the Board had approved the payment of the special COLA on January 1, 2001. Staff will check for date of approval.

- b. Bylaws Committee-Steve Yauch, Chairman

Amended Bylaw pages of section 1.5 were sent to Board members for them to update their copies.

10. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION- Continued**

c. Due Diligence Committee-Wesley Hall, Chairman

A written report was provided to Board members on the committee meeting on November 1, 2000. This covered the suggested role of an investment consultant in the areas of policy duties, asset allocation and total portfolio duties, investment manager oversight duties, performance measurement duties, and client relations duties. The committee ranked five key aspects desirable in a consulting firm and plan to meet again with Cooper Consultants on December 5, 2000 to discuss firms they feel meet the needs of the Retirement Association. Robert Harmon was asked to express the committee's appreciation to Karen Valdez for taking notes and preparing the report of their last meeting.

d. Education Committee-Virgil Thompson, Chairman

1. San Joaquin County Employees' Retirement Association has arranged for Professor Breen and Professor Robert Korajczyk to offer a three day advance training course modeled closely to the Kellogg Graduate School of Management (Northwestern University). If they can get a commitment of 30 trustees and/or staff to enroll, they plan to hold the program in 2001. Motion was made by Virgil Thompson and seconded by Steve Yauch to authorize up to 6 trustees and/or staff to attend this training at an estimated cost of \$20,000. Robert R. Palmer, Retirement Administrator of San Joaquin County ERA, is to be notified of StanCERA's commitment of six persons for this training.

Motion carried.

2. The Board accepted the written report of Maria DeAnda on the Capital Resource Advisors Summit she attended in October.
3. Staff distributed a list of the educational conferences and seminars attended by each Board member since January 1, 1998 to present, with the request to review for any errors, additions, etc. This information will be combined with the records of the committee chairman and kept up to date by staff as future reports are turned in. Members were reminded to turn in their reports for the recent SACRS Conference. Written reports are due from Steve Yauch/Robert Harmon, Victoria Halliday, and Lyn Bettencourt for recent conferences attended.

11. **MEMBERS FORUM (Information and Future Agenda Requests Only)**

Victoria Halliday asked Board members to inform her of any dinner invitations accepted at the recent SACRS Conference. She will send letters to obtain the cost for FPPC reports.

11. **MEMBERS FORUM (Information and Future Agenda Requests Only)-Continued**

AlSarina was impressed with the presentation given at the recent SACRS conference by Stanislaus County CEO/Risk Management on their Disability Management Program. He thought it was one of the best sessions offered.

Some of the Board members were asked to stay after the meeting for their pictures to be taken for SACRS members pictorial directory and "Goldenyears" newsletter.

Robert Harmon reported Nathan Erickson had been hired on a personal contract as a programmer for StanCERA's pension administration system.

12. **ADJOURNMENT**

Meeting adjourned at 5:35 p.m.