



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

January 28, 2014

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

Members Absent: Jeff Grover

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Investment/Accounting Technician
Dawn Lea, Benefits Manager
Kathy Herman, Operations Manager
Natalie Elliot, Accountant

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

1. Meeting called to order at 2:02 p.m. by Darin Gharat, Chair.

2. **Roll Call**

3. **Rotation of Officers**

Pursuant to Bylaws Section 1.5, and the rotation by succession of the seat number Assigned to Board Members, Gordon Ford is Chair of the 2014 Board of Retirement, and Maria De Anda, 2014 Vice-Chair.

4. **Announcements**

Ms. Irizarry announced that the updated 2013 Continuing Education Record will be placed On the February 12th meeting.

Ms. Irizarry announced that beginning in 2014, StanCERA will invite Investment managers to provide an annual portfolio presentation (once a year) instead of bi-annually. An updated "Investment Manager Presentation" schedule is included in StanCERA's Anticipated Executive Master Calendar for 2014.

Ms. Irizarry announced that Tricia Turner was added to consent item #6.j. for approval of service retirement effective January 4, 2014. Her name was inadvertently left off.

5. **Public Comment**

Retiree Rick Dodge addressed the Board advocating that the Board recommend to the Board of Supervisors adoption of 1937 Act Government Code Section 31680.4, allowing retirees the ability to return to work. (See Members' Forum below for more).

6. **Consent Items**

Ms. Clendenin requested to pull Consent Item #6a for discussion.

Consent Item Pulled for Discussion

- a. Approval of the December 11, 2013, Administrative/Investment Meeting Minutes

Ms. Clendenin asked that Item #6 be pulled and the word "revised" changed to "amended" in item 8a.i.

Motion was made by Mike Lynch and seconded by Donna Riley to approve consent item #6, changing the word "revised" to "amended" in item 8a.i.

Motion carried.

Motion was made by Maria De Anda and seconded by Donna Riley to approve Consent Items as presented:

Motion carried.

M. O'Neal arrived at 2:09 p.m.

- b. Approval of the December 11, 2013, Special Meeting Minutes
- c. Approval of the 2014 StanCERA's Anticipated Executive Master Calendar
- d. Receipt of the 2014 Board of Retirement Standing Committee Assignments
- e. Receipt of the 2013 4th Quarter Update of the Executive Director's Goals and Strategic Action Plan
- f. Approval of StanCERA's 2014 – 2016 Strategic Plan
- g. StanCERA Complaint Log of October 1, 2013 through January 15, 2014
- h. Receipt of Strategic Investment Solutions Inc.'s November 30, 2013 Monthly Performance Review for StanCERA
- i. Report on Earnings Allocation for Fiscal Year End June 30, 2013

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

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

1. Terry Allen, HSA, Effective 01-07-14
2. Zeinab Benatia, HSA, Effective 01-18-14
3. Michelle Brooks, GSA, Effective 12-25-13
4. Linda Christy, DCSS, Effective 01-03-14
5. Melvin Eslinger, Public Works, Effective 01-24-14
6. John Honnette, DER, Effective 01-03-14
7. Isaac Montelongo, HSA, Effective 01-11-14
8. Edna New, DCSS, Effective 01-23-14
9. Steven Owens, Sheriff, Effective 01-10-14
10. Diane Pearson, Risk Management, Effective 01-07-14
11. Jennifer Piciucco, HSA, Effective 01-19-14
12. Sheila Pules, Sheriff, Effective 01-07-14
13. Marianne Rucker, Planning, Effective 01-25-14
14. Mary Saldana, HSA, Effective 01-03-14
15. Marlys Stafford, CSA, Effective 12-08-13
16. Inette Strojan, Superintendent of Schools, Effective 01-04-14
17. Tricia Turner, DCSS, Effective 01-04-14 (**ADDED** - Refer to Announcements)

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

17. Cathy Switzer, CSA, Effective 01-07-14

l. Approval of Deferred Retirement(s) – Section 31700

1. Amy Au, HSA, Effective 05-18-13
2. Kimothy Bankston, Sheriff, Effective 01-10-14
3. Yolanda Castillo, Sheriff, Effective 12-19-13
4. Letisia Corona, Public Works, Effective 01-04-14
5. Regina Guzman, CSA, Effective 11-26-13
6. Lao Lauren Ha, CSA, Effective 07-27-13
7. Susan Harper, Sheriff, Effective 10-18-13
8. Angela Jameson, CSA, Effective 12-21-13
9. Jill Johnson, CSA, Effective 01-04-14
10. John Boy Palarca, Sheriff, Effective 12-14-13

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

a. Monthly Performance Review for the Month Ending December 31, 2013

1. Monthly performance – 1.42%
2. Fiscal YTD – 12.29%
3. Fiscal YTD alpha – 2.09%
4. Monthly Alpha winners – All except PIMCO, D&C Equity
5. Monthly Alpha losers – Pimco, D&C Equity
6. Total fund value as of December 31: \$1.713 billion

b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of December 31, 2013

c. Real Estate Asset Class Introduction

Paul Harte of SIS gave a brief introduction to the real estate asset class. StanCERA will eventually commit 3.5% to this asset class. After some discussion, it was decided to bring back this item as an agenda item that will allow the Board to weigh in on how it wishes to allocate the 3.5% across the entire asset class. Once the Board determines which areas of the real estate class best suit StanCERA’s needs, then SIS will bring back those managers that specifically fit that criterion.

8. **Executive Director**

a. Discussion and Action Regarding Extension of Cheiron Contract

Motion was made by Darin Gharat and seconded by Michael O’Neal to approve the extension of StanCERA’s contract with Cheiron for actuarial services for another 2 years.

Motion carried.

b. Discussion and Action Regarding Securities Lending Collateral Pools with Northern Trust

Motion was made by Michael O’Neal and seconded by Darin Gharat to approve staff’s recommendation to enter into an agreement with Northern Trust (pending reaching final agreement for custodial services), to the U.S. Government/Agency Non Cash Collateral pool and the Basic Collateral pool for acceptable non-cash and cash collateral (respectively) backing its securities lending program.

Motion carried.

9. **Closed Session**

Motion was made by Maria De Anda and seconded by Darin Gharat to move into Closed Session at 3:37 p.m.

Motion carried.

9. Closed Session (Cont.)

Motion was made by Darin Gharat and seconded by Donna Riley to return to Open Session at 3:51 p.m.

Motion carried

Ms. Irizarry read the findings of the Closed Session:

- a. Public Employment:
Discussion and Action on the Executive Director's 2014 Goals
Government Code Section 54954.5

Motion was made by Darin Gharat and seconded by Donna Riley to return to accept Executive Director's 2014 Goals.

Motion carried

- 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.

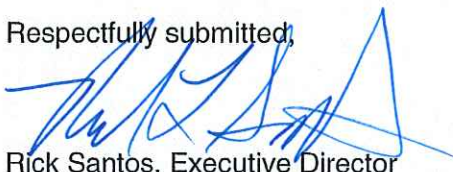
10. Members' Forum (Information and Future Agenda Requests Only)

The Board asked staff to bring back an item regarding the possible adoption of Government Code Section 311680.4 which would allow reinstatement for retired members.

11. Adjournment


Meeting adjourned at 4:02 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