



MINUTES

**REGULAR MEETING
OF THE
BOARD OF RETIREMENT**

**SACRAMENTO COUNTY EMPLOYEES'
RETIREMENT SYSTEM**

Executive Staff:

Eric Stern
Chief Executive Officer

Margo Allen
Chief Operations Officer

Steve Davis
Chief Investment Officer

Members of the Board of Retirement:

Keith DeVore, President
Appointed by the Board of Supervisors

James Diepenbrock, Vice President
Appointed by the Board of Supervisors

Robert Aguallo Jr.
Appointed by the Board of Supervisors

Ronald Suter
Appointed by the Board of Supervisors

Joyce Renison
Ex Officio, Interim Director of Finance

Alina Mangru
Elected by the Miscellaneous Members

M. Tapa Banda
Elected by the Miscellaneous Members

Jack Noble
Elected by the Safety Members

Chris Giboney
Elected by the Safety Members (Alternate)

Martha Hoover
Elected by the Retired Members

Dave Irish
Elected by the Retired Members (Alternate)

**WEDNESDAY, MARCH 15, 2023
10:00 A.M.**

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

Item 1. Call to Order

President DeVore called the meeting to order at 10:00 a.m. Eric Stern, Chief Executive Officer (CEO) took roll call.

Item 2. Public Comment

None.

Board Members Present: DeVore, Diepenbrock, Aguallo, Suter, Renison, Banda, Mangru, Giboney, Hoover, Irish.

Board Members Absent: Noble.

Also present: Eric Stern, Chief Executive Officer (CEO); Margo Allen, Chief Operations Officer (COO); Steve Davis, Chief Investment Officer (CIO); Patrick Richardson, Interim General Counsel; Jim Donohue, Deputy Chief Investment Officer; Brian Miller, Senior Retirement Investment Officer; Michael Vang, Retirement Investment Analyst; and Carolyn Hill, Executive Secretary.

CONSENT MATTERS – Items 3 - 7:

A motion was made by Board Member Suter, seconded by Vice President Diepenbrock, to approve recommendation on the Consent Calendar Items 3-7. The motion carried 9-0.

- Item 3. **Minutes of the February 15, 2023 Regular Meeting**—Approved the Minutes of the February 15, 2023 Regular Meeting.
- Item 4. **Cost-of-Living Adjustment (COLA)**—Re-approved COLA adjustments effective April 1, 2023 with corrected eligibility dates.
- Item 5. **Ratification of Service Retirement Applications – February 2023**—Ratified the Service Retirement Applications that were finalized in February 2023.
- Item 6. **State Association of County Retirement Systems Legislative Update – March 2023**—Received and filed the SACRS Legislative Update for March 2023.
- Item 7. **Monthly Report of Investment Activity – February 2023**—Received and filed the Monthly Report of New Investment Activity for February 2023.

Board Member Mangru requested the original invested amount be included in the report; and Steve Davis, Chief Investment Officer responded to request.

EXECUTIVE REPORTS:

Item 8. Chief Executive Officer’s Report

Mr. Stern welcomed Interim Director of Finance Joyce Renison who is serving in the Ex-Officio seat for the Board of Retirement; and reminded the Board of the Form 700 deadline and the upcoming conferences provided by CALAPRS and SACRS.

Item 9. Chief Investment Officer’s Report

Mr. Davis provided an update on postponed Board presentations stating J.P. Morgan will be presenting in May and Graham Capital Management will be presenting April. He also spoke regarding the Silicon Valley Bank (SVB) collapse. Board Members and Staff discussed the situation and asked Staff to return to the Board with a future agenda item related to better understanding where SCERS’ assets are held.

BENEFITS MATTERS:

Item 10. Post-Retirement Employment Policy

Mr. Stern presented the staff report providing a brief background of the Post-Retirement Employment Policy recommending the Board re-affirm the policy with no amendments.

The Board approved a motion to re-affirm the Post-Retirement Employment Policy with no amendments. **(9-0)**

INVESTMENT MATTERS:

Item 11. Investment Manager Recommendation – International Developed Small Cap

Mr. Davis and Senior Investment Officer Brian Miller presented the staff report; and introduced Scott Brymer and Andrew Miller, representing Acadian Investment Management, who provided a presentation on their Non-U.S. Small Cap Value Equity strategy. Mr. Miller responded to questions about the due diligence performed in selecting the final candidate.

The Board approved a motion to invest approximately \$100 million with Acadian Investment Management (Non-U.S. Small Cap Value Equity Strategy); authorize the Chief Executive Officer to execute necessary documents and agreements; and authorize Staff to determine the most effective method for transitioning assets and execute any necessary documents or agreements to effectuate the transition of assets. **(9-0)**

Item 12. Education: ESG and Values-Based Investing

Mr. Davis and John Nicolini and Brian Kwan, representing Verus, provided a presentation on ESG and Values-Based Investing. Board members and Staff discussed considerations involving ESG approaches.

The Board approved a motion to receive and file the educational presentation. **(9-0)**

Item 13. Quarterly Investment Performance Report – Alternative Assets

Jaime Feidler, representing Cliffwater, provided a presentation on Quarterly Investment Performance Report for the quarter ending December 31, 2022.

The Board approved a motion to receive and file the Quarterly Investment Performance Report for the periods ended December 31, 2022 for the Absolute Return portfolio, and the periods ended September 30, 2022 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC. **(9-0)**

Item 14. **Quarterly Investment Performance Report – Real Estate**

Chris Cunningham and Richard Brown, representing Townsend Group, provided a presentation on the Quarterly Investment Performance Report for Real Estate for the quarter ended December 31, 2022.

The Board approved a motion to receive and file Quarterly Investment Performance Report for Real Estate for the quarter ended December 31, 2022, as presented by Townsend Group. **(9-0)**

At 12:22 p.m., President DeVore called for a closed session to discuss litigation matters.

CLOSED SESSION

Item 15. **CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**

Pursuant to Government Code section 54956.9(d)(1), this session shall be closed to discuss formally initiated litigation to which SCERS is a party. The case to be discussed is as follow:

Bowen v. Bowen (Courier) (County of Sacramento Superior Court, Case No. 18FL05396)

Item 16. **CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

Pursuant to Government Code section 54956.9(d)(2), this session shall be closed for the Board to discuss significant exposure to litigation to which SCERS may be a party in one (1) case.

At 1:02 p.m., following the closed session, President DeVore reconvened the meeting in Open Session and announced there were no actions to report.

ADJOURNMENT

There being no further business, President DeVore adjourned the meeting at 1:02 p.m.



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
April 19, 2023**

AGENDA ITEM:

Minutes of the March 15, 2023 Regular Meeting

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to receive and file the Minutes of the March 15, 2023 Regular Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on April 19, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Keith DeVore
Board President

Eric Stern
Chief Executive Officer and
Board Secretary