

Don Fairchilds, Administrator

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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BOARD OF RETIREMENT MINUTES

JUNE 9, 1993

Members Present: Lyn Bettencourt, Nick Blom, Skip De Cavit, Don Fairchilds, Wes Hall, Joash Paul, Frank Russo, Linda Stotts, Steve Yauch

Members Absent: Virgil Thompson

Others Present: Stephen Benjamin, Chuck Carlson, Andrew Eshoo, Kelly Laigo, Bill May, Thomas Watson, Reagan Wilson,
From Dodge & Cox: Joe Fee, Eleanor Howenstine and Horton Shapiro

1. Meeting called to order at 2:00 p.m. by Chairman Lyn Bettencourt.

2. **APPROVAL OF MINUTES**

Motion made by Wes Hall and seconded by Nick Blom approving the minutes of May 19, 1993.

Motion carried.

3. **STATEMENT OF THE RETIREMENT SYSTEM**

The Board of Retirement reviewed the Statement of the Retirement System for the month ending May 31, 1993.

4. **APPROVAL OF SERVICE RETIREMENT(S)**

Motion made by Wes Hall and seconded by Linda Stotts approving the following service retirement(s):

In accord with the following effective date(s) requested and Section 31760.1 of the Government Code selected by the retiring member(s):

a) Garland Leonard, Eff. 06/01/93

b) Beverly Westfall, Eff. 04/13/93

In accord with the following effective date(s) requested and Section 31760.1 and 31810 of the Government Code selected by the retiring member(s):

a) Thomas W. Lambert, Eff. 06/30/93

Motion carried.

5. **APPROVAL OF DEFERRED RETIREMENT(S) - SECTION 31700**

Motion made by Frank Russo and seconded by Linda Stotts approving the following deferred retirement(s):

a) Pamela Frost, Eff. 05/31/93

b) Carol Grove, Eff. 11/28/92

Motion carried.

6. **APPROVAL OF PURCHASES AND SALES OF FIXED-INCOME & EQUITY SECURITIES**

Motion made by Wes Hall and seconded by Linda Stotts approving the purchases and sales of fixed-income and equity securities (see attached).

Motion carried.

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

Joe Fee, Eleanor Howenstine and Horton Shapiro of Dodge & Cox were present and gave a quarterly report on the Retirement Association's fixed-income and equity portfolios. Discussion of the Board's investment policy was also made.

8. **ADMINISTRATOR**

Results of Seat 8 (Retiree Representative) Unanimous Ballot

The Administrator congratulated Wes Hall on receiving a unanimous ballot of election to Seat 8, Retiree Representative for another three year term.

Undistributed earnings transfer to fund retiree health insurance

Motion made by Joash Paul and seconded by Steve Yauch to transfer all undistributed earnings as of June 30, 1993 above the interest crediting rate and the 3% reserve for losses to the Retiree Health Insurance Reserve.

Motion carried.

Distribution of new law books and trustee manuals

New law books and trustee manuals were available for Retirement Board members.

Interest in attending Institutional Investor meeting on September 22, 1993

A sign up sheet was distributed for Retirement Board members interested in attending the Institutional Investor meeting for trustee training on September 22, 1993.

Authorize Administrator to negotiate prepayment of retirement contributions

Motion made by Wes Hall and seconded by Frank Russo to authorize the Administrator to negotiate a prepayment of employer retirement contributions for FY 1993-1994 to be made by the County in July, 1993 if approved.

Motion carried.

Consideration of Board of Supervisors request for 30 year amortization pursuant to Government Code section 31453.6

Stanislaus County Chief Executive Officer, Reagan Wilson, presented a request from the Board of Supervisors that the Retirement Board adopt a 30 year amortization of employer unfunded liabilities based on Government Code section 31453.6.

The Retirement Board discussed the issue at length and found the following conditions:

1. The County is experiencing a budget deficit of \$18.4 million and is therefore making the request out of financial necessity.
2. Although the County's current fiscal condition appears weak, the County's ability to meet its obligations for employer retirement contribution payments in the long run remains strong.
3. Granting the 30 year amortization period would not subject the retirement system to an unsound financial risk.

Motion made by Wes Hall and seconded by Steve Yauch to approve the County's request for a 30 year amortization period to fund employer liabilities contingent upon the County agreeing to reduce the amortization period when its fiscal condition improves to its FY 1992-1993 state.

Motion carried unanimously.

Consideration of Board of Supervisors request for three year funding of early retirement pursuant to Government Code section 31641.04 (a)(3)

Motion made by Wes Hall and seconded by Linda Stotts to grant the Board of Supervisors request (made by CEO, Reagan Wilson) to pay the costs of granting additional retirement service credit pursuant to Government Code section 31641.04 (a)(3) over a three year period with one third of the costs being paid each year.

Motion carried.

10. MEMBERS' FORUM

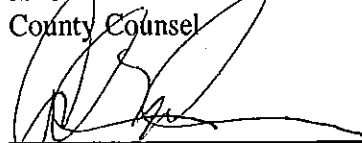
Meeting adjourned at 5:15 p.m.

Respectfully submitted,



Don Fairchild, Secretary
Board of Retirement

APPROVED AS TO FORM:
MICHAEL H. KRAUSNICK
County Counsel



Andrew N. Eshoo
Deputy County Counsel

Don Fairchilds, Administrator

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MEMORANDUM

TO: Reagan Wilson, Chief Executive Officer
FROM: Don Fairchilds, Retirement Administrator
SUBJECT: Draft agreement for prepayment of County's
employer retirement contributions for
FY 1993-1994
DATE: June 10, 1993

Yesterday, the Retirement Board authorized me to negotiate with you an agreement for prepayment of the County's employer retirement contributions for FY 1993-1994.

I have prepared a draft agreement (attached) which reflects what we have already discussed regarding prepayment and adds some of the accounting adjustments necessary so that both the County and the Retirement Association will remain equitably situated by fiscal year end.

This agreement has not been reviewed by County Counsel.

I am forwarding a copy of the agreement to Byron for his information before the Debt Advisory Committee meets.

cc: Byron Bystrom, Auditor-Controller