



STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

November 25, 2014

- Members Present:** Gordon Ford, Darin Gharat, Michael O'Neal  
Jim DeMartini, Donna Riley, Jeff Grover  
Maria DeAnda, and Jason Gordo
- Member Absent:** Mike Lynch
- Alternate Member Absent:** Joan Clendenin, Alternate Retiree Representative
- Staff Present:** Rick Santos, Executive Director  
Kathy Herman, Fiscal Services/Operations Manager  
Dawn Lea, Benefits Manager  
Kellie Gomes, Executive Board Secretary
- Others Present:** Fred Silva, General Legal Counsel  
Doris Foster, Chief Executive Office  
Paul Harte, Strategic Investment Solutions, Inc.  
John Meier, Strategic Investment Solutions, Inc.  
Barry Dennis, Strategic Investment Solutions, Inc.  
Nathan Pratt, Strategic Investment Solutions, Inc.

1. Meeting Called to Order

Meeting called to order at 2:00 p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

None

4. Public Comment

None

5. Consent Items

- a. Approval of the October 28, 2014 Investment Meeting Minutes

Michael O'Neal arrived at 2:03 p.m.

5. Consent Items (Cont.)

b. StanCERA Investment Managers Peer Rankings for Quarter Ending September 30, 2014

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

1. Alexander, Barbara – Library – Effective 11-07-2014
2. Brown, Roxann –Regional 911 – Effective 11-03-2014
3. Carrillo, Ruthie – Auditor/Controller – Effective 11-04-2014
4. Castillo, Yolanda – Sheriff – Effective 11-16-2014
5. Cumberland, Sheila – City of Ceres – Effective 11-08-2014
6. Fife, Amanda – Parks & Recreations – Effective 11-14-2014
7. Greer, Jeanene – BHRS – Effective 10-02-2014
8. Johnson, Terry – Sheriff – Effective 11-15-2014
9. Klaschus, Frank – Sheriff – Effective 11-15-2014
10. Northern, Gracie – Sheriff – Effective 11-05-2014
11. Olson, Raymond – Env Res – Effective 11-08-2014
12. Phipps, Cory – Sheriff – Effective 11-15-2014
13. Robbins, James – City of Ceres – Effective 11-23-2014
14. Vernon, Gary – Sheriff – Effective 10-03-2014
15. Winter, Rosemary – KCSD – Effective 11-14-2014

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

1. Aguirre, Nancy – CSA – Effective 11-01-2014
2. Delgado, Joseph – Sheriff – Effective 09-12-2014
3. Hawthorne, Elizabeth – CSA – Effective 10-04-2014
4. Hodges, Rachelle – Regional 911 – Effective 07-06-2014
5. Inderbitzen, Daniel – DA – Effective 10-04-2014
6. McBride, Shannon – Public Defender – Effective 12-01-2012
7. Meneses, Lea – City of Ceres – Effective 02-27-2014
8. Moore, Britton – City of Ceres – Effective 07-16-2014
9. Naylor, Traci – Alliance Worknet – Effective 08-01-2014
10. Nunes, Joey – CSA – Effective 10-11-2014
11. Pelican, Timothy – Ag Commissioner – Effective 10-04-2014
12. Perez, Rachel – BHRS – Effective 10-04-2014

e. Approval of Hearing Officers' Findings and Recommendations to Deny the Application for a Service-Connected Disability Retirement by StanCERA Retired Member Sirv Man - **Section 54957**

Motion was made by Maria DeAnda and seconded by Darin Gharat to approve consent items as presented.

Motion carried unanimously.

6. Annual Performance Report by LSV – International

Presented by: Keith Bruch, CFA, Partner & Director, Client Portfolio Services and  
Bhaskaran Swaminathan, Ph.D., Partner & Director of Research

- Initial funding and date: \$81 Million 9/2004
- Ending value on 9/30/14: \$155 Million

All figures below are net as of September 30, 2014:

- Recent Quarter Return: -5.2%
- 1 Year Return: 6.3%
- 3 Year Return: 13.1%
- Since Inception Return: 7.4%

a. Value Added Report

7. Strategic Investment Solutions, Inc. (SIS)

a. Fiduciary Review & Strategic Investment Solutions, Inc. Update – Presented by  
Barry Dennis, Managing Director

b. StanCERA's Investment Manager Review List for Quarter Ending  
September 30, 2014

c. Investment Performance Analysis for the Quarter Ending September 30, 2014  
Quarterly Portfolio Performance Analysis (Return, Benchmark and Peer Ranking)

- 3rd Quarter: -1.2%, -1.3%, 43
- Fiscal YTD: 4.0%, 4.4%, 48
- 3 Year: 14.7%, 13.1%, 12
- 5 Year: 11.0%, 9.9%, 9

d. Monthly Flash Report for the Month Ending October 31, 2014

- Monthly Return: 1.53%
- Fiscal YTD: 0.31%
- Fiscal YTD Excess Return: -0.21%
- Total Fund Value as of October 30, 2014: \$1.780 Billion

e. Report on "Top 10 Holdings" of StanCERA's Investment Managers as  
of October 31, 2014

f. Discussion and Action Regarding Securities Lending Cash Collateral Pool

Motion was made by Jason Gordo and seconded by Donna Riley to accept the staff  
recommendation as presented.

Motion carried unanimously.

8. Executive Director
  - a. Value Added / Cash Flow Report
  - b. Monthly Staff Report
9. Committee Reports and Recommendations for Action

STANDING COMMITTEES

- a. Internal Governance Committee
  - i. Discussion and Action to Accept the Internal Governance Committee's Recommendation Regarding the June 30, 2014 and 2013 Comprehensive Annual Financial Report (CAFR)

Motion was made by Maria DeAnda and seconded by Donna Riley to accept the Internal Governance Committee's recommendations regarding the June 30, 2014 and 2013 Comprehensive Annual Financial Report (CAFR) as presented.

Motion carried unanimously.

- ii. Discussion and Action to Accept the Internal Governance Committee's Recommendation Regarding the StanCERA Investment Guidelines

Motion was made by Michael O'Neal and seconded by Darin Gharat to approve items as presented and recommended by the Internal Governance Committee.

Motion carried unanimously.

- iii. Receipt of I.T. Security Review

10. Closed Session

Motion was made by Darin Gharat and seconded by Jason Gordo to enter into closed session at 3:53 p.m..

Motion carried unanimously.

- a. Discussion and Action Regarding Allocation of StanCERA's Infrastructure Assets Government Code Section 54956.81
- b. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets Government Code Section 54956.81
- c. 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)

10. Closed Session (Cont.)

- d. 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)
- e. 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)

Motion was made by Darin Gharat and seconded by Maria DeAnda to enter into open session at 4:08 p.m..

Motion carried unanimously.

There is no Read Out from Closed Session

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

- A request was made to Trustees by Kellie Gomes to look at committee assignments and let her know which committees they desire to serve on.
- Trustee Gharat asked to have the StanCERA actuary address the maturing nature of the System on plan sponsor contributions and funded ratio during the next annual actuarial review.

12. Adjournment

Meeting adjourned at 4:15 p.m.

Respectfully submitted,

Rick Santos, Executive Director



APPROVED AS TO FORM:  
FRED A. SILVA, GENERAL LEGAL COUNSEL

By:   
Fred A. Silva, General Legal Counsel