



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

James A. Diepenbrock
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 April 21, 2021

10:00 A.M.

Location: ZOOM TELECONFERENCE

OPEN SESSION

Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Stephen Lau
General Counsel

Mario Sierras
Chief Benefits Officer

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.

Following Item 2, Mr. Fowler announced the Board will convene in Closed Session to discuss existing litigation in the case *Wilbourn v. SCERS*.

CLOSED SESSION

Item 3. Conference with Legal Counsel—Existing Litigation

Following the closed session, Mr. Fowler announced that the Board discussed existing litigation in the case of *Wilbourn v. SCERS* and voted unanimously not to appeal the case.

OPEN SESSION

CONSENT MATTERS – ITEMS 4-15:

The Board approved the Consent Matters Items 4-15 (9-0, with Mr. Petersen abstaining from Item 8).

Item 4. Minutes of the March 17, 2021, regular meeting—Approved the Minutes of the March 17, 2021 meeting.

Item 5. Disability Retirement Applications

A. WILBOURN, Katheleen- Accepted the recommendation to comply with the writ of administrative mandamus issued by the court.

B. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions.

Item 6. Service-Connected Death Benefit Applications

A. CATANYAG, Dennis- Granted a service-connected death benefit for surviving spouse as recommended by staff.

B. GIBSON, Adam- Granted a service-connected death benefit for surviving spouse as recommended by staff.

Item 7. Ratification of Service Retirement Application Approvals – March 2021—Ratified the Service Retirement Applications that were finalized in the previous month.

Item 8. Felony Forfeiture Review

A. BISHOP, Shauna- Accepted staff's recommendation against forfeiture of benefits because member misconduct falls outside the scope of Government Code section 7522.74.

Item 9. State Association of County Retirement Systems Legislative Update – April 2021—Received and filed the SACRS Legislative Update for March.

Item 10. State Association of County Retirement Systems—Spring 2021 Business Meeting

A. SACRS Voting Delegates—Designated the Chief Executive Officer as the Voting Delegate and designated John Kelly, Keith DeVore, Martha Hoover, Kathy O'Neil, Matt Petersen, and Jack Philp as the alternates authorized to vote on behalf of

SCERS on matters presented for a vote of the SACRS membership in 2021 and 2022. Authorized SCERS voting delegate(s) to: (a) Vote in accordance with the positions adopted by the Board; (b) Vote on any matters that have not been specifically addressed by the Board in a manner consistent with positions previously expressed by the Board; and (c) Abstain from voting on any matters the Board has not previously addressed and upon which the Board has not shown a strong consensus.

- B. SACRS Board of Directors Nominees—Approved the election of officers for the 2021-22 State Association of County Retirement Systems (SACRS) Board of Directors, as recommended by the SACRS Nominating Committee
- C. 2021 Legislation—Approved SACRS’ sponsorship of SB 634 that makes technical and clarifying amendments to the County Employees’ Retirement Law of 1937 (CERL).

- Item 11. CEO Delegated Authority for Expenses Quarterly Performance Report**—Received and filed the Quarterly CEO Delegated Authority Expense Report for March 2021.
- Item 12. Strategic Management Plan Quarterly Performance Report**—Received and filed the Strategic Management Plan Quarterly Performance Report.
- Item 13. Placement Agent Disclosure Report**—Received and filed the Placement Agent Disclosure Report.
- Item 14. Monthly Investment Manager Activity, Compliance, and Watch List Report – March 2021**—Received and filed the Monthly Investment Manager Activity, Compliance, and Watch List Report for the previous month.
- Item 15. Monthly Report of New Investment Activity – March 2021**—Received and filed the report summarizing SCERS’ investment activity from the previous month.

EXECUTIVE REPORTS:

Item 16. Chief Executive Officer’s Report

No report was provided.

Item 17. Chief Investment Officer’s Report

Chief Investment Officer Steve Davis provided an update on SCERS’ quarterly performance. Mr. Davis stated that SCERS’ Portfolio returned 2.5% during the first quarter, which puts SCERS’ fiscal year performance at a positive 18%. Mr. Davis noted that positive returns across asset classes except for fixed income were up, the traditional fixed income was down for the quarter, mostly driven by rising interest rates.

ADMINISTRATIVE MATTERS:

Item 18. Recognized Retiree Organization Policy

Chief Executive Officer Eric Stern recommended the Board approve the recognized Retiree Organization Policy, formerly named the “Facilitating Communications by Third

Parties to Retirees and Beneficiaries Policy.” The policy also affirms SCREA as a recognized retiree organization.

The Board approved a motion to adopt the Recognized Retiree Organization Policy. **(9-0)**

Item 19. SCERS Pension Administration System Quarterly Report

Mr. Stern presented an updated on progress with the Pension Administration System project.

The Board approved a motion to receive and file the SCERS Pension Administration System Quarterly Report. **(9-0)**

Item 20. Alameda Project Support

Mr. Stern recommended to the Board authorize the CEO to execute a service agreement with Morneau Shepell LLC, in an amount not to exceed \$500,000 to assist SCERS with implementing contribution and pension corrections related to the California Supreme Court decision, *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn.*

The Board approved a motion to adopt the staff recommendation. **(9-0)**

Item 21. Project Management Services

Mr. Stern recommended the Board authorize the CEO to extend the project management and oversight services contract with Linea Solutions through December 31, 2022 for an additional \$300,000.

The Board approved a motion to adopt the staff recommendation. **(9-0)**

Item 22. Request for Proposals – Portfolio Analytics Services

Mr. Davis presented an overview of portfolio analytics software services and recommended the Board authorize Staff to issue a request for proposals from firms providing those services.

The Board approved a motion to authorize staff to issue a RFP for portfolio analytics services. **(9-0)**

Item 23. SCERS 2021-22 Proposed Budget

Mr. Stern presented the SCERS budget for the 2021-22 fiscal year. Mr. Stern indicated that the final budget is approximately \$18.5 million, to be paid out of the retirement trust fund, for personnel and operating costs of administering the System.

The Board approved a motion to adopt the SCERS 2021-22 Budget. **(9-0)**

Mr. Diepenbrock left the meeting after this item.

BENEFIT MATTERS:

Item 24. Missing Member/Beneficiary Location Policy

General Counsel Stephen Lau presented the new Missing Member/Beneficiary Location Policy that establishes a procedure for locating persons to whom benefits are owed and for whom SCERS does not have current contact information.

The Board approved a motion to adopt the policy. **(8-0)**

INVESTMENT MATTERS:

Item 25. Education: Transaction Costs

Mr. Davis and Investment Officer Brian Miller presented an overview of transaction cost analysis and reporting.

The Board approved a motion to receive and file the presentation. **(8-0)**

Mr. Comerchero left the meeting during item.

Item 26. Asset Liability Modeling Study

Mr. Davis and John Nicolini from Verus presented an analysis of asset allocation modeling mixes and their impact on investment performance, funded ratios, and contribution rates.

The Board approved a motion to receive and file the presentation. **(7-0)**

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:52 p.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; Stephen Lau, General Counsel; Mario Sierras, Chief Benefits Officer; Debbie Chan, Senior Accounting Manager; John Lindley, Senior IT Analyst; Jim Donohue, Deputy Chief Investment Officer; 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; Jenna Taylor, Retirement Services Manager; Shannon Browning, Administrative Services Officer; Jamie Feidler, Cliffwater, LLC; John Nicolini and Stuart Odell, Verus Advisory, Inc.; Chris Cunningham, Richard Brown, and Felix Fels, The Townsend Group; Gar Chung; John Kennedy, Nossaman LLP; Rachel Gibson; Steve Baird; and, Debbie Musilli-Sidhu, Executive Secretary.

Respectfully submitted,

/S/

Eric Stern
Chief Executive Officer and
Secretary of the Retirement Board

APPROVED: _____
Richard B. Fowler II, President

DATE: _____