



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

September 27, 2011

Members Present: Maria De Anda, Jim DeMartini, Gordon Ford,
Darin Gharat, Mike Lynch, Ron Martin, Michael O'Neal,
and Donna Riley

Members Absent: Jeff Grover

Alternate Member Absent: Joan Clendenin, Alternate Retiree Representative

Staff Present: Tom Watson, Retirement Administrator
Kelly Cerny, Executive Secretary
Kathy Herman, Operations Manager
Kathy Johnson, Accountant
Rick Santos, Incoming Executive Director

Others Present: Kirin Virk, General Legal Counsel
Kimberly Aspenleider & Kevin Brown, Delaware Investments
Paul Harte & Nathan Pratt, Strategic Investment Solutions
(SIS), Inc.
Doris Foster & Stan Risen, Chief Executive Office

1. Meeting called to order at 1:59 p.m. by Mike Lynch, Chair.

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

5. **Consent Items**

Motion was made by Maria De Anda and seconded by Darin Gharat to approve the following items as listed.

Motion carried.

- a. Approval of the September 14, 2011 Administrative Meeting Minutes

6. **Semi-Annual Performance Report by Delaware Investments**

Kim Aspenleider, Vice President, Client Services, and Kevin Brown, Vice President Senior Investment Specialist gave the semi-annual presentation on StanCERA's large cap growth portfolio.

As of June 30, 2011, the six months, one year, and inception to date net returns are 1.80%, 35.45%, and 4.26%, respectively.

As of August 31, 2011, the year to date, one year, and inception to date net returns are 4.56%, 27.31%, and 3.44%, respectively.

Mr. Lynch requested the peer rankings for Delaware. Ms. Aspenleider said she would provide the information to SIS, Inc. for the Board members.

7. **Strategic Investment Solutions (SIS), Inc.**

- a. Monthly Performance Review for the Month Ending August 31, 2011

Mr. Harte presented the monthly performance review for the period ending August 31, 2011. As of August 31, 2011, StanCERA's portfolio is \$1.33 billion. The fiscal year to date return is -5.28%, below StanCERA's policy index of -4.02%, and lower than the actuarial assumption of 1.32% year to date.

- b. Report on "Top 10 Holdings" by StanCERA Investment Managers as of August 31, 2011

Mr. Lynch requested to have Research Affiliates, the investment firm that recently became part of StanCERA's portfolio, added to the next report. Mr. Santos asked that the benchmarks also be added to the report.

- c. Discussion and Action for Direction to the Investment Consultant on StanCERA's Securities Lending Program Cash Collateral Investment Pool Options

Mr. Harte will return to the Board with rewritten guidelines for the cash collateral investments.

7. **Strategic Investment Solutions (SIS), Inc. [Cont.]**

d. Verbal Update on RBC Diversified Infrastructure Fund Termination by RBC

Mr. Harte informed the Board that RBC has decided to dissolve the fund and has sent StanCERA legal paperwork that is being reviewed by legal counsel. RBC has verbally stated it will reimburse StanCERA its legal and other expenses in reaching and signing the agreement.

8. **Administrator**

a. Discussion and Action on StanCERA as a Signatory on the National Conference on Public Employee Retirement Systems' (NCPERS) Response to the Government Accounting Standards Board's (GASB) Statements 25 and 27 Exposure Draft

Motion was made by Darin Gharat and seconded by Michael O'Neal to approve to support the joint response and become a signatory to this response, and send a reply email to NCPERS with the name of Mike Lynch as the Board of Retirement Chair of the Stanislaus County Employees' Retirement Association (StanCERA).

Motion carried.

9. **Committee Reports & Recommendations for Action**

STANDING COMMITTEES

a. Due Diligence Committee – Jim DeMartini, Chair

i. Update on Calendar Year 2011 Due Diligence Visits

10. **Closed Session**

a. Conference with Legal Counsel – Anticipated Litigation and/or Anticipated Initiation of Litigation Pursuant to Subdivision (c) of section 54956.9: One Matter

No Closed Session.

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

Mr. Ford requested that the new StanCERA Executive Director meet with the new County Chief Executive Officer when the position is filled.

Mr. Ford distributed an excerpt from an appellate court decision regarding the consideration of current active members' employment in the scope of duties of a retirement board.

12. **Adjournment**

Meeting adjourned at 3:15 p.m.

Respectfully submitted,

Tom Watson

Tom Watson, Retirement Administrator

APPROVED AS TO FORM:
KIRIN K. VIRK, GENERAL LEGAL COUNSEL

By:



Kirin K. Virk, General Legal Counsel