



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

OCTOBER 10, 2001

Members Present: Lyn Bettencourt, Maria De Anda, Wes Hall, Al Sarina, and Tom Watson

Members Absent: Nick Blom, Kent Crawford and Virgil Thompson

Others Present: Robert Harmon, Victoria Halliday, Karen Gonzales and John Hallford, member

1. Meeting called to order at 2:05 p.m. by Chairman Lyn Bettencourt

2. **ANNOUNCEMENTS**

Robert confirmed all members received the corrected copy of minutes to approve for the meeting of September 25, 2001.

Karen requested confirmation on which board members were receiving the Pension and Investment magazine at their home addresses. Some members have not received copies in a few months. Need to confirm mailing addresses with the magazines headquarters.

Lyn Bettencourt informed the board that an article had appeared in the Pension and Investment magazine regarding John McLaughlin. John has started a new non-profit investment group. Lyn also reported on an article in another magazine regarding the San Joaquin County agreement reached on the Ventura lawsuit. He also informed the board regarding several pieces of legislation that had been passed regarding cervical cancer and clinical trials. He also mentioned several pieces of legislation that are in the process but have not been signed into law.

3. **PUBLIC COMMENT**

None

4. **CONSENT ITEMS**

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

Motion carried.

a. Approval of the September 25, 2001 Regular Session Minutes.

4. **CONSENT ITEMS**

- Continued -

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

c. Approval of Deferred Retirement(s) - Section 31700

1. Jami Aggers, Environmental Resources, Effective 08-28-01
2. John Paul Black, City of Ceres, Effective 09-29-01
3. Stephen Clegg, Environmental Resources, Effective 08-31-01
4. Monica Denofra, Health Services Agency, Effective 04-28-01
5. Peu Khiek, Public Works, Effective 06-26-01
6. Marietta Kummerle, City of Ceres, Effective 07-09-01
7. Even Marcelo, Public Works, Effective 07-25-01
8. Dorris Pierson, Juvenile Hall, Effective 10-02-00
9. David Sackman, Community Services Agency, Effective 09-24-99
10. Judi Sai, Mental Health, Effective 06-26-01
11. Margaret Silveira, Planning Department, Effective 08-31-01
12. Chryseis Starros, District Attorney, Effective 12-19-00
13. Elvia Tagre, Community Services Agency, Effective 08-31-01
14. Michelle Tain-Lazzarini, District Attorney, Effective 12-25-99
15. Rachel Thomas, Probation, Effective 09-15-01
16. James Worthley, StanCOG, Effective 07-14-01
17. Henrietta Zarate, Public Health, Effective 07-20-01

d. Approval of Death Benefit - Section 31781

1. Sara Jane Thompson, deceased September 21, 2001. The estate named as the beneficiary will receive a lump sum death benefit.

e. Approval of Refund for Deferred Retirement Member(s) - Section 31701

1. Cara Parrish

5. **STAFF REPORT OF INVESTMENT PERFORMANCE**

Robert passed out a staff report for the month of August, 2001 in which he did not discuss but gave a staff report of the monthly investment performance for the month of September, 2001 and a supplemental report as of October 10, 2001. Robert stated that for the period ending September 30, 2001 our total portfolio had dropped from \$950 million to \$886 Million which was a 7.1% drop. Our total portfolio had dropped approximately 9% from the prior year. Our performance review indicated every equity manager had under performed. The yield on cash continues to drop. Our cumulative annual performance for 3 years and 5 years were at or above our assumption rate. Robert indicated on his supplemental report for October 10, 2001 that our portfolio fluctuations were not that bad considering the

5. **STAFF REPORT OF INVESTMENT PERFORMANCE**

- Continued -

circumstances of the September 11, 2001 attacks and our ending market value was over \$903 million as of October 5, 2001.

Robert also disseminated a preliminary report from R.V. Kuhns and Associates for Annualized Total Fund Returns for 63 funds and StanCERA topped number one for the one year ending June 30, 2001 with gains approximately 7.5%. StanCERA was number six for the three years ending and number seven for the five years ending report. Overall, StanCERA has done an exceptional job in their funding methodology.

6. **Closed Session**

Motion was made by Al Sarina and seconded by Wes Hall to adjourn to closed session at 2:25 p.m.

Closed Session Findings:

After returning to regular session at 2:31 p.m., Robert Harmon, Administrator, read the findings of the closed session:

Victoria Halliday informed the board that Barbara Rowell had filed a Writ of Mandate in a timely manner and County Counsel is currently preparing an answer to the case.

7 **ADMINISTRATOR**

- a. Al Sarina motioned and Wes Hall seconded to authorize the election to fill vacated seat No. 3 for the General Member representative and approved the Notice of Election for General Member representative Seat No. 3 on the Retirement Board.

Motion carried.

Tom Watson opposed the vote.

- b. Robert presented the board with a copy of the September 20, 2001 pre-retirement seminar survey. He stated the seminar went very smooth and that 125 out of 175 attended. The survey consisted of 100 responses and the results were similar to previous seminars in which the ratings fell between four and five out of a possible five. Employees were notified in a more timely manner and the seminar finished within one minute of the schedule. Robert also informed the board that tentative dates for the 2002 pre-retirement seminars had been scheduled and staff were working on preparations.

7 **ADMINISTRATOR**

- Continued -

- c. Robert informed the board that the health insurance open enrollment meetings held on October 1, 2, and 3, 2001 and that there were over 100 attendees' each session. All of the health insurance vendors were on time, well prepared and overall everything went smooth. Robert mentioned that staff is currently working on a proposed health faire for next years open enrollment.
- d. Robert discussed the issue regarding the proposed contract on Safety retirement for deputy coroners. He stated the county's coroners have been working on this for years and the cost will be approximately \$200,000 for three employees. Concerns were raised regarding an actuarial study being completed before this can be implemented. Victoria Halliday will research and inform the board.

John Hallford from the Sheriff's department stated that coroners do not and should not fall under the safety category as they only transport bodies and they are not put in dangerous situations.

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

Standing Committees

- a. Retirement Benefits Committee - Wes Hall, Chairman

Wes Hall indicated a report was made previously on the health insurance open enrollment and that the retirees' are being taken care of. Wes also questioned the supplemental COL increase and the board informed him that no approval was needed as it has been properly funded.

- b. By-Laws Revision Committee

Chairman, Lyn Bettencourt appointed Tom Watson as the new By-Laws Revision committee chairman. Tom graciously accepted the position.

- c. Due Diligence Committee - Wes Hall, Chairman

Tom Watson requested appointment to the Due Diligence committee to fill the vacated position of Steve Yauch. Chairman, Lyn Bettencourt appointed Tom to fill that position. Committee chairman Wes Hall scheduled a Due Diligence committee meeting for November 5, 2001 at 10:00 a.m.

Staff informed Wes that they were currently working on a due diligence questionnaire and that it would be completed prior to the scheduled meeting.

d. Education Committee - Virgil Thompson, Chairman

Al Sarina motioned and Tom Watson seconded to authorized Robert Harmon and Michael Krausnick to attend the rescheduled Guns and Hoses Conference to be held in Las Vegas October 31st through November 2, 2001.

Motion carried.

After discussion, Wes Hall motioned and Al Sarina seconded, to authorize Victoria Halliday to attend the NAPPA Winter section meetings in Washington, D.C., in February 2002.

Motion carried.

Al Sarina and Maria DeAnda confirmed they will be attending the Public Fund Board Forum in San Francisco. Staff will confirm with Kent Crawford whether he will be attending.

e. Independence Committee - Al Sarina, Chairman

Al Sarina informed the board that Robert was working on getting the job announcement prepared for the hiring of the Operations and Benefits manager.

f. Disability Retirement Accountability Committee - Maria DeAnda, Chairman

Maria reviewed the minutes of the October 8, 2001 meeting. She stated that the revisions to Article IV of the By-Laws had been forward to Victoria Halliday for review. She stated the committee will be requesting approval for \$5,000 for copy service. The committee was presently looking into a selection of four copy service companies. She stated that the committee had reviewed the pamphlets and packets and a lot of comments and modifications were suggested. The committee was looking into possibly putting a quick reference guide on the Internet however forms would not be on the Internet due to possible form changes being made by the applicants. The next meeting is scheduled for December 17, 2001.

9. **CORRESPONDENCE**

None

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

Robert Harmon invited the board members to the plan sponsor meeting and dinner to be held on October 30, 2001 at Mallards Restaurant.

John Hallford from the Sheriff's department informed the board that the Deputy Sheriff's Association was currently working on implementing a retiring medical fund plan for health insurance for retired sheriff's.

11. **ADJOURNMENT**

Meeting adjourned at 3:32 p.m.

Respectfully submitted,

Robert Harmon, Administrator

APPROVED AS TO FORM:
MICHAEL KRAUSNICK
County Counsel

Victoria Halliday, Deputy County Counsel