



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

March 25, 2014

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

Alternate Member: Joan Clendenin, Alternate Retiree Representative

Members Absent: Maria De Anda

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

1. Meeting Called to Order

Meeting called to order at 2:01p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

Executive Director announced that there are new Brown Act Reporting Requirements. Specifically, legislation now "requires legislative bodies to verify the vote or abstention of each member and publicly announce the action taken and the vote or abstention of each member."

It was agreed that staff will implement the new requirements as follows:
A voice call vote will be called first, and if the vote is not unanimous, a roll call vote will then be taken. If, prior to any vote, Board members alert the rest of the Board of their intention to vote "no" on a motion, then a roll call vote will be taken first. Absent notification by a Board member of intention to vote "no," the Board secretary will call for a voice vote first.

Kellie Gomes noted a correction has been made to the minutes to reflect Melinda Martinez, effective date change to 03/29/2014.

4. Public Comment

5. Consent Items

- a. Approval of the March 12, 2014 Administrative Meeting Minutes
- b. Correspondence – White Oak Pinnacle Fund, L.P.
- c. Correspondence – Medley Opportunity Fund II LP
- d. Northern Trust, Global Custody, Securities Lending and Related Services Signature Resolution

Motion was made by Jeff Grover and seconded by Michael O'Neal to approve the above consent items with the above revisions to the March 12, 2014 minutes.

Motion Carried

6. CHEIRON (Formerly EFI)

- a. Discussion and Action on CHEIRON Actuaries Presentation of the 2013 Final Actuarial Valuation

Rick Santos presented on behalf of Graham Schmidt the 2013 Final Actuarial Valuation. Motion was made by Darin Gharat and seconded by Donna Riley to accept the 2013 Valuation and the resulting employer and employee rates for fiscal year 2014-2015.

Roll Call Vote was as follows:

Gordon Ford	Yes	Jim DeMartini	Yes
Donna Riley	Yes	Jason Gordo	Yes
Mike Lynch	Yes	Michael O'Neal	No
Jeff Grover	Yes	Darin Gharat	Yes

Vote Passes 7 to 1

7. Annual Update Direct Lending Report – Medley Opportunity Fund II LP

Seth Taube from Medley Opportunity gave an update on the fund, briefly explaining StanCERA's position in the fund and discussing some of the investments within the fund and how they are performing. Seth noted that StanCERA has funded \$23.6 million of its \$30 million commitment. The investment period for the Medley Fund II closes in June of 2014.

8. StanCERA's Real Estate Asset Class

- a. Discussion and Action Regarding New Investment Commitments to StanCERA's Real Estate Asset Class
 - i. Presentation by American Realty Advisors
 - ii. Presentation by Greenfield partners, LLC

The Board recommended that staff bring back this item to the Board for an allocation decision pending further due diligence. This item will be placed on the April 22, 2014 agenda.

9. Strategic Investment Solutions (SIS), Inc.

- a. Monthly Performance Review for the Month Ending February 28, 2014

Monthly Return: 3.41%

Fiscal YTD: 14.12%

Fiscal YTD alpha: 1.94%

Total Fund Value as of January 31, 2014: \$1,735,527,260

- b. Report on "Top 10 Holdings" of StanCERA Investment Managers as of February 28, 2014

10. Executive Director

- a. Discussion and Action Regarding an Investment Policy Change

The Board requested this item return to the Board after SIS gathered additional information from PIMCO.

- b. Update on Assets Under Management by Inview

The Director gave an update on the amount of Inview's total assets under management that can be attributed to StanCERA. Inview currently manages approximately \$85 million. Of that, \$21.2 million can be attributed to StanCERA. Consequently, StanCERA's assets as a % of Inview's total represent approximately 24.8%.

- c. Discussion and Action Regarding the Extension of the Investment Contract with Strategic Investment Solutions, Inc

Motion was made by Darin Gharat and seconded by Jeff Grover to approve the extension of the Investment Contract with SIS as recommended by staff through the 2014-2015 fiscal year.

Motion Carried

11. Closed Session

Motion was made by Darin Gharat and seconded by Donna Riley to enter into closed session at 4:50 p.m.

11. Closed Session (Cont.)

- 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)

Motion was made by Darin Gharat and seconded by Jeff Grover to enter into open session at 4:57p.m.

No items to Report out from Closed Session

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

None

13. Adjournment

Meeting adjourned at 4:57 p.m.

Respectfully submitted,



Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel