



BOARD OF RETIREMENT MINUTES

March 16, 2016

- Trustees Present:** Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley, Mandip Dhillon
Mike Lynch, Sam Sharpe and Gordon Ford
- Alternate Trustee** Joan Clendenin, Alternate Retiree Representative
- Trustees Absent:** Jason Gordo
- Staff Present:** Rick Santos, Executive Director
Kathy Herman, Fiscal Services Manager
Dawn Lea, Member and Employer Services Manager
Kellie Gomes, Executive Board Assistant
- Others Present:** Fred Silva, General Legal Counsel
Ed Hoffman, Investment Consultant

1. Meeting Called to Order

Meeting called to order 1:05 p.m. by Trustee Riley, Chair

2. Roll Call

3. Announcements

Kellie Gomes announced there was a department change listed on the agenda for retirement for Herrera, Manuel – GSA – Effective 08-18-2015. The correct department is HSA.

4. Public Comment

None

5. Consent Items

- a. Approval of the February 17, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. Investment Fee Summary
- d. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 1. Anderson, Jeffrey – Library – Effective 03-09-2016
 2. Baker, Deborah – CSA– Effective 03-19-2016
 3. Balch, Joyce – HSA – Effective 03-31-2016
 4. Ball, Scott – Probation – Effective 03-01-2016 *
 5. Biesemeier, Robin – CSA– Effective 03-31-2016
 6. Brush, Alan – AAVS – Effective 03-19-2016
 7. Buchanan, Gale – HSA– Effective 02-20-2016
 8. Cashen, Norman– Sheriff – Effective 03-31-2016 *
 9. Castillo, Dolores – CSA – Effective 03-31-2016
 10. Clouse, Denise – CSA– Effective 03-31-2016
 11. Corey, Jeffrey – Sheriff – Effective 03-19-2016 *

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

12. Cox, Roseanne – CSA – Effective 03-05-2016
13. Curci, Karen – Probation – Effective 03-02-2016
14. De Leon, Norma – CSA – Effective 03-19-2016
15. Destafney, Kathryn – Superior Court – Effective 03-01-2016
16. Di Bartolo, Toni – HSA – Effective 03-19-2016
17. Dixon, Michael – Sheriff – Effective 03-03-2016 *
18. Domico, David – Probation – Effective 03-31-2016 *
19. Downing, Valery – DCSS – Effective 03-18-2016
20. Duchala, Joseph – Ag Comm – Effective 03-05-2016
21. Dughi, Nellie – Superior Court – Effective 03-19-2016
22. Ellsaesser, Adrienne – DER – Effective 03-31-2016
23. Ferraro-Tallman, Christine – BOS – Effective 03-05-2016
24. Fimbrez, Lolly – Probation – Effective 03-19-2016
25. Ford, Frances – Animal Services – Effective 03-19-2016
26. Genn, Evelyn – CSA – Effective 03-31-2016
27. Gheith, Teresa – CSA – Effective 03-31-2016
28. Greer, James – AAVS – Effective 03-31-2016
29. Guerra, Reynaldo – Sheriff – Effective 03-17-2016 *
30. Hamrick, Arlene – DER – Effective 03-02-2016
31. Herrera, Manuel – GSA – Effective 08-18-2015
32. Jackson, Connie – DER – Effective 03-18-2016
33. Jacobs, James – Sheriff – Effective 03-19-2016 *
34. Kumimoto, Bryan – DER – Effective 03-02-2016
35. Labarthe, Movette – Animal Services – Effective 03-26-2016
36. Leal, John – CSA – Effective 03-02-2016
37. Lusk, Laurie – BHRS – Effective 03-19-2016
38. Martinez, Joe – Animal Services – Effective 03-31-2016
39. McCormick, Brenda – Planning – Effective 03-19-2016
40. Merchant, Jeanette – BHRS – Effective 03-31-2016
41. Merrill, Ginger – HSA – Effective 03-05-2016
42. Mihaltan, Susan – CSA – Effective 03-19-2016
43. Mitchell, Beverly – CSA – Effective 03-31-2016
44. Moniz, Anthony – DER – Effective 03-18-2016
45. Morrison, Mark – CSA – Effective 03-19-2016
46. Nunes, John – Sheriff – Effective 03-19-2016 *
47. Parke, Area – District Attorney – Effective 03-19-2016
48. Peterson, Susan – Alliance Worknet – Effective 03-31-2016
49. Prevette, Geertruida – HSA – Effective 03-19-2016
50. Redding, Billy – Sheriff – Effective 03-03-2016 *
51. Reiff, Laura – Sheriff – Effective 03-31-2016 *
52. Richards, Nancy – CSA – Effective 03-19-2016
53. Ringsby, Gloria – CSA – Effective 03-05-2016
54. Roberts, Paulette – HSA – Effective 03-19-2016
55. Roof, Natascha – Probation – Effective 03-26-2016 *
56. Roy, Matthew – Sheriff – Effective 03-18-2016 *
57. Sakai, Gail – HSA – Effective 03-31-2016
58. Schmidt, Kathren – CSA – Effective 03-05-2016
59. Segoviano, Sandra – Library – Effective 03-04-2016
60. Shepherd, Daniel – CSA – Effective 03-18-2016
61. Siebe, Barry – City of Ceres – Effective 03-03-2016
62. Stewart, Beverly – Sheriff – Effective 03-31-2016

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

63. Tracey, Stephanie – CSA – Effective 03-19-2016
 64. Viss, Janice – CSA – Effective 03-31-2016
 65. Whitehead, Robin – StanCOG – Effective 03-31-2016
 66. Wyatt-Stokman – CSA – Effective 03-22-2016
- * Indicates Safety Personnel*

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

1. Bronstein, Nancy – CEO – Effective 01-23-2016
2. Genasci, Anna – Ag Comm – Effective 03-01-2016
3. Grubb, Tara – CSA – Effective 01-31-2014
4. Hernandez, Rebecca – CSA – Effective 10-03-2015
5. Moran, Marta – DCSS – Effective 12-12-2015
6. Pena, Maricela – CSA – Effective 02-27-2016
7. Perez, Yvette – HSA – Effective 12-16-2015
8. Serrato, Michelle – BHRS – Effective 12-29-2015

** Indicates Safety Personnel*

Motion was made by Trustee Dhillon and seconded by Trustee O’Neal to approve consent items as presented with the correction announced to Manuel Herrera.

Motion carried unanimously

6. Investment Manager Annual Presentation

a. LSV Presentation

I. Value Added Report

Keith Bruch and Bhaskaran Swaminathan participated by conference call and gave an update on LSV Asset Management’s performance.

b. PIMCO Presentation

I. Value Added Report

Matt Clark and Sasha Talcott participated by conference call and gave an update on PIMCO’s performance.

7. Verus – Investment Consultant

a. February 29, 2016 Flash Report – Will be provided at the meeting

This item was not available and will be on next months agenda.

b. Private Equity Educational Session– Presented by Pathway

Linda Chaffin and Jason Jenkins from Pathway Capital Management provided an educational overview of Private Equity.

2:57 Break

3:09 Return from Break

8. Executive Director - Investment

a. The Fully Functional Portfolio Presentation

Rick Santos, Executive Director provided an education session on the concept of a fully functional portfolio. The Fully Functional Portfolio essentially sets aside or earmarks money to fund future benefits obligations or shortfalls (benefits less contributions) using very liquid, high grade fixed income assets. The concept uses the fact that since liabilities (cash flows) are covered for a specified period of time, the portfolio has the ability to take value added risks elsewhere in the portfolio and not have to count on that part of the portfolio to meet benefit needs or provide liquidity in the event of a negative market event.

b. Setting of the 2016-2017 Employee and Employer Contribution Rates

I. Discussion and Action Regarding the Asset Allocation

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to approve a rebalance as presented. A roll call vote was as follows:

Trustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Riley	Yes
Trustee Dhillon	Yes
Trustee Lynch	No
Trustee Ford	No
Trustee Sharpe	Yes

Motional passed 6/2

II. Discussion and Action Regarding the 2015 Preliminary Actuarial Valuation

No action taken on this Item.

9. Executive Director - Administrative

a. Discussion and Action Regarding SACRS 2016-2017 Board of Directors Election

No action taken on this Item.

b. Information Technology Solutions (ITS) Project Update

Dawn Lea gave a brief update on the status of the ITS project.

c. Legal/Legislation Update

Dawn Lea gave a brief update on the status AB 1853.

10. Committee Reports and Recommendations for Action

STANDING COMMITTEES

Strategic Planning Committee

a. Discussion and Action Regarding the 2017-2019 Strategic Plan

Motion was made by Trustee O'Neal and seconded by Trustee DeMartini to approve staff recommendation to retain the 4 high level Organizational objectives developed in 2013 and bring back to the Committee, secondary goals and actionable items related to those objectives sometime later in the year and ultimately develop a Strategic Plan Document prior to the end of 2016.

Motion carried unanimously

11. Closed Session

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)

No closed session items were heard

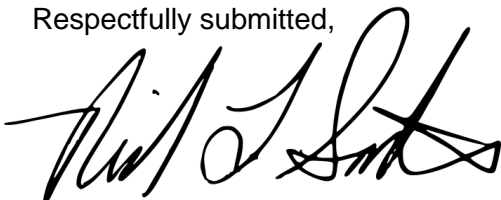
12. Members' Forum (Information and Future Agenda Requests Only)

Trustee Clendenin requested a discussion action item be on the next agenda regarding the start time of our meetings. Trustee DeMartini requested this item include a day of the month change.

13. Adjournment

Meeting adjourned at 4:39 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: _____
Fred Silva, General Legal Counsel