



Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

Stephen Hawley
Chief Strategy Officer

AGENDA

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, FEBRUARY 21, 2018

10:00 A.M.

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

OPEN SESSION

Item 1. **Call to Order**

Item 2. **Public Comment**

Matters under the jurisdiction of the Board may be addressed by the general public at the start of the meeting. Total meeting time allotted for the Public Comment item is up to fifteen (15) minutes.

Item 3. **Minutes**

The Minutes of the January 17, 2018 regular meeting to be approved.

CONSENT MATTERS – Items 4 – 13:

Consent matters are acted upon as one unit. If the Chair removes an item from the Consent Calendar for discussion, it will be heard as the last item(s) of the Administrative Matters, Investment Matters or Closed Session, as appropriate. If a Consent item containing one or more recommendations to the Board is approved on Consent the recommendation(s) therein are approved.

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

Steven L. Baird
Elected by the Miscellaneous Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Ben Lamera
Ex Officio, Director of Finance

Alan Matré, CPA
Elected by the Miscellaneous Members

Kathy O'Neil
Elected by the Retired Members

Chris A. Pittman
Elected by the Safety Members

John Conneally
Elected by the Safety Members

Martha J. Hoover
Elected by the Retired Members

Item 4. **Disability Retirement Applications**

- A. CONWAY, Jason; Proposed decision of Administrative Law Judge dated December 14, 2017
- B. CRUZ, Favia; Staff recommendation dated February 21, 2018
- C. FREEMAN, Christine; Proposed decision of Administrative Law Judge dated December 20, 2017
- D. MACLEANE, Joe; Proposed decision of Administrative Law Judge dated January 10, 2018
- E. WALSH, John; Staff recommendation dated February 21, 2018
- F. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions

Item 5. **Retirement Board Meeting Calendar Update**

Item 6. **Cost-of-living adjustment (COLA) effective April 1, 2018, for SCERS' monthly benefit payments**

Item 7. **Affirmation of Existing SCERS Policies**

Item 8. **Monthly Report of New Investment Activity – January 2018**

Item 9. **Monthly Investment Manager Activity, Compliance and Watch List Report – January 2018**

Item 10. **Proposed Revision to the International Equity Policy Index Benchmark**

Item 11. **Portfolio Rebalancing Report – Fourth Quarter 2017**

Item 12. **Quarterly Trading Activity Report – Fourth Quarter 2017**

Item 13. **Placement Agent Disclosure Report – Fourth Quarter 2017**

ADMINISTRATIVE MATTERS:

Item 14. **Chief Executive Officer's Report** (no action requested)

- Updates on developments affecting public retirement systems;
- Report on miscellaneous system and staff activities.

Item 15. **Education Presentation on Pension Reform Litigation**

Presentation by General Counsel on pending California Supreme Court cases related to the Public Employees' Pension Reform Act. Receive and file.

Item 16. **Securities Litigation Update**

Presentation by General Counsel on SCERS' recovery of proceeds securities class action litigation cases. Receive and file.

Item 17. Investment Accounting System RFI

Presentation by Chief Strategy Officer on next steps for Investment Accounting System modernization program, including issuance of a Request for Information (RFI) and business case development. Deliberation and action.

INVESTMENT MATTERS:

Item 18. Quarterly Total Fund Investment Performance Report – Fourth Quarter 2017

Verus to present the performance report for the quarter ended December 31, 2017. Receive and file, with deliberation and action on any recommendations made in the report.

Item 19. Alternative Active Management Equity Strategies

Presentation by Staff on alternative active management equity strategies and recommendation to initiate manager search. Deliberation and action.

CLOSED SESSION

Item 20. Consider the purchase or sale of particular, specific pension fund investments pursuant to Government Code Section 54956.81 – 4 items

Item 21. Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9 (a)

- *In re Tribune Company Fraudulent Transfer Litigation*
11-md-2296-RJS; 12-cv-02652-RJS

Item 22. Public Employee Performance Evaluation pursuant to Government Code Section 54957

- Chief Executive Officer

ADJOURNMENT