



**BOARD OF RETIREMENT MINUTES
October 25, 2016**

1. Meeting Called to Order

Meeting called to order 1:30 p.m. by Trustee Riley, Chair

2. Roll Call

Trustees Present: Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley, Mandip Dhillon, Mike Lynch, Darin Gharat and Gordon Ford

Trustees Absent: Sam Sharpe

Alternate Trustee Joan Clendenin, Alternate Retiree Representative

Staff Present: Kellie Gomes, Executive Board Assistant
Kathy Herman, Fiscal Services Manager
Dawn Lea, Member and Employer Services Manager

Others Present: Fred Silva, General Legal Counsel
Ed Hoffman, Investment Consultant

3. Announcements

Kathy Herman reported that the Audio Visual equipment would be completed before the November meeting.

4. Public Comment

None

5. Consent Items

- a. Approval of the September 27, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. StanCERA Quarter 3 2016 Complaint Log
- d. Executive Director Goals Update 2016 Quarter 3
- e. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

1. Alcock, Alan – ESMAD – Effective 10-15-16
2. Benavidez, Margaret – DER – Effective 10-08-16
3. Bizsantz, Stacia – HSA – Effective 10-29-16
4. Ingram, Gregory – Assessor – Effective 10-29-16
5. Kirros, Kathleen – HSA – Effective 10-29-16
6. Latapie, Robert – Sheriff – Effective 10-29 -16 *
7. Stoll, Sherri – HSA – Effective 10-15-16
8. Strong, Ruelyn – DA – Effective 10-15-16
9. Taniguchi, Robert – CSA – Effective 10-01-16
10. Trinitade, Debbie – HSA – Effective 10-20-16

* *Indicates Safety Personnel*

5. Consent Items (Cont)

f Approval of Deferred Retirement(s) – **Section 31700**

1. Arellano, Sandra – Ceres – Effective 07-03-16
2. Francis, Richard – CEO – Effective 09-10-16
3. Runner, Tomeka – CSA – Effective 07-09-16

** Indicates Safety Personnel*

g. Approval of Reciprocal Disability Retirement - **Section 31838.5**

1. Hankins, Timothy - City of Ceres, Non-Service Connected, Effective 09-16-16

h. Approval of Death Benefit - Option Pursuant to Government Code **Sections 31781, 31781.1 or 31781.3.**

1. Green, Gloria, Deceased October 2, 2016, Active Member

Motion was made by Trustee Dhillon and seconded by Trustee Grover to accept the consent items as presented.

Motion carried unanimously

1:33 Trustee Clendenin arrived

7. Executive Director – Investment

Nothing to report out

8. Executive Director - Administrative

a. Legal/Legislation Update

Dawn Lea gave an update on the chaptering of AB 1853 which would have allowed a 1937 Act Retirement system to achieve independence from the County by adopting a code section. The bill was vetoed by the Governor.

b. Information Technology Solutions (ITS) Project Update

Kathy Herman updated the Board regarding contract negotiations.

1:51 Trustee DrMartini arrived

6. Investment Manager Annual Presentation (Item 6 heard out of order due to technical difficulties)

a. American Reality Presentation

Teri Noble and Kirk Helgeson gave the Board its annual presentation regarding the open ended value added fund StanCERA is invested in. StanCERA's commitment to the fund is \$30 million with approximately \$13.2M contributed to date. Trustee Dhillon requested the fees be presented in absolute terms in the future.

8. Executive Director – Administrative (Cont.)

- c. Discussion and Action for Proxy Directive for State Association of County Retirement Systems (SACRS) 2016 Fall Business Meeting

Motion was made by Trustee Gharat and seconded by Trustee Lynch to accept the SACRS legislative platform as recommended and presented.

Motion carried unanimously

9. Verus – Investment Consultant

- a. September 30, 2016 Flash Report

September Portfolio Return:	4.4 %
September U.S. Equity:	6.3 %
September International Equity:	7.2%
September Fixed Income:	1.5%
September Real Estate:	.06%

- b. Asset Allocation Implementation Update

Ed Hoffman shared the updated timeline for implementation of the asset allocation and explained the intent is to continue to move forward at a reasonable pace. Draft Investment Policy Update.

- c. Draft Investment Policy Updates

As part of the Investment Policy rewrite, Ed reviewed the topic mapping document and the Governance Documents Summary. Both documents will be used to assist staff and the Board in understanding the changes to the policy itself.

- d. Discussion and Action Regarding Search for Liquidity Mandate

Motion was made by Trustee Grover and seconded by Trustee Gharat to approve the recommendation that the Board direct Staff and Verus to conduct on-site due diligence with selected investment managers, determine liquidity portfolio structure, and present a final recommendation to the Board at the December meeting.

Motion carried unanimously

10. Closed Session

Motion was made by Trustee Gharat and seconded by Trustee Grover to move in to closed session at 2:50 p.m.

Motion carried unanimously

- a. Conference with Legal Counsel – Pending Litigation – One Case:
O’Neal et al v. Stanislaus County Employees’ Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)

10. Closed Session(Cont.)

- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(d)(4)
- c. Recommendation for Service Connected Disability Retirement for Trujillo, Jacqueline,
Government Code Section 31532

Motion was made by Trustee Gharat and seconded by Trustee Grover to move in to open session at 3:11 p.m.

Motion carried unanimously

Kellie Gomes read motion from closed session as follows:

Item 10.c Motion was made by Trustee Lynch and seconded by Trustee Dhillon to accept the recommendation for Service Connected Disability Retirement for Trujillo, Jacqueline to be set for hearing.

Motion carried unanimously


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

Nothing to report

12. Adjournment

Meeting adjourned at 3:13 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel