



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

December 11, 2013

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

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Investment/Accounting Technician
Dawn Lea, Benefits Manager
Kathy Herman, Operations Manager
Natalie Elliot, Accountant

Others Present: Fred Silva, General Legal Counsel
Paul Harte (present) & Nate Pratt (via phone),
Strategic Investment Solutions (SIS), Inc.
Doris Foster, County Chief Executive Office

1. Meeting called to order at 2:01 p.m. by Darin Gharat, Chair.

2. **Roll Call**

Jim DeMartini arrived 2:03 p.m.

3. **Announcements**

Director announced that the California Actuarial Advisory Panel recommended a 1% increase in the pensionable compensation for those members that fall under the new PEPPRA legislation instituted January 1, 2013. The new pensionable wage cap for members integrated with Social Security is \$115,064 and is \$138,077 for those that are not.

Director announced that due to the uncertainty of having a quorum for the January administrative meeting, that we will be combining our administrative and investment meeting for that month which will take place January 28th, 2014.

Director announced that we would be having a special meeting today due to an emergency submission of a disability decision.

3. **Announcements (Cont.)**

Director asked that anyone interested in serving on a committee next year to please contact Kellie Gomes or Luiana Irizarry. The following Committees will need members for 2014:

- o Due diligence
- o Internal Governance
- o Performance and Review

4. **Public Comment**

None.

5. **Consent Items**

Motion was made by Maria De Anda and seconded by Michael O'Neal to approve consent items as presented:

Motion carried.

- a. Approval of the November 26, 2013 Administrative/Investment Meeting Minutes
- b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Allen, Kevin, CSA Effective 12/3/13
 - 2. Bank, Sebron , Sheriff Effective 12/28/13
 - 3. Bellmares, Olivia, Clerk Recorder, Effective 12/3/13
 - 4. Blueford, Carolyn, DA, Effective 12/31/13
 - 5. Hawks, Lenore, HSA, Effective 12/14/13
 - 6. Karlin, Cecilia, DCSS, Effective 12/21/13
 - 7. Love-Popp, Dorothy, CSA, Effective 12/14/13
 - 8. Mayotte, Stephen, Stanislaus County Fire, Effective 12/06/13
 - 9. Scoonover, Cynthia, HSA, Effective 12/28/13
 - 10. Teval, Charles, Library, Effective 12/14/13
- c. Approval of Deferred Retirement(s) – **Section 31700**
 - 1. Michael Corcel, Animal Services, Effective 11/19/2013
 - 2. Johanna Salvador, HSA, Effective 09/10/2013
 - 3. Jessica Tucker, BHRS, Effective 10/05/2013
 - 4. Donna Witt, Library, Effective 08/02/2013
 - 5. Aja Verburg, Public Works, Effective 11/30/2013

6. Strategic Investment Solutions (SIS), Inc.

a. Capital Market Expectations Review

Paul Harte from SIS reported out the changes in the expectations for StanCERA's portfolio. Essentially, equities and real estate are expected to be down by 40 basis points while fixed income has been adjusted up by 10 basis points. Director pointed out that without any changes in the discount rate these new expectations imply a 4 basis point reduction in the margin for conservatism. Prior, StanCERA had a 10 basis point margin, this change in expectation reduces that margin to 6.

7. Executive Director

a. Discussion and Action Regarding Recommendation for Custodian Bank – Kathy Herman

Motion was made by Michael Lynch and seconded by Maria De Anda to accept the proposal as submitted by Northern Trust and send contract to Hanson & Bridget for legal review and analysis.

8. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

i. Discussion and Action to Approve the Amended StanCERA Bylaws

Motion was made by Maria De Anda and seconded by Jeff Grover to approve recommended changes to the Amended StanCERA Bylaws.

ii. Discussion and Action to Approve the Compensation Assessment Policy

Motion was made by Michael O'Neal and seconded by Maria De Anda to accept staff's recommendation for StanCERA's Compensation Assessment Policy and include additional language suggested by Trustee Gharat.

9. Closed Session

Motion was made by Maria De Anda and seconded by Michael O'Neal to move into Closed Session at 3:19 p.m.

Motion carried.

Motion was made by Maria De Anda and seconded by Jeff Grover to return to Open Session at 3:45 p.m.

Motion carried.

9. **Closed Session (Cont.)**

Regarding matter a. Discussion and Action Regarding Legal Review for the Inclusion of PRIMA Mortgage Investment Trust Government Code Section 54956.81, Mr. Gharat read the findings of the Closed Session:

No Report.

- a. Discussion and Action Regarding Legal Review for the Inclusion of PRIMA Mortgage Investment Trust Government Code Section 54956.81.
- 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. 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)
- d. 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)

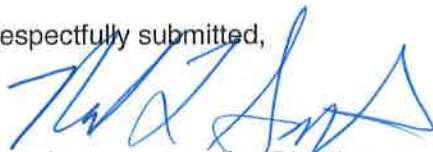
10. **Members’ Forum (Information and Future Agenda Requests Only)**

Mr. Ford requested an updated Cash Flow Report for Direct Lenders.

11. **Adjournment**


Meeting adjourned at 3:47 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