



Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

Stephen Hawley
Chief Strategy Officer

AGENDA

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, JUNE 20, 2018

10:00 A.M.

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

OPEN SESSION

Item 1. **Call to Order**

Item 2. **Public Comment**

Matters under the jurisdiction of the Board may be addressed by the general public at the start of the meeting. Total meeting time allotted for the Public Comment item is up to fifteen (15) minutes.

Item 3. **Minutes**

The Minutes of the May 23, 2018 regular meeting to be approved.

CONSENT MATTERS – Items 4 - 10:

Consent matters are acted upon as one unit. If the Chair removes an item from the Consent Calendar for discussion, it will be heard as the last item(s) of the Administrative Matters, Investment Matters or Closed Session, as appropriate. If a Consent item containing one or more recommendations to the Board is approved on Consent the recommendation(s) therein are approved.

Members of the Board of Retirement

Rick Fowler, President
Appointed by the Board of Supervisors

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

Keith DeVore, Vice President
Appointed by the Board of Supervisors

Steven L. Baird
Elected by the Miscellaneous Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Ben Lamera
Ex Officio, Director of Finance

Alan Matré, CPA
Elected by the Miscellaneous Members

Kathy O'Neil
Elected by the Retired Members

Chris A. Pittman
Elected by the Safety Members

John Conneally
Elected by the Safety Members

Martha J. Hoover
Elected by the Retired Members

Item 4. **Disability Retirement Applications**

- A. AVILA, Shane; Staff recommendation dated June 20, 2018.
- B. BRIDGES, Eunice; Proposed decision of Administrative Law Judge dated May 3, 2018
- C. SCHLEY, Donald; Staff recommendation dated June 20, 2018.
- D. SWITZER, Carol; Proposed decision of Administrative law Judge dated April 25, 2018
- E. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions

Item 5. **Correction to Minutes of the April 18, 2018 regular meeting**

Item 6. **Interest Crediting on Member Contribution Accounts for June 30, 2018**

Item 7. **Fees and Costs of Outside Legal Services**

Item 8. **Fiduciary Liability Insurance Coverage and Waiver of Recourse for Fiscal Year 2018 - 2019**

Item 9. **Monthly Report of New Investment Activity – May 2018**

Item 10. **Monthly Investment Manager Activity, Compliance, and Watch List Report – May 2018**

ADMINISTRATIVE MATTERS:

Item 11. **Chief Executive Officer's Report** (no action requested)

- Updates on developments affecting public retirement systems;
- Report on miscellaneous system and staff activities

Item 12. **Membership Policy**

Staff to present new Membership Policy to clarify eligibility and standards to determine membership in SCERS. Deliberation and action.

Item 13. **Disability Retirement Procedures – Proposed Revisions**

General Counsel to recommend updates to the Disability Retirement Procedures regarding application timeframes, the administrative hearing structure, and other processes. Deliberation and action.

Item 14. **Renewal of SCERS' Custody Agreement**

General Counsel to recommend extending SCERS Custody Agreement with State Street Bank and Trust. Deliberation and action.

Item 15. **Proposed SCERS Administrative Budget for the 2018-2019 Fiscal Year**

Chief Operations Officer to present 2018-2019 budget recommendation and provide overview of significant budget changes. Deliberation and action.

INVESTMENT MATTERS:

Item 16. **Investment Manager Recommendation – Domestic Equity**

Staff and Verus to recommend engagement of AQR Capital Management to manage a new systematic, multi-factor domestic equity large cap active strategy, with a presentation by the firm regarding its capabilities. Deliberation and action.

Item 17. **Quarterly Investment Performance Report – Alternative Assets**

Cliffwater to present the performance report for the private equity, absolute return, real assets, private credit, and opportunities asset classes. Receive and file.

Item 18. **Quarterly Investment Performance Report – Real Estate**

Townsend Group to present the performance report on real estate investments. Receive and file.

CLOSED SESSION

Item 19. **Consider the purchase or sale of particular, specific pension fund investments pursuant to Government Code Section 54956.81 – 1 item**

OPEN SESSION

Any actions taken in closed session to be reported in open session.

ADJOURNMENT