



Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Stephen Lau
General Counsel

Stephen Hawley
Chief Strategy Officer

Mario Sierras
Chief Benefits Officer

AGENDA

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, SEPTEMBER 18, 2019

10:00 A.M.

Location: **SCERS Board Room**
980 9th Street, 19th Floor
Sacramento, California 95814

OPEN SESSION

Item 1. **Call to Order**

Item 2. **Public Comment**

Matters under the jurisdiction of the Board may be addressed by the general public at the start of the meeting. Total meeting time allotted for the Public Comment item is up to fifteen (15) minutes.

CONSENT MATTERS – Items 3 - 8:

Consent matters are acted upon as one unit. If the Chair removes an item from the Consent Calendar for discussion, it will be heard as the last item(s) of the Administrative Matters, Benefit Matters, Investment Matters or Closed Session, as appropriate. If a Consent item containing one or more recommendations to the Board is approved on Consent the recommendation(s) therein are approved.

Item 3. **Disability Retirement Applications**

- A. MERCURIO, John; Proposed decision of Administrative Law Judge dated June 19, 2019
- B. WARD, Brian; Staff recommendation dated September 18, 2019.
- C. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions

Members of the Board of Retirement:

Rick Fowler, President
Appointed by the Board of Supervisors

John B. Kelly, Vice President
Appointed by the Board of Supervisors

Keith DeVore, Vice President
Appointed by the Board of Supervisors

Diana Gin
Elected by the Miscellaneous Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Ben Lamera
Ex Officio, Director of Finance

Alan Matré, CPA
Elected by the Miscellaneous Members

Kathy O'Neil
Elected by the Retired Members

Matt Petersen
Elected by the Safety Members

John Conneally
Elected by the Safety Members

Martha J. Hoover
Elected by the Retired Members

- Item 4. **Minutes of the August 21, 2019 regular meeting**
- Item 5. **Ratification of Service Retirement Application Approvals – August 2019**
- Item 6. **Conflict of Interest Code**
- Item 7. **Monthly Investment Manager Activity, Compliance and Watch List Report – August 2019**
- Item 8. **Monthly Report of Investment Activity – August 2019**

EXECUTIVE REPORTS:

- Item 9. **Chief Executive Officer’s Report (no action requested)**
- Item 10. **Chief Investment Officer’s Report (no action requested)**

ADMINISTRATIVE MATTERS:

- Item 11. **Electronic Signatures Policy**

Staff to recommend Board adopt Electronic Signature Policy to authorize the use of electronic signatures from members to facilitate retirement processing. Deliberation and action.

- Item 12. **CEO Evaluation Policy**

Chief Executive Officer to recommend Board approve changes to the Board’s timeframe for conducting annual and mid-year performance evaluations of the CEO. Deliberation and action.

- Item 13. **SCERS Office Lease**

Discussion of real property that could be leased for office space, and identification of negotiators and persons with whom the negotiators may negotiate.

BENEFIT MATTERS:

- Item 14. **Annual Report on Disability Retirement**

Chief Benefits Officer to present annual summary and analysis of disability application processing trends. Receive and file.

INVESTMENT MATTERS:

Item 15. Liquid Real Return Manager Recommendation

Staff to recommend Board retain Brookfield Asset Management for Liquid Real Return strategy and authorize CEO to execute necessary documents. Deliberation and action.

Item 16. Portfolio Overlay Program Modifications

Staff to recommend revisions to the Overlay Program bands and other conforming changes. Deliberation and action.

Item 17. Investment Policy Statement Revisions

Staff to recommend revisions to the Master Investment Policy Statement to incorporate recent changes to the Strategic Asset Allocation. Deliberation and action.

Item 18. Quarterly Investment Performance Report—Alternative Assets

Cliffwater, LLC to present the performance report for the periods ending June 30, 2019 for the absolute Return portfolio, and the period ending March 31, 2019 for the Private Equity, Private Credit, Real Assets, and Opportunities portfolios. Receive and file.

Item 19. Quarterly Investment Performance Report—Real Estate

Townsend Group to present the performance report on real estate investments for the quarter ending June 30, 2019. Receive and file.

CLOSED SESSION

Item 20. Conference with Legal Counsel—Existing Litigation

Pursuant to Government Code section 54956.9(d)(1), this session shall be closed to discuss formally initiated litigation to which SCERS is a party. The cases to be discussed are as follows:

- *Sacramento County Deputy Sheriffs' Association vs. SCERS et al.* (County of Sacramento Superior Court, Case No. 34-2019-80003132)
- *SCERS et al. vs. Volkswagen* (Braunschweig District Court, Germany)
- *In re: Tribune Co.. Fraudulent Conveyance Litig.* (Southern District of New York, Case No. 11-MD-2296) and *Kirschner v. Fitzsimons* (Southern District of New York, Case No. 12-CV-2652)
- *Switzer v. SCERS* (County of Sacramento Superior Court, Case No. 34-2018-80002987)
- *Howard v. SCERS* (County of Sacramento Superior Court, Case No. 37-2017-80002644)
- *Barrino v. SCERS* (County of Sacramento Superior Court, Case No. 34-2019-80003054)
- *Gargano v. SCERS* (County of Sacramento Superior Court, Case No. 34-2014-80001755)
- *Codog v. SCERS* (County of Sacramento Superior Court, Case No. 34-2019-80003055)

Item 21. **Conference with Real Property Negotiators**

Pursuant to Government Code section 54956.8, this shall be a closed session with Christian Strain and Kevin Goldthwaite of Cushman & Wakefield to discuss the ongoing negotiation of lease terms with Hines for the property located at 980 9th Street, Sacramento.

OPEN SESSION

Any actions taken in closed session to be reported in open session.

ADJOURNMENT