



Executive Staff:

Richard Stensrud  
Chief Executive Officer

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, First Vice President  
Appointed by the Board of Supervisors

William D. Johnson, Second Vice President  
Elected by the Safety Members

Keith DeVore  
Appointed by the Board of Supervisors

Richard B. Fowler II  
Appointed by the Board of Supervisors

Diana Gin  
Elected by the Miscellaneous Members

Kathy O'Neil  
Elected by the Miscellaneous Members

Julie Valverde  
Ex Officio, Director of Finance

Nancy Wolford-Landers  
Elected by the Retired Members

John Conneally  
Elected by the Safety Members

Michael DeBord  
Elected by the Retired Members

## MINUTES

### RETIREMENT BOARD MEETING, THURSDAY, JULY 19, 2012

A special 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, July 19, 2012, and commenced at 10:06 a.m.

#### OPEN SESSION:

##### PUBLIC COMMENT:

1. Board President Jim Diepenbrock welcomed former Board Member Keith DeVore back to the Board, with Mr. DeVore having recently been appointed to the Board by the Sacramento County Board of Supervisors. Mr. DeVore stated that he was glad to be back.
2. Chief Executive Officer Richard Stensrud invited nominations for the positions of SCERS Board Officers for fiscal year 2012-2013. Motion by Ms. Gin that the current Board Officers (James A. Diepenbrock, President; John B. Kelly, First Vice President; and William D. Johnson, Second Vice President) be nominated to serve in their same offices for the 2012-2013 fiscal year; Seconded by Ms. Wolford-Landers. Motion carried (8-0).

##### MINUTES:

3. The Minutes of the June 21, 2012 special meeting were approved on Motion by Ms. Gin; Seconded by Mr. Fowler. Motion carried (8-0).

**CONSENT MATTERS:**

Items 4-9

The Consent matters were acted upon as one unit upon a Motion by Ms. Wolford-Landers; Seconded by Mr. Johnson. Motion carried (8-0).

4. BATES, Linda E.: Granted a service-connected disability retirement.
5. JOHNSON, Larry D.: Granted an interim nonservice-connected disability retirement.
6. TEJEDA, Lydia: Granted an interim nonservice-connected disability retirement.
7. Approved the request by the Superior Court, County of Sacramento to prepay its employer retirement contributions for the 2012-2013 fiscal year.
8. Approved the request by the County of Sacramento to prepay its employer retirement contributions for the 2012-2013 fiscal year.
9. Received and filed the June 2012 Monthly Investment Manager Compliance Report and Watch List.

**CLOSED SESSION:**

10. Consulted with the Chief Executive Officer regarding the evaluation of the Deputy Chief Investment Officer and the Investment Officer.

**OPEN SESSION:**

**ADMINISTRATIVE MATTERS:**

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

Mr. Stensrud noted that a form to update the contact information for Board Members and the SCERS' confidentiality agreement had been provided to the Board Members to fill out and return.

Mr. Stensrud reported that the recruitment for a new investment officer was moving forward with a good candidate pool. Mr. Stensrud stated that Staff was completing in-person interviews and hoped to make a decision soon.

**ADMINISTRATIVE MATTERS (continued):**

Mr. Stensrud noted that the Investment Staff was finalizing a commitment with a private equity firm and would update the Board when it was completed.

Mr. Stensrud reported that for the SCERS Board Member election this fall, the Sacramento County Department of Voter Registration and Elections has recommended using an online voting model, implemented by a well-regarded national company named Everyone Counts. Mr. Stensrud noted that Everyone Counts has conducted numerous online elections for public entities and would be providing their services for free as part of a pilot program aimed at demonstrating the benefits and security of their online elections. Mr. Stensrud stated that those without Internet access would be provided the option to still receive a paper ballot in the mail. Mr. Stensrud stated that the Board would receive a presentation on the online voting platform and the process and materials for the election at the August Board Meeting.

Mr. Stensrud noted that Staff is expecting a lengthy agenda for the August Board Meeting, including the report on the actuarial audit, candidate interviews for the real estate consultant engagement, and an introductory educational program regarding the fixed income asset class. Mr. Stensrud stated that he was anticipating a morning start time for the meeting and that the Board Members would be notified of the specific time once it is determined.

Mr. Stensrud reminded the Board that the November Board Meeting was scheduled for Thursday, November 8, so as to not interfere with the State Association of County Retirement Systems (SACRS) Fall Conference, which takes place November 13-16.

Mr. Stensrud reported that SACRS recently held its annual investment education program at UC Berkeley and that Board Members Kathy O'Neil and Rick Fowler attended. Ms. O'Neil and Mr. Fowler noted that the program was very worthwhile.

12. Chief Executive Officer Richard Stensrud presented a proposed Oath of Office and Affirmation of Duties and Responsibilities ('Oath') that would be executed annually by members of the SCERS Board.

Mr. Stensrud explained that there was nothing in the law that requires that a Board Member take an oath of office or formally attest that he/she accepts the responsibilities incumbent on a Trustee. Mr. Stensrud noted, however, that in light of the important decisions made by Trustees in the performance of their duties, and that public trust in the integrity of SCERS is paramount, it was appropriate that a Trustee formally declare his/her commitment to act in accordance with the highest fiduciary standards and in compliance with the laws, regulations and policies applicable to the retirement system. Mr. Stensrud stated that the Oath represented such a commitment.

**ADMINISTRATIVE MATTERS (continued):**

Outside Counsel Lance Kjeldgaard reviewed the proposed Oath, identifying the legal basis for its provisions.

Mr. Stensrud stated that Board Members would execute the Oath upon taking office and then re-execute the Oath annually in July.

Motion by Mr. Johnson to approve the proposed Oath of Office and Affirmation of Duties and Responsibilities; Seconded by Ms. Wolford-Landers. Motion carried (8-0).

The meeting was adjourned at 10:53 a.m.

MEMBERS PRESENT: James A. Diepenbrock, John B. Kelly, William D. Johnson, Keith DeVore, Richard B. Fowler II, Diana Gin, Kathy O'Neil (arrived at 10:10 a.m.), Nancy Wolford-Landers, and John Conneally.

MEMBERS ABSENT: Julie Valverde and Michael DeBord.

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Lance Kjeldgaard, Outside Counsel; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer; Scott Chan, Deputy Chief Investment Officer; Steve Davis, Investment Officer; Suzanne Likarich, Retirement Services Manager; and John Lindley, IT Administrator.

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.