



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

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

Julie Valverde, Ex Officio
Director of Finance

Diana Gin
Elected by the Miscellaneous Members

Winston H. Hickox
Appointed by the Board of Supervisors

William D. Johnson
Elected by the Safety Members

Kathy O'Neil
Elected by the Miscellaneous Members

Nancy Wolford-Landers
Elected by the Retired Members

Robert L. Woods
Appointed by the Board of Supervisors

John Conneally
Elected by the Safety Members

Michael DeBord
Elected by the Retired Members

MINUTES

RETIREMENT BOARD MEETING, THURSDAY, APRIL 21, 2011

The regular meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 19th Floor, Sacramento, California, on Thursday, April 21, 2011, and commenced at 1:00 p.m.

OPEN SESSION:

PUBLIC COMMENT:

1. None heard.

MINUTES:

2. The Minutes of the March 17, 2011 regular meeting were approved on Motion by Mr. Woods; Seconded by Ms. Wolford-Landers. Motion carried (8-0).

CONSENT MATTERS:

Items 3, 5-11

The Consent Matters were acted upon as one unit upon a Motion by Mr. Johnson; Seconded by Mr. Hickox. Motion carried (8-0).

3. Casillas, James A.: Granted a service-connected disability retirement.

CONSENT MATTERS (continued):

4. Dew, Janet M.: Moved to the Closed Session, Disability Matters.
5. Harris, Frances A.: Granted a nonservice-connected disability retirement.
6. Hoffman, Michelle: Granted a service-connected disability retirement.
7. Martin, W. Earleen: Granted a nonservice-connected disability retirement.
8. Grabin, David J.: Granted a service-connected disability retirement.
9. Approved the proposed items to be voted on by the membership at the State Association of County Retirement Systems (SACRS) Spring Conference.
10. Approved the proposed renewal of SCERS' fiduciary liability insurance coverage.
11. Received and filed the March 2011 Monthly Investment Manager Compliance Report and Watch List.

CLOSED SESSION:

DISABILITY MATTERS:

4. Moved from Consent Matters at the request of Mr. Johnson.
Dew, Janet M.: Granted a service-connected disability retirement. Motion carried (8-0).

LEGAL MATTERS:

12. 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 agreed to authorize the appeal of the trial court decision in the case with WG Trading Investors, L.P., et al.

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956(a)
The Government of Guam Retirement Fund, et al. v. AXA Rosenberg Group; et al
United States District Court, Northern District of California, Case No. C 11-00536 JSW

The Board agreed to allow SCERS to be a named plaintiff in the case against AXA Rosenberg Group.

OPEN SESSION:

ADMINISTRATIVE MATTERS:

14. Chief Executive Officer Richard Stensrud provided an update on developments affecting public retirement systems and on miscellaneous system and staff activities.

Mr. Stensrud reminded the Board about the upcoming State Association of County Retirement Systems (SACRS) spring conference that would be taking place in Santa Barbara, May 10-13, 2011.

Mr. Stensrud reported that the Institute for Fiduciary Education (IFE) Market Makers program would be taking place June 26-29, 2011 in Laguna Beach.

Mr. Stensrud reported that on Monday, April 25, SCERS would be conducting a retirement planning seminar for those members who were late in their careers. Mr. Stensrud stated that approximately 150 members were expected to attend.

Mr. Stensrud noted that the annual Form 700 Statement of Economic Interests needed to be completed as soon as possible. Mr. Stensrud stated that General Counsel Jim Line was available for any questions regarding the form.

Mr. Stensrud reported that on Monday, April 25, the oral arguments would be heard in the litigation with the Sacramento Bee regarding the disclosure of individual records of members and beneficiaries. Mr. Stensrud stated that he and General Counsel Jim Line would be in attendance and that Board Members were welcome to attend. Mr. Stensrud noted that he did not expect an immediate ruling after the oral arguments were heard. Mr. Stensrud stated that he and Mr. Line would provide a report on the hearing to the Board.

Mr. Stensrud reported that on Tuesday, April 26, the Sacramento County Board of Supervisors would be acting on the new Deputy CIO position in the form of a proposed salary resolution amendment.

Mr. Stensrud reported that SCERS had received the distribution of the settlement funds from the litigation with the Weyerhaeuser Company.

Mr. Stensrud noted that the annual member statements would be sent out in May.

Mr. Stensrud reported on changes taking place with respect to the BlackRock Real Estate Advisors organization.

Mr. Stensrud noted that in May, SCERS would be receiving the first quarterly performance report from Strategic Investment Solutions, Inc., as well as the first quarterly alternative assets report from Cliffwater LLC.

ADMINISTRATIVE MATTERS (Continued)

General Counsel Jim Line reported that in view of the recent heightened scrutiny by the SEC over the unlawful use of “insider information,” by public pension funds, coupled with the fact that SCERS is contemplating the possibility of authorizing investment staff to make direct investments, it would be prudent to adopt a formal policy to ensure that Trustees and Staff fully comply with SEC restrictions on the use of such information. Mr. Line noted that the adoption of the policy will be consistent with SCERS’ commitment to manage system resources with the highest level of professionalism and fiduciary responsibility.

Motion by Mr. Woods to approve the proposed SCERS Board and Staff Trading Policy; Seconded by Ms. Wolford-Landers. Motion carried (8-0).

INVESTMENT MATTERS:

15. Pete Keliuotis and Patrick Thomas from Strategic Investment Solutions, Inc. provided an educational presentation regarding the upcoming asset/liability study.

Motion by Mr. Woods to receive and file the presentation by Strategic Investment Solutions, Inc. on the upcoming asset/liability study; Seconded by Ms. Wolford-Landers. Motion carried (8-0).

16. Stephen L. Nesbitt and James B. Fiedler from Cliffwater LLC provided an educational presentation regarding investing in private equity.

Investment Officers Scott Chan and Steve Davis presented an overview of SCERS’ existing private equity investments.

Motion by Mr. Johnson to receive and file the presentations by Cliffwater LLC and SCERS Staff on investing in private equity; Seconded by Ms. Wolford-Landers. Motion carried (6-0).

The meeting was adjourned at 4:18 p.m.

MEMBERS PRESENT: James A. Diepenbrock (departed at 3:48 p.m.), John Kelly, Diana Gin, Winston H. Hickox, William D. Johnson, Kathy O’Neil, Nancy Wolford-Landers, Robert L. Woods (departed at 2:56 p.m.), John Conneally, and Michael DeBord.

MEMBERS ABSENT: Julie Valverde

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; Scott Chan, Investment Officer; Steve Davis, Investment Officer; John Lindley, IT Analyst; Pete Keliuotis and Patrick Thomas, Strategic Investment Solutions, Inc.; Stephen L. Nesbitt and James B. Fiedler, Cliffwater LLC; Paul Hight, Sacramento County Risk Management; Teresa Cutter, CalSTRS; and Janet Dew.

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.