



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

SEPTEMBER 23, 2003

Members Present: Nick Blom, Kent Crawford, Maria DeAnda, Gary Dial, Mike Fisher, Darin Gharat, Wes Hall, Al Sarina and Tom Watson

Members Absent:

Others Present: Robert Harmon, John Gobel, Victoria Halliday, Karen Gonzales and Linda Stotts-Burnett; Paul Harte of SIS; Delia Roges and Chris Ainley of TCW; Paul Garbe of MFS; Lyn Bettencourt, Linda Sherman and Richard Duroy, Retirees; Member Julie Ingersoll and Daughter Linda Neal.

1. Meeting called to order at 2:01 p.m. by Chair, Tom Watson.

2. Announcements

Robert informed the board that he would be on vacation beginning September 24th through October 16th.

3. Public Comments

Lyn Bettencourt, retired member, distributed a hand out to the board members of an analysis he prepared on the accuracy in the Actuarial Report setting the 2002 Triennial year monthly health care payment amounts.

4. Consent Items

Motion was made by Maria DeAnda and seconded by Wes Hall to approve the following items listed.

Motion carried.

a. Approval of the September 10, 2003 Regular and Closed Session Minutes

b. Approval of Death Benefit - Sections 31499.14, 31760.1 and 31810

1. Alva C. Anderson, Deceased September 1, 2003

For the benefit of the member present, Closed Session was moved and discussed at this time. See Closed Session information below.

5. **Semi-Annual Report from TCW**

Delia Roges and Chris Ainley of TCW gave a presentation for the semi-annual report. Chris stated the good news is that the economy is recovering. As of June 30, 2003 TCW managed assets were \$84.2 Billion with \$32.3 Billion in US Equities. Chris stated there has been a downfall in Radio and IT Software. For the period ending June 30, 2003 StanCERA Portfolio Performance was 26.6%, 21.7%, -0.7% and -33.3% for the three months, six months, one year and three years respectively.

6. **Semi-Annual Report from MFS**

Paul Garbe, Vice President of MFS gave the semi-annual report. Paul stated StanCERA's portfolio value as of August 31, 2003 was over \$147 million. Paul stated the investment objectives and guidelines are the same. StanCERA's total return performance as of August 31, 2003 is -1.42%, 14.88%, and 18.14% for the first quarter, second quarter and year-to-date respectively.

7. **Closed Session**

Motion was made by Kent Crawford and seconded by Wes Hall to adjourn to closed session at 2:05 p.m.

Motion carried.

After returning to regular session at 2:24 p.m., Robert Harmon, Administrator
Read the findings of the closed session:

The application of Luz (Lucy) Carlos for a Service-Connected Disability Retirement Benefit was set for hearing before a hearing officer.

The application of Julie Ingersoll for a Non-Service-Connected Disability Retirement Benefit was granted effective August 6, 2002.

8. **Administrator**

- a. Discussion and Adoption of Resolution for Stanislaus County Replacement Benefit Plan and Approval for the Retirement Board Chair to enter into the MOU with Stanislaus County to pay benefits to retired members that exceed the Internal Revenue Code 415 limits.

Motion was made by Nick Blom and seconded by Al Sarina to adopt the Resolution for the Stanislaus County Replacement Benefit Plan and Authorize the Retirement Chair to enter into MOU with Stanislaus County.

Motion carried.

- b. Discussion and Approval of 2004 Health Insurance Allowance.

Motion was made by Al Sarina and seconded by Nick Blom to approve the recommendation from the Benefits Committee to continue the Health Insurance Allowance at \$18.50 per year to a maximum 20 years or a maximum of \$370 per month, which is the same as the 2003 calendar year.

In response to this motion, retired member, Lyn Bettencourt asked to address the Board of Retirement again. Given his belief that an unchanged Health Insurance Allowance would not cover individual insurance premiums for certain StanCERA retirees, Lyn suggested that the Board of Retirement reconsider their motion: "For this year, please modify your decision.... for that small group of people." Thereafter, he also expressed the opinion that the motion under consideration was driven by unspecified tax issues, which dated back to his tenure with the Board of Retirement and needed resolution: "I know that you've got to fix the IRS rule."

Motion carried.

9. **Correspondence**

Tom Watson, Retirement Board Chair noted that a letter had been received from RESCO regarding its request to be designated a "qualified retiree organization" and gave it to the secretary to be put on the next board agenda.

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

Maria DeAnda requested an update regarding the AB 55 issue. Robert Harmon informed the board that the AB 55 issue is a meet and confer item that needs to be discussed with unions. The retirement board is unable to take any action on this issue until directed by the Board of Supervisors.

Al Sarina, Nick Blom and Linda Stotts-Burnett noted they would not be attending the October 8, 2003 meeting.

Darin Gharat requested the Guns and Hoses conference update be placed on the October 8th agenda.

Wes Hall updated the board on the Retiree Health Insurance open enrollment to be held on October 29th. John Gobel explained the format of the health faire.

Vicki Halliday informed the board that she will be on a leave of absence and will not return until October 6th. She requested a revision of the August 13th minutes be placed on the October 8th meeting agenda.

11. **Adjournment**

Meeting adjourned at 4:19 p.m.

Respectfully submitted,

Tom Watson, Retirement Chair

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel