



BOARD OF RETIREMENT MINUTES
May 23, 2017

1. Call Meeting to Order

Meeting called to order 1:30 p.m. by Trustee Gharat, Chair

Chair Darin Gharat asked to observe a moment of silence for the sudden and tragic deaths of active members Deputy Jason Raschel Johnson as well as the victims of the Manchester terror attack.

2. Roll Call

Trustees Present: Donna Riley, Michael O'Neal, Jeff Grover, Sam Sharpe, ,
Mike Lynch, Darin Gharat and Jegan Raja for Gordon Ford

Trustees Absent: Mandip Dhillon, Jim DeMartini

Alternate Trustee Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Assistant
Kathy Herman, Fiscal Services Manager
Dawn Lea, Member and Employer Services Manager

Others Present: Fred Silva, General Legal Counsel
Ed Hoffman, Investment Consultant

3. Announcements

Executive Director Rick Santos announced the resignation of Fiscal Services Manager Kathy Herman. Kathy will leave StanCERA on June 23, 2017 to join San Joaquin County Employees' Retirement Association (SJCERA) as Assistant Chief Executive Officer (ACEO).

4. Public Comment

None

5. Consent Items

Item 5.c.2 was pulled by Chair, Darin Gharat

a. Approval of the April 25, 2017 Meeting Minutes

b. Monthly Staff Report

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

1. De Mott, Jeanne – CSA – Effective 05-13-17
2. Gharat, Stacy – Probation – Effective 05-20-17 *
3. Macedo, Mark – DER – Effective 05-10-17
4. Magdaleno, Alma – CSA – Effective 05-9-17
5. Martinez, Sofia –BHRS – Effective 05-13-17
6. Oushan, Elnar – CSA – Effective 09-02-16
7. Parker, Debra – CSA – Effective 05-27-17
8. Sims, John – Children and Families – Effective 05-10-17
9. Smith, Daniel – BHRS – Effective 01-27-17

* *Indicates Safety Personnel*

5. Consent Items (Cont.)

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

1. Dias, Leticia – Ceres – Effective 04-15-17
2. Garcia, Elisa - CSA – Effective 04-29-17
3. Harris, Timothy – HSA – Effective 04-22-17
4. Hasbrouck, Theresa – CSA– Effective 04-22-17
5. Jones, Rhiannon – ESMAD – Effective 04-29-17
6. Kloefer, Robin – Ceres – Effective 03-16-17
7. Renta, Yvonne – Courts – Effective 04-05-17
8. Rosales Corona, Rosalinda – HSA – Effective 04-08-17

** Indicates Safety Personnel*

e. Approval of Death Benefit - **Government Code Sections 31781, 31781.1 and 31781.3**

1. Garner, Jason, Deceased May 13, 2017, Active Member *
2. Johnson, Raschel, Deceased May 13, 2017, Active Member

Motion was made by Trustee O'Neal and seconded by Trustee Riley to accept the consent items as presented excluding item 5.c.2 pulled by Chair, Darin Gharat.

Motion carried unanimously

1:33p.m. Chair, Darin Gharat recused himself for item 5.c.2

1:34 p.m. chair, Darin Gharat returned

Motion was made by Trustee O'Neal and seconded by Trustee Raja to accept consent item 5.c.2 as presented.

Motion carried unanimously

6. Investment Manager Presentation

1:45 p.m. Trustee Sam Sharpe arrived

a. Discussion and Action Regarding Raven Fund I and III Update

Josh Green, President & Chief Investment Officer with Raven Capital management LLC participated in a discussion by phone. No action was taken on this item.

b. Discussion and Action Regarding Medley Opportunity Fund II Advisory Committee

Motion was made by Trustee O'Neal and seconded by Trustee Grover to approve Medley Opportunity Fund II Advisory Committee request to waive the partial repayment on a loan currently held by the fund.

Motion carried unanimously

6. Investment Manager Presentation (Cont.)

c. Discussion and Action on Risk Parity Manager Search

- I. PanAgora Asset Management
- II. AQR

Motion was made by Trustee O'Neal and seconded by Trustee Riley Allocate 7% (approximately \$135 million) each to the Panagora Risk Parity Multi Asset Strategy and 7% to the AQR Global Risk Premium Extended Liquidity Strategy. Authorize staff to negotiate and execute final contracts with both managers.

Motion carried 6/1 -1 abstention of Jegan Raja

7. Executive Director – Investment

None

8. Verus – Investment Consultant

- a. 12-Month Investment Program Workplan
- b. April 30, 2017 Flash Report
- c. Investment Performance Quarter 1 Review
- d. Discussion and Action :Passive Equity Restructuring

Motion was made by Trustee Lynch and seconded by Trustee Grover to Select Northern Trust to manage the Russell 1000 passive equity mandate and authorize staff to negotiate terms of the contract

Motion carried unanimously

- e. Discussion and Action : Revised Investment Directive #1, Asset Allocation

Motion was made by Trustee Grover and seconded by Trustee Riley to Approve the revision to Investment Directive #1, including the asset allocation and recommended benchmarks as presented.

Motion carried unanimously

- f. Discussion and Action : Portfolio Rebalancing Plan

Motion was made by Trustee Grover and seconded by Trustee Riley to approve the rebalancing plan for Phases 1a and 1b of the asset allocation transition as presented.

Motion carried unanimously

9. Executive Director – Administrative

- a. Information Technology Solutions (ITS) Project Update

Dawn Lea Provided and update for the Board

9. Executive Director – Administrative (Cont.)

b. Discussion and Action : Fiscal Year 2017-2018 Proposed Administrative Budget

Motion was made by Trustee Lynch and seconded by Trustee Raja to approve the Recommended Proposed Administrative Budget for Fiscal Year 2017-2018 as presented with exception to the \$1.00 rounding error and directed staff to take the lead on 12th street building security and bring the item back to the Board with budget changes regarding building security.

Motion carried unanimously

10. Standing Committees

a. Internal Governance Committee

i. Discussion and Action : Internal Governance Committee's Recommendation

Motion was made by Trustee O'Neal and seconded by Trustee Grover to accept Committee Recommendation to approve the following five policies:

- Accounting Policy
- Desk and Process Manual Policy
- Electronic Data Security
- Purchasing Policy
- Purchasing Card Policy

and Adopt Internal Revenue Code Section 415 – Annual Limits Resolution as presented

Motion carried unanimously

11. Closed Session

Motion was made by Trustee Grover and seconded by Trustee Sharpe to move in to closed session at 4:27 p.m.

Motion carried unanimously

a. Raymond James Lease Renewal Update - Government Code 54956.8

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:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9d)(4)

Motion was made by Trustee Riley and seconded by Trustee O'Neal to move in to open session at 4:33 p.m.

Motion carried unanimously

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

Mike Lynch presented a favorable update from his recent attendance to the 2017 Spring SACRS Conference.

Joan Clendenin voiced concern about the extent of cross training and the need for succession planning.

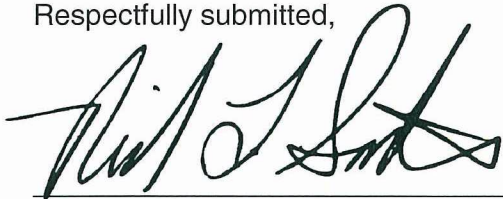
Michael O'Neal presented favorably on his attendance to the 2017 Spring SACRS Conference.

Darin Gharat spoke favorable on his attendance to the 2017 Spring SACRS Conference

12. Adjournment

Meeting adjourned at 4:40 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Santos", written over a horizontal line.

Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: Fred Silva
Fred Silva, General Legal Counsel