



BOARD OF RETIREMENT MINUTES

April 20, 2016

- Trustees Present:** Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley, Mandip Dhillon
Mike Lynch, Jason Gordo and Gordon Ford
- Alternate Trustee** Joan Clendenin, Alternate Retiree Representative
- Trustees Absent:** Sam Sharpe
- Staff Present:** Rick Santos, Executive Director
Kathy Herman, Fiscal Services Manager
Dawn Lea, Member and Employer Services Manager
Kellie Gomes, Executive Board Assistant
- Others Present:** Fred Silva, General Legal Counsel
Ed Hoffman, Investment Consultant

1. Meeting Called to Order

Meeting called to order 1:05 p.m. by Trustee Riley, Chair

2. Roll Call

3. Announcements

Dawn Lea introduced Teresa Clayton, StanCERA's new Member and Employer Services Benefit Technician

Donna Riley announced that the auto open upon exiting the 12th street garage will not need a key pass to exit at the end of April.

4. Public Comment

None

5. Consent Items

Trustee DeMartini requested item 5e be removed from consent to discuss.

- a. Approval of the March 16, 2016 Meeting Minutes
- b. Monthly Staff Report
- c. StanCERA Quarter 1 2016 Complaint Log
- d. Executive Director Goals Update Quarter 1 2016
- e. Correspondence Received

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

1. Bawanan, Ramon – DA – Effective 04-03-2016
 2. DeWerk, Art – Ceres– Effective 03-01-2015 *
 3. Long, Durena – Alliance Worknet – Effective 04-23-2016
 4. Reece, Lisa– Probation – Effective 04-08-16 *
 5. Shaw, Cynthia – Alliance Worknet – Effective 03-31-2016
 6. Varni, Linda – DCSS – Effective 04-02-2016
 7. Fredeking, Tobias, – BHRS – Effective 04-27-16
- * Indicates Safety Personnel*

Reiff, Laura – Sheriff – Effective 03-31-2016 previously on the 03-16-16 agenda effective date is changed to 03-28-16.

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

1. Bear, Joyanna – Stan Regional 911 – Effective 02-29-2016
2. Blankenridge, Nicole – DCSS – Effective 03-11-2016
3. Bozsik, Carly – Animal Services – Effective 12-19-2015
4. Cunningham, Marcia – SBT– Effective 04-02-2016
5. Dillon-Theisen, Michele – CSA– Effective 03-05-2016
6. Esenwein, Daniel – Public Works – Effective 04-02-2016
7. Gachugu Gichuru, Njoki – CSA– Effective 09-10-2015
8. Garcia, Paulina – CSA – Effective 09-26-2015
9. Keller, Jennifer – Superior Court – Effective 01-05-2016
10. Levie, Nicole – Probation – Effective 03-06-2016 *
11. Raj, Elisha – CSA – Effective 07-04-2015
12. Sill, Nathan – Stan Regional 911 – Effective 03-29-2016

** Indicates Safety Personnel*

Motion was made by Trustee Grover and seconded by Trustee Dhillon to accept the consent items as presented with the exception to item 5e which was pulled for discussion.

Motion carried unanimously

Motion was made by Trustee Grover and seconded by Trustee O’Neal to accept the consent item 5e d after discussion the Board directed staff to analyze what manual work arounds would be necessary to be able to pay multiple health care providers each month. Staff will agendize this for a meeting in the future.

6. Investment Manager Annual Presentation

a. Morgan Stanley Presentation

- I. North Haven
- II. Prime

Robert Harkins and a Morgan Stanley team presented information on both the North Haven Infrastructure Fund and the Prime Property Fund

7. Verus – Investment Consultant

- a. February 29, 2016 Flash Report - was provided at the meeting

February Portfolio Return: -.5%
February U.S. Equity: -.9%
February International Equity: -.8%
February Fixed Income: .2%
February Real Estate: -.1%

- b. March 31, 2016 Flash Report – was be provided at the meeting

March Portfolio Return: 4.6%
March U.S. Equity: 6.0%
March International Equity: 7.8%
March Fixed Income: 1.8%
March Real Estate: 1.6%

- c. Asset Allocation Status Update

Ed Hoffman gave an update on the status of the asset allocation. The Board discussed several aspects of a potential allocation to emerging markets. In the coming months, staff will attempt to visualize for the Board, what the allocations mean to the fund in terms of potential returns, risk and the impact on contribution rates and funded status. Staff also intends to bring back information on additional resources needed to manage an increasingly complex portfolio.

8. Executive Director - Administrative

- a. Discussion and Action regarding the presentation and acceptance of the June 30, 2015 Final Actuarial Valuation and the 2012-2015 Final Actuarial Experience Study - Cheiron Actuaries

Motion was made by Trustee Gordo and seconded by Trustee Grover to accept the June 30 2015 Final Actuarial Valuation and the 2012-2015 Final Actuarial Experience Study and presented.

3:00 Break

3:10 Return

Item 8e. Heard out of order

- e. Discussion and Action Regarding StanCERA Monthly Meeting Schedule

Motion was made by Trustee Lynch and seconded by Trustee DeMartini to approve a move in the monthly meeting schedule to the 4th Tuesday of each month, beginning at 1:30 p.m.

Motion carried unanimously

- b. Information Technology Solutions (ITS) Project Update

Dawn Lea gave an update on the status of the project and noted a change in the vendor selection date

- c. Legal/Legislation Update

Nothing to report

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

Kellie Gomes asked for 2 volunteers to attend the SACRS 2016 Business meeting as voting proxies. Trustee O'Neal volunteered to be the primary proxy and Trustee Clendenin the alternate proxy.

Motion was made by Trustee Grover and seconded by Trustee O'Neal to accept item 6.a regarding AB 1853 and directed proxies to vote in support of SACRS desire to sponsor this bill as presented.

Motion was made by Trustee Lynch and seconded by Trustee Dhillon to accept item 6.b regarding AB 2376 and directed proxies to vote in support of SACRS desire to sponsor this bill as presented.

Motion was made by Trustee Lynch and seconded by Trustee Dhillon to accept item 7 regarding SACRS bylaws and directed proxies to vote in support of item as presented.

Motion was made by Trustee Lynch and seconded by Trustee Grover to accept item 8 regarding SACRS BOD 2016-2017 Ballot and directed proxies to vote in support of item as presented.

All motions carried unanimously

9. Committee Reports and Recommendations for Action

STANDING COMMITTEES

Due Diligence Committee

a. Discussion and Action Regarding the Annual Due Diligence Trips

Rick briefed the board that the Due Diligence Committees met and discussed and did not recommend any changes other than we would not be taking our Investment Consultant with us. The Board will continue to be updated by the Committee regarding the findings of this trip planned for late June of 2016.

10. Closed Session

Moved in to closed session at 3:39 p.m.

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)

c. Actuarial Audit and Services – RPF Process
Government Code Section 54957 (b)

Motion was made by Trustee O'Neal and seconded by Trustee Lynch to move in to open session at 3:52 p.m.

Motion carried unanimously.

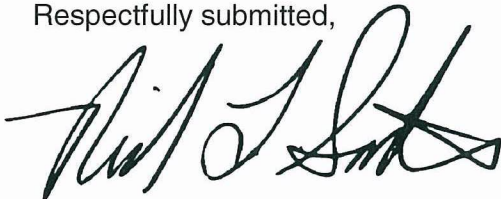
Nothing to report out from closed session at this time.

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

13. Adjournment

Meeting adjourned at 3:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Santos", written in a cursive style.

Rick Santos, Executive Director

APPROVED AS TO FORM:

Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel