



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
832 12th Street, Suite 600
Modesto, CA 95354
Mail: P.O. Box 3150 95353-3150

Phone (209) 525-6393
Fax (209) 558-4976
www.stancera.org
e-mail: retirement@stancera.org

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BOARD OF RETIREMENT MINUTES

October 9, 2013

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

Alternate Member: Joan Clendenin Alternate Retiree Representative

Members Absent: Maria DeAnda

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Secretary
Kathy Herman, Operations Manager
Dawn Lea, Benefits Manager

Others Present: Fred Silva, General Legal Counsel
Doris Foster, County Chief Executive Office
Stan Risen, County Chief Executive Office
Andy Yeung, The Segal Group
Graham Schmidt, Cheiron

1. Meeting Called to Order

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

2. Roll Call

3. Announcements

Trustee O'Neal gave the Board an update on his attendance to the Opal Summit. Mr. O'Neal commented on the topics of convertible and municipal bonds.

Trustee Ford apprised the Board of an article in the Wall Street Journal discussing how some banks are pulling out even more from the private/direct lending space.

Executive Director Santos announced the resignation of SACRS Treasurer Tom Ford.

Executive Director Santos announced he will not be in attendance for the October 22 Board meeting due to attendance of an actuarial conference

Trustee Jason Gordo arrived at 2:06 p.m.

4. Public Comment

None

5. Consent Items

Motion was made by Michael O'Neal and seconded by Donna Riley to approve the following consent items as presented:

Motion Carried

- a. Approval of the September 24, 2013 Investment Meeting Minutes
- b. StanCERA Complaint Log for July 2013 through September 2013
- c. Executive Director Goals Update Quarter 3 2013 and Strategic Action Plan
- d. Approval of Holiday Office Closure
- e. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Juan Alonzo, HSA, Effective 10/05/2013
 - 2. Kathy Causey, CSA, Effective 09/04/2013
 - 3. Aurora De Vera, CSA, Effective 10/31/2013
 - 4. Merry Egan, CSA, Effective 09/30/2013
 - 5. Debbie Gutierrez, CSA, Effective 10/02/2013
 - 6. Gregg Halladay, PW, Effective 10/01/2013
 - 7. Judy Oxford, DCSS, Effective 10/02/2013
 - 8. Charles Turner, StanCOG, Effective 10/05/2013
 - 9. Liliana Velassquez, BHRS, Effective 10/04/2013
 - 10. Joanne Warner, BHRS, Effective 10/05/2013
 - 11. Consuelo Williams Clerk Recorder/Elections, Effective 10/05/2013
- f. Approval of Deferred Retirement(s) – **Section 31700**
 - 1. Fredrick Harper, Ceres, Effective 08/15/2013
 - 2. Sarah Hernandez, CSA, Effective 08/22/2013
 - 3. Sergio Jimenez-Gudino, Ceres, Effective 09/01/2013
 - 4. Troy Silcox, Sheriff, Effective 06/29/2013
 - 5. Kym Vieira, CEO, Effective 08/31/2013
 - 6. Daisy Villasenor, CSA, Effective 08/24/2013

6. Executive Director

a. Discussion and Action Regarding the Actuarial Audit Performed by the Segal Group

Motion was made by Michael O'Neal and seconded by Jeff Grover to accept the 2013 actuarial audit of the 2009-2012 experience study and 2012 actuarial valuation as presented by Andy Yeung from the Segal Group with the following recommendations from the actuarial audit:

- Switch from the Aggregate and Funding to decrement methodology to the Individual and Funding to final decrement methodology. This switch will still need to be addressed at the first draft of the 2013 Actuarial valuation
- Document actuarial methodology used to allocate costs to fund the total benefit for those employees that work more than 30 years and cease contributions at that time
- Document that the administrative expenses of the System being funded entirely by the employer, which represents a change from past practice
- Consideration of a decrease in the discount rate used for funding. This change will still need to be considered and addressed at the presentation of the first draft of the 2013 actuarial valuation
- Applying the cash out of unused vacation load to employees that are eligible to retire with less than 20 years of service. This change will be made in the 2013 valuation.

7. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Strategic Planning Committee

i. Discussion and Action to Accept the Recommendation of the Strategic Planning Committee on the 2014-2016 Strategic Plan

Motion was made by Gordon Ford and seconded by Michael O'Neal to approve the Committee's recommendation to accept the 2014-2016 Strategic Plan as presented with the following changes:

Strategic Objective 2: Change the Desired Outcome to the following: The intent of this objective is to enhance StanCERA's understanding and assessment of the investment process and those that are managing it. Ambiguity regarding manager performance will be kept to a minimum. Ultimately, StanCERA's fiduciary duty to all stakeholders will be enhanced as well.

7. Committee Reports and Recommendations for Action (Cont.)

STANDING COMMITTEES

a. Strategic Planning Committee

- i. Discussion and Action to Accept the Recommendation of the Strategic Planning Committee on the 2014-2016 Strategic Plan

Strategic Objective 4: Change the Desired Outcome to the following: The intent of this objective is to enhance stakeholder awareness, understanding and comfort with the investment and benefit process through training and communication. Continuing to explore new technology will enable us to effectively and efficiently serve StanCERA members.

A minor correction was made to the actual agenda item itself. It was noted that the Strategic Facilitator met with most Board members instead of all of them

Motion Carried

8. Closed Session

- a. 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)
- 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)

No Closed Session Items to Report

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

None

10. Adjournment

Meeting adjourned at 3:38 p.m

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rick Santos".

Rick Santos, Executive Director

APPROVED AS TO FORM:

FRED A. SILVA, GENERAL LEGAL COUNSEL

By:

A handwritten signature in blue ink, appearing to read "Fred A. Silva".

Fred A. Silva, General Legal Counsel