



Executive Staff:

Eric Stern  
Chief Executive Officer

Margo Allen  
Chief Operations Officer

Steve Davis  
Chief Investment Officer

Keith Riddle  
Chief Benefits Officer

Timothy Taylor  
Chief Technology Officer

Jason Morrish  
General Counsel

## MINUTES

### REGULAR MEETING OF THE BOARD OF RETIREMENT

### SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

Members of the Board of Retirement:

James Dipenbrock, President  
Appointed by the Board of Supervisors

Robert Aguallo, Jr., Vice President  
Appointed by the Board of Supervisors

Keith DeVore  
Appointed by the Board of Supervisors

Ronald Suter  
Appointed by the Board of Supervisors

Chad Rinde  
Ex Officio, 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, SEPTEMBER 20, 2023**

**10:00 A.M.**

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

**Live-stream at [www.scers.org](http://www.scers.org)**

### OPEN SESSION

#### **Item 1. Call to Order/Roll Call**

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

**Board Members Present:** DeVore, Diepenbrock, Aguallo, Suter, Rinde, Mangru, Banda, Giboney, Hoover, Irish, Noble.

**Board Members Absent:** None

Also present: Eric Stern, Chief Executive Officer; Margo Allen, Chief Operations Officer; Steve Davis, Chief Investment Officer; Tim Taylor, Chief Technology Officer; Keith Riddle, Chief Benefits Officer; Jason Morrish, General Counsel; JR Pearce, Senior Retirement Investment Officer; and Adrienne Abed-Fitt, Office Specialist.

#### **Item 2. Public Comment**

None.

## **CONSENT MATTERS – Items 3 - 7:**

**A motion was made by Board Member Noble, seconded by Board Member Mangru, to approve the recommendations on Consent Calendar Items 3-7. (Adopted 9-0.)**

**Item 3. Minutes of the August 16, 2023 Regular Meeting**

Recommendation to approve the minutes of the August 16, 2023 Regular Meeting.

**Item 4. Disability Retirement Applications**

Recommendation to adopt Staff's recommendations for the following Disability Retirement Applications:

- A. CROSBY, Patrice (Workforce Coordinator, Department of Human Assistance): Grant service-connected disability retirement.
- B. JEWEL, Clark (Food Service Cook, Sheriff's Department): Grant non-service-connected disability retirement.
- C. KLARE, Elyn (Deputy Sheriff, Sheriff's Department): Grant service-connected disability retirement.
- D. NICHOLS, Reginald (Collection Equipment Operator, Department of Waste Management): Grant service-connected disability retirement.
- E. ZIMMERMAN, Dawn (Human Services Social Worker, Department of Child, Family, and Adult Services): Grant service-connected disability retirement.

**Item 5. Ratification of Service Retirement Application Approvals—August 2023**

Recommendation to ratify the Service Retirement Applications Approvals for August 2023.

**Item 6. State Association of County Retirement Systems Legislative Update—September 2023**

Recommendation to receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for September 2023.

**Item 7. Monthly Report of Investment Activity—August 2023**

Recommendation to receive and file the Monthly Report of Investment Activity—August 2023.

## **EXECUTIVE REPORTS:**

**Item 8. Chief Executive Officer's Report**

Mr. Stern thanked trustees for participation and dialogue about governance issues at the Special Meeting on Monday (Sept 18).

For the October 18 meeting, Staff will bring back a new version of the CEO Delegated Authority Policy for Personnel. Chief Technology Officer Tim Taylor will share his observations on our IT program and lay out initial thoughts for an IT Roadmap.

The November 15 meeting will focus on business planning for the next year and review our operational performance in meeting our goals for 2023, and conduct the annual CEO performance evaluation.

The Audit Committee meeting will take place on November 14 to review the auditor's financial report.

The December meeting is early, on December 6, and is comprised of several major activities:

- Audit Committee will report out on the financial audit and financial statements.
- Segal will present annual actuarial report and contribution rates for 2024-25.
- Representatives from our custodian bank, State Street, will also be here for a presentation on counterparty risk.

Mr. Stern asked for feedback from Board Member Mangru about the CALAPRS Principles of Pension Governance for Trustees seminar in August.

The CALAPRS Trustee Roundtable Friday October 27 held virtually over Zoom.

The SACRS Fall Conference Nov 7-10 in Rancho Mirage.

### **Item 9. Chief Investment Officer's Report**

Mr. Davis stated at the October meeting, general investment consultant Verus will present the results from an ESG survey that was recently conducted with Board members.

Also at that meeting, Ashley Dunning, an attorney from the Nossaman law firm will provide education on fiduciary considerations associated with ESG. The presentation will review the fiduciary standards applicable to public pension plan boards and how ESG considerations fit within these fiduciary standards.

### **Item 10. Chief Benefits Officer's Report**

Mr. Riddle stated the team processed 41 retirement applications in August while also focusing attention on other workstreams such as buybacks, reciprocity and terminations. The team was also able to complete 5 disability retirement recommendations for consideration.

A pension planning webinar in partnership with Sac County EBO, Social Security; Fidelity Investments and Sacramento County Retired Employees Association was hosted last week. Roughly 100 participants received valuable information and answers to their questions. The next webinar is scheduled for December 2023.

Later this month, Staff will be attending the DHS all-staff picnic at Mather Park. The County EBO has arranged for employee resource groups to have a presence at this event and answer questions related to employee benefits.

Mr. Riddle stated that Staff continues to make progress with processing adjustments related to the Alameda decision. These recalculations are very complex and SCERS has been leveraging the expertise of a project manager along with using temporary help. The Benefits team has been processing batches of roughly 100 adjustments for each of the past few months and redirecting additional SCERS resources to close out about 2/3 of the recalculations by the end of 2023 with the remainder spilling into early 2024.

## **ADMINISTRATIVE MATTERS:**

### **Item 11. CEO Delegated Authority Policy for Expenses**

Recommendation to amend CEO Delegated Authority Policy for Expenses to include authorization for use of SCERS commercial credit card.

A motion was made by Board Member DeVore, seconded by Board Member Suter, to approve the amendments to the CEO Delegated Authority Policy for Expenses to include authorization for use of a SCERS commercial credit card, and an additional amendment to the Application section of the policy requiring quarterly reports as to Sections A-D. **(Adopted 9-0.)**

## **BENEFIT MATTERS:**

### **Item 12. Sick Leave Conversion Policy**

Recommendation to re-affirm Sick Leave Conversion Policy with minor amendments.

A motion was made by Board Member Rinde, seconded by Board Member DeVore, to re-affirm Sick Leave Conversion Policy with minor amendments. **(Adopted 9-0.)**

### **Item 13. Felony Forfeiture Policy**

Recommendation to approve amendments to Felony Forfeiture Policy.

A motion was made by Board Member Suter, seconded by Board Member Mangru, to approve amendments to Felony Forfeiture Policy. **(Adopted 9-0.)**

## **INVESTMENT MATTERS:**

### **Item 14. Liquidity Study**

Recommendation to receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Verus Advisory.

A motion was made by Board Member Suter, seconded by Board Member Mangru, to receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Verus Advisory. **(Adopted 9-0.)**

### **Item 15. Quarterly Investment Performance Report—Alternative Assets**

Recommendation to receive and file the performance report for the periods ending June 30, 2023 for the Absolute Return portfolio, and the periods ending March 31, 2023 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC.

A motion was made by Board Member Noble, seconded by Board Member Rinde, to receive and file the performance report for the periods ending June 30, 2023 for the Absolute Return portfolio, and the periods ending March 31, 2023 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC. **(Adopted 9-0.)**

**Item 16. Quarterly Investment Performance Report—Real Estate**

Recommendation to receive and file the performance report on real estate investments for the quarter ending June 30, 2023, as presented by Townsend Group.

Board Member Irish left the meeting during discussion of this item. A motion was made by Board Member Noble, seconded by Vice President Aguallo, to receive and file the performance report on real estate investments for the quarter ending June 30, 2023, as presented by Townsend Group.

**(Adopted 9-0.)**

**OTHER MATTERS:**

**Item 17. Comments from Members of the Board of Retirement**

Mr. Suter thanked the Staff for preparing the Special Meeting governance workshop.

**At 12:16 p.m., President Diepenbrock called for closed session.** Mr. Morrish announced that Item 19 would be withdrawn in light of the Board's action on Item 4 and only Item 18 would be considered in closed session.

**CLOSED SESSION**

**Item 18. 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.

**Item 19. PERSONNEL MATTERS—EMPLOYEE DISABILITY RETIREMENT APPLICATIONS**

Pursuant to Government Code Section 54957(b), this session shall be closed for the Board to discuss the employment of public employees, specifically, the disability retirement applicants referenced in Item 6, above. This item will be withdrawn in whole or in part if approved on Consent as recommended by Staff.

**OPEN SESSION**

At 1:17 p.m., following the closed session, President Diepenbrock reconvened the meeting in Open Session and announced that the Board had approved the initiation of litigation, the particulars of which would be disclosed upon inquiry once formally commenced, unless disclosure would jeopardize service of process or settlement negotiations. Board Member Suter left the meeting before the Board reconvened in open session.

**ADJOURNMENT**

A motion was made by Board Member Rinde, seconded by Board Member Hoover, to adjourn the meeting at 1:18 p.m. **(Approved 8-0.)**