



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

November 27, 2012

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

Alternate Member Absent: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Interim Executive Assistant
Dawn Lea, Benefits Manager
Kathy Herman, Operations Manager
Kathy Johnson, Accountant

Others Present: Fred Silva, General Legal Counsel
Harvey Leiderman, Reed Smith
Paul Harte, Strategic Investment Solutions (SIS), Inc.
Monica Nino, Doris Foster & Nancy Bronstein
County Chief Executive Office
Deirdre McGrath, County Counsel
Jeanine Bean, Superior Courts

1. Meeting called to order at 2:02 p.m. by Jim DeMartini, Chair.

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

5. **Consent Items**

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

Motion carried.

a. Approval of the October 23, 2012, Administrative Meeting Minutes

5. **Consent Items (Cont.)**

- b. Approval of the November 7, 2012, Administrative Meeting Minutes
- c. StanCERA Investment Managers Peer Rankings for Quarter Ending September 30, 2012
- d. Approval of the Continuing Education Calendar Record for 2011
- e. Receipt of the June 30, 2012, and 2011, Comprehensive Annual Financial Report (CAFR) and Receipt of StanCERA's Audited Financial Statements and Management Comments by Macias, Gini & O'Connell (MGO) Certified Public Accountants, for Fiscal Year Ended June 30, 2012
- f. Receipt of the State Association of County Retirement Systems' (SACRS) November 16, 2012 Business Meeting Packet
- g. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Christine Applegate, CSA, Effective 11-03-12
 - 2. Rhonda Brink, CSA, Effective 11-03-12
 - 3. Emma Chavez, BHRS, Effective 11-09-12
 - 4. Lillie Clark, BHRS, Effective 11-03-12
 - 5. Brenda Cleary, Stanislaus Regional 911, Effective 10-17-12
 - 6. Wagner De Freitas, Sheriff, Effective 11-17-12
 - 7. Richard Dodge, District Attorney, Effective 11-02-12
 - 8. Sysvanh Kabkeo, CSA, Effective 11-02-12
 - 9. Kim Kilby, CSA, Effective 10-09-12
 - 10. Sandra Parrish, CSA, Effective 11-02-12
 - 11. Kenneth Patterson, CSA, Effective 11-04-12
 - 12. Catherine Pierce, CSA, Effective 11-03-12
 - 13. Susan Seibert, CEO/BOS, Effective 11-17-12
 - 14. Linda Spencer, HSA, Effective 11-03-12
 - 15. Sharon Trejo, HSA, Effective 11-03-12
 - 16. Myrnicé Valentine, CSA, Effective 11-10-12
- h. Approval of Deferred Retirement(s) – **Section 31700**
 - 1. Anthony Barbagallo, CSA, Effective 09-29-12
 - 2. Ramon Bawanan, DA, Effective 10-20-12
 - 3. Aaron Farnon, Planning & Community Dev., Effective 10-1-12
 - 4. Della Garcia, HSA, Effective 08-25-12
 - 5. Sarah Harcrow, Sheriff, Effective 6-15-07
 - 6. Beth Holmes, Library, Effective 10-9-12
 - 7. Jean Laurie Lopez, CSA, Effective 10-10-12
 - 8. Erica Inacio, Children & Families Commission, Effective 10-6-12
 - 9. Evelina McDowall, HSA, Effective 9-1-12
 - 10. Timothy Reed, Sheriff, Effective 7-14-12
 - 11. Sharon Wardale-Trejo, DCSS, 9-14-12
 - 12. Christopher Yamada, Public Defender, 8-4-12

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

- a. Investment Performance Analysis for the Quarter Ending September 30, 2012

The composite fund returned 5.4% in the third quarter of 2012 and ranked in the 5th percentile among other public funds (4.6% median). The fund beat its policy index (4.6%) during this time period. Longer term, the three and five year returns of 9.9% and 2.6%, ranked above and below the median among total public plans (8.9% and 2.9%, respectively).

- b. StanCERA Investment Managers Review List for Quarter Ending September 30, 2012

- c. Monthly Performance Review for the Month Ending October 31, 2012

Mr. Harte presented the monthly performance review for the period ending October 31, 2012. As of October 2012, StanCERA's portfolio is \$1.44 billion, a -0.48% decrease from the prior month. The fiscal year to date return is 5.19%, above StanCERA's policy index of 4.00%.

- d. Report on "Top 10 Holdings" by StanCERA Investment Managers as of September 30, 2012

7. **Executive Director**

- a. Report on Investment Funds Transfer – Invesco to BlackRock

Kathy Herman reported on transfer of funds from Invesco to BlackRock.

Heard Out of Order

8. **Closed Session**

Motion was made by Darin Gharat and seconded by Donna Riley to commence to Closed Session at 2:36 p.m.

Motion carried.

Motion was made by Darin Gharat and seconded by Mike Lynch to return to Open Session at 2:50 p.m.

Motion carried.

- a. Compliance with Public Employees' Pension Reform Act – Government Code Section 54956.9(b)(1)

No Report

Mr. DeMartini read the findings of the Closed Session:

7. **Executive Director**

- b. Discussion and Action – California Public Employees’ Pension Act (PEPRA)
Determination of the Allowable Pay Elements in the Calculation of Pensionable
Compensation for Current Members and New StanCERA Members Hired after
December 31, 2012

Motion was made by Mike Lynch and seconded by Michael O’Neal to exclude
bonuses from pensionable compensation for current members.

Roll Call Yes: Donna Riley, Ron Martin, Mike Lynch, Jim DeMartini, Darin Gharat,
Michael O’Neal and Jeff Grover.

Roll Call No: Maria De Anda

Abstain: Gordon Ford

Motion carried.

Motion was made by Darin Gharat and seconded by Ron Martin to adopt “base pay
only” for new members until further legislative or case law clarification.

Roll Call Yes: Maria De Anda, Donna Riley, Ron Martin, Mike Lynch, Darin Gharat,
Michael O’Neal and Jeff Grover.

Roll Call No: Gordon Ford and Jim DeMartini

Motion carried.

Motion was made by Jeff Grover and seconded by Ron Martin to exclude Deferred
Compensation from pensionable compensation for new members.

Roll Call Yes: Ron Martin, Mike Lynch, Jim DeMartini, Darin Gharat, Michael O’Neal
and Jeff Grover.

Roll Call No: Maria De Anda and Donna Riley

Abstain: Gordon Ford

Motion carried.

Motion was made by Darin Gharat and seconded by Gordon Ford to continue to
include “on-call pay” in pensionable compensation for current members.

Motion carried unanimously.

7. **Executive Director (Cont.)**

- c. Inclusion of the 6% Pay Deduction/Exemption in the Pensionable Compensation of those Members Retiring Prior to July 1, 2014 and Compliance with Public Employees' Pension Reform Act

Motion was made by Darin Gharat and seconded by Michael O'Neal to include the 6% Pay Deduction/Exemption in pensionable compensation.

Motion carried unanimously.

- d. New Legislation Update

8. **Closed Session**

- 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(a)

No Closed Session

- c. 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
Government Code Section 54956.9(b)

No Closed Session

Gordon Ford left at 4:28 p.m.


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

Mr. Gharat requested Board of Retirement to consider which committees they would like to be on for 2013.

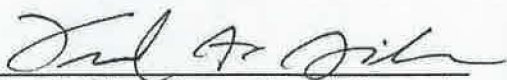
10. **Adjournment**

Meeting adjourned at 4:32 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