Members Present: Gordon Ford, Maria De Anda, Donna Riley, Ron Martin
Mike Lynch, Jim DeMartini, Darin Gharat, Michael O’Neal, and Jeff Grover

Absent: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Interim Executive Assistant
Dawn Lea, Benefits Manager
Kathy Herman, Operations Manager
Kathy Johnson, Accountant

Others Present: Fred Silva, General Legal Counsel
Harvey Leiderman, Reed Smith
Paul Harte, Strategic Investment Solutions (SIS), Inc.
Monica Nino, Doris Foster & Nancy Bronstein
County Chief Executive Office
Deirdre McGrath, County Counsel
Jeanine Bean, Superior Courts

1. Meeting called to order at 2:02 p.m. by Jim DeMartini, Chair.

2. Roll Call

3. Announcements
None.

4. Public Comment
None.

5. Consent Items
Motion was made by Maria De Anda and seconded by Darin Gharat to approve the following items.
Motion carried.

a. Approval of the October 23, 2012, Administrative Meeting Minutes
5. **Consent Items (Cont.)**

b. Approval of the November 7, 2012, Administrative Meeting Minutes

c. StanCERA Investment Managers Peer Rankings for Quarter Ending September 30, 2012

d. Approval of the Continuing Education Calendar Record for 2011


f. Receipt of the State Association of County Retirement Systems’ (SACRS) November 16, 2012 Business Meeting Packet

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

1. Christine Applegate, CSA, Effective 11-03-12
2. Rhonda Brink, CSA, Effective 11-03-12
3. Emma Chavez, BHRS, Effective 11-09-12
4. Lillie Clark, BHRS, Effective 11-03-12
5. Brenda Cleary, Stanislaus Regional 911, Effective 10-17-12
6. Wagner De Freitas, Sheriff, Effective 11-17-12
7. Richard Dodge, District Attorney, Effective 11-02-12
8. Sysvanh Kabkeo, CSA, Effective 11-02-12
9. Kim Kilby, CSA, Effective 10-09-12
10. Sandra Parrish, CSA, Effective 11-02-12
11. Kenneth Patterson, CSA, Effective 11-04-12
12. Catherine Pierce, CSA, Effective 11-03-12
13. Susan Seibert, CEO/BOS, Effective 11-17-12
14. Linda Spencer, HSA, Effective 11-03-12
15. Sharon Trejo, HSA, Effective 11-03-12
16. Myrnice Valentine, CSA, Effective 11-10-12

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

1. Anthony Barbagallo, CSA, Effective 09-29-12
2. Ramon Bawanian, DA, Effective 10-20-12
3. Aaron Farnon, Planning & Community Dev., Effective 10-1-12
4. Della Garcia, HSA, Effective 08-25-12
5. Sarah Harcrow, Sheriff, Effective 06-15-07
6. Beth Holmes, Library, Effective 10-9-12
7. Jean Laurie Lopez, CSA, Effective 10-10-12
8. Erica Inacio, Children & Families Commission, Effective 10-6-12
9. Evelina McDowall, HSA, Effective 09-1-12
10. Timothy Reed, Sheriff, Effective 07-14-12
11. Sharon Wardale-Trejo, DCSS, 09-14-12
12. Christopher Yamada, Public Defender, 08-4-12
6. **Strategic Investment Solutions (SIS), Inc.**

a. Investment Performance Analysis for the Quarter Ending September 30, 2012

The composite fund returned 5.4% in the third quarter of 2012 and ranked in the 5th percentile among other public funds (4.6% median). The fund beat its policy index (4.6%) during this time period. Longer term, the three and five year returns of 9.9% and 2.6%, ranked above and below the median among total public plans (8.9% and 2.9%, respectively).

b. StanCERA Investment Managers Review List for Quarter Ending September 30, 2012

c. Monthly Performance Review for the Month Ending October 31, 2012

Mr. Harte presented the monthly performance review for the period ending October 31, 2012. As of October 2012, StanCERA’s portfolio is $1.44 billion, a -0.48% decrease from the prior month. The fiscal year to date return is 5.19%, above StanCERA’s policy index of 4.00%.


7. **Executive Director**

a. Report on Investment Funds Transfer – Invesco to BlackRock

Kathy Herman reported on transfer of funds from Invesco to BlackRock.

**Heard Out of Order**

8. **Closed Session**

Motion was made by Darin Gharat and seconded by Donna Riley to commence to Closed Session at 2:36 p.m.

Motion carried.

Motion was made by Darin Gharat and seconded by Mike Lynch to return to Open Session at 2:50 p.m.

Motion carried.

a. Compliance with Public Employees’ Pension Reform Act – Government Code Section 54956.9(b)(1)

No Report

Mr. DeMartini read the findings of the Closed Session:
7. **Executive Director**


Motion was made by Mike Lynch and seconded by Michael O’Neal to exclude bonuses from pensionable compensation for current members.

Roll Call Yes: Donna Riley, Ron Martin, Mike Lynch, Jim DeMartini, Darin Gharat, Michael O’Neal and Jeff Grover.

Roll Call No: Maria De Anda

Abstain: Gordon Ford

Motion carried.

Motion was made by Darin Gharat and seconded by Ron Martin to adopt “base pay only” for new members until further legislative or case law clarification.

Roll Call Yes: Maria De Anda, Donna Riley, Ron Martin, Mike Lynch, Darin Gharat, Michael O’Neal and Jeff Grover.

Roll Call No: Gordon Ford and Jim DeMartini

Motion carried.

Motion was made by Jeff Grover and seconded by Ron Martin to exclude Deferred Compensation from pensionable compensation for new members.

Roll Call Yes: Ron Martin, Mike Lynch, Jim DeMartini, Darin Gharat, Michael O’Neal and Jeff Grover.

Roll Call No: Maria De Anda and Donna Riley

Abstain: Gordon Ford

Motion carried.

Motion was made by Darin Gharat and seconded by Gordon Ford to continue to include “on-call pay” in pensionable compensation for current members.

Motion carried unanimously.
7. **Executive Director (Cont.)**

c. Inclusion of the 6% Pay Deduction/Exemption in the Pensionable Compensation of those Members Retiring Prior to July 1, 2014 and Compliance with Public Employees’ Pension Reform Act

   Motion was made by Darin Gharat and seconded by Michael O’Neal to include the 6% Pay Deduction/Exemption in pensionable compensation.

   Motion carried unanimously.

   d. New Legislation Update

8. **Closed Session**

   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(a)

      No Closed Session

   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
      Government Code Section 54956.9(b)

      No Closed Session

Gordon Ford left at 4:28 p.m.

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

   Mr. Gharat requested Board of Retirement to consider which committees they would like to be on for 2013.
10. **Adjournment**

Meeting adjourned at 4:32 p.m.

Respectfully submitted,

[Signature]

Rick Santos, Executive Director

APPROVED AS TO FORM:
FRED A. SILVA, GENERAL LEGAL COUNSEL

By:
[Signature]

Fred A. Silva, General Legal Counsel