



Executive Staff:

Richard Stensrud  
Chief Executive Officer

James G. Line  
General Counsel

Kathryn T. Regalia  
Chief Operations Officer

John W. Gobel, Sr.  
Chief Benefits Officer

Members of the Board of Retirement

James A. Diepenbrock, President  
Appointed by the Board of Supervisors

Keith DeVore, First Vice President  
Elected by Miscellaneous Members

John B. Kelly, Second Vice President  
Appointed by the Board of Supervisors

Julie Valverde, Ex Officio  
Director of Finance

Winston H. Hickox  
Appointed by the Board of Supervisors

William D. Johnson  
Elected by Safety Members

Kathy O'Neil  
Elected by Miscellaneous Members

Nancy Wolford-Landers  
Elected by Retired Members

Robert L. Woods  
Appointed by the Board of Supervisors

John Conneally  
Elected by Safety Members

William Cox  
Elected by Retired Members

## MINUTES

### RETIREMENT BOARD MEETING, THURSDAY, OCTOBER 21, 2010

The regular meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 18<sup>th</sup> Floor, Sacramento, California, on Thursday, October 21, 2010, and commenced at 1:03 p.m.

#### OPEN SESSION:

##### PUBLIC COMMENT:

1. Chief Executive Officer Richard Stensrud reported that Board President Mr. Diepenbrock and Board Member Ms. O'Neil were both absent due to health concerns, but were recovering.

Mr. Stensrud invited Tom Lightvoet from Mercer Investment Consulting to come forward. Mr. Lightvoet commented on Mercer's decision to discontinue general investment consulting for the public sector. Mr. Lightvoet noted that Mercer's current general investment consulting with SCERS would continue through March 31, 2011. Mr. Stensrud noted that Staff was working with Mr. Lightvoet, Diana Greenstone, and the rest of the Mercer team to ensure a smooth transition to the eventual new general investment consultant and to capture the investment history SCERS has had with Mercer. Ms. Wolford-Landers asked Mr. Lightvoet if he thought other consulting firms would follow Mercer in discontinuing investment consulting for the public sector. Mr. Lightvoet indicated that he believed Mercer's decision was a result of their corporate structure, and would not necessarily be an industry trend.

**MINUTES:**

2. The Minutes of the November 17, 2009 special meeting, November 19, 2009 regular meeting and the September 16, 2010 regular meeting were approved on Motion by Mr. Woods; Seconded by Mr. Johnson. Motion carried (7-0).

**CONSENT MATTERS:**

Items 3-6

The Consent matters were acted upon as one unit upon a Motion by Mr. Johnson; Seconded by Ms. Wolford-Landers. Motion carried (7-0).

3. Ramirez, Karen D.: Granted a reciprocal nonservice-connected disability retirement.
4. Swain, Scott T.: Granted a service-connected disability retirement.
5. Approved the recommended approach to matters presented for a vote by the SACRS membership at the 2010 SACRS Fall Conference.
6. Received and filed the September 2010 Monthly Investment Manager Compliance Report and Watch List.

**CLOSED SESSION:**

**LEGAL MATTERS:**

7. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Government Code Section 54956(a)  
Sacramento Bee vs. SCERS  
Superior Court of Sacramento County, Case No. 34-2010-80000514

The Board consulted with counsel.

8. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Government Code Section 54956(a)  
Securities and Exchange Commission vs. WG Trading Investors, L.P., et al  
U.S. District Court, Southern District of N.Y., Case No. 09CIV 1750

The Board consulted with counsel.

**OPEN SESSION:**

**ADMINISTRATIVE MATTERS:**

9. 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 annual audit would be starting shortly. Mr. Stensrud noted that Macias Gini & O'Connell would again be performing the audit.

Mr. Stensrud reported SCERS would be holding another retirement seminar on November 8<sup>th</sup> for the late-in-career segment of the membership. Mr. Stensrud noted that over the past year, approximately 750 SCERS members had attended the late-in-career program.

Mr. Stensrud reported that the resolution to provide retiree health care subsidies with the remaining funds in the 401(h) plan was expected to be brought before the Board of Supervisors at their first meeting in November.

Mr. Stensrud reported that the plans for the new SCERS' administrative offices were progressing well and rapidly. Mr. Stensrud noted that this was important as SCERS was on a very tight time schedule for moving out its current office space. Mr. Stensrud reported that SCERS had hired a project manager from Cushman & Wakefield to coordinate the efforts. Mr. Stensrud reported that the project team had recently toured office space at CalSTRS and CalPERS for design inspiration, focusing especially on the boardroom at each location. Mr. Stensrud stated that the project team expects to have the new floor layout finalized by the end of the week.

Mr. Stensrud noted the recent news articles discussing how some County employees who would retire, return to employment as retired annuitants, and then, upon reaching the maximum number of hours permitted for such employment, would file for unemployment. Mr. Stensrud noted that the 1937 Act had been changed in the past few years in an effort to stop this from occurring and that it appeared such efforts were successful.

**INVESTMENT MATTERS:**

10. Chief Executive Officer Richard Stensrud reported that Requests for Proposals (RFP) for general investment consulting services, real estate investment consulting services and alternative assets consulting services had been prepared and issued. Mr. Stensrud explained that Staff wanted to issue the RFP for general investment consulting services as soon as possible in order to be at the front of the line with potential consulting firms who would be expected to be solicited due to the recent decision from Mercer Investment Consulting to discontinue general investment consulting to the public sector. Mr. Stensrud noted that those firms who submit responses to the RFPs should not be approaching Board Members with any material questions regarding the RFPs. Mr. Stensrud stated that in such cases, Board Members should refer the firms to Staff for any information needed.

**INVESTMENT MATTERS (continued):**

Mr. Stensrud reported that Staff was targeting the November or December Board Meeting to bring forward finalists for the alternative assets consulting services engagement. Mr. Stensrud noted that Staff was expecting finalists for the general investment consulting services engagement to be brought forth at either the January or the February Board Meeting, with finalists for the real estate investing consulting services engagement following shortly thereafter.

Motion by Mr. Woods to receive and file the Request for Proposals for general investment consulting services, real estate investment consulting services and alternative assets consulting services; Seconded by Ms. Wolford-Landers. Motion carried (7-0).

The meeting was adjourned at 1:54 p.m.

MEMBERS PRESENT: Keith DeVore Julie Valverde, Winston H. Hickox, William D. Johnson, Nancy Wolford-Landers, Robert L. Woods, John Conneally, and William Cox.

MEMBERS ABSENT: James A. Diepenbrock, John B. Kelly, and Kathy O'Neil

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; James G. Line, General Counsel; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer; Thuyet Ziyalan, Accounting Manager; Scott Chan, Investment Officer; Steve Davis, Investment Officer; John Lindley, IT Analyst; and Tom Lightvoet, Mercer Investment Consulting.

Respectfully submitted,

Richard Stensrud  
Chief Executive Officer and  
Secretary of the Retirement Board

APPROVED: \_\_\_\_\_  
James A. Diepenbrock, President

DATE: \_\_\_\_\_

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.