



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
832 12th Street, Suite 600
Modesto, CA 95354
Mail: P.O. Box 3150 95353-3150

Phone (209) 525-6393
Fax (209) 558-4976
www.stancera.org
e-mail: retirement@stancera.org

PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

May 22, 2012

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

Alternate Member

Absent: *Joan Clendenin, Alternate Retiree Representative*

Staff Present:

Rick Santos, Executive Director
Kelly Cerny, Executive Board Secretary
Dawn Lea, Benefits Manager
Kathy Johnson, Accountant
Reed Love, I.T. Coordinator

Others Present:

Fred Silva, General Legal Counsel
Paul Harte & Nathan Pratt, Strategic Investment Solutions (SIS), Inc.
Harvey Leiderman, Reed Smith, via teleconference
Stan Risen, County Chief Executive Office

1. Meeting called to order at 1:59 p.m. by Jim De Martini, Chair.

2. **Roll Call**

3. **Announcements**

Mr. Santos announced and introduced StanCERA's three new employees, Reed Love, I.T. Coordinator, Mary Williams, Administrative Assistant, and Alaine Taa, Retirement Technician.

4. **Public Comment**

None.

5. **Closed Session**

Motion was made by Darin Gharat and seconded by Maria De Anda to commence to Closed Session at 2:03 p.m.

Motion carried.

5. **Closed Session (Cont.)**

Motion was made by Darin Gharat and seconded by Jeff Grover to return to Open Session at 2:41 p.m.

Motion carried.

Mr. O'Neal arrived at 2:42 p.m.

Ms. Cerny read the findings of the Closed Session:

- a. Conference with Legal Counsel – Pending Litigation – One Case:
In Re: Bank of New York Mellon Corporation Foreign Exchange Transactions
Litigation, U.S. District Court, Southern District of New York,
Case Numbers 12-mdl-2335 (LAK) and 1:12-cv-03067 (LAK)
Government Code Section 54956.9(a)

No report.

- b. 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(b)

No action taken.

- 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(a)

Motion was made by Jeff Grover and seconded by Maria De Anda to
authorize StanCERA's Executive Director and General Legal Counsel
to contact Stanislaus County Counsel and report back to the Board of
Retirement.

Motion carried.

6. **Consent Items**

Ms. Cerny announced that Consent Item #6d. the Deferred Retirement dates, were
off by one day and will be amended in the May 22, 2012, Board meeting Minutes.

Motion was made by Darin Gharat and seconded by Maria De Anda to approve the
Consent Items as presented and amended.

Motion carried.

- a. Approval of the April 24, 2012, Investment Meeting Minutes
b. StanCERA Investment Managers Review List for Quarter Ending
March 31, 2012

6. **Consent Items (Cont.)**

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

1. Claudia Cunningham, Auditor-Controller, Effective 05-05-12
2. Bernard Fairfield, Public Defender, Effective 04-16-12
3. Kathleen Gomez, HSA, Effective 05-18-12
4. Sharyn Holt, HSA, Effective 05-05-12
5. Linda Macy, County Counsel, Effective 04-10-12
6. James Munoz, Sheriff, Effective 05-01-12
7. Mark Phillips, City of Ceres, Effective 03-01-12
8. Martha Selover, Sheriff, Effective 03-10-12
9. Robin Vanderheiden, BHRS, Effective 05-04-12

Revised

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

1. Agustin Alberto, CSA, Effective ~~08-31-11~~ 09-01-11
2. Cindy Sokun Am, CSA, Effective ~~03-28-12~~ 03-28-12
3. Steven M. Berkowitz, BHRS, Effective 03-16-12
4. Jennifer B. Carlsen, BHRS, Effective 01-04-12
5. Christie Ceballos, HSA, Effective ~~12-02-11~~ 12-03-11
6. Laura Guerrero, Sheriff, Effective ~~04-20-12~~ 04-21-12
7. Carol Foutz, Probation, Effective ~~02-09-12~~ 02-10-12
8. Joana Frank, CSA, Effective ~~04-03-12~~ 04-04-12
9. Trang, Nguyen, CSA, Effective ~~01-20-12~~ 01-21-12
10. Teresa Olson, HSA, Effective ~~03-02-12~~ 03-03-12
11. Stephen Spiegel, CSA, Effective ~~05-04-12~~ 05-05-12
12. George Justin Vasquez, GSA, Effective ~~04-18-12~~ 04-19-12

e. Approval of Death Benefit(s) – **Section 31781**

1. Francisco Alvarez, Deceased, May 13, 2012, Active Member, Options Pursuant to Government Code Sections 31781, 31781.1, and 31781.3

7. **Strategic Investment Solutions (SIS), Inc.**

a. StanCERA's Investment Performance Analysis for the Quarter Ending March 31, 2012

Mr. Harte presented the first quarter investment performance analysis through March 31, 2012. The composite fund returned 8.6% in the first quarter of 2012 and ranked in the 16th percentile among other public funds greater than \$100 million. The median return was 7.5%. The fund beat its policy index (7.6%) during this time period. Longer term, the three and five year returns of 19.4% and 3.3%, ranked above the median among total public plans (16.2% and 3.1%), respectively.

Asset allocation and economic assumptions will be reviewed later this year to consider strategies that improve overall risk-adjusted returns.

7. **Strategic Investment Solutions (SIS), Inc. [Cont.]**

- b. Discussion and Action on StanCERA's Quarterly Manager Review List – Performance Through March 31, 2012

No action taken.

- c. StanCERA's Monthly Performance Review for the Month Ending April 30, 2012

Mr. Harte presented the monthly performance review for the period ending April 30, 2012. StanCERA's portfolio was \$1.416 billion, a -0.73% decrease from the prior month. StanCERA's portfolio return for the month of April was -0.52%. The overall rate of return for this fiscal year to date is 2.42%, under StanCERA's fiscal year to date policy index of 3.84%.

- d. Report on "Top 10 Holdings" by StanCERA Investment Managers
e. Discussion and Action on the Disposition of the RAFI Long Short Fund

Motion was made by Gordon Ford and seconded by Jim DeMartini to withdraw from Research Affiliates (RAFI) Long Short Fund effective May 23, 2012.

Motion carried.

8. **Executive Director**

- a. Presentation, Discussion and Action on StanCERA's 2012-2013 Fiscal Year Administrative Budget

Motion was made by Jeff Grover and seconded by Darin Gharat to adopt StanCERA's 2012-2013 fiscal year administrative budget as presented.

Motion carried.

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

Ms. De Anda requested that an educational session on securities lending investments be given at a future Board meeting.

Mr. Santos informed the Board that staff conducted a preliminary analysis regarding a change in custodial banks. The analysis demonstrates that costs can be reduced and value added by sending out a Request for Proposal (RFP). The process is complex and staff will begin it in 2013.

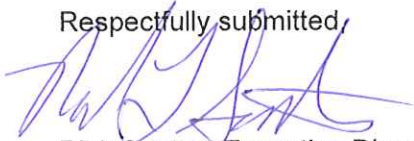
9. **Members' Forum (Information and Future Agenda Requests Only) [Cont.]**

Ms. Cerny announced Board members had received the brochure of the State Association of County Retirement Systems' (SACRS) UC Berkeley Haas School of Business Public Pension Investment Management Program, July 16-18 2012.

10. **Adjournment**

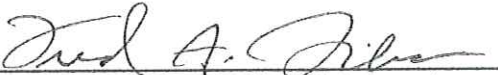
Meeting adjourned at 3:40 p.m.

Respectfully submitted,



Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel