



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@  
stancera.org

## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

MAY 25, 2004

**Members Present:** Nick Blom, Maria DeAnda, Gary Dial, Darin Gharat, Wes Hall, Mike Fisher, Al Sarina, Linda Stotts-Burnett and Tom Watson

**Members Absent:** Kent Crawford

**Others Present:** Karen Gonzales, Victoria Halliday, Kathy Herman, Paul Harte of SIS, Gina Leguria of the CEO/County Counsel departments and Wally Morrow, retiree

1. Meeting called to order at 2:00 p.m. by Chair, Maria DeAnda.

2. **Announcements**

Karen informed the board that a change was made on Philip Trompetter's retirement date. Mr. Trompetter's actual retirement date is May 1, 2004.

Karen informed the board that she had distributed the agenda for the CALAPRS Trustee Roundtable.

3. **Public Comments**

None

4. **Consent Items**

Motion was made by Nick Blom and seconded by Wes Hall to approve the following items listed.

Motion carried.

a. Approval of the April 27, 2004 Regular Session Minutes

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

1. Anna Hall, Effective 05-22-04
2. David Hodges, Effective 05-15-04
3. Helen Joseph, Effective 05-01-04
4. Robert Quinn, Effective 05-08-04
5. Michael Sanchagrín, Effective 05-29-04
6. Philip Trompetter, Effective 05-01-04

4. **Consent Items- Continued**

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

7. Sandra J. Waddle, Effective 05-03-04
8. Robert Winget, Effective 05-15-04

c. Approval of Deferred Retirement(s) – **Sections 31700**

1. Anita Aguiniga, Effective 12-20-03
2. Michael Barton, Effective 04-23-04
3. Ernest Gong, Effective 04-23-04
4. Cynthia Van Empel, Effective 02-28-04
5. David Watson, Effective 03-06-04
6. Elizabeth Welsch, Effective 11-21-03

d. Approval of Deferred Refund(s) – **Section 31700**

1. Robert Macha

5. **Closed Session**

Motion was made by Al Sarina and seconded by Nick Blom to adjourn to closed session at 2:02 p.m.

Motion carried.

After returning to regular session at 2:08 p.m., Karen Gonzales read the findings of the closed session:

Notice of withdrawal of disability application for Kirk Bunch was approved.

The application of Joyce Haynes for a service connected disability retirement benefit was approved effective April 7, 2003.

The application of Laurell Millheim for a service connected disability retirement benefit was approved effective November 24, 2003 with medical call back at the discretion of the Administrator.

The application of Tyra Lori Van Ruiten for a service connected disability retirement benefit was set for hearing before a hearing officer.

6. **Staff Monthly Performance Report for the Period Ending April 30, 2004**

Karen Gonzales reported that at the end of April 2004 the Association held over \$ 1.072 Billion in assets, which was down from the prior month. Karen stated that managers continue to perform on target. Returns for the entire portfolio as of April 30, 2004, were -2.22%, -1.27%, 20.92%, 4.77% and 5.96% for the one-month, three-months, one, three and five years respectively.

7. **Quarterly Report by SIS**

Paul Harte gave the quarterly report and stated that it had been a good quarter. Paul stated in the fourth quarter, GDP expanded at an annualized rate of 4.1%, down considerably from the torrid 8.2% rate of the prior quarter. Through March, the CPI was 1.7% higher year-over-year. Core CPI, excluding food and energy, was 1.6% higher than it was a year earlier. Paul also stated that while most domestic equity indices posted gains in the first quarter, the Dow Jones Industrial Average declined by 0.4%. The broader market represented by the S&P 500 rose by 1.7%, while the NASDAQ Composite slipped 0.5%. Of the ten economic sectors, six were up in the first quarter while four were down. The Lehman Aggregate Bond Index posted a 2.7% gain and the Citigroup World Government Bond Index gained 1.9% for the quarter.

StanCERA performance summary for the period ending March 31, 2004 were 3.3%, 30.5%, 9.6% and 9.3% for the first-quarter, one-year, three-year and five-year respectively.

8. **Administrator**

a. Review and Acceptance of Manager Watch List prepared by SIS

After review and discussion of the manager watch list prepared by SIS, motion was made by Nick Blom and seconded by Darin Gharat to approve and accept the list as presented.

Motion carried.

9. **Correspondence**

Chair, Maria DeAnda, presented a letter from Steve Westly, California State Controller, regarding support of the Securities and Exchange Commission's Regulation National Market System proposal. Karen informed the board that she believed that Robert Harmon had responded to this letter prior to him leaving on Vacation. The board request this letter and Robert Harmon's response be placed on the next agenda for discussion.

10. **Committee Reports And Recommendations For Action**

STANDING COMMITTEES

a. Benefits Committee - Wesley Hall, Chair

Wes Hall stated that the Administrator had forwarded the recommendations of the Benefits Committee to RESCO for review and response. Wes stated a committee meeting will be set once a response from RESCO had been received.

b. Bylaws Committee – Nick Blom, Chair

No report

c. Due Diligence Committee – Gary Dial, Chair

No report

d. Education Committee – Al Sarina, Chair

i. Authorization for Administrator to attend the CALAPRS Administrator's Roundtable on June 18th.

Motion was made by Al Sarina and seconded by Nick Blom to authorize Robert to attend the Administrator's Roundtable.

Motion carried.

10. **Committee Reports And Recommendations For Action- Continued**

AD-HOC COMMITTEES

e. Independence Committee – Kent Crawford, Chair

No report

f. Disability Retirement Accountability Committee – Darin Gharat, Chair

Darin Gharat has requested a committee meeting be scheduled for June 22, 2004 @ 1:00 p.m.

11. **Members' Forum (Information And Future Agenda Requests Only)**

Vicki informed the board that a meeting has been scheduled for June 28<sup>th</sup> with Ventura attorney, Silver. This meeting will be held in 10<sup>th</sup> Street Place on the 6<sup>th</sup> Floor.

Paul Harte requested we start the education on different Asset Classes beginning with Private Markets at the June 22<sup>nd</sup> meeting. Paul stated that this should last about 45 minutes.

Linda Stotts-Burnett gave an overview of the Pre-Retirement Seminar. Linda stated it was a good seminar and we had a great turnout. Karen Gonzales thanked Linda for being the Master of Ceremonies. Linda also stated that the Spring SACRS Conference was good and a lot of information was shared.

Darin Gharat requested an update on how close a settlement was in the Ventura case. Darin also requested the board adopt a policy regarding Gift(s), meals, etc... received from managers that are under watch. It was requested that Darin provide a written proposal and it was to be placed on the June 9<sup>th</sup> agenda.

Wally Morrow, retiree requested information on the Matrix that will be used in calculating Ventura reimbursements.

A request was made to list Assembly Bill 1977 on the June 9<sup>th</sup> agenda for discussion.

11. **Members' Forum (Information And Future Agenda Requests Only) - Continued**

A request was made to have David Dolenar or a representative from Risk Management appear at the June 9<sup>th</sup> meeting to give a presentation on Fiduciary Insurance.

12. **Adjournment**

Meeting adjourned at 3:18 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:  
MICHAEL KRAUSNICK  
County Counsel

Victoria Halliday, Deputy County Counsel