



BOARD OF RETIREMENT MINUTES
January 24, 2017

1. Call Meeting to Order

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

2. Roll Call

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

Trustees Absent: Gordon Ford

Alternate Trustee Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
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

Kellie Gomes announced as stated at last meeting the Rotation of Officers: - Pursuant to Bylaws Section 1.5, Trustee Darin Gharat is Chair of the 2017 Board of Retirement and Trustee Mike Lynch is 2017 Board of Retirement Vice-Chair.

Kellie Gomes announced Trustees have been provided with a hard copy 2016/2017 700 forms today and an electronic copy will be provided to you if requested. They are due back to Kellie no later than March 10, 2017.

Rick Santos, Director announced that Item 10.a (Apolinar disability) and Item 7.C (Rescind Emerging Manager Policy) have been pulled and will be placed on the February meeting for consideration.

4. Public Comment

None

5. Consent Items

- a. Approval of the December 13, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. Executive Director Goals Update Quarter 4 2016
- d. StanCERA Complaint Log of October 1 – December 1, 2016

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

1. Burt, Gary – SBT – Effective 01-21-17
2. Drury, Lisa – HSA – Effective 01-21-17
3. Farias, Gina – CEO – Effective 03-14-16
4. Hamilton, Angeline – DER – Effective 01-28-17
5. Herzog, Susan – HSA – Effective 01-14-17
6. Lasater, Jeanette – BHRS – Effective 01-07-17
7. Layne, Kathryne – BHRS – Effective 12-31-16
8. Magdaleno, Delia – CSA – Effective 01-21-17
9. Rehder, Glenn – Probation – Effective 01-06-17 *
10. Rodriguez, Debora – BHRS – Effective 12-30-16
11. Supremo, Betty - CSA – Effective 01-13-17

** Indicates Safety Personnel*

5. Consent Items(Cont.)

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

1. Barraza, Edith – DCSS – Effective 07-15-16
2. Bauman, Magdalena – BHRS – Effective 08-27-16
3. Bernardi, Janet – CSA – Effective 11-16-16
4. Fleming, Rebecca – Courts - Effective 12-08-16
5. Gozzo, Robin – County Counsel – Effective 10-29-16
6. Le, Ngoc – HSA – Effective 05-18-16
7. Matos, Marcia – Sheriff – Effective 10-04-16 *
8. No, Peggy – DA – Effective 10-15-16 *
9. Nunes, Joey – BHRS – Effective 10-15-16
10. Shinn, Laura – Alliance WorkNet – Effective 10-29-16
11. Sims Jr., John – Children & Family Comm – Effective 01-07-17
12. Sperry, Marcus – Probation – Effective 10-01-16 *
13. Vertino, Timothy – Planning – Effective 11-30-16

** Indicates Safety Personnel*

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

1. Leap, Latisha - Probation, Service Connected, Effective 08-02-16

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

1. Bass, Pamela - Stanislaus Superior Court, Non-Service Connected, Effective 12-01-14
2. Rodriguez, Rodrigo - Stanislaus County, Service-Connected, Effective 12-12-15

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

Motion carried unanimously

6. Liquidity Mandate

a. Discussion and Action Regarding Liquidity Portfolio Finalist

- Verus Update for Liquidity Mandate
- Insight Investment Presentation
- Dimensional Fund Advisors (DFA) Presentation

Insight and DF Advisors were interviewed by the Board for consideration of the management of the Liquidity mandate. There was some inquiry into the relationship between Insight and BNYM and the currency manipulation events in years past. Staff is researching a couple of questions that were posed during the meeting. After discussion and consideration, the following motions were made:

Motion was made by Trustee Riley and seconded by Trustee O'Neal to approve the recommendation by Ed Hoffman, Verus Consultant to allocate \$230 million to Dimensional Fund Advisors (DFA)

Motion carried unanimously

Motion was made by Trustee Grover and seconded by Trustee Riley to approve the recommendation by Ed Hoffman, Verus Consultant to allocate \$100 million to Insight Investments

Motion passed 8 to 1 with the following roll call vote :

Trustee Riley	Yes
Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Dhillion	Yes
Trustee Lynch	No
Trustee Gharat	Yes
Trustee Raja	Yes
Trustee Sharpe	Yes

Motion was made by Trustee O'Neal and seconded by Trustee Raja to authorize staff to engage Scott Smith of Hanson Bridgett LLP to complete the legal review, and assist with negation and execution of contracts with DFA and Insight. After legal review is completed, authorize the Executive Director to enter into agreement with DFA and Insight.

Motion passed 8 yes votes with Trustee Lynch abstaining with the following roll call vote:

Trustee Riley	Yes
Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Dhillion	Yes
Trustee Lynch	abstain
Trustee Gharat	Yes
Trustee Raja	Yes
Trustee Sharpe	Yes

7. Executive Director – Investment

a. Discussion and Action Regarding the Investment Policy Final Draft

Motion was made by Trustee Dhillion and seconded by Trustee Grover to approve the Investment Policy Final Draft as presented.

Motion carried unanimously

b. Discussion and Action Regarding Investment Directive #1, Asset Allocation

Motion was made by Trustee O'Neal and seconded by Trustee Dhillion to approve Investment Directive # 1

Motion passed 8 to 1 with the following roll call vote:

Trustee Riley	Yes
Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Dhillion	Yes
Trustee Lynch	No
Trustee Gharat	Yes
Trustee Raja	Yes
Trustee Sharpe	Yes

c. Discussion and Action Regarding the Emerging Manager Policy

Item pulled and will return at the February Board meeting

8. Verus – Investment Consultant

a. November 30, 2016 Flash Report

b. December 31, 2016 Flash Report

9. Executive Director – Administrative

a. Legal/Legislation Update

Dawn Lea updated the Board on AB 2833 which requires more extensive disclosure on alternative type investments. For the most part, StanCERA already reports on a number of the requirements in AB2833. Staff is consulting with legal counsel and will reach out to those managers that will be affected by AB2833.

b. Information Technology Solutions (ITS) Project Update

Dawn Lea gave an update on the ITS project. Kick off took place recently and required documents are currently being drawn up. Additionally, the project to convert all files to electronic images is set to commence in early March.

c. Discussion and Action to Accept the 2017 Executive Director Goals

Motion was made by Trustee Grover and seconded by Trustee Lynch to accept the 2017 Executive Directors Goals as presented.

Motion carried unanimously

10. Closed Session

Motion was made by Trustee Grover and seconded by Trustee Sharpe to move in to closed session at 3:49 p.m.

Motion carried unanimously

- a. Recommendation for Non-Service Connected Disability Retirement for Jeannette Apolinar – Section 31533
- 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. 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)

Motion was made by Trustee Lynch and seconded by Trustee O'Neal to move in to open session at 3:56 p.m.

Motion carried unanimously

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

Trustee Lynch requested that staff research the disposition of the BNYM currency manipulation.

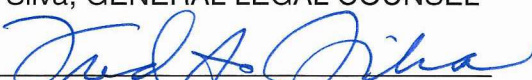
12. Adjournment

Meeting adjourned at 3:44 p.m.

Respectfully submitted,


Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel