



Executive Staff:

Richard Stensrud
Chief Executive Officer

Vacant
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
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

Michael DeBord
Elected by the Retired Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Diana Gin
Elected by the Miscellaneous Members

Chris A. Pittman
Elected by the Safety Members

Julie Valverde
Ex Officio, Director of Finance

John Conneally
Elected by the Safety Members

Martha J. Hoover
Elected by the Retired Members

MINUTES

RETIREMENT BOARD MEETING, WEDNESDAY, MAY 6, 2015

A special meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 19th Floor, Sacramento, California, on Wednesday, May 6, 2015, and commenced at 10:03 a.m.

OPEN SESSION:

PUBLIC COMMENT:

1. None heard.

MINUTES:

2. The Minutes of the April 15, 2015 regular meeting were approved on Motion by Mr. Diepenbrock; Seconded by Mr. DeBord. Motion carried (6-0).

CONSENT MATTERS:

Items 3-11

The Consent matters were acted upon as one unit upon a Motion by Mr. Diepenbrock; Seconded by Mr. DeBord. Motion carried (6-0).

3. DAHLSTROM, Jeffrey: Granted a reciprocal service-connected disability retirement.

CONSENT MATTERS (continued):

4. RANTA, Marie J.: Granted a reciprocal nonservice-connected disability retirement.
5. WOODEL, Edward M.: Granted a service-connected disability retirement.
6. LOZITO, Robert C.: Granted a service-connected disability retirement.
7. ROWLAND, Shirley: Denied a service-connected disability retirement.
8. Received and filed the Selected Fees and Costs for Outside Legal Services for the Quarter Ended March 31, 2015.
9. Received and filed the Portfolio Re-Balancing Report for the Quarter Ended March 31, 2015.
10. Received and filed the Trading Cost Report for the Quarter Ended March 31, 2015.
11. Received and filed the April 2015 Monthly Investment Manager Compliance Report and Watch List.

ADMINISTRATIVE MATTERS:

12. Chief Executive Officer Richard Stensrud provided an update on developments affecting public retirement systems and on miscellaneous system and staff activities.

Mr. Stensrud reported that modifications had been made to the proposed by-law changes that will be presented at the State Association of County Retirement Systems (SACRS) Spring Conference, scheduled for May 12 – 15 in Anaheim. Mr. Stensrud stated that, among other modifications, the new proposed changes prohibit administrators at county retirement systems from being SACRS officers. Mr. Stensrud stated that he is now recommending that SCERS change its position from supporting the proposed changes to opposing them. Mr. Stensrud also noted that, according to the existing by-laws, any proposed modifications must be sent to the member systems at least 30 days in advance of the vote. Mr. Stensrud stated that the new modifications had only been sent out early in May and therefore would not meet the 30 day notice requirement. Mr. Stensrud stated that as the designated voting delegate for SCERS, he would vote consistent with his comments unless the Board wished him to do otherwise. Discussion followed and it was the consensus of the Board that SCERS should oppose the revised proposed by-law changes.

Mr. Stensrud reported that Mr. DeBord had recently conducted an interview with San Bernardino County Employees' Retirement Association (SBCERA) Chief Executive Officer Gary Amelio at the 2015 California Retired County Employees Association (CRCEA) Spring Conference. Mr. DeBord stated that the interview was similar to one he did with Mr. Stensrud last fall and that it was well received by the CRCEA.

ADMINISTRATIVE MATTERS (continued):

13. Chief Executive Officer Richard Stensrud introduced a proposed policy regarding post-retirement employment by SCERS' retirees. Mr. Stensrud stated that, with the CalPEPRA legislation, attention to post-retirement employment oversight and compliance has increased, particularly the responsibility placed on retirement systems. Mr. Stensrud noted that SCERS had been engaging with participating employers to provide both education and to gather information regarding their current practices with respect to employment of SCERS' retirees.

General Counsel Robert Gaumer reviewed the survey results and summarized the rules in the proposed policy. Mr. Gaumer and Mr. Stensrud discussed areas where it appeared that employers would need to modify their practices in order to comply with the proposed policy and noted that SCERS would continue to work with the employers to help them to comply. In that regard, Mr. Gaumer noted that a template had been developed for the participating employers to use to adopt their own policy relating to post-retirement employment.

Discussion followed.

Motion by Mr. Diepenbrock to approve the proposed policy regarding post-retirement employment; Seconded by Mr. Pittman. Motion carried (6-0).

INVESTMENT MATTERS:

14. Deputy Chief Investment Officer Steve Davis introduced the preliminary Investment Performance Report for the Quarter Ended March 31, 2015. Mr. Davis noted the due to the earlier date in the month for the Board Meeting, the full quarterly report was not available, but would be presented at the June Board Meeting.

Patrick Thomas of Strategic Investment Solutions presented the preliminary Investment Performance Report for the Quarter Ended March 31, 2015. Mr. Thomas reviewed the market environment and news from the quarter. Mr. Thomas stated that the preliminary Total Fund (TF) return for the first quarter, including the impact of the overlay program, was 2.0% gross of fees. The preliminary TF return was 0.3% below the policy index of 2.3%, but 0.1% above the allocation index of 1.9%. The preliminary return of the TF without the impact of the overlay program was also 2.0%.

Motion by Mr. Diepenbrock to receive and file the quarterly performance report; Seconded by Mr. Pittman. Motion carried (6-0).

The meeting was adjourned at 11:15 a.m.

MEMBERS PRESENT: Richard B. Fowler II, Michael DeBord, James A. Diepenbrock, Chris Pittman, Julie Valverde, John Conneally, and Martha J. Hoover.

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MEMBERS ABSENT: John B. Kelly, Keith DeVore, and Diana Gin.

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Robert L. Gaumer, General Counsel; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer; Steve Davis, Deputy Chief Investment Officer; Suzanne Likarich, Retirement Services Manager; T. Dang, Senior Accounting Manager; JR Pearce, Investment Officer; John Lindley, IT Administrator; Patrick Thomas, Strategic Investment Solutions, Inc; and John Reed, Deputy County Counsel.

Respectfully submitted,

Richard Stensrud
Chief Executive Officer and
Secretary of the Retirement Board

APPROVED: _____
Rick Fowler, President

DATE: _____

cc: Retirement Board (11); Board of Supervisors (6); County Counsel; County Executive (2); Internal Services Agency (2); County Labor Relations; Employee Organizations (20); Sacramento County Retired Employees' Association; SCERS Member Districts (10); Elected Officials (3); Superior Court of California, County of Sacramento; Amervest Company, Inc.; Mark Merin; John R. Descamp; and The Sacramento Bee.