



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

February 12, 2014

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

Alternate Member: Joan Clendenin Alternate Retiree Representative

Members Absent: Jason Gordo, Jim DeMartini

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Secretary
Kathy Herman, Operations Manager
Dawn Lea, Benefits Manager

Others Present: Fred Silva, General Legal Counsel
Doris Foster, County Chief Executive Office
Scott Smith, Hanson Bridgett LLP

1. Meeting Called to Order

Meeting called to order at 2:02 p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

4. Public Comment

None

5. Consent Items

- a. Approval of the January 28, 2014, Administrative/Investment Meeting Minutes
- b. Receipt of the Internal Revenue Service (IRS) Compliance – Voluntary Correction Program (VCP) and Favorable Determination Letter

- c. Approval of the Cost of Living Adjustment (COLA) Effective April 1, 2014, for Payment on May 1, 2014, per Government Code Section 31870.1
- d. 2013 Updated Continuing Education Record
- e. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Mary Barraza, CSA, Effective 2-11-14
 - 2. Jon Bradford, Assessor, Effective 02-19-14
 - 3. Janette Gurule, CSA, Effective 02-04-14
 - 4. Linda Homen, CSA, Effective 02-04-14
 - 5. Don Hosley, Assessor, Effective 02-08-14
 - 6. Eve-Lynn Manning, CSA, Effective 02-12-14
 - 7. John Minor, DA, Effective 02-08-14
 - 8. Mary Schortner, CEO-Risk Management, Effective 02-08-14
 - 9. Lynnette Strong, BHRS, Effective 02-04-14
 - 10. Rochelle Tilton, Planning, Effective 02-01-14
- f. Approval of Deferred Retirement(s) – Section 31700
 - 1. Keri Brasil, Superior Court, Effective 01-04-14
 - 2. Bryan Briggs, Ceres, Effective 11-16-13
 - 3. Brian Munguia, Sheriff, Effective 01-25-14
 - 4. Ramiro Nevarez, Probation, Effective 01-11-14
 - 5. Eduardo Rodriguez, DA, Effective 12-28-13
 - 6. Stephen Snyder, DCSS, Effective 01-22-14
 - 7. Paul Teso, Sheriff, Effective 01-22-14
 - 8. Douglas Wells, Probation, Effective 12-20-13
- g. Approval of Disability Retirement – Section 31724
 - 1. Marianna Gutierrez, CSA, Non-Service Connected, Effective 07-24-13
 - 2. Jon Rivera, Sheriff, Service Connected, Effective 03-21-13

Item 5d was pulled by Gordon Ford for a correction to his education record. Trustee Ford stated that he did not attend the Opal Summit in January 2013.

Item 5g was pulled by Joan Clendenin for further discussion. Trustee Clendenin wished to discuss control issues associated with the disability process. Trustee Clendenin was advised to discuss these issues in Member's Forum (Item 9) for further consideration.

Trustee Grover asked that the minutes (Item 5a) for January 28, 2014 be changed to reflect Trustee Grover's absence on that date.

Motion was made by Darin Gharat and seconded by Maria De Anda to approve consent items 5a, 5b, 5c, 5e and 5f with the correction to the February 12th minutes (5a) reflecting Trustee Grover's absence at the January 28th meeting.

Motion carried

Motion was made by Jeff Grover and seconded by Darin Gharat to approve 5d with the correction to Trustee Ford's record as noted above.

Motion carried

Motion was made by Maria De Anda and seconded by Michael O'Neal to approve item 5g.

Motion carried

6. Executive Director

- a. Discussion and Action Regarding Section 31680.4 - Reinstatement from Retirement

Motion was made by Jeff Grover and seconded by Darin Gharat to direct StanCERA staff to begin research involving implementation of Government Code Section 31680.4

Motion Carried

7. Closed Session

Motion was made by Maria De Anda and seconded by Michael O'Neal to enter into closed session 2:18 p.m.

Motion Carried

- a. Discussion and Action Regarding Northern Trust Global Custody and Securities Lending Contracts, Gov Code Section 54956.81. Roll call vote required

Motion was made by Darin Gharat and seconded by Jeff Grover to approve staff recommendation if negotiated language can be agreed upon to the satisfaction of StanCERA Counsel and the Executive Director. If agreement can be reached, then staff is directed to:

Authorize the Executive Director to notify the Bank of New York Mellon of the termination of the current contracts for Custodial, Securities Lending, Electronic Access Services, Client Brokerage-Commission Recapture and other related services

Authorize the Executive Director to enter into a five-year agreement with Northern Trust for Custodial, Securities Lending, Electronic Access Services, Client Brokerage-Commission Recapture and other related services effective April 1, 2014 as laid out in the current contract

Authorize the Executive Director or his designee to sign contracts and necessary documents to facilitate the transition of assets from the Bank of New York Mellon to Northern Trust

7. Closed Session (Cont.)

Roll call vote:

Gordon Ford	Yes
Donna Riley	Yes
Maria DeAnda	Yes
Jason Gordo	Absent
Mike Lynch	Yes
Jim DeMartini	Absent
Darin Gharat	Yes
Michael O'Neal	Yes
Jeff Grover	Yes
Joan Clendenin	Alternate Vote not Required

Motion Carried

- 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)

Motion was made by Mike Lynch and seconded by Michael O'Neal to enter into open session at 2:52 p.m.

Motion Carried

No Other Items to Report Out From Closed Session.

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

- Trustee Clendenin asked that staff agendaize a future item discussing disabilities and control issues pertaining to costs, how StanCERA compares to other systems (disabilities vs. exposure) and the issue of fraud and who may be responsible for ferreting out fraud and prosecuting
- Director announced that normally Graham Schmidt, StanCERA's actuary, presents the actuarial valuation at this time, however, he will be unavailable but will be present for our investment meeting at the end of the month
- Director noted that our investment meeting on February 25, 2014 will be a full slate and that we will be convening at 1:00 p.m. instead of our normal 2:00 p.m.

10. Adjournment

Meeting adjourned at 2:54 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