



STANISLAUS COUNTY
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BOARD OF RETIREMENT MINUTES

January 22, 2013

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

Members Absent: Ron Martin

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Interim Executive Assistant
Dawn Lea, Benefits Manager
Kathy Herman, Operations Manager
Kathy Johnson, Accountant

Others Present: Fred Silva, General Legal Counsel
Paul Harte, Strategic Investment Solutions (SIS), Inc.
Graham Schmidt, EFI Actuaries
Doris Foster, County Chief Executive Office

1. Meeting called to order at 1:02 p.m. by Darin Gharat, Chair.

2. **Roll Call**

3. **Rotation of Officers**

Ms. Irizarry read the following:
Pursuant to Bylaws Section 1.5, and the rotation by succession of the seat number assigned to Board members, Darin Gharat is Chair of the 2013 Board of Retirement, and Gordon Ford, 2013 Vice-Chair.

4. **Announcements**

Ms. Irizarry announced that the updated Board terms are now on StanCERA's Web Site.

Ms. Irizarry announced that Board members had been sent the Fair Political Practices Commission's (FPPC) 2012-2013 Form 700 – Statement of Economic Interests. The completed form is due back to staff by February 26, 2013.

5. **Public Comment**

None.

Mr. Lynch arrived at 1:04 p.m.

6. **Consent Items**

Motion was made by Maria De Anda and seconded by Michael O'Neal to approve the Item 6h as revised and all other items as written.

Motion carried.

- a. Approval of the December 12, 2012, Administrative/Investment Meeting Minutes
- b. Approval of the 2013 StanCERA's Anticipated Master Calendar
- c. Receipt of the 2013 Board of Retirement Standing Committee Assignments
- d. Approval of the Continuing Education Calendar Record for 2012
- e. Receipt of the 2012 4th Quarter Update of the Executive Director's Goals and Strategic Action Plan
- f. StanCERA Complaint Log of October 1, 2012 through January 15, 2013
- g. Receipt of Strategic Investment Solutions Inc.'s Monthly Performance Review for the Month Ending November 30, 2012
- h. Approved with the following revision: Peggy Taylor's retirement from CSA, Effective 01-26-13 is being added to the below list, as it was missed during agenda compilation.

Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

1. Karlyn Bernal, CSA, Effective 01-25-13
2. Larry Burger, Library Effective 01-11-13
3. Bonny Cambron, Courts, Effective 01-01-13
4. Josefina Chan-Bravo, HSA, Effective 01-26-13
5. Dolores Cisneros, HSA, Effective 01-31-13
6. Steven Ferreira, Sheriff, Effective 12-29-12
7. Gloria Garcia, HSA, Effective 12-29-12
8. Lorraine Herod, CSA, Effective 01-03-13
9. Nadya Ingle, HSA, Effective 01-26-13
10. Zane Johnston, Clerk Recorder, Effective 01-31-13
11. Elizabeth Kelso, Sheriff, Effective 01-31-13
12. Roxana Killian, Area Agency on Aging, Effective 01-07-13
13. Daphine Lamb-Perrilliat, BHRS, Effective 01-12-13
14. Christine Lyon, DCSS, Effective 01-04-13
15. Ray McDaniel, Sheriff, Effective 12-29-12
16. Heidi McNally-Dial, City of Ceres, Effective 01-05-13
17. Diane Miller, DCSS, Effective 01-04-13
18. Victor Morrison, Public Works, Effective 01-04-13
19. Peggy Taylor, CSA, Effective 01-26-13
20. Sherry Schlegel, CSA, Effective 01-12-13

6. **Consent Items (Cont.)**

20. Catherine Venicombe, DCSS, Effective 12-21-12

i. Approval of Deferred Retirement(s) – **Section 31700**

1. Kristina Alfaro, CEO, Effective 03-03-12
2. Veronica Briggs, City of Ceres, Effective 12-30-11
3. Forrest Bryant, Treasurer-Tax Collector, Effective 12-18-12
4. Eileen Emory, CSA, Effective 12-04-12.
5. Angela Ferreira, HSA, Effective 08-08-12
6. Carrie Higby, Courts, Effective 3-24-12
7. Luis Loera, Probation, Effective 08-10-12
8. Carolyn Matzger, DA, Effective 11-29-12
9. Dee Oaks, City of Ceres, Effective 08-03-12
10. Denise Olsen, HSA, Effective 10-13-12
11. Heather Stewart, DA, Effective 12-04-12
12. Zachary Stovall, Courts, Effective 12-08-12

j. Approval of Death Benefit – **Section 31781, 31781.1, or 31781.3**

1. Maria Teresa Countz, Deceased, December 30, 2012, Active Member, Option Pursuant to Government Code Sections 31781, 31781.1, or 31781.3

Jim DeMartini arrived at 1:18 p.m.

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

a. Monthly Performance Review for the Month Ending December 31, 2012

Investment Consultant: Paul Harte, Senior Vice President
Nate Pratt, Investment Analyst

Total Fund Value: \$1.47 billion
Monthly Performance: 1.46%
Fiscal Year-to-Date: 7.57%
Policy Index: 6.13%
Fiscal Year-to-Date Alpha: 1.44%

b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of December 31, 2012

c. 2013 Manager Structure Timeline to Implement New Asset Allocation

Gordon Ford arrived at 1:54 p.m.

d. Direct Lending Funds List for Review

The Board requested SIS, Inc. to provide the Due Diligence process and lowest fee structure for each of the three Direct Lending Funds prior to interviews.

8. **Discussion and Action on EFI Actuaries Presentation of the 2009-2012 Actuarial Experience Study**

Board agreed to incorporate all recommended assumptions from the experience study. Board decided to not incorporate the individual entry age normal and funding to final decrement methodologies at this time.

9. **Executive Director**

- a. Discussion and Action - California Public Employees' Pension Reform Act: Inclusion of Employer Contributions to Deferred Compensation Plans or Defined Contribution Plans in the Calculation of Pensionable Compensation for New Members Hired on or After January 1, 2013

Motion was made by Mike Lynch and seconded by Gordon Ford to rescind motion regarding this topic that took place at the November 27, 2012 Board meeting.

Motion carried unanimously.

- b. New Legislation Update

- c. Active Vs Passive Investments Educational Study Session

Staff was requested to present quarterly fee data in the future for each manager, as well as present value added for the previous quarter. Additionally, staff will present 4-year updated value added information for the period of December 31, 2008 through December 31, 2012 as a consent item in February or March.

10. **Closed Session**

Motion was made by Maria De Anda and seconded by Mike Lynch to move into Closed Session at 3:33 p.m.

Motion carried.

Motion was made by Jeff Grover and seconded by Michael O'Neal to return to Open Session at 3:52 p.m.

Motion carried.

- a. Public Employment:
Discussion and Action on the Executive Director's 2013 Goals
Government Code Section 54954.5

Motion was made by Gordon Ford and seconded by Mike Lynch to accept the Executive Director's goals for 2013.

Motion carried.

10. **Closed Session (Cont.)**

- b. Conference with Legal Counsel – Pending Litigation – One Case:
StanCERA v. Buck Consultants, LLC
Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(a)

No Report.

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

Mr. Santos asked the Board if a future agenda item is needed to change StanCERA's definition of "pensionable compensation" in light of CalPERS' decision to allow some items in pensionable compensation for new (PEPRA) members. The Board felt that CalPERS' decision did not preclude their decision to allow base pay only and to continue to wait until further legislative clarity.

12. **Adjournment**

Meeting adjourned at 4:08 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
FRED A. SILVA, GENERAL LEGAL COUNSEL

By: 
Fred A. Silva, General Legal Counsel