



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

JANUARY 28, 2003

Members Present: Kent Crawford, Maria DeAnda, Gary Dial, Wes Hall, Pat Paul, Al Sarina and Virgil Thompson

Members Absent: Tom Watson

Others Present: Robert Harmon, Mick Krausnick, Jamie Borba, John Gobel and Paul Harte - Strategic Investment Solutions, Inc. (SIS)

1. Meeting called to order at 2:00 p.m. by Vice-Chair Maria De Anda

2. ANNOUNCEMENTS

Jamie reminded everyone of the deadline dates for returning their FPPC Form 700 is the March 25, 2003 Board Meeting.

Robert announced that Pat Paul has been appointed to the Board to finish out Nick Blom's term.

Robert announced that StanCERA has received a letter of resignation from John Hallford, Safety Representative, Seat 7.

Paul Harte handed out 2 (two) packets. The first one explained what is going on with the economy and the second announced that Frank Russell consulting firm has purchased 19.9% of SIS with an option to purchase more in 2 years. Paul said he would keep StanCERA informed of any other changes due to this relationship.

3. PUBLIC COMMENT

None

4. CONSENT ITEMS

Motion was made by Al Sarina and seconded by Wes Hall to approve the January 8, 2003 regular and closed session minutes, with the changes noted to item 8b.

Motion carried.

5. **Staff Monthly and Quarterly Performance Review**

Robert Harmon reported that at the end of December, 2002 the Association was over \$877 million in assets, which was down from the prior month. Returns for the entire portfolio as of December 31, 2002 were -1.84%, +4.22%, -7.35%, -0.28% and 5.00% for the one month, three month, one, three and five years respectively.

Pat Paul arrived at 2:20 p.m.

Kent Crawford asked Paul Harte, about the time frame when StanCERA should decide to do something different when money managers that are not performing.

Paul Harte felt confident that the managers will start performing soon.

Maria De Anda introduced Pat Paul to all of the Board members.

6. **Administrator**

- a. Robert discussed approving contracts with Bank of New York for Custodial Services and Asset Management Services and the approval to selectively rebalance in absence of signed contracts.

Robert handed out a form titled Contract Points for discussion. After a lengthy discussion, it was decided that the Board would choose to have any litigations in California and to waive a jury trial.

Motion was made by Virgil Thompson and seconded by Kent Crawford for the approval to agree to waive the issue of jury trial, indemnification and sovereign immunity providing that the venue of California can be obtained.

Motion carried.

7. **Correspondence**

- a. Robert discussed the letter of resignation that StanCERA received from John Hallford, Safety Representative, Seat 7.

The election schedule to fill the vacant seat, and the alternate safety position will be presented at the next meeting.

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

Al Sarina commented on the OE3 meeting and gave kudos to Virgil Thompson for giving credit to staff for all of their hard work in trying their best to make sure that StanCERA was looking out for the best interest of the retirees.

Wes Hall would like an update for the Ventura decision.

John Gobel stated that StanCERA received a phone call from a retiree thanking us for the special COLA.

9. **ADJOURNMENT**

Meeting adjourned at 3:02 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel