



**BOARD OF RETIREMENT MINUTES**

**August 23, 2016**

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

**Trustees Absent:** None

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

**Staff Present:** Rick Santos, Executive Director  
Kellie Gomes, Executive Board Assistant

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

1. Meeting Called to Order

Meeting called to order 1:31 p.m. by Trustee Riley, Chair

2. Roll Call

3. Announcements

4. Public Comment

None

5. Consent Items

a. Approval of the July 26, 2016 Meeting Minutes

b. Monthly Staff Report

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

1. Cordero, Kathie – HSA – Effective 08-01-16
2. Corey, Jennifer – Sheriff – Effective 08-02-16 \*
3. Dhingra, Harish – Courts – Effective 07-30-16
4. Hamiel, Aloise – HSA – Effective 08-08-16
5. LaSage, Francis – Assessor – Effective 08-18-16
6. Murillo, Frank – Probation – Effective 07-09-16 \*
7. Rivera, Bertha – CSA – Effective 08-20-16
8. Schlaepfer, Madelyn – BHRS – Effective 08-03-16
9. Silva, Julie – Sheriff – Effective 08-22-16
10. Wagner, Charles – PW – Effective 07-01-16
11. Fenn III, Frank - Sheriff - Effective 05-02-15 \*

*\* Indicates Safety Personnel*

Correction to Date from 7/26/16 Agenda - Vargas, Abel - changed from 07-08-16 to 07-09-16

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

1. Getrich, Samuel – DA – Effective 07-09-2016
2. Matich, Coral – HSA – Effective 07-16-16
3. Vieira, Debbie – BHRS – Effective 09-22-13

*\* Indicates Safety Personnel*

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

Motion carried unanimously

6. Investment Manager Annual Presentation

a. Medley

Chris and Seth Taube presented the annual presentation for Medley. The presentation was held via teleconference. Please see the report provided in the agenda for investment details.

7. Executive Director – Investment

a. 2016 Quarter 2 Auxiliary Investment Report

Rick Santos, Director, presented the 2016 Quarter 2 Auxiliary Investment Report please see agenda item for statistics.

8. Verus – Investment Consultant

a. July 31, 2016 Flash Report

July Portfolio Return:	4.7%
July U.S. Equity:	5.3%
July International Equity:	2.8%
July Fixed Income:	6.2%
July Real Estate:	7.1%

b. Investment Performance Quarter 2 Review

Qtr Ytd	1.3%	Fixed Income	5.2%
U.S. Equity	0.3%	Real Estate	5.3%
INT. Equity	-2.1%	Direct Lending	-0.01%

c. Discussion and Action Regarding Private Assets Reporting Methodology

Motion was made by Trustee Grover and seconded by Trustee O'Neal to approve a lagged reporting methodology for alternative investments. As presented by Ed Hoffman, Verus Investment Consultant.

Motion passed 7/2 roll call vote as follows:

Jim DeMartini	Yes
Michael O'Neal	Yes
Jeff Grover	Yes
Donna Riley	No
Mandip Dhillon	Yes
Mike Lynch,	Yes
Sam Sharpe	Yes
Gordon Ford	No
Darin Gharat	Yes

3:00 pm Break  
3:10 pm Return

9. Executive Director - Administrative

a. Discussion and Action to Attend 2016 Public Funds Forum

Motion was made by Trustee Lynch and seconded by Trustee O'Neal to approve the attendance to the 2016 Public Funds forum and have trustees who attend report back to the Board.

Motion carried unanimously

10. Committee Reports and Recommendations for Action

a. Internal Governance Committee

1. Annual Financial Audit – Brown Armstrong, CPA's Entrance Conference Update.

Trustee Clendenin briefed the Board on the entrance conference presented by the auditors (Brown Armstrong) and outlined the proposed schedule.

11. Closed Session

Motion was made by Trustee Gharat and seconded by Trustee Sharpe to move in to closed session at 3:25 p.m.

Motion carried unanimously

a. 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)

b. 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)

c. Recommendation for Non-Service Connected Disability Retirement for Jeannette Apolinar –  
Section 31533

d. Independent Contractor Negotiation - Government Code Section 54957

Motion was made by Trustee Grover and seconded by Trustee O'Neal to move in to open session at 4:43 p.m.

Motion carried unanimously

Kellie Gomes read motions from closed session as follows:

Item 11.c Motion was made by Trustee Gharat and seconded by Trustee O'Neal to accept the recommendation for the Non-Service Connected Disability Retirement for Jeannette Apolinar to be set for hearing.

Motion carried unanimously

Motion carried unanimously

Item 11.d Motion was made by Trustee Lynch and seconded by Trustee O'Neal to approve staff recommendation as follow:

1. Approve the total not-to-exceed project budget of \$7,207,703
2. Approve the Information Technology Committee recommendation to purchase and implement the pension administration solution provided by Tegrity per their proposal dated June 29, 2016.
3. Direct the Executive Director to negotiate the terms of the contract and enter into agreement with Tegrity.
4. Direct the Executive Director to Amend the Contract with Linea Solutions to include Pension Administration System Implementation Support Services for the proposed cost of \$1,214,377 for two years with the option for two additional extensions of \$633,210 and \$637,317.
5. Adjust the fiscal year 2016-2017 Administrative budget to reflect the additional first year project expenses of \$2,067,526.

Motion carried unanimously

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

Trustee's DeMartini and Trustee Clendenin inquired about the Mr. Callahan's request. Rick reported that he met with Supervisor Monteith and discussed where we were in the process. We have reached out to our actuary about a cost analysis however, staff believes that the ability to enhance a benefit may not even be allowed by PEPRA. Staff is currently awaiting a response from special counsel regarding the legality of this issue.

12. Adjournment

Meeting adjourned at 4:45 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:

Fred Silva, GENERAL LEGAL COUNSEL

By:   
Fred Silva, General Legal Counsel