



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
832 12th Street, Suite 600
Modesto, CA 95354
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Phone (209) 525-6393
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AGENDA

BOARD OF RETIREMENT
832 12th Street, Suite 600 – Wesley W. Hall Board Room
Modesto, CA 95354

**September 10, 2014
2:00 p.m.**

The Board of Retirement welcomes you to its meetings, which are regularly held on the second Wednesday and the fourth Tuesday of each month. Your interest is encouraged and appreciated.

CONSENT ITEMS: These matters include routine administrative actions and are identified under the Consent Items heading.

PUBLIC COMMENT: Matters under jurisdiction of the Board, may be addressed by the general public before or during the regular agenda. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined an emergency by the Board of Retirement. Any member of the public wishing to address the Board during the "Public Comment," period shall be permitted to be heard once up to three minutes. Please complete a Public Comment Form and give it to the Chair of the Board. Any person wishing to make a presentation to the Board must submit the presentation in written form, with copies furnished to all Board members. Presentations are limited to three minutes.

BOARD AGENDAS & MINUTES: Board agendas, Minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at StanCERA, 832 12th Street, Suite 600, Modesto, CA 95354, during normal business hours.

AUDIO: All Board of Retirement regular meetings are audio recorded. Audio recordings of the meetings are available after the meetings at <http://www.stancera.org/sections/aboutus/agendas>.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (209) 525-6393. Notification 72 hours prior to the meeting will enable StanCERA to make reasonable arrangements to ensure accessibility to this meeting.

1. Meeting Called to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the August 26, 2014 Investment Meeting Minutes [View](#)

5. Consent Items (Cont.)

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

1. Beck, Carla - Sheriff - Effective - 09-06-2014
2. Bradford, Robert - Clerk Recorder - Effective 08-19-2014
3. Cope, Mary Ann - HSA – Effective 08-08-2014
4. Garcia, Lisa - DCSS - Effective 08-16-2014
5. Gasca, Teresa - Sheriff – Effective 09-11-2014
6. Harvey, Nancy - Superior Court - Effective 9-20-2014
7. Koelmans, Shirley - Stan Co Fire - Effective 09-16-2014
8. Lepley, Vickie - Tax Collector - Effective 09-03-2014
9. Parker, Sharon - HSA - Effective 09-06-2014
10. Pearson, Teresa - HSA - Effective 09-18-2014
11. Perry, Deborah - Superior Courts - Effective 09-20-2014
12. West, Jennifer - District Attorney - Effective 09-20-2014

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

1. Freitas, Jackie – DCSS – Effective 08-08-2014
2. Gardette, Matthew – Sheriff - Effective 04-11-2014
3. Kiely, Brenda- CEO – Effective 06-28-2014
4. Kozina, Paul – DA – Effective 06-28-2014
5. Miller, Ryan – Sheriff – Effective 01-12-2014
6. Spaulding, Dana – Sheriff – Effective 08-09-2014
7. Taylor, Amy – Library – Effective 08-08-2014

d. Approval of Death Benefit – **Sections 31781, 31781.1, and 31781.3**

1. Koeurn Phe, Deceased, August 25, 2014, Active Member

e. Withdrawal of Application for a Service-Connected Disability – **Section 54957**

1. Rakoncza, Keith – Sheriff

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

1. Ashlock, Ronald – BHRS – Effective 07-02-14

6. Executive Director

- a. Discussion and Action on the State Association of County Retirement Systems (SACRS) November 11-14, 2014 Fall Conference Voting Proxy Form - Kellie Gomes [View](#)
- b. StanCERA Monthly Staff Report – Rick Santos [View](#)

7. Closed Session

- a. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets 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)

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

9. Adjournment



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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

August 26, 2014

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

Member Absent: NONE

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Kathy Herman, Fiscal Services/Operations Manager
Kellie Gomes, Executive Board Secretary
Mary Williams, Administrative Assistant

Others Present: Fred Silva, General Legal Counsel
Doris Foster, Chief Executive Office
Paul Harte, Strategic Investment Solutions, Inc.

1. Meeting called to order at 2:01 p.m. by Gordon Ford, Chair.

2. **Roll Call**

3. **Announcements**

None

4. **Public Comment**

None

5. **Consent Items**

a. Approval of the August 13, 2014, Administrative Meeting Minutes

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

Motion was made by Maria De Anda and seconded by Jeff Grover to approve
consent items as presented.

Motion carried unanimously.

6. Annual Update and Review – PIMCO

2:04pm Mike Lynch arrived

Matt Clark and Sasha Talcott from PIMCO Investments LLC presented the annual update and review. Together they answered questions from Trustees regarding the performance of the Fund and strategies going forward.

a. Quarterly Value Added Report

7. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

- i. Discussion and Action to approve the recommendation of the Internal Governance Committee to amend Bylaws 1.6; Retirement Board Member Election Procedures.

Motion was made by Darin Gharat and seconded by Donna Riley to approve as presented and recommended by the Internal Governance Committee.

Motion carried unanimously.

8. Strategic Investment Solutions (SIS), Inc.

2:44 p.m. Mike Lynch left meeting

a. StanCERA Investment Managers Review List for Quarter Ending June 30, 2014

Quarterly Portfolio Performance Analysis (Return, Benchmark and Peer Ranking.)

- 2nd Quarter: 3.7%, 3.9%, 40
- Fiscal YTD: 18.2%, 16.8%, 14
- 3 Year: 10.9%, 9.8%, 12
- 5 Year: 14.2%, 13.0%, 7

2:51 p.m. Mike Lynch returned

b. Monthly Performance Review for the Month Ending July 31, 2014

- Monthly Return: -1.26%
- Fiscal YTD: -1.26%
- Fiscal YTD alpha: 0.14%
- Total Fund Value as of July 31, 2014: \$1,759,281,322

- c. Report on "Top 10 Holdings" by StanCERA Investment Managers as of July 31, 2014

9. Executive Director

- a. Discussion and Action Regarding Infrastructure Investment Option

Motion was made by Darin Gharat and seconded by Jeff Grover to approve Paul Harte's recommendation to bring both Kohlberg Kravis Roberts (KKR) and Morgan Stanley Investment Partners (MSIM) to present to the Board with no obligation to commit to either firm.

- b. Value Added Reports

Kathy Herman gave an update on Quarter 2 results from the value added report.

- c. Legal Update

Kathy Herman gave a brief update on the Ventura County Pension Reform initiative.

10. Closed Session

Motion was made by Jason Gordo and seconded by Donna Riley to go into closed session at 3:37.

Motion carried unanimously

- a. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets 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)

Motion was made by Darin Gharat and seconded by Maria De Anda to go into open session at 3:44 p.m.

Motion carried unanimously

10. Closed Session (Cont.)

Nothing to report out from closed session.

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

None

12. Adjournment

Meeting adjourned at 3:45 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



SACRS VOTING PROXY FORM

The following are authorized by the _____ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference (*if you have more than one alternate, please attach the list of alternates in priority order*):

_____ Voting Delegate

_____ Alternate Voting Delegate

These delegates were approved by the Retirement Board on ____ / ____ / ____.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by **October 1, 2014** to:

SACRS
Attn: Sulema H. Peterson, SACRS Administrator
1415 L Street, Suite 1000
Sacramento, CA 95814
Tel: (916) 441-1850 / FAX: (916) 441-6178 / E-mail: sacrs@sacrs.org



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**For the Board of Retirement Meeting
Held on September 10, 2014**

TO: Board of Retirement

FROM: Rick Santos, Executive Director

- I. SUBJECT: StanCERA Monthly Staff Report
- II. ITEM: # 6.b
- III. ITEM TYPE: Information
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: The monthly staff report's intent is to report out to the Board of Retirement important issues/tasks staff has been working on over the past month. This report appears similar to last month's report as staff has been focusing on those same issues. One issue that staff has been working on over the past several months, the custodial bank transfer, is now fully complete.
 - a. *Regular workload* – Staff's main focus over the past couple months has been getting the regular work product out. StanCERA has been down 2.5 staff members due to extended medical leaves, jury duty and one resignation. In the meantime, StanCERA shuffled several workloads, hired one temporary person and opened a recruitment to fill the vacant position. The data audit process has been put on hold temporarily until we are at or near fully staffed. Given the structure of the County's hiring process, we hope to have the vacant position filled in November.
 - b. *Strategic Realignment* – Research on the 10-year strategic realignment is nearly complete. The realignment plan to be presented to the Board at our October administrative meeting will lay out a roadmap for needed resources and process change requirements over the next 10 years.
 - c. *Annual Audit* – Staff have been heavily involved in the year-end close and annual audit process. StanCERA's actuary and consultants were engaged to provide some of the additional information required by GASB 67. The auditors have been on site three weeks this year, working closely with senior staff and the Accountant, Natalie Elliott, as they work to understand our benefit delivery and reporting processes in preparation for the release of the annual audit. The Comprehensive Annual Financial Report is scheduled to be completed and presented to the Internal Governance Committee on October 28, 2014.
- VI. RISK: None

- VII. STRATEGIC PLAN: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None



Rick Santos, Executive Director



Kathy Herman, Operations Manager



Dawn Lea, Benefits Manager