



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

September 25, 2012

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

Members Absent: Jeff Grover

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

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

Others Present: Fred Silva, General Legal Counsel
Paul Pharte & Nathan Pratt, Strategic Investment
Solutions (SIS), Inc.
Doris Foster, County Chief Executive Office

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

2. **Roll Call**

3. **Announcements**

Ms. Irizarry announced the Opal Financial Group is taking place on January 8-10, 2013 at the Phoenician in Scottsdale, AZ.

4. **Public Comment**

None.

5. **Consent Items**

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

Motion carried.

a. Approval of the September 12, 2012 Administrative Meeting Minutes

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

- b. Approval of StanCERA Holiday Office Closure on December 24, 2012 and December 31, 2012

6. **Semi-Annual Performance Report by Delaware Investments**

Kim Aspenleider, Vice President, Client Services, and Kevin Brown, Vice President Senior Investment Specialist gave the semi-annual presentation on StanCERA's large cap growth portfolio.

As of June 30 2012, the six months, one year, and inception date net returns are -5.21%, 10.43%, 5.29%, respectively.

As of August 31, 2012, the six months, one year, and inception date net returns are 14.14%, 18.27%, 5.77%, respectively.

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

- a. Monthly Performance Review for the Month Ending August 31, 2012

Mr. Harte presented the monthly performance review for the period ending August 31, 2012. As of August 31, 2012, StanCERA's portfolio is \$1.42 billion. The fiscal year to date return is 3.21% , above StanCERA's policy index of 2.66% and the actuarial assumption of 1.34% year to date.

- b. Report on "Top 10 Holdings" by StanCERA Investment Managers as of August 31, 2012

8. **Executive Director**

- a. Overview of Asset/Liability Education Study Session
b. Asset Allocation Study – Board of Retirement Risk Survey
c. Public Employees' Pension Reform Act of 2012 – AB 340 and AB 197

Heard Out of Order

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

Mr. Santos reported plans to have an investment item on the October Administrative calendar due to heavy concentration of investment items lately.

Mr. Santos reported plans for an item concerning investment fees and active vs. passive investing at its October investment meeting.

Mr. Santos reminded the Board of Retirement that Paul Harte of SIS, Inc. will be giving an update on the recent due diligence trip at either the October Administrative or Investment meeting.

Heard Out of Order (Cont.)

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

Ms. Lea informed the Board, StanCERA has begun a Pension Reform Focus Group with plan sponsors.

Ms. Herman announced the new Pension Reform Act requires changes to StanCERA's electronic pension system, as well as the plan sponsors.

9. **Closed Session**

J. Clendenin and M. O'Neal recused themselves at 3:50 p.m.

Motion was made by Darin Gharat and seconded by Mike Lynch to commence to Closed Session at 3:50 p.m.

Motion carried.

Motion was made by Darin Gharat and seconded by Ron Martin to return to Open Session at 4:02 p.m.

Motion carried.

- 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(a)

No Report

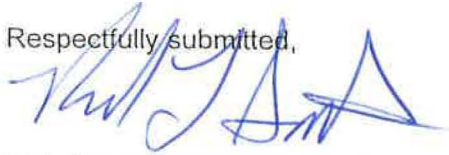
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County
Superior Court Case No. 1-11-CV202224
Government Code Section 54956.9(b)

No Report

11. Adjournment

Meeting adjourned at 4:03 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