



**BOARD OF RETIREMENT MINUTES**  
**August 25, 2015**

**Trustees Present:** Jim DeMartini, Jeff Grover, Sam Sharpe, Mike Lynch and Gordon Ford

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

**Trustees Absent:** Maria DeAnda, Michael O'Neal, Jason Gordo and Donna Riley

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

**Others Present:** Fred Silva, General Legal Counsel

1. Meeting Called to Order

Meeting called to order 2:01 p.m. by Trustee Grover, for Maria DeAnda, Chair

2. Roll Call

3. Announcements

Kellie Gomes announced that Trustee Grover would be filling in for Trustee DeAnda as Chair of the meeting.

Rick Santos, Director gave a brief update on the issue of burying the power lines on the east side of the StanCERA building. MID has given us a one-time price of \$150,000 to bury the lines (there will also be some additional cost to have AT&T bury the cable lines as well). Also, MID gave a price of \$2,700 for each occurrence that they would have to shut down the power so the windows can be cleaned. Trustee Riley will be looking into whether this is a feasible solution (there may be some logistical impediments that would make this solution unrealistic).

Director briefed the Board on the Manager III position upgrades. Director will complete the required documentation and submit it to the County for review.

Director noted that the asset liability study had been moved to December 16<sup>th</sup> at 9:00 a.m. at Seasons in Modesto. This study will be combined with our regular meeting and most likely will take most of the day.

Director discussed the transition from SIS to Verus. Verus will attend their first meeting on September 22<sup>nd</sup>, however, they won't be ready with their own reporting structure. For that meeting, Verus will be using Northern Trust's reporting format. Also of importance, Ed Hoffman from Verus will be contacting each Trustee to set up a personal interview with each of them as he attempts to get a feel for the individual as well as the aggregate risk profile and biases of the Board.

Director announced that this would be Nate Pratt's last meeting at StanCERA and thanked him for his time served at StanCERA.

Kathy Herman announced that the floors would be replaced starting 8/26, the analysis on the HVAC system was ongoing and a Request for Proposal was forthcoming to get pricing for the build out of the vacant space.

4. Public Comment

None

5. Consent Items

- a. Approval of the August 12, 2015 Meeting Minutes

Motion was made by Trustee Lynch and seconded by Trustee DeMartini to approve consent item as presented.

Motion carried unanimously

6. Annual Performance Report

- a. LSV Asset Management

Keith Brusch and Bhaskaran Swaminathan gave the Board an update on the portfolio's recent return history, interpretations and forecast on the situation in Europe and Asia.

1. Value Added Report

7. Executive Director

- a. 2015 Quarter 2 Value Added and Cash Flow Report

Director gave an overview of the information provided in the 2015 Quarter 2 Value Added and Cash Flow Report.

8. Strategic Investment Solutions (SIS), Inc.

- a. Investment Performance Analysis for the Quarter Ending June 30, 2015  
Quarterly Portfolio Performance Analysis (Return, Benchmark and Peer Ranking.)

2nd Quarter	.5%,	-.3%,	19
Fiscal YTD:	4.2%,	3.6%,	17
3 Year:	12.2%,	10.5%,	9
5 Year:	11.8%,	10.7%,	14

- b. StanCERA Investment Managers Peer Rankings for Quarter Ending June 30, 2015  
c. StanCERA Investment Managers Review List for Quarter Ending June 30, 2015  
d. Monthly Flash Report for the Month Ending July 31, 2015

Monthly Performance:	.77%
Active Return:	.12%
Fiscal YTD Return:	.77%
Total Fund Value as of 7/31/2015:	\$1,840,244,015

8. Strategic Investment Solutions (SIS), Inc. (Cont.)

e. Report on "Top 10 Holdings" of StanCERA Investment Managers as of July 31, 2015

9. Closed Session

Motion was made by Trustee Lynch and seconded by Trustee Ford to move in to closed session at 3:15 pm

Motion carried unanimously

- 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)

Motion was made by Trustee Lynch and seconded by Trustee Ford to move in to open session at 3:38 pm

Motion carried unanimously

Report out for Item# 9.a.

Motion was made Trustee Lynch and seconded by Trustee DeMartini to reject Buck Consultants settlement offer and directed General Counsel to continue mediation.

Motion carried unanimously

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

None

11. Adjournment

Meeting adjourned at 3:40p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:  
Fred Silva, GENERAL LEGAL COUNSEL

By:   
Fred Silva, General Legal Counsel