



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

March 26, 2013

**Members Present:** Gordon Ford, Maria De Anda, Mike Lynch, Jim DeMartini,  
Darin Gharat, Jeff Grover and Ron Martin

**Members Absent:** Donna Riley and Michael O'Neal

**Absent Alternate Member** Joan Clendenin, Alternate Retiree Representative

**Staff Present:** Rick Santos, Executive Director  
Kellie Gomes, Executive Board Secretary  
Kathy Herman, Operations Manager

**Others Present:** Fred Silva, General Legal Counsel  
Paul Harte and Nate Pratt, Strategic Investment Solutions (SIS), Inc.  
Kevin Brown, Delaware Investments  
Stan Risen, County Chief Executive Office  
Jeanine Bean, Superior Court

1. Meeting Called to Order

Meeting called to order at 2:02 p.m. by Darin Gharat, Chair.

2. Roll Call

3. Announcements

None.

4. Public Comment

None.

5. Consent Items

Motion was made by Maria DeAnda and seconded by Jeff Grover to approve the following Items:

Motion carried.

- a. Approval of the March 13, 2013 Administrative Meeting Minutes

6. Semi-Annual Performance Report by Delaware Investments

Presenters: Kevin Brown, Vice President, Senior Investment Specialist

Investment Style: Large-Cap Growth Equity Portfolio

Inception: \$104 million Funded on September, 2006

Portfolio Assets: \$125 million as of February 28, 2013

Total Return: 10.40% 1 yr.gross of fees as of February 28, 2013

Total Return: 9.59% - 1 yr Benchmark, Russell 1000 growth index as of February 28, 2013

7. Strategic Investment Solutions (SIS), Inc.

a. Monthly Performance Review for the Month Ending February 28, 2013

Monthly performance – 0.54%

Fiscal YTD – 11.81%

Fiscal YTD alpha – 2.01%

Total fund value as of February 28: \$1.518 billion

b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of February 28, 2013

A review of the Monthly Performance and the “Top 10 Holdings” was given by Paul Harte (SIS).

c. Update on Direct Lending Fund Candidate Review

Paul Harte, SIS, Inc. reported that the Side Letter for Medly LLC is ready for legal review and should be ready to be presented at the April Investment meeting.

8. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Strategic Planning Committee [View](#)

i. Discussion and Action to Accept the Recommendation of the Strategic Planning Committee to Utilize Cortex Applied Research, for the 2013-2016 Strategic Planning Process [View](#)

Motion was made by Darin Gharat and seconded by Maria DeAnda to approve the recommendation of the Strategic Planning Committee to Utilize Cortex Applied Research for the 2013-2016 Strategic Planning Process. The Board has agreed to delay the meeting until Tom Iannucci, Cortex President is available to facilitate.

Motion Carried.

b. Internal Governance Committee

- i. Discussion and Action on Attendance and Travel Cost for the 2013 California Retired County Employees Association (CRCEA) Spring Conference held on April 15-17, 2013 in Long Beach, CA

Motion was made by Ron Martin and seconded by Jim DeMartini to decline StanCERA's paying for Trustees' travel expenses to this event.

Motion carried.

9. Executive Director

- a. New Legislation Update

None.

- b. Discussion and Action on the Addition to the Investment Policy Statement Regarding Direct Lending

Motion was made by Michael Lynch and seconded by Ron Martin to approve the addition to the Investment Policy Statement regarding Direct Lending as submitted.

Motion carried.

10. Closed Session

Motion was made by Maria DeAnda and seconded by Ron Martin to enter into closed session at 3:03pm

Motion carried.

- a. Discussion and Action Regarding Investment in Raven Capital Management  
Roll call Vote Required. Government Code Section 54956.81

Motion was made by Michael Lynch and seconded by Ron Martin to authorize Paul Harte, Strategic Investment Solutions (SIS), Rick Santos, Director of StanCERA and Scott Smith of Hanson and Brigett to negotiate a Side Letter Agreement with Raven Capital. The Board authorized Rick Santos to enter into all necessary agreements with Raven Capital provided that Raven agrees to the terms specified by the Board.

Roll Call Yes: Maria DeAnda, Michael Lynch, Jim DeMartini, Darin Gharat, JeffGrover and Ron Martin

Roll Call No: Gordon Ford



10. Closed Session (Cont.)

- 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 Report.

- c. 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)

No Report.

- d. Conference with Legal Counsel – Pending Litigation – One Case:  
O'Neal et al v. Stanislaus County Employees' Retirement Association  
Stanislaus County Superior Court Case No. 683548  
Government Code Section 54956.9(d)(1)

No Report.

- e. 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(d)(1)

No Report.

Motion was made by Michael Lynch and seconded by Maria DeAnda to return from closed session at 4:10 pm

Motion carried.

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

Trustee DeAnda directed staff to look into encryption abilities concerning closed session items.

Trustee Lynch requested that staff research payroll service options with the intent of StanCERA administering its own payroll and human resource functions.

12. Adjournment

Meeting adjourned at 4:13 p.m.

Respectfully submitted,



Rick Santos, Executive Director



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