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EMPLOYEES' RETIREMENT ASSOCIATION  
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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

July 26, 2011

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

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

**Staff Present:** Tom Watson, Retirement Administrator  
Hank Skau, Operations Manager  
Kelly Cerny, Executive Secretary  
Kathy Herman, Projects Manager  
Kathy Johnson, Accountant

**Others Present:** Kirin Virk, General Legal Counsel  
Paul Harte, Strategic Investment Solutions (SIS), Inc.  
Paul Kimura, Avery Associates  
Scott Smith, Hanson Bridgett LLP, via teleconference

1. Meeting called to order at 12:59 p.m. by Mike Lynch, Chair.

2. **Roll Call**

**Note: Closed Session was held prior to the Open Session portion of the meeting.**

3. **Closed Session**

Motion was made by Maria De Anda and seconded by Darin Gharat to commence to Closed Session at 1:00 p.m.

Motion carried.

K. Cerny and K. Herman recused themselves at 1:00 p.m.

J. De Martini arrived at 1:01 p.m.

J. Clendenin arrived at 1:03 p.m.

G. Ford arrived at 1:07 p.m.

3. **Closed Session (Cont.)**

Motion was made by Darin Gharat and seconded by Maria De Anda to return to Open Session at 3:23 p.m.

Motion carried.

K. Cerny, K. Herman, J. Clendenin and M. O'Neal returned at 3:23 p.m.

H. Skau and K. Johnson arrived at 3:23 p.m.

Mr. Lynch read the findings of the Closed Session:

- a. Discussion and Action – Public Employee Appointment: Title: Retirement Administrator (Interviews) Pursuant to Government Code Section 54957(b)

No action taken.

J. Clendenin and M. O'Neal recused themselves at 3:18 p.m.

- b. Conference with Legal Counsel – Anticipated Litigation and/or Anticipated Initiation of Litigation Pursuant to Government Code Section 54956.9(c): One Matter

Ms. Virk gave the Board a verbal update.

4. **Announcements**

Mr. Watson announced the Board seating arrangement had changed.

5. **Public Comment**

None.

6. **Consent Items**

Motion was made by Darin Gharat and seconded by Maria De Anda to approve the following items as listed.

Motion carried.

- a. Approval of the July 13, 2011 Administrative Meeting Minutes
- b. StanCERA's Complaint Log of April 1, 2011 through June 30, 2011
- c. Receipt of the Revised 2011 Board of Retirement Standing Committee Assignments

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

**Items #7c. and #7c.i. Heard Out of Order**

- c. Discussion and Action on the RBC Diversified Infrastructure Investment Fund

Motion was made by Jeff Grover and seconded by Jim DeMartini to approve the RBC Diversified Infrastructure Fund, L.P.'s, amended and restated limited partnership agreement, and the side letter as presented.

G. Ford opposed.

Motion carried.

- i. StanCERA Representative and Alternate Representative  
Appointments to the RBC Diversified Infrastructure Investment Fund Advisory Board

Mike Lynch, Chair, appointed Trustee Jeff Grover as the StanCERA Representative to the RBC Diversified Infrastructure Fund's Advisory Board, and appointed Trustee Jim DeMartini as the Alternate Representative.

- a. Monthly Performance Review for the Month Ending June 30, 2011

Mr. Harte presented the monthly performance review for the period ending June 30, 2011. StanCERA's portfolio is \$1.4 billion, an 18.85% increase from the prior year. June had a -1.17% return, and the entire fiscal year saw a 22.95% return. This is 1.55% above StanCERA's policy index return of 21.40%, 14.95% above the actuarial assumed rate of 8.0%, and 19.45% above the actuarial assumed rate of inflation of 3.50%.

Mr. Grover left at 3:47 p.m.

- b. Report on "Top 10 Holdings" by StanCERA Investment Managers

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

None.

9. Adjournment

Meeting adjourned at 3:59 p.m.

Respectfully submitted,



Tom Watson, Retirement Administrator

APPROVED AS TO FORM:  
KIRIN K. VIRK, GENERAL LEGAL COUNSEL

By:   
Kirin K. Virk, General Legal Counsel