



BOARD OF RETIREMENT MINUTES
January 20, 2016

Trustees Present: Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley
Sam Sharpe, Mike Lynch and Gordon Ford

Alternate Trustee Joan Clendenin, Alternate Retiree Representative

Trustees Absent: Jason Gordo

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

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

1. Meeting Called to Order

Meeting called to order 1:00 p.m. by Trustee Riley, Chair

2. Roll Call

3. Announcements

Kellie Gomes announced as stated at last meeting the Rotation of Officers: - Pursuant to Bylaws Section 1.5, Trustee Donna Riley is Chair of the 2016 Board of Retirement and Trustee Jason Gordo is 2016 Board of Retirement Vice-Chair.

Kellie Gomes announced trustees have been provided with a hard copy 2015/2016 700 forms today and an electronic copy will go out tomorrow. They are due back to Kellie no later than March 10, 2016.

Kellie announced the approval of retirement 1. Camelio, David – Probation – Effective 01-09-2016 is not a new retirement but a date correction. This was previously submitted in December and the member changed the date.

4. Public Comment

None

5. Consent Items

- a. Approval of the December 16, 2015 Meeting Minutes
- b. Approval of the 2016 StanCERA Master Calendar
- c. Receipt of the 2016 Board of Retirement Standing Committee Assignments
- d. Executive Director Goals Update Quarter 4 2015
- e. Acceptance of the 2015 Continuing Education Record and 2016 Education Opportunities

5. Consent Items (Cont.)

f. StanCERA Complaint Log of October 1 – December 1, 2015

g. Monthly Staff Report

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

1. Camelio, David – Probation – Effective 01-09-2016 *
2. Huntley, Rosemarie – Auditor/Controller– Effective 01-05-2016
3. Lamela, Debra – Sheriff – Effective 01-15-2016
4. Lundeborg, Erik – Public Defender – Effective 01-21-2016
5. O'Dell, Julie – Alliance Worknet – Effective 12-23-2015
6. Passanisi, Kathleen – HSA – Effective 11-14-2015
7. Rosales, Arturo – HSA – Effective 01-05-16
8. Thompson-Ryan, Pamela – CSA – Effective 01-06-2016
9. Wade, Pamela – Probation– Effective 01-09-2016
10. Weeks, Marlene – Probation – Effective 01-09-2016

** Indicates Safety Personnel*

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

1. Anderson, Vanessa – CSA – Effective 12-12-2015
2. Castro, Norbert – City of Ceres – Effective 05-21-2015 *
3. Chapman, Jason – City of Ceres – Effective 11-07-2015 *
4. Ellis, Linda – HSA – Effective 12-12-2015
5. Fredeking, Tobias – BHRS – Effective 10-15-2015
6. Graves, Stephanie – CSA – Effective 10-17-2015
7. Lee, Bee – CSA – Effective 01-05-2016
8. Lillie, Michael – City of Ceres – Effective 11-28-2015 *
9. Uemura, Scott – District Attorney – Effective 04-04-2015

j. Approval of Disability Retirement - **Section 31724**

1. Freeman Jr., Jimmy - Deputy Sheriff, Service-Connected, Effective 06-02-2015 *
- * Indicates Safety Personnel*

k. Approval of Death Benefit – **Sections 31781, 31781.1, and 31781.3**

1. Armstrong, Carla, Deceased, January 7, 2016 Active Member

Motion was made by Trustee Grover and seconded by Trustee O'Neal to approve consent item as presented with the exception of 5j.

Motion carried unanimously

Trustee Sharpe recused himself and left the room at 1:05 pm

Motion was made by Trustee Grover and seconded by Trustee O'Neal to approve consent Item 5j as presented.

Motion carried unanimously with one recusal by Trustee Sharpe

Trustee Sharpe returned to the room at 1:06 pm

6. Executive Director – Administrative

a. Information Technology Solutions (ITS) Project Update

Dawn Lea gave the Board a brief update on the status of the ITS project.

b. Discussion and Action for Consideration of State Association of County Retirement Systems (SACRS) 2016 Legislative Proposals.

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to approve the support of the concept presented by SACRS regarding the 2016 Legislative Proposals.

Roll Call Voted was as follows:

Trustee O'Neal,	Yes
Trustee Grover,	No
Trustee Riley	No
Trustee Sharpe	Yes
Trustee Lynch	No
Trustee Ford	No

Motion failed 4/2 Trustee DeMartini was not present for vote.

c. Discussion and Action Executive Director Goals for 2016

Motion was made by Trustee O'Neal and seconded by Trustee Grover to approve the Executive Director Goals for 2016.

Motion carried unanimously

Trustee DeMartini and Executive Director Rick Santos arrived at 1:30 p.m.

d. Discussion and Action regarding the preliminary June 30, 2015 Actuarial Valuation - Cheiron Actuaries

Graham Schmidt briefed the Board on the proposed actuarial valuation which would set rates for 2016-2017.

All trustees agreed to postpone the vote until after hearing Item 8.d.

After hearing Item 8.d a Motion was made by Trustee Ford and seconded by Trustee Grover to calculate the 2016-2017 employer rates using a discount rate of 7.25% based on StanCERA's current asset allocation and phase in any rate increases over a 3-year period.

Roll Call Vote was made as follows:

Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Riley	Yes
Trustee Sharpe	Yes
Trustee Lynch	Yes
Trustee Ford	Yes

Motion carried unanimously

7. Executive Director - Investment

None

8. Verus – Investment Consultant

a. November 30, 2015 Flash Report

b. December 31, 2015 Flash Report

Ed Hoffman presented the monthly performance reports for November and December 2015

c. Risk Tolerance Allocation Study

Ed Hoffman briefed the Board on the results of his risk tolerance study on Board Trustees. He also briefed the Board on the County's financial picture in preparation for the final asset allocation decision.

d. Discussion and Action Regarding Asset Allocation Study

Ed Hoffman presented several asset mixes for final consideration for the Board. Several of the portfolios had asset mixes that were considerably different from our current allocation. After discussion, the Board decided they wanted to learn more about the specific new investment types within the asset mixes under consideration. Specifically, those investments that the Board will explore in more detail are private equity, emerging markets and risk parity assets.

4:09 p.m. - 10 Min Break was called by Trustee Riley

4:16 p.m. – Back in session

9. Closed Session

Motion was made by Trustee Grover and seconded by Trustee O'Neal to move in to closed session at 4:17 p.m.

Motion carried unanimously

a. Discussion and Action Regarding Investment in Raven Capital Management
Government Code Section 54956.81

b. 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)

c. Conference with Legal Counsel – Pending Litigation – One Case:
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County
Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate
District, Case No. H038894 Government Code Section 54956.9(d)(1)

9. Closed Session (Cont.)

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to enter in to open session at 4:33 p.m.

Motion carried unanimously

Kellie Gomes announced there was a read out from closed session item 9.a. Motion was made by Trustee O'Neal and seconded by Trustee DeMartini to allocate \$35 million to the Raven III Fund.

Roll call vote was as follows:

Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Riley	Yes
Trustee Sharpe	Yes
Trustee Lynch	Yes
Trustee Ford	No

Motion passed 6/1

An additional Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to appoint Trustee Grover to the Raven III Advisory Committee. Trustee Grover recused himself from this vote and left the room and returned as soon as the vote was over.

Roll call vote was taken and the motion carried unanimously

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


Trustee Riley asked staff to look into the idea of using gotomeeting as a way to communicate annually with our investment managers

Kathy Herman briefed the Board on the progress with the window cleaning on the 12th street building.

12. Adjournment

Meeting adjourned at 4:40 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel