



**BOARD OF RETIREMENT MINUTES**  
**February 27, 2018**

1. Call Meeting to Order

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

2. Roll Call

**Trustees Present:** Donna Riley Jim DeMartini, Jeff Grover, Sam Sharpe, Mandip Dhillon, Mike Lynch, Darin Gharat and Lauren Kline

**Trustees Absent:** Michael O'Neal

**Alternate Trustee** Rhonda B, Alternate Retiree Representative

**Staff Present:** Rick Santos, Executive Director  
Natalie Elliott, Interim Fiscal Services Manager  
Kellie Gomes, Executive Board Assistant  
Chris Wisdom, Investment Officer

**Others Present:** Fred Silva, General Legal Counsel  
Ed Hoffman, Investment Consultant

3. Announcements

Kellie Gomes announced the January 23, 2017 Meeting minutes will be amended to reflect the correct Chair as Mike Lynch.

Chris Wisdom announced we have finalized contract negotiations with AQR. We will fund this strategy on March 7, 2018

4. Public Comment

None

5. Consent Items

- a. Approval of the January 23, 2017 Meeting Minutes [View](#)
- b. Monthly Staff Report
- c. 2018 Cost of Living Adjustment
- d. Fiscal year 2017-2018 Mid-Year Budget Review
- e. Reed Smith Legal Fee Renewal

5. Consent Items (Cont.)

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

1. De Forest, Douglas – Sheriff – Effective 02-03-18 \*
2. Garza, Alvaro – HSA – Effective 01-08-18
3. Gonzales, Richardo – BHRS – Effective 02-04-18
4. Hamilton, Linda – Sheriff – Effective 02-09-18
5. King, Deborah – GSA – Effective 01-24-18
6. Magana, Rosa – CSA – Effective 02-03-18
7. Mahan, Liana – CSA – Effective 02-06-18
8. Mercurio, John – Sheriff – Effective 01-27-18 \*
9. Mukherjee, Uday – BHRS – Effective 02-05-18
10. Nicholls, Theodore – Sheriff – Effective 02-15-18 \*
11. Perez, Maria – HSA – Effective 01-20-18
12. Yesalavich, Rose – T/TC – Effective 02-2-18

*\* Indicates Safety Personnel*

g. Approval of Deferred Retirement(s) – **Government Code Section 31700**

1. Aleman, Rosa – Probation – 01-06-18
2. Bloom, Sarah – Auditor Controller – 10-12-17
3. Buck, Gregory – Sheriff – 09-14-17 \*
4. Carrillo, Jared – DA – 01-06-18
5. German, Noemi – HSA – 02-03-18
6. Lawani, Abievhese – HSA – 07-15-17
7. Looney, Victoria – BHRS – Effective 12-09-17
8. McCay, Ryan – Sheriff – Effective 12-30-17
9. Samaniego, Paola – CSA – 01-20-18
10. Stewart, Juleana – HSA – 10-19-18
11. Torres, Jason – DA – Effective 10-07-17
12. Wilson, Michael – BHRS – Effective 01-27-18
13. Varner, Abbagail – Probation – Effective 01-06-18 \*

*\* Indicates Safety Personnel*

Motion was made by Trustee Gharat and seconded by Trustee Kline to accept the consent items as presented with the announced change to the minutes.

Motion carried unanimously

6. Investment

a. Real Estate Allocation

Motion was made by Trustee Grover and seconded by Trustee Gharat to approve the staff recommendation as follows:

1. Allocate 2.5% (approximately \$54 million) to a dedicated US Real Estate Debt manager to be selected by the Board of Retirement.
2. Increase current allocation to Morgan Stanley Prime Property Fund to 2.5%.
3. Increase current allocation to American Realty Advisors Fund to 2.5%.
4. Maintain existing allocation of approximately 0.7% (\$14 million) to Greenfield GAP VII Fund.
5. Authorize staff to negotiate and execute final contract to fund Greenfield GAP VIII Fund for an allocation of approximately 1.8% (\$40 million).
6. Eliminate allocation to the Blackrock US Real Estate Fund.

Motion carried unanimously

- b. Prudential (PGIM) Real Estate US Debt Strategy  
Agenda Item [View](#)

Motion was made by Trustee Gharat and seconded by Trustee Dhillon to approve the staff recommendation as follows:

1. Allocate 2.5% (approximately \$54 million) to the PGIM Real Estate US Debt (PREDS) strategy.
2. Authorize staff to negotiate and execute final contract with Prudential.

Motion carried unanimously

7. Verus – Investment Consultant

- a. Workplan [View](#)
- b. January Flash Report [View](#)
- c. Investment Performance 2017 Quarter 4 Review [View](#)

8. Administrative

- a. 2017 Actuarial Valuation

Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the June 30, 2017 Actuarial Valuation as presented.

Motion carried unanimously

8. Administrative (Cont.)

- b. Information Technology Solutions (ITS) Project Update [View](#)
- c. State Association of County Retirement Systems (SACRS) 2018 Spring Business Meeting

Motion was made by Trustee Lynch and seconded by Trustee Grover to assign the proxies as follows for the 2018 Spring Business meeting:

1<sup>st</sup> Proxy Trustee Gharat and 2<sup>nd</sup> Proxy Trustee O'Neal

Motion carried unanimously

9. Closed Session

Motion was made by Trustee Dhillon and seconded by Trustee Gharat to move in to closed session at 2:49 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 54956.9d)(4)

9. Closed Session (Cont.)

Motion was made by Trustee Grover and seconded by Trustee Riley to move in to open session at 2:59 p.m.

Motion carried unanimously

Nothing to Report Out

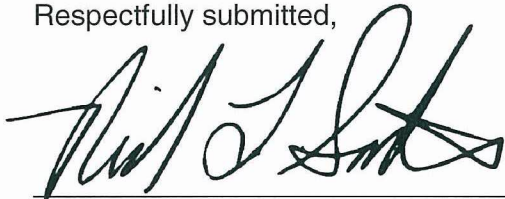
10. Members' Forum (Information and Future Agenda Requests Only)

None

11. Adjournment

Meeting adjourned at 2:59 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