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BOARD OF RETIREMENT MINUTES

July 24, 2001

Members Present: Lyn Bettencourt, Nick Blom, Kent Crawford, Maria De Anda, Wes Hall, Al Sarina, Virgil Thompson and Steve Yauch

Members Absent: Tom Watson

Others Present: Robert Harmon, Victoria Halliday, Karen Gonzales, John Hallford, Member, Patrick Thomas and Paul Harte from Strategic Investment Solutions, Inc.

1. Meeting called to order at 2:04 p.m. by Vice-Chairman Wes Hall

2. **ANNOUNCEMENTS**

Victoria Halliday introduced John Hallford from the Sheriff's Department. Mr. Hallford indicated an interest in serving on the Retirement Board.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

Motion was made by Virgil Thompson and seconded by Steve Yauch to approve the following consent items as listed.

Motion carried.

a. Approval of the July 11, 2001 Regular Session Minutes.

5. **Staff Report on Monthly Performance Review for period ending June 30, 2001.**

Robert reviewed the monthly performance report ending June 30, 2001 with the board. He stated that although the Associations portfolio had reached over one billion dollars on May 17th, at the end of the fiscal year our portfolio had a market value over \$976MM. The fixed income range fell between 35% to 41%. The association had an overall growth in assets of 6.0% for the year.

Kent Crawford arrived at 2:15 p.m.

Lyn Bettencourt arrived at 2:17 p.m. and chaired the remainder of the meeting.

6. **ADMINISTRATOR**

- a. The board reviewed the letter received and the response mailed to member, John Osterman regarding loss and credit of service time. It was noted that we were still awaiting data from the Chief Executive Office on intermittent part-time service in order to request an actuarial study. Robert Harmon informed the board that we requested a representative from the CEO office be present at the meeting for an updated report, however, there were conflicts with the meeting date. Steve Yauch voiced his concerns regarding the length of time since this issue was brought to our attention. The board was to receive an updated status report at this meeting. The board requested a letter be sent to Reagan Wilson, CEO, requesting an update and with a carbon copy sent to Nick Blom in the Board of Supervisor's office.
- b. Patrick Thomas and Paul Harte from SIS presented an Asset Liability Project Study. Motion was made by Al Sarina, seconded by Nick Blom to accept the Asset Liability Project Study as presented.

Motion carried.

- c. Patrick Thomas and Paul Harte from SIS presented the proposed changes to StanCERA's rebalancing policy. After a lengthy discussion, motion was made by Al Sarina and seconded by Steve Yauch to approve the following changes as presented:

SIS recommended that we stop funding TCW and rebalance into MFS. They presented several different scenarios for achieving this result. After discussion, it was decided to stop the \$3MM monthly funding of TCW and to increase the \$5MM funding of MFS by \$3MM bringing the total monthly funding for MFS to \$8MM. TCW will be held in the range of 5% - 8% of total plan assets and the administrator should rebalance TCW if they fall out of that range on a monthly basis.

Lyn Bettencourt motioned to table this issue until a further rebalancing structure was given. Virgil Thompson seconded motion for discussion only. After a long discussion, this motion was not passed.

Original motion carried.

- d. The board members discussed topics they would like SIS to present in the short-term and long-term. The following is a list of topics the board requested to be discussed: High Yield, Topics of Real Estate, Derivatives, Hedge Fund, Transition Management, Range Target and Sharp Ratio of Risk Management Measurements

Nick Blom left at 4:20 p.m.

7. **COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION**

Standing Committees

- a. Education Committee - Virgil Thompson, Chairman

SACRS Fall Conference Hotel Registration.

- Virgil Thompson requested that we reserve the block of 10 rooms that have been reserved for the SACRS Fall Conference.

SACRS Voting Proxy Form

- Chairman, Lyn Bettencourt authorized Wes Hall as the alternate voting delegate for SACRS

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

Virgil Thompson informed the board that the Education Committee met earlier regarding possible changes for Trustee's to attend special seminars and conferences. Virgil stated no change was necessary to the current policy, however, Trustees' planning to retire or leave the board should not request to attend costly seminars and conferences. No change was made on attendance at the SACRS conferences.

Lyn Bettencourt requested an agenda item for Trustee approval to attend the Guns and Hoses Seminar.

Wes Hall reminded members of the Health Benefits committee meeting set for August 8, 2001 at Perko's Restaurant in Ceres.

9. **ADJOURNMENT**

Meeting adjourned at 5:15 p.m.

Respectfully submitted,

Robert Harmon, Assistant Administrator
Board of Retirement

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel