



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

June 12, 2013

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

Members Absent: Gordon Ford

Alternate Member Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Secretary
Jamie Borba, Retirement Specialist
Donna Wood

Others Present: Matt Pacher, General Legal Counsel
Stan Risen, County Chief Executive Office
Doris Foster, County Chief Executive Office

1. Meeting Called to Order

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

2. Roll Call

3. Announcements

4. Public Comment

None

5. Consent Items

- a. Approval of the May 28, 2013 Administrative Meeting Minutes

5. Consent Items(Cont.)

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

1. Alfred Antone, District Attorney Effective 06-28-2013
2. Vicki De Castro, County Counsel Effective 06-29-2013
3. Marilyn Eppler-Noble, BHRS Effective 06-08-2013
4. Gloria Christine Fallentine, BHRS Effective 06-29-2013
5. Robin Johnson, BHRS Effective 06-08-2013
6. Deborah Kirkpatrick, Salida Sanitary District Effective 06-18-2013
7. Edwin Lazo, DCSS Effective 06-29-2013
8. Jerilynn Seabury, HSA Effective 06-29-2013
9. Kenneth Slamon Jr., CEO, Effective 06-17-2013
10. Robert Taylor, CSA Effective 06-15-2013
11. John Wilson, City Of Ceres Effective 06-15-2013

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

1. Raul Mendez, CEO, Effective 06/01/2013
2. William James Pooley, Sheriff, Effective 04/06/2013

d. Approval of Disability Retirement – **Section 31724**

1. Irene Zapien, CSA, Non-Service-Connected, Effective **11-06-12**
Corrected Date – Previously approved for 10-24-12
2. Wagner De Freitas, Sheriff, Service Connected, Effective 11-17-12

Motion was made by Donna Riley and seconded by Jeff Grover to approve consent Items Except for 5.d.2 which was pulled for discussion.

Motion Carried

Trustee Clendenin asked that Item 5.d.2 be pulled for discussion.

Trustee Clendenin asked in the future to include the following information in the disability reviews set before the Board:

- Define the party Doctor represents within the report

Motion was made by Jeff Grover and seconded by Michael O'Neal to approve consent Item 5.d.2.

Motion Carried

6. Correspondence

The Board has received notification from Dodge & Cox Regarding Quality Rating Limit

6. Correspondence (Cont.)

Director explained that as required by StanCERA's Investment Policy Statement, Dodge & Cox liquidated a fixed income position in SLM (Sallie Mae). SLM was recently downgraded by Fitch due to the Company's decision to split into two publicly traded companies. The downgrade, coupled with the significant size of the position (1.2% of the D&C portfolio), caused the weighted average rating of the portfolio to fall below A+, the minimum required average rating. Staff will research the loss in market value due to the downgrade and report out at next meeting.

7. 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 Possible Changes to Continuing Education Requirements

The Committee met prior to the full Board and made the following recommendations to the full Board regarding educational requirements. The following changes to Article 14 of the by-laws concerning StanCERA's education policy were recommended by the Committee and approved by the Full Board:

- 1. Include new in Article 14.3
 - a. Recommend new trustees attend at least one of the following within their first 3-year term:
 - i. *Principles of Pension Management*, Stanford University
 - ii. *Modern Investment Theory and Practice for Retirement Systems*, U.C. Berkeley
- 2. Replace Article 14.3.A with
 - a. All Board members must attend at least one of the following within each of their three-year terms:
 - i. Calaprs
 - ii. NCPERS
 - iii. SACRS
 - iv. Other Board approved event
- 3. Replace Article 14.3.B with
 - a. It is expected that each Board member attend 36 hours of pension related training but at least a minimum of 24 hours as required by new PEPRA legislation

7. Committee Reports and Recommendations for Action (cont.)

Motion was made by Mike Lynch and seconded by Jeff Grover to approve the above stated recommendation by the Internal Governance Committee.

Motion Carried

8. Executive Director

- a. Discussion and Action to Consider the Adoption of the Recommended Final Budget for Fiscal Year 2013-2014 (Attachment I) – Kathy Herman

Motion was made by Donna Riley and seconded by Maria De Anda to approve staff's recommended 2013-2014 budget as presented by Kathy Herman.

Motion Carried

- b. Report on Retirement Seminar – Donna Wood

Donna Wood briefed the Board on the Retirement Seminar that took place in early May

9. 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:
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County
Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate
District, Case No. H038894
Government Code Section 54956.9(d)(1)

No Closed Session

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

Trustee Grover briefed the Board on his trip to Raven Headquarters in New York. Trustee Grover acts as representative for StanCERA on the Raven Advisory Committee.

11. Adjournment

Meeting adjourned at 2:30p.m.

Respectfully submitted,

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

Rick Santos, Executive Director

APPROVED AS TO FORM:
MATTHEW O. PACHER, GENERAL LEGAL COUNSEL

By: Matthew Pacher
Matthew O. Pacher, General Legal Counsel