



BOARD OF RETIREMENT MINUTES

November 22, 2016

1. Call Meeting to Order

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

2. Roll Call

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

Trustees Absent: Donna Riley

Alternate Trustee Absent 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

4. Public Comment

5. Consent Items

- a. Approval of the October 25, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Brassesco, Linda – DA – Effective 11-24-16
 - 2. Cancimilla, Tommy Jr. – GSA – Effective 10-27-16
 - 3. Chavez, Gloria – CSA – Effective 10-04-16
 - 4. Fisher, Angela - HSA – Effective 11-30-16
 - 5. Graves, Patricia – CSA – Effective 11-04-16
 - 6. Harper, Susan – Sheriff – Effective 11-01-16
 - 7. Hinojos, Patricia – CSA – Effective 10-31-16
 - 8. Stokman, Anne – HSA – Effective 10-06-16
 - 9. Williams, Farren – Ceres – Effective 11-04-16

** Indicates Safety Personnel*

5. Consent Items (Cont.)

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

1. Chamorro, Angelica – Assessor – Effective 01-01-16
2. Linderman, Kathleen– HSA – Effective 09-23-16
3. Men, Jean – Courts – Effective 09-24-16
4. Moths, Richard – Courts – Effective 10-08-16
5. Ochoa, Sylvia – CSA – Effective 10-29-16
6. Torres, Gabriela – DA – Effective 10-04-16
7. Williams, Jennifer – Sheriff – Effective 04-30-16

* Indicates Safety Personnel

e. Approval of Death Benefit - **Sections 31781, 31781.1, and 31781.3**

1. Wallace, Dennis, Deceased November 13, 2016, Active Member*

* *Indicates Safety Personnel*

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

1. Petty, Heather - DCSS, Non-Service Connected, Effective 05-12-16

1:31 p.m Trustee Dhillon arrived

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

Motion carried unanimously

6. Investment Manager Annual Presentation

a. Greenfield Partners, LLC

Dean Sotter gave an update on the fund. Dean noted that in the office space most of the return is coming from the yield component and not capital appreciation. He expects that the drawdown to be complete in Fund VII in 6 to 9 months and 80% of that will come in the first half of 2017.

b. White Oak Global Advisors, LLC

Landy Pheloung and Barbara McKee gave the Board an update on the White Oak Pinnacle Fund. The presentation focused mostly the performance and allocation of the fund and projected fund flow over the next 3 years.

7. Executive Director – Investment

a. 2016 Quarter 3 Auxiliary Investment Report

Director gave an update on the quarter 3 auxiliary investment report. Included this quarter are two new reports: A cash flow analysis on the mature direct lending investments (J Curve) and value added for the alternative investments. Director noted that there are still issues to overcome with respect to the benchmark being used to gauge the direct lending investments and will work with Verus to resolve.

Item 8 was heard out of order. Item 8.b, 8.a, 8.c is the order presented by Verus

8. Verus – Investment Consultant

a. Flash Report October 30, 2016 (HEARD OUT OF ORDER)

October Portfolio Return:	3.1%
October U.S. Equity:	4.0%
October International Equity:	6.1%
October Fixed Income:	1.2%
October Real Estate:	-2.00%

b. Investment Performance 2016 Quarter 3 Review (HEARD OUT OF ORDER)

Qtr Ytd	4.5%	Fixed Income	1.5%
U.S. Equity	6.4%	Real Estate	0.4%
INT. Equity	7.3%	Direct Lending	0.00%

c. Discussion and Action Regarding Search for US Treasury Mandate

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to:

1. Select a passive strategy and
2. Authorize Staff to negotiate and execute a contract with Northern Trust (75% Intermediate / 25% Long); and
3. Coordinate funding the selected investment strategy with the Phase 1 rebalancing as outlined in the implementation plan presented at the July Board meeting.

Motion carried unanimously

9. Executive Director - Administrative

a. Legal/Legislation Update

Nothing to report

b. Information Technology Solutions (ITS) Project Update

Kathy Herman updated the Board regarding the continued contract negotiations.

10. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

i. Discussion and Action to Accept the Internal Governance Committees' Recommendation Regarding:

- The June 30, 2016 and 2015 Comprehensive Annual Financial Report (CAFR) and Independent Auditor Report
- New and Amended Policies.

Placement Agent Policy
Mass Media Policy
Stale Dated Checks and Unclaimed Benefits Policy
Records Retention Policy

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

STANDING COMMITTEES

a. Internal Governance Committee

Motion was made by Trustee Sharpe and seconded by Trustee Grover to accept the June 30, 2016 and 2015 Comprehensive Annual Financial Report (CAFR), Independent Auditor Report and all policies as presented.

Motion carried unanimously

b. Strategic Planning Committee

- i. Discussion and Action Regarding the Strategic Planning Committee's recommendation to approve the 2017-2019 Strategic Plan [View](#)

Motion was made by Trustee Dhillon and seconded by Trustee DeMartini to accept the Strategic Planning Committee's recommendation to approve the 2017-2019 Strategic Plan as presented

Motion carried unanimously

11. Closed Session

Motion was made by Trustee Grover and seconded by Trustee O'Neal to move in to closed session at 3:45 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)
- 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. Discussion and Action regarding the Executive Director's Annual Review
Public Employment Government Code Section 54954.5

Motion was made by Trustee O'Neal and seconded by Trustee Grover to move in to open session at 4:13 p.m.

Motion carried unanimously

Trustee Gharat reported Item 11.c.was discussed in closed session.

While in open session motion was made by Trustee O'Neal and seconded by Trustee Grover to accept the recommendation of The Executive Director Evaluation Committee and grant a 5% increase in salary to the Executive Director. This increase is reflected as \$88.55 hourly and \$184,184.00 annually.

Motion carried unanimously

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

Trustee DeMartini asked if staff could attempt to get out agenda items on Thursdays prior to the next week's board meeting.

Trustee Sharpe notified the Board that he would not be at the December meeting.

Trustee Gharat thanked staff for its quick turnaround on the processing of a member death benefit and relayed a message from Trustee Riley asking to agendize a topic for the 13th regarding interest in media training by the County.

13. Adjournment

Meeting adjourned at 4:17 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Santos", written over a horizontal line.

Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel