



STANISLAUS COUNTY
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BOARD OF RETIREMENT MINUTES

April 27, 2004

Members Present: Kent Crawford, Maria DeAnda, Mike Fisher, Darin Gharat, Wes Hall, Al Sarina, Linda Stotts-Burnett and Tom Watson

Members Absent: Nick Blom, Gary Dial and Darin Gharat

Others Present: Robert Harmon, Victoria Halliday, Karen Gonzales, Paul Harte of SIS, Kathy Herman of CEO office, Art Greenwood and Michael Strong of Fidelity, Keith Bruch and Josef Lakonishok of LSV, Carolyn Hughes, Rick Harris and Joshua Byrne of Putnam Investments

1. Meeting called to order at 1:00 p.m. by Chair, Maria DeAnda.

2. **Announcements**

Robert informed the board that the groundbreaking ceremony for the Gallo Arts Center was at 6:00 p.m.

Robert introduced Kathy Herman as the new Benefits and Operation Manager.

Karen thanked the board for the flowers given to her for Professional Administrative Secretaries day.

Vicki informed the board that she was called to the podium during the Board of Supervisors meeting to address questions regarding retirement benefits and how retirement benefits are calculated.

3. **Public Comments**

None

4. **Consent Items**

Motion was made by Wes Hall and seconded by Tom Watson to approve the following items listed.

Motion carried.

a. Approval of the April 14, 2004 Regular and Closed Session Minutes

5. **Staff Report on Investment Performance for the period ending March 31, 2004**

Robert Harmon reported that at the end of March 2004 the Association held over \$ 1.096 Billion in assets, which was down from the prior month. Robert stated that managers continue to perform on target. Returns for the entire portfolio as of March 31, 2004, were -0.23%, 3.22%, 29.15%, 7.43% and 7.81% for the one-month, three-months, one, three and five years respectively.

Robert stated that Charlotte Capital and TCW outperformed during the month of March. All other managers under-performed.

Moved Item 7 (Administrator) and discussed at this time.

6. **Presentation by International Equity Managers**

a. Fidelity Management Trust Company

Art Greenwood and Michael Strong made a presentation on behalf of Fidelity Management Trust Company.

Mike Fisher arrived at 1:50 p.m.
A ten-minute break was taken at 2:09 p.m.
The meeting reconvened at 2:19 p.m.

b. LSV Asset Management

Keith Bruch and Josef Lakonishok made a presentation on behalf of LSV Asset Management.

A ten-minute break was taken at 3:05 p.m.
The meeting reconvened at 3:15 p.m.

c. Putnam Investments

Carolyn Hughes, Rick Harris and Joshua Bryon made a presentation on behalf of Putnam Investments.

6. **Presentation by International Equity Managers - Continued**

d. Discussion of International Equity Presentations

After the board discussed the presentations and a vote was taken, motion was made by Kent Crawford and seconded by Wes Hall to hire LSV and retain Putnam Investments as StanCERA's International Equity manager.

Tom Watson opposed.

Motion carried.

7. **Administrator**

a. Follow-up on Risk Managements response Regarding Kaiser

Robert informed the board that this issue was resolved through the Risk Management department and that Mr. Matt had been referred to the proper agencies in order to file his complaints about Kaiser.

b. Discussion and Action on Recommendation of Benefits Committee

i. Accept report of committee and refer to RESCO for comments

The committee met on April 26, 2004 and discussed several scenarios' regarding StanCERA's health insurance stipend. It was noted that implementing a 401(h) plan was not an option for StanCERA.

Motion was made by Al Sarina and seconded by Tom Watson to tentatively adopt the Benefits Committee's recommendation and refer to RESCO for comments.

Motion carried.

8. **Correspondence**

None.

9. **Members' Forum (Information and Future Agenda Requests Only)**

It was noted to include SIS's manager watch list on the May 25, 2004 agenda and make formal notice of listing Putnam Investments as being under review.

10. **Adjournment**

Meeting adjourned at 4:44 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel