



BOARD OF RETIREMENT MINUTES
September 27, 2016

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

Trustees Absent: Mike Lynch

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. Call Meeting to Order

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

2. Roll Call

3. Announcements

4. Public Comment

5. Consent Items

- a. Approval of the August 23, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

- 1. Childers, Maria – CSA – Effective 09-15-16
- 2. Clark, Thomas – Ceres – Effective 09-19-16
- 3. Fukui, Tomonori – BHRS – Effective 09-08-16
- 4. Grieb, Carrie – CSA – Effective 09-07-16
- 5. Emery, Betty – CSA – Effective 09-17-16
- 6. Samora, Tina – HSA – Effective 09-02-16
- 7. Short, Colleen – Courts – Effective 09-03-16
- 8. Strohm, Ofick – SBT – Effective 08-24-16

** Indicates Safety Personnel*

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

- 1. Braley, Jason – Sheriff – Effective 06-15-2016 *
- 2. Henriquez, Francisco – DA – Effective 08-6-16

** Indicates Safety Personnel*

- e. Approval of Death Benefit – **Sections 31781, 31781.1, and 31781.3**

- 1. Cronk, John, Deceased September 4, 2016, Active Member
- 2. Ray, Adrienne Louise, Deceased July 16, 2016, Active Member

5. Consent Items (Cont.)

f. Approval of Disability Retirement - **Section 31724**

1. Ibarra, Kristy - District Attorney, Non-Service-Connected, Effective 09-28-16
2. Luu, Stefanie - Sheriff's Department, Non-Service Connected, Effective 05-11-16
3. Yarnall, Tamba - Probation Department, Service-Connected, Effective 02-23-14*

* Indicates Safety Personnel

Motion was made by Trustee Grover and seconded by Trustee Gharat to accept the consent items as presented with the correction to the minutes as noted by Trustee O'Neal for item 11.c. Motion should read "Motion was made by Trustee Lynch 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

6. Investment Manager Annual Presentation

a. Dodge & Cox

Deidre Curry and Steve Tassarel gave the Board its annual presentation by conference call regarding both fixed income and large cap value strategies. The conversation focused on relative differences between D&C's weighting vs. the benchmark, which sheds light on their investment thesis

b. Value Added

7. Verus – Investment Consultant

a. August 31, 2016 Flash Report

	<u>YTD</u>
Portfolio Return:	5.3%
U.S. Equity:	6.0%
International Equity:	3.8%
Fixed Income:	6.7%
Real Estate:	6.3%

8. Executive Director – Investment

a. Discussion and Action Regarding the Addition of a Retirement Investment Officers Series

Motion was made by Trustee Ford and seconded by Trustee O'Neal to accept staff recommendation as follows:

1. Approve the addition of a Retirement Investment Officer's Series with three defined classifications to StanCERA's organization structure.
2. Request that the Stanislaus County's Salary and Position Allocation Resolution be amended to reflect the addition of a Retirement Investment Officer's Series with three defined classifications with salary ranging between \$57,000 – \$121,000.
3. Approve the funding and direct Staff to conduct a search to fill one position within the Retirement Investment Officer's Series.
4. Approve a Fiscal Year 2016-2017 budget adjustment of \$54,000 for 6 months' salary and benefits to fund one Retirement Investment Officer Position.

Motion carried unanimously

8. Executive Director – Investment (Cont.)

b. Discussion and Action Regarding the Revised Draft Investment Policy.

Motion was made by Trustee Grover and seconded by Trustee Sharpe to accept the Revised Draft Investment Policy Statement as presented.

Motion passed 7/1 by roll call vote as follows:

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

9. Executive Director - Administrative

a. Legal/Legislation Update

Dawn Lea gave an update on the chaptering of AB 241 which mandates retirement systems to produce retiree names and mailing addresses to a qualified organization (in this case, most likely RESCO) in the event of a plan sponsor financial event. The bill also allows retired members to opt out of this transfer of information if he/she wishes.

b. Discussion and Action to Consider Implementing Government Code Section 31760.2

The Board took no action on this item

c. Discussion and Action for Voting Proxy of State Association of County Retirement Systems (SACRS) 2016 Fall Business Meeting

Motion was made by Trustee Riley and seconded by Trustee Grover to appoint Trustee O'Neal as the primary proxy and Trustee Gharat as the second proxy for Voting Proxy of State Association of County Retirement Systems (SACRS) 2016 Fall Business Meeting.

10. Closed Session

- 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)

No closed session held

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

Kathy Herman reported that staff intends to go out to RFI for a preliminary proposal on the Board room buildout

13. Adjournment

Meeting adjourned at 3:18 p.m.

Respectfully submitted,

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

Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel