



**STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION**  
1010 10th Street, Suite 5800  
P.O. Box 3150  
Modesto, CA 95353-3150

Phone (209) 525-6393  
Fax (209) 525-4334  
www.stancera.org  
e-mail: retirement@  
mail.co.stanislaus.ca.us

## **BOARD OF RETIREMENT MINUTES**

**FEBRUARY 25, 2003**

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

**Members Absent:** None

**Others Present:** Robert Harmon, Victoria Halliday, Jamie Borba, John Gobel, Darin Gharat - Safety member, Paul Harte - Strategic Investment Solutions, Horton Shapiro - Dodge & Cox

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

2. **ANNOUNCEMENTS**

Robert reminded the Board of the upcoming Strategic Planning Retreat on February 27, 2003.

Virgil pointed out that on the Form 700 Board members do not have to report any loans for 2002, such as car, bank, etc.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

Motion was made by Al Sarina and seconded by Wes Hall to approve the February 12, 2003 regular and closed session minutes.

Motion carried.

5. **Semi-Annual Report from Dodge & Cox**

Horton Shapiro handed out the Investment Review as of December 21, 2002. He stated that StanCERA's Bond Account is doing well, but the Equity is down slightly. He also stated that the U.S. Treasury Bonds are at their lowest in 40 years. All together StanCERA is doing better than most system.

5. **Semi-Annual Report from Dodge & Cox**

-Continued-

Horton stated that the fixed income portfolio had a market value of \$410,467,572. The portfolio had an estimated annual income of about \$25 million. The fixed income returns were 2.1%, 10.5%, 10.7% and 8.0% for one month, one year, three years and five years respectively.

The equity portfolio as of December 31, 2002 had a market value of \$229,542,474 with an estimated annual income of \$5 million. The quarterly return was 7.7%. The one, three and five year returns are -10.5%, 4.4% and 7.7% respectively.

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

Robert Harmon reported that at the end of January 31, 2003 the Association was at \$865 million in assets, which was down from the prior month. Returns for the entire portfolio as of January 31, 2003 were -1.34%, 0.89%, -7.34%, 0.42% and 4.71% for the one month, three month, one, three and five years respectively.

7. **Quarterly Report from Strategic Investment Solutions**

Paul Harte from Strategic Investment Solutions gave the fourth quarter fund performance report. He stated that with the interest rates down StanCERA has done well compared to other systems. Paul also stated that the Global stock prices plummeted in 2002. The Federal Reserve lowered interest rates by 50 bp to 1.25%, it's lowest in 47 years. The fund performance summary for the period ending December 31, 2002 for first quarter 4.4%, one year -7.2%, three years 1.6% and five years 6.2%.

Kent asked Paul if StanCERA should do the re-balancing in sections or all at once. It was Paul's recommendation to do it all at once because it would be cost saving.

8. **Administrator**

- a. Approval to issue Request For Proposal (RFP) for Retirement Information and Benefit Payment system software.

Robert has requested to postpone the presentation for the RFP until the March 12, 2003 Board meeting.

9. **Correspondence**

None

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

Virgil wanted to let Board members know about the planned functions for the Frank Russell Conference and to be aware of the limited expenses. Try to put meals on your expense accounts. If not, members could lose their voting rights on the Frank Russell/SIS merge.

Wes mentioned the article in the Bee regarding Kaiser negotiations with Memorial and how it will affect our retirees.

Robert suggested that once StanCERA hears more about the negotiations with Kaiser and Memorial the Benefits committee should have a meeting.

Robert asked if anyone had a tripod he could borrow to tape the Strategic Planning Retreat on February 27, 2003. Kent would bring his to the meeting.

11. **ADJOURNMENT**

Meeting adjourned at 3:36 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:  
MICHAEL KRAUSNICK  
County Counsel

---

Victoria Halliday, Deputy County Counsel