



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, APRIL 15, 2015

A regular 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, April 15, 2015, and commenced at 10:00 a.m.

OPEN SESSION:

PUBLIC COMMENT:

1. Sharon Barrino addressed the Board regarding her application for disability retirement. At the request of Board President Rick Fowler, General Counsel Robert Gaumer provided an overview of the steps that were taken in processing Ms. Barrino's application.

MINUTES:

2. The Minutes of the March 18, 2015 regular meeting were approved on Motion by Mr. Diepenbrock; Seconded by Mr. Kelly. Motion carried (8-0).

CONSENT MATTERS:

Items 3-10

The Consent matters were acted upon as one unit upon a Motion by Mr. Diepenbrock; Seconded by Mr. DeVore. Motion carried (8-0).

CONSENT MATTERS (continued):

3. BARRINO, Sharon: Denied a service-connected disability retirement.
4. DUFFANY, William J.: Granted a service-connected disability retirement.
5. DURAN, Estela.: Denied a service-connected disability retirement.
6. GURRIE, Megan: Denied a nonservice-connected disability retirement.
7. TRAVIS, Sarah E.: Accepted the terms of the stipulated judgment, requested a supplemental IME, and ordered remanding the application.
8. Approved the proposed items to be voted on by the membership at the State Association of County Retirement Systems (SACRS) Spring Conference.
9. Received and filed the March 2015 Monthly Investment Portfolio Activity Report.
10. Received and filed the March 2015 Monthly Investment Manager Compliance Report and Watch List.

ADMINISTRATIVE MATTERS:

11. 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 the State Association of County Retirement Systems (SACRS) Spring Conference is scheduled for May 12 – 15 in Anaheim.

Mr. Stensrud reported that Staff continues to examine the final compensation review process mandated by CalPEPRA. Mr. Stensrud stated that in cases where there are questions regarding a particular pay element, members are now being asked to provide statements, under the penalty of perjury, to explain why the pay element should be viewed as problematic under the law.

Mr. Stensrud reported that there was proposed state legislation that would be coming before a committee hearing in May that would require CalPERS and CalSTRS to divest from coal-based investments. Mr. Stensrud stated that both CalPERS and CalSTRS are taking a neutral position on the legislation. Mr. Stensrud noted that extending this legislation to the county retirement systems has not been discussed.

INVESTMENT MATTERS:

12. Deputy Chief Investment Officer Steve Davis introduced Scott Crabill from Thoma Bravo who would be providing an educational presentation on the private equity investment strategy that Thoma Bravo implements for SCERS. Mr. Davis stated that SCERS had

INVESTMENT MATTERS (continued):

committed \$30 million to Thoma Bravo Fund XI, L.P. (TB XI) in April 2014. Mr. Davis noted that TB XI is a buyout fund that makes control oriented investments exclusively in middle market software and technology enabled services companies, which can come in the form of leveraged buyouts, corporate carve-outs, take privates of publicly traded companies, and recapitalizations.

Mr. Crabill provided an overview of Thoma Bravo's history and organization. Mr. Crabill also reviewed Thoma Bravo's recent fund performance. Mr. Crabill discussed Thoma Bravo's investment strategy and their process with companies in which they invest. Mr. Crabill then reviewed the revenue increases of some of the companies that occurred from the point at which Thoma Bravo invested. Finally, Mr. Crabill discussed Thoma Bravo's process of disciplined investing.

Motion by Mr. DeVore to receive and file the educational presentation by Thoma Bravo on the private equity investment strategy they implement for SCERS; Seconded by Mr. Kelly. Motion carried (8-0).

The meeting was adjourned at 11:03 a.m.

MEMBERS PRESENT: Richard B. Fowler II, John B. Kelly, Keith DeVore, Michael DeBord, James A. Diepenbrock, Diana Gin, Chris Pittman, John Conneally, and Martha J. Hoover.

MEMBERS ABSENT: Julie Valverde.

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Robert L. Gaumer, General Counsel; John W. Gobel, Sr., Chief Benefits Officer; Steve Davis, Deputy Chief Investment Officer; Suzanne Likarich, Retirement Services Manager; JR Pearce, Investment Officer; John Lindley, IT Administrator; Scott Crabill, Thoma Bravo; John Reed, Deputy County Counsel; Sandra Little; and Sharon Barrino.

Respectfully submitted,

Richard Stensrud
Chief Executive Officer and
Secretary of the Retirement Board

APPROVED: _____
Rick Fowler, President

DATE: _____

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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.