



# MINUTES

## REGULAR MEETING OF THE BOARD OF RETIREMENT

### SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, SEPTEMBER 21, 2022  
10:00 A.M.

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

Teleconference Location: SCERS Lobby Offices  
980 9th Street, 19th Floor  
Sacramento, CA 95814

Live-stream at [www.scers.org](http://www.scers.org)

### OPEN SESSION

#### Item 1. Call to Order/Roll Call

President DeVore called the meeting to order at 10:01 a.m. Eric Stern, Chief Executive Officer (CEO), took roll call.

**Board Members Present:** DeVore, O'Neil, Aguallo, Suter, Lamera, Mangru, Noble, Giboney, Hoover.

**Board Members Absent:** None.

Also present: Eric Stern, Chief Executive Officer (CEO); Margo Allen, Chief Operations Officer (COO); Steve Davis, Chief Investment Officer (CIO); Stephen Lau, General Counsel; Mario Sierras, Chief Benefits Officer (CBO); Jim Donohue, Deputy Chief Investment Officer; Brian Miller, Senior Retirement Investment Officer; and Carolyn Hill, Executive Secretary.

#### Item 2. Public Comment

None.

Members of the Board of Retirement:

Keith DeVore, President  
Appointed by the Board of Supervisors

Kathy O'Neil, Vice President  
Elected by the Retired Members (Alternate)

Robert Aguallo Jr.  
Appointed by the Board of Supervisors

Ronald Suter  
Appointed by the Board of Supervisors

Vacant  
Appointed by the Board of Supervisors

Ben Lamera  
Ex Officio, Director of Finance

Alina Mangru  
Elected by Miscellaneous Members

Vacant  
Elected by Miscellaneous Members

Jack Noble  
Elected by the Safety Members

Chris Giboney  
Elected by the Safety Members (Alternate)

Martha Hoover  
Elected by the Retired Members

## **CONSENT MATTERS – ITEMS 3-8:**

The Board approved a motion to approve Consent Calendar Items 3 - 8. The motion carried 8-0.

- Item 3. Disability Retirement Applications**—Approved the Disability Retirement Applications.
1. Friend, Jeff—Granted a service-connected disability as recommended by staff.
  2. Vigon, Jimmy—Granted a service-connected disability as recommended by staff.
  3. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions.
- Item 4. Minutes of the August 17, 2022 Regular Meeting** — Approved the Minutes of the August 17, 2022 Regular Meeting.
- Item 5. Ratification of Service Retirement Application Approvals—August 2022**—Ratified the Service Retirement Applications that were finalized in August 2022.
- Item 6. State Association of County Retirement Systems Legislative Update—September 2022**—Received and filed the SACRS Legislative Update for September 2022.
- Item 7. Monthly Report of Investment Activity—August 2022**—Received and filed the report summarizing SCERS' investment activity for August 2022.
- Item 8. Portfolio Analytic Services—June 15, 2022 Board Order Correction**—Approved the June 15, 2022 Board Order Correction.

## **EXECUTIVE REPORTS:**

### **Item 9. Chief Executive Officer's Report**

Mr. Stern provided an update on the Board elections stating that voting is currently underway through the end of the month for Board retiree seats and the vacant Miscellaneous seat. The results will be out in October and the winner of the Miscellaneous seat can begin serving immediately.

He provided an updated on the hiring process stating the vacancy rate is at 31%. By the end of October, the rate would be down to 22%. In the meantime approximately 5-6 temporaries are in various positions throughout with a continued aggressive interviewing schedule.

Mr. Stern provided an update on the *Alameda* corrections stating that SCERS has made major progress sending out more than 4,200 notices to active and deferred member regarding refunds totaling \$3 million. Members are returning their distribution option forms for SCERS to begin processing the refunds in coming weeks. FAQs are posted to the website to address the many questions and SCERS asks for patience with this massive undertaking. Notices to the retiree population (1,800) would be handled in batches. The first group had approximately 600 retirees since August 2000 that were screened at retirement for *Alameda* pay elements and do not need further adjustment, but will be receiving refunds on overpaid contributions. Other groups may need additional review, particularly in divorced member cases to ensure we divide the adjustments in accordance

with their dissolution orders. He stated the AB 2493 bill, which would have disrupted *Alameda* corrections process, did not move forward in the Legislature.

(Vice Chair O'Neil joined the meeting at 10:08 a.m.)

Mr. Stern reminded the Board of the upcoming SACRS Conference in Long Beach, November 8-11, 2022.

Lastly, Mr. Stern provided insight on the remaining of the year Board meetings stating with the October meeting that has the compensation study and a potential member appeal. The November meeting is the annual planning meeting that reviews progress on goals and objectives, recommendation activities and investment activities for calendar year 2023, with a closed session for the annual review of litigation matters before SCERS and the CEO performance review. Lastly, the December meeting will review the annual comprehensive financial report, audit, actuarial valuation and contribution rates.

#### **Item 10. Chief Investment Officer's Report**

Steve Davis, Chief Investment Officer, provided an update of the August's educational report on the Investment Manager Activity, Compliance, and Watch List report. After evaluation of the report going forward, it was determined a lot of the exposure and activity data in the report was redundant to data the Board already received in other reports. He stated the data coming out of the new portfolio analytics software by Casissa will provide more relevant and non-redundant portfolio exposure data and activity at the total plan level and within asset classes. Staff will be unwinding the exposure and activity data out of the legacy report and converting it to a quarterly report that covers only manager compliance and the Watch List beginning with the October Board meeting. The Board favored quarterly reports rather than monthly. In 2023, a separate report will be created to include a range of exposure data and activity in easy to digest charts and graphs.

#### **Item 11. Chief Benefits Officer's Report**

Mario Sierras, Chief Benefits Officer, provided the following updates:

- Recruitment activity has been active over the past month with over 20 interviews being conducted and several employment officer being made. Interviews continue through the rest of the month and as exams for supervisory level positions being open, we expect continued recruitment efforts to continue for the next few month.
- Retirement application volume remains in-line with what we expect to see during the off-peak season. For the month of August, there were 29 new retirement applications received and 24 retirement applications completed in a median 58-day turnaround processing time.

## **ADMINISTRATIVE MATTERS:**

### **Item 12. Electronic Signatures Policy**

Stephen Lau, General Counsel, presented the staff report providing a brief background of SCERS' Electronic Signatures Policy stating the current Policy was approved in 2019 authorizing use of DocuSign and Ariel. DocuSign is working well and Ariel remains in development. Staff does not seek to use any other signature technologies at this time and recommends re-affirming the policy with no amendments.

The Board approved a motion to re-affirm Electronic Signatures Policy with no amendments. **(8-0)**

## **BENEFITS MATTERS:**

### **Item 13. Dissolution of Marriage Documents Policy**

Mr. Sierras, CBO, presented the staff report providing a brief background of SCERS' Dissolution of Marriage Documents Policy, presented recommendations to re-affirm the policy with minor clarifying edits to better align with statutory language, and responded to any questions.

The Board approved a motion to re-affirm the Dissolution of Marriage Documents Policy with minor clarifying amendments. **(8-0)**

## **INVESTMENT MATTERS:**

### **Item 14. Cash Management Policy**

Mr. Davis presented the staff report providing a brief background of SCERS' Cash Management Policy, presented recommendations to re-affirm the policy with minor clarifying edits to ensure liquidity is sufficient to fund benefit payments and operations, and responded to any questions.

The Board approved a motion to re-affirm Cash Management Policy with minor, clarifying amendments. **(8-0)**

### **Item 15. Education: Private Equity Investing**

Patrick Russo, Shamrock Capital Advisors, provided a PowerPoint presentation on the firm's digital content strategy; and responded to any questions.

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

**Item 16. Quarterly Investment Performance Report—Alternative Assets**

Jamie Feidler of Cliffwater, LLC, provided a PowerPoint presentation presenting the Alternative Assets Quarterly Investment Performance Report for the periods ending June 30, 2022 for the Absolute Return Portfolio, and the periods ending March 31, 2022 for the Private Equity, Private Credit, Real Assets portfolios; and responded to any questions.

The Board approved a motion to receive and file the Quarterly Investment Performance Report—Alternative Assets. **(8-0)**

**Item 17. Quarterly Investment Performance Report—Real Estate**

Chris Cunningham and Dick Brown of Townsend provided a PowerPoint presentation presenting the Real Estate Quarterly Investment Performance Report for quarter ending June 3, 2022; and responded to any questions.

The Board approved a motion to receive and file the Quarterly Investment Performance Report—Real Estate. **(8-0)**

At 11:57 a.m., there being no objection, Chair DeVore recessed the meeting for 10-minutes.

At 12:07 p.m., Chair DeVore reconvened the meeting and called for a closed session.

**CLOSED SESSION**

**Item 18. SALE OF PENSION FUND INVESTMENTS**

Following the closed session, President DeVore announced that the Board discussed the sale of a particular, specific pension fund investment and there were no actions to report, pursuant to Government Code section 54957.1.

**Item 19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

Following the closed session, President DeVore announced that the Board discussed existing litigation in the case of *Bowen v. Courier (Bowen)*. No actions were taken.

**ADJOURNMENT**

There being no further business, President DeVore adjourned the meeting at 12:53 p.m.