



Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Stephen Lau
General Counsel

Mario Sierras
Chief Benefits Officer

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

Vacant
Appointed by the Board of Supervisors

Dave Comerchero
Elected by the Miscellaneous Members

Diana Gin
Elected by Miscellaneous Members

Ben Lamera
Ex Officio, Director of Finance

Martha J. Hoover
Elected by the Retired Members

Matt Petersen
Elected by the Safety Members

Kathy O'Neil
Elected by the Retired Members

Jack Philp
Elected by the Safety Members

MINUTES

**REGULAR MEETING
OF THE
BOARD OF RETIREMENT**

**SACRAMENTO COUNTY
EMPLOYEES' RETIREMENT SYSTEM**

Wednesday, June 16, 2021

10:00 A.M.

Location: ZOOM TELECONFERENCE

OPEN SESSION

Item 1. Call to Order—The meeting was convened at 10:02 a.m.

Mr. Fowler stated that the meeting was occurring via teleconference under Executive Order N-25-20 which relaxed provisions of the Brown Act to make it easier for local government boards to conduct board meeting without convening in the same physical location.

Mr. Stern noted the following Board members were present:

1. Rick Fowler
2. John Kelly
3. Keith DeVore
4. Dave Comerchero
5. Diana Gin
6. Ben Lamera
7. Martha Hoover
8. James Diepenbrock
9. Kathy O'Neil
10. Matt Petersen
11. Jack Philp

Item 2. Public Comment

None.

CONSENT MATTERS – ITEMS 3-9:

The Board approved the Consent Matters Items 3-9 (9-0).

- Item 3. Minutes of the May 19, 2021, regular meeting**—approved the Minutes of the May 19, 2021 meeting.
- Item 4. Disability Retirement Applications**
- A. CRYER-COLEMAN, Cynthia—Granted a service-connected disability retirement as recommended by staff.
 - B. HYATT, Scott—Granted a service-connected disability retirement as recommended by staff.
 - C. RIVERA, Evelyn—Granted a nonservice-connected disability retirement as recommended by staff.
 - D. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions
- Item 5. Ratification of Service Retirement Applications – May 2021**—Ratified the Service Retirement Applications that were finalized in the previous month.
- Item 6. State Association of County Retirement Systems Legislative Update – June 2021**—Received and filed the SACRS Legislative Update for June.
- Item 7. Sacramento County 2021-22 Contribution Prepayment**—Approved Sacramento County’s intent to prepay the 2021-22 employer contributions.
- Item 8. Monthly Investment Manager Activity, Compliance, and Watch List Report – May 2021**—Received and filed the Monthly Investment Manager Activity, Compliance, and Watch List Report for the previous month.
- Item 9. Monthly Report of New Investment Activity – May 2021**—Received and filed the report summarizing SCERS’ investment activity from the previous month.

EXECUTIVE REPORTS:

Item 10. Chief Executive Officer’s Report

Chief Executive Officer Eric Stern provided the following updates:

Mr. Stern reported that Governor Newsom has issued a new Executive Order lifting many of the public health emergency executive orders, including provisions that allowed the Board to conduct teleconference meetings more easily. Mr. Stern also noted that the Board could continue to meet remotely through September under the Governor’s Executive Order, and he asked for the Board’s preference on meeting in person for future meetings. Mr. Fowler said he prefers to meet in person, and several Board members concurred, to resume meeting in person beginning with the next regular meeting in August.

Mr. Stern acknowledged that Mr. Diepenbrock was stepping down from the Board after 24 years. Mr. Stern read a Board of Supervisors resolution thanking Mr. Diepenbrock for his service and leadership at SCERS, and Mr. Stern presented an appreciation plaque from SCERS. Board members expressed gratitude to Mr. Diepenbrock for his service.

Item 11. Chief Investment Officer's Report

Chief Investment Officer Steve Davis provided the following updates:

- At the April meeting, the Board approved issuing an RFP for portfolio analytics systems with a third party service provider. Staff is close to completing the RFP, and will let the Board know when it is posted to the SCERS public website, which is expected to take place over the next couple of weeks. RFP responses will be due over the next couple of months, after which Staff will review the responses, and identify candidates to provide a demonstration.
- Staff and Cliffwater have been performing due diligence on investment managers to implement a co-investment mandate within SCERS' Private Equity portfolio. The investment mandate is expected to be structured as a fund of one specific to SCERS, where the investment manager would underwrite SCERS' own manager co-investment deal flow, as well as provide SCERS with access to their co-investment deal flow. Prior to making a recommendation on a manager, Staff believes it is prudent to provide education to the Board on a fund of one structure, including the implementation decision making within this structure, and Staff's role. The education will take place at the August or September Board meeting, and we have invited outside counsel, Foley & Lardner to present with Staff the ins and outs of this type of structure.

BENEFIT MATTERS:

Item 12. Membership Policy

Chief Executive Officer Eric Stern presented the amendments to the Membership Policy to clarify eligibility rules for employees moving from temporary to permanent positions and recommended the Board approve the amendments to the Membership Policy.

The Board approved a motion to approve the amendments to the Membership Policy. **(9-0)**

INVESTMENT MATTERS:

Item 13. Real Estate Sector Allocation

Chief Investment Officer Steve Davis recommended the Board approve updating the Real Return Asset Category Investment Policy Statement for the Real Estate property-type allocations.

The Board approved a motion to approve updating the Real Return Asset Category Investment Policy Statement for the Real Estate property. Mr. Comerchero left the meeting before this item was completed. **(9-0, Mr. Philp voted for Mr. Comerchero)**

Item 14. Asset Liability Modeling Study

Chief Investment Officer Steve Davis recommended that the Board receive and file the asset liability modeling (ALM) study presentation by SCERS' general investment consultant, Verus Advisory, and Staff.

The Board approved a motion to receive and file the asset liability modeling (ALM). **(8-0, Mr. Philp voted for Mr. Comerchero)**

Mr. Lamera left the meeting before this item was completed.

Item 15. Quarterly Investment Performance Report — Alternative Assets

Chief Investment Officer Steve Davis recommended the Board receive and file the Cliffwater Quarterly Performance Review presentation for the period ending March 31, 2021 for the Absolute Return portfolio, and the period ending December 31, 2020 for the Private Equity, Private Credit, Real Assets, and Opportunities portfolios.

The Board approved a motion to receive and file the Cliffwater Quarterly Performance Review. **(8-0, Mr. Philp voted for Mr. Comerchero)**

Item 16. Quarterly Investment Performance Report — Real Estate

Chief Investment Officer Steve Davis recommended the Board receive and file the Townsend Real Estate Portfolio Performance Measurement Report for the period ended March 31, 2021.

The Board approved a motion to receive and file Townsend Real Estate Portfolio Performance Measurement Report. **(8-0, Mr. Philp voted for Mr. Comerchero)**

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:56 a.m.

MEMBERS PRESENT

via teleconference: Keith DeVore, John B. Kelly, Diana Gin, Dave Comerchero, Martha J. Hoover, Ben Lamera, James Diepenbrock, Kathy O’Neil, Matt Petersen, Jack Philp, and Rick Fowler presiding.

MEMBERS ABSENT: None

OTHERS PRESENT

via teleconference: Eric Stern, Chief Executive Officer; Steve Davis, Chief Investment Officer; Mario Sierras, Chief Benefits Officer; Jenna Taylor, Retirement Services Manager; John Lindley, Senior IT Analyst; JR Pearce, Senior Investment Officer; Brian Miller, Retirement Investment Officer; Michael Vang, Retirement Investment Analyst; Joan Kudin, Public Information Officer; Amy Larson, Sr. Personnel Analyst; Lance Kjeldgaard; Jamie Feidler, Cliffwater, LLC; John Nicolini and Stuart Odell, Verus Advisory, Inc.; Gar Chung; Joseph Schulman; Gerard Fancovic; Rowen Descallar; Denise Stivel; Chris Cunningham; Dick Brown; and Steve Baird.

Respectfully submitted,

/S/

Eric Stern
Chief Executive Officer and
Secretary of the Retirement Board

APPROVED: _____
Richard B. Fowler II, President

DATE: _____



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
August 18, 2021**

MOTION:

Minutes

THE BOARD OF RETIREMENT hereby approves the Minutes of the June 16, 2021 regular meeting.

I HEREBY CERTIFY that the above order was passed and adopted on August 18, 2021, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary