



**BOARD OF RETIREMENT MINUTES**  
**May 24, 2016**

**Trustees Present:** Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley, Mandip Dhillon  
Mike Lynch, Sam Sharpe and Jegan Raja for Gordon Ford

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

**Trustees Absent:** Jason Gordo

**Staff Present:** Rick Santos, Executive Director  
Kathy Herman, Fiscal Services Manager  
Kellie Gomes, Executive Board Assistant

**Others Present:** Jim Olivera, General Legal Counsel  
Ed Hoffman, Investment Consultant

1. Meeting Called to Order

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

2. Roll Call

3. Announcements

Director announced that Art DeWerk, a retiree from Ceres was pleased with learning that he could get insurance through the County and receive the tax break. As a result, staff will not attempt to put a work-around in place unless the issue comes up again.

Director announced that the Board of Supervisors accepted Jason Gordo's resignation from StanCERA and Trustee DeMartini announced that the County currently has one application for the position, Darin Gharat

4. Public Comment

None

5. Consent Items

a. Approval of the April 20, 2016 Meeting Minutes

b. Monthly Staff Report

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

1. Blades, Luke – Public Works – Effective 05-11-2016
2. Campbell, Carrie – DCSS – Effective 01-16-2016
3. Mincey, Roslyn – CSA– Effective 04-30-2016
4. Pierce, Steven – Probation – Effective 04-22-2016 \*
5. Roman, Rebecca– DCSS – Effective 05-03-2016
6. Shook, Scott – GSA – Effective 05-03-2016
7. Zaragoza, Raul – CSA – Effective 03-25-2016

*\* Indicates Safety Personnel*

5. Consent Items (Cont.)d. Approval of Deferred Retirement(s) – **Section 31700**

1. Brandon, Jeff – Probation – Effective 04-16-2016 \*
2. Campbell, Kinisha – HSA – Effective 04-21-2016
3. Carrasco, Yesenia – CSA – Effective 05-03-2016
4. Fukui, Tomonori – BHRS – Effective 04-03-2016
5. Garcia, Juan Gerardo – ER – Effective 04-06-2016
6. Hancock, Irene – CSA – Effective 03-05-2016
7. Kitcher, Keith – City of Ceres – Effective 04-03-2016 \*
8. Wu, Christina Lu-Yi – HSA – Effective 04-16-2016

*\* Indicates Safety Personnel*

Motion was made by Trustee O'Neal and seconded by Trustee Dhillon to accept the consent items as presented.

Motion carried unanimously

Item 7.a heard out of order to accommodate the Investment Manager delay of presentation (Item 6a.1.)

7. Executive Director – Investment

## a. 2016 Quarter 1 Auxiliary Investment Report

6. Investment Manager Annual Presentation

## a. Jackson Square Partners Presentation

## I. Value Added Report

Kevin Brown from Jackson Square gave an update on the fund and explained the reasons for the sub-par performance. Mainly stock selection and sector both worked against Jackson Square. The health care sector in particular was extremely depressed and Kevin explained that the sector was actually hampered by a “good” economy and some predatory pricing allegations.

7. Executive Director – Investment

## b. Additional Investment Administration Resources

Director gave a summary on the increased costs that will be necessary to continue to administer a more complex portfolio. Staff estimates the additional value/cost to be in the neighborhood of \$150,000/year.

8. Verus – Investment Consultant

## a. April 30, 2016 Flash Report

April Portfolio Return:	1.2%
April U.S. Equity:	8%
April International Equity:	2.0%
April Fixed Income:	1.0%
April Real Estate:	-1.4%

8. Verus – Investment Consultant (Cont.)

## b. Investment Performance Review QTR 1

Qtr Ytd	-0.3%	Fixed Income	2.6%
U.S. Equity	-1.6%	Real Estate	1.9%
INT. Equity	-1.3%	Direct Lending	-0.6%

## c. Risk Dashboard Review

Ed Hoffman gave the Board an overview of the risk metrics. See agenda item for statistics.

## d. Discussion and Action Regarding the Asset Allocation

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to accept the 6-year Functionally Focused Portfolio as its 3-year strategic asset allocation. The Board directed staff to bring back a timeline for the movement and to brief the Board each month on the status of the transition.

Motion passed 7/1 with a roll call vote:

Jim DeMartini	Yes
Michael O'Neal	Yes
Jeff Grover	Yes
Donna Riley	Yes
Mandip Dhillon	Yes
Mike Lynch,	No
Sam Sharpe	Yes
Jegan Raja	Yes

9. Executive Director - Administrative

## a. Information Technology Solutions (ITS) Project Update

Kathy Herman briefed the Board on the status of the project. Staff is preparing for vendor conferences next week and the final decision on the vendor choice is scheduled for August 23rd. At this time, the project is running on schedule.

## b. Discussion and Action Regarding Legal Counsel To Assist with Procurement Contracts for the Information Technology Solutions Project (ITS)

Motion was made by Trustee Dhillon and seconded by Trustee Lynch to approve the retention of Steve Miller and Robert McFarlane, of HansonBridget LLP to act as legal counsel in preparation for and negotiation of procurement contracts for the Information Technology Solutions Projects and authorize the Executive Director to execute the engagement letter for the not-to-exceed price of \$30,000.

Motion passed unanimously

9. Executive Director – Administrative (Cont.)

- c. Discussion and Action Regarding the Completion of Vacant Space at 832 12th Street, Suite 600

Motion was made by Trustee Lynch and seconded by Trustee O'Neal to accept the proposal, and authorize the Executive Director to negotiate the final terms and enter into contract with Norwood Construction for the not-to-exceed price of \$67,113 for the buildout of the vacant space on the 6th floor of 832 12th Street, Modesto, CA. and Direct staff to include an additional \$22,146 to the Fiscal Year 2016-2017 budget to complete the project. (\$17,113 plus 7.5% contingency)

Motion passed unanimously

- d. Discussion and Action Regarding Fiscal Year 2016-2017 Proposed Administrative Budget

Motion was made by Trustee Lynch and seconded by Trustee Sharpe to approve the recommended Proposed Administrative Budget for Fiscal Year 2016-2017

Motion passed unanimously

10. Closed Session

No Closed Session .

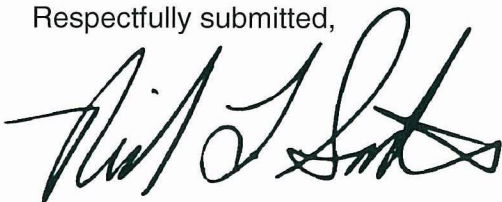
11. Members' Forum (Information and Future Agenda Requests Only)

Trustee O'Neal gave a brief update on the SACRS May conference and stated that all SACRS issues up for consideration were approved the way the Board directed the delegate committee to vote

13. Adjournment


Meeting adjourned at 3:50 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:  
Fred Silva, GENERAL LEGAL COUNSEL

By:   
Jim Oliveira, General Legal Counsel