



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

SEPTEMBER 11, 2002

Members Present: Nick Blom, Kent Crawford, Maria DeAnda, Wes Hall, Al Sarina, Virgil Thompson and Tom Watson

Members Absent: Gary Dial and John Hallford

Others Present: Robert Harmon, Victoria Halliday, Karen Gonzales and John Gobel

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

2. **ANNOUNCEMENTS**

Robert informed the board that Paul Birmingham was approved a service retirement at the August 14, 2002 board meeting and has asked to rescind his application.

Virgil Thompson requested the Board have a moment of silence for the anniversary of the 9-11 tragedy.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

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

Motion carried.

a. Approval of the September 3, 2002 Special Session Minutes.

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

1. Robert Burrell, Deferred, Public Works, Effective 08-25-02
2. Chessella Holloway, Community Services Agency, Effective 08-30-02
3. James Jackson,, Public Works, Effective 09-27-02
4. Lester Slover, Public Works, Effective 09-20-02
5. Billie Taylor, Community Services Agency, Effective 09-05-02
6. Linda Weidman, District Attorney, Effective 09-21-02
7. Mary Weiss, Community Services Agency, Effective 09-30-02
8. Mary Van Vliet, Probation, Effective 09-07-02

4. **CONSENT ITEMS**

- Continued -

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

1. Debbie Davis, Treasurer-Tax Collector, Effective 08-16-02
2. Tiffany Fink, StanCOG, Effective 06-27-02
3. Maria L. Nuno, Community Services Agency, Effective 08-16-02

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

1. Barbara Jackson

Nick Blom arrived at 2:04 p.m.

5. **Administrator**

a. Discussion and Action to hire Bank of New York as Transition Manager

After a discussion regarding hiring a transition manager, motion was made by Virgil Thompson and seconded by Al Sarina to hire Bank of New York as the Transition Manager for the Association.

b. Discussion and Action in executing a rebalancing strategy

Robert discussed with the board two different parts of executing a rebalancing strategy. The first part Robert stated, that the board must decide whether they want a phase-in process or to rebalance all at once. Virgil Thompson stated that after careful consideration he felt that the board needs to do it all at once. Robert stated that he has received final contracts for review except for the investment management contract from Bank of New York.

After discussion, motion was made by Virgil Thompson and seconded by Tom Watson to execute rebalancing all at once.

Motion carried.

5. **Administrator**

- Continued -

- b. Discussion and Action in executing a rebalancing strategy
-Continued-

Robert then discussed the second part of the rebalancing strategy which was when the board should fund the new S&P 500 and Small Cap Value managers.

After discussion, motion was made by Tom Watson and seconded by Virgil Thompson to hold this issue until the September 24, 2002 meeting and discuss it with our consultants for recommendation.

Motion carried.

- c. Discussion and Action to request SIS to make recommendation on Real Estate Investment and Rebalancing

At Virgil Thompson's request, this issue was placed on the agenda. Virgil requested that we should contact our consultant to revisit the issue of real estate investment. Robert stated that he had spoken with Paul Harte and Paul stated that they could do another allocation study with minimal work. Paul stated that it is not a good time for real estate investment due to trading at a high cost. Paul stated that if we do decide to invest into real estate that the association should invest a minimum of 5% of the total fund.

After discussion, motion was made by Al Sarina and seconded by Nick Blom that we do not change our current asset allocation.

Motion carried.

- d. Chairman to appoint committee to review Administrator's Performance and Compensation.

Wes Hall, Chair appointed Virgil Thompson, Tom Watson and himself as the committee members to review the Administrator's performance and compensation.

6. **Correspondence**

a. Letter from Tier 3 Members

Robert reviewed the letter that was received from some Tier 3 members requesting the work-up of their redeposit of Tier 3 service time. Robert stated that he has drafted a response letter and the short version of this letter was that during the enhanced benefit process, Robert informed all members that the calculations for redeposit of Tier 3 service time would take anywhere from six to twelve months to process. He also stated that we would not be processing these on any individual basis but as a whole which would include all current Tier 3 members. Robert informed the board that recalculations for Tier 3 service time is a very long process and the majority of the research has been completed however we have had computer programming issues that also have taken some time to correct. Robert hopes to have this process done within the original twelve months stated during the enhanced benefits presentations.

7. **Committee Reports and Recommendations for Action**

STANDING COMMITTEES

a. Benefits Committee-Wesley Hall, Chair
- Approval and Update of 2003 Health Insurance Rates

Robert advised the board that the benefits committee met with Patrick McTighe regarding the 2003 health insurance coverage and rates.

After discussion, Nick Blom motioned and Tom Watson seconded to increase the monthly health insurance allowance to \$18.50 per year of service to a maximum of \$370.00 for twenty years of service.

Virgil Thompson, Al Sarina and Kent Crawford Opposed.

Motion carried.

After discussion of the 2003 health insurance rates, motion was made by Virgil Thompson and seconded by Al Sarina to approve the 2003 health insurance rates as recommended by our consultant, Patrick McTighe.

Motion carried.

7. **Committee Reports and Recommendations for Action**

STANDING COMMITTEES

- Continued -

b. Bylaws Committee-Tom Watson, Chair

Tom Watson, Chair stated that no current meeting has been set. The bylaws committee has completed up to Article 9. The next Articles 10-12 need to have counsel review. The committee is planning to meet in the month of November.

c. Due Diligence committee-Virgil Thompson, Chair

Virgil Thompson, chair just noted that Al Sarina, Maria DeAnda and Robert Harmon would be attending the due diligence visits in Boston.

d. Education Committee-Virgil Thompson, Chair

No Report.

AD-HOC COMMITTEES

e. Independence Committee-Al Sarina, Chair

Robert stated that we have received draft contracts on the new building. Virgil Thompson requested that we negotiate purchasing the top floor of the building for enhanced resale value of the property.

f. Disability Retirement Accountability Committee-Maria DeAnda, Chair

No Report

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

Vicki Halliday requested a closed session item on the September 24, 2002 agenda for a report on the Ventura attorney fees and possible motion and request for action of the appeal.

Virgil Thompson has questions regarding disability retirements and rehabilitation.

9. **ADJOURNMENT**

Meeting adjourned at 3:28 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel