



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

### BOARD OF RETIREMENT MINUTES

April 23, 2013

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

**Members Absent:** Mike Lynch

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

**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  
Paul Harte and Nate Pratt, Strategic Investment Solutions (SIS), Inc.  
Doris Foster, County Chief Executive Office  
Stan Risen, County Chief Executive Office

1. Meeting Called to Order

Meeting called to order at 2:00 p.m. by Darin Gharat, Chair.

2. Roll Call

3. Announcements

None.

4. Public Comment

None.

5. Consent Items

Motion was made by Jeff Grover and seconded by Michael O'Neal to approve the following Items:

Motion carried.

- a. Approval of the April 10, 2013 Administrative Meeting Minutes.
- b. StanCERA Complaint Log of January 2013 through March 2013.

6. Semi-Annual Performance Report by LSV Asset Management.

Presenters: Keith Bruch, CFA, Partner & Director, Client Portfolio Service

Investment Style: Asset Management

Inception: \$81 million Funded on September, 2004

Portfolio Assets: \$134 million as of March 31, 2013

Total Return: 8.9% 1 yr. Net of fees as of March 31, 2013

Total Return: 8.74% - 1 yr Benchmark, MSCI ACWI EX US as of March 31, 2013

7. Semi-Annual Performance Report by Pyramis Global Advisors.

Presenters: Michael Strong, Lead Portfolio Manager

Investment Style: International Growth

Inception: \$99 million Funded on May, 2006

Portfolio Assets: \$138 million as of March 31, 2013

Total Return: 10.3% 1 yr. Net of fees as of March 31, 2013

Total Return: 8.4% - 1 yr Benchmark, MSCI ACWI EX US as of March 31, 2013

8. Correspondence

- a. Discussion and Action regarding Correspondence from Dodge & Cox Regarding Their Ability to Invest in Over-the-Counter (OTC) Equity Securities Traded on Foreign Exchanges

Motion was made by Gordon Ford and seconded by Michael O'Neal to not authorize Dodge and Cox to Trade in International, Over The Counter Equity Securities.

Motion carried.

9. Strategic Investment Solutions (SIS), Inc.

a. Monthly Performance Review for the Month Ending March 31, 2013.

Monthly performance – 2.15%

Fiscal YTD – 14.25%

Fiscal YTD alpha – 2.47%

Total fund value as of March 3, 2013: \$1.547 billion

b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of March 31, 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 the update on the allocation to Medley Capital..

10. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

i. Discussion and Action to Accept the Recommendation of the Internal Governance Committee for Request for Proposal (RFP) for Actuarial Services.

Motion was made by Ron Martin and seconded by Donna Riley to approve the recommendation of the Internal Governance Committee to hire Segal company on a temporary basis to complete the actuarial audit of the 2012 actuarial valuation and the 2009-2012 experience study with a cap for services at 5% greater than what was originally quoted by Milliman.

Motion Carried.

11. Executive Director

a. Presentation, Discussion and Action on StanCERA’s Draft 2013-2014 Fiscal Year Administrative Budget

Kathy Herman presented the draft budget for fiscal year 2013-2014. Staff will now work to finalize the budget for presentation in June.



11. Executive Director (Cont.)

b. Update on Implementation of Payroll System for StanCERA.

Kathy Herman gave the Board an update on the Board's request that staff research the feasibility of StanCERA implementing its own payroll system. Staff will continue to research the issue and report back to the Board.

c. Bonds and Pension Liability – Session 1

Director Rick Santos presented a study session on the relationship between bonds and pension liabilities.

12. Closed Session

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:

O'Neal et al v. Stanislaus County Employees' Retirement Association  
Stanislaus County Superior Court Case No. 683548  
Government Code Section 54956.9(d)(1)

d. 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)

Motion was made by Maria De Anda and seconded by Ron Martin to enter into closed session at 4:19 pm

Motion carried.

Motion was made by Maria De Anda and seconded by Ron Martin to return from closed session at 4:21 pm

Motion carried.

Nothing to report from closed session.

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

Trustee De Anda asked staff to give a brief update on any Tyler issues regarding PEPRA Implementation.

9. Adjournment

Meeting adjourned at 4:22 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:

General Legal Counsel

By:   
Fred A. Silva