



MINUTES

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

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

Members of the Board of Retirement:

James Diepenbrock, 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 18, 2024

10:00 A.M.

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

Live-stream at www.scers.gov

OPEN SESSION

Item 1. Call to Order/Roll Call

Vice President Aguallo called the meeting to order at 10:02 a.m. Eric Stern, Chief Executive Officer, took roll call.

Board Members Present: Aguallo, DeVore, Rinde, Mangru, Banda, Noble, Giboney, Hoover.

Board Members Absent: Diepenbrock, Irish, Suter.

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; Jim Donohue, Deputy Chief Investment Officer; JR Pearce, Senior Retirement Investment Officer (via Zoom); Brian Miller, Senior Retirement Investment Officer, Kenter Ludlow, Acting Retirement Investment Analyst.

Item 2. Public Comment

None.

CONSENT MATTERS – Items 3-8:

A motion was made by Board Member Rinde, seconded by Board Member Noble, to approve the recommendations on Consent Calendar Items 3-8. **(Adopted 7-0.)**

Item 3. Minutes of the August 21, 2024 Regular Meeting

Approve the minutes of the August 21, 2024 Regular Meeting.

Item 4. Disability Retirement Applications

Adopt Staff's recommendations for the following Disability Retirement Applications:

- A. GRIEM, Joshua (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- B. JAMES, Marcus (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- C. MARSHALL-LEE, Richard (Assistant Probation Officer, Probation Department): Grant a service-connected disability retirement.
- D. TEMMERMAN, Frank (Judicial Services Officer, Sacramento County Courts): Grant a non-service-connected disability retirement.
- E. YANG, Leesai (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.

Item 5. Ratification of Service Retirement Application Approvals—August 2024

Ratify the service retirement applications that were finalized in August 2024.

Item 6. State Association of County Retirement Systems Legislative Update—September 2024

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for September 2024.

Item 7. Board Policies

Approve amendments to or reaffirm the following policies:

- A. Privacy and Confidentiality Policy
- B. Protection of Individual Records Policy

Item 8. Monthly Report of Investment Activity—August 2024

Receive and file the Monthly Report of Investment Activity for August 2024.

EXECUTIVE REPORTS:

Item 9. Chief Executive Officer's Report (no action requested)

Mr. Stern noted the vote-by-mail period is underway through September 27 for Board elections for Miscellaneous, Safety, and Alternate Safety seats, for the three-year term beginning January 1, 2025. Results are expected to be announced on October 8.

Item 10. Chief Investment Officer’s Report (no action requested)

Mr. Davis stated that at the October board meeting Verus would be leading an educational presentation covering cryptocurrencies origins, how it functions as a currency, the investment case for cryptocurrency, and how the institutional investor community has adopted it. Mr. Davis noted that while cryptocurrency is not currently prevalent within institutional investors’ asset allocations to date, both Verus and staff believe it is important to provide the Board with some initial education on the topic as it is an evolving segment of the investable universe.

Mr. Davis also indicated that at the October meeting, Staff will run through a presentation related to SCERS new portfolio analytics software, Caissa, and will provide some background on the software and show some examples of its useability across dimensions like portfolio exposures, risk, and performance.

Lastly, Mr. Davis indicated that SCERS should be getting responses for its custodian RFP. Mr. Davis stated that Verus would be assisting SCERS with the RFP process and evaluation of responses and candidates, and that an update to the Board will be provided accordingly.

Item 11. Chief Benefits Officer’s Report (no action requested)

Mr. Riddle reported that as indicated in Item 5, the team processed 53 retirement applications in August. He further advised that, per agenda Item 4, staff completed 5 disability retirement application recommendations that were approved. Mr. Riddle noted that after the approvals made during the board meeting, SCERS has 37 disability retirement applications in the queue, 3 of which are awaiting ALJ hearings.

Mr. Riddle reported that SCERS hosted a quarterly Pension Planning webinar on Thursday, September 12 and that nearly 60 attendees were present. He noted that the webinars are a partnership between SCERS, the County EBO, Fidelity Investments, Social Security, Mission Square and SCREA.

Mr. Riddle also reported on SCERS staff participation at a benefits fair the previous Thursday hosted by Sac Sewer. He indicated that SCERS was there to address retirement related questions in support of Sac Sewer’s transition to a separate entity from the County effective December 14 and that SCERS would also attend Sac Sewer health fairs scheduled later in September and in early October.

Lastly, Mr. Riddle reported that SCERS would be present at upcoming County open enrollment fairs in October hosted by the EBO for both active employees and retirees

INVESTMENT MATTERS:

Item 12. Enterprise Risk Tolerance Survey

Receive and file results of Enterprise Risk Tolerance (ERT) Survey, as presented by Verus.

Mr. Davis introduced John Nicolini and Dan Hougard, who presented this item. Following discussion, a motion was made by Board Member Rinde, seconded by Board Member Noble, to receive and file results of Enterprise Risk Tolerance (ERT) Survey, as presented by Verus. **(Adopted 7-0.)**

Item 13. Liquidity Study

Receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Verus.

Mr. Davis introduced Dan Hougard of Verus, who presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Noble, to receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Verus. **(Adopted 7-0.)**

Item 14. Quarterly Investment Performance Report—Alternative Assets

Receive and file the performance report on alternative assets for the quarter ended June 30, 2024, for the Absolute Return portfolio, and the quarter ended March 31, 2024, for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater.

Jamie Fiedler of Cliffwater presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Rinde, to receive and file the performance report on alternative assets for the quarter ended June 30, 2024, for the Absolute Return portfolio, and the quarter ended March 31, 2024, for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater. **(Adopted 7-0.)**

Item 15. Quarterly Investment Performance Report—Real Estate

Receive and file the performance report on real estate investments for the quarter ended June 30, 2024, as presented by Townsend Group.

Chris Cunningham of Townsend Group presented this item. Following discussion, a motion was made by Board Member Mangru, seconded by Board Member Noble, to receive and file the performance report on real estate investments for the quarter ended June 30, 2024, as presented by Townsend Group. **(Adopted 7-0.)**

OTHER MATTERS:

Item 16. Comments from Members of the Board of Retirement

None.

At 12:02 p.m., Vice President Aguallo called for a recess to 1:00 p.m.

BENEFITS MATTERS (Time Certain 1:00 P.M.):

Vice President Aguallo ended the recess and called the meeting to order at 1:00 p.m.

Item 17. Administrative Appeal

Adopt Staff's recommendation for the following matter:

A. CAMPOS, Joyce (former Office Assistant II, Department of Human Assistance): Affirm the denial of Appellant's request to apply for disability retirement benefits.

Mr. Stern presented this item. Following discussion, a motion was made by Board Member Rinde, seconded by Board Member Noble, to affirm the denial of Appellant's request to apply for disability retirement benefits. **(Adopted 7-0.)**

Vice President Aguallo, with confirmation from Mr. Morrish, indicated that Item 18 was being withdrawn as there were no issues to discuss in closed session. Item 19 was withdrawn as a result of the Board's action on Item 4.

CLOSED SESSION

Item 18. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1), this session shall be closed for the Board to discuss formally initiated litigation to which SCERS is a party: *SCERS vs. Telus Health (US) Ltd.*, United States District Court, Eastern District of California, Case No. 2:24-cv-01431-JAM-DB.

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 4, above. This item will be withdrawn in whole or in part if approved on Consent as recommended by staff.

ADJOURNMENT

Vice President Aguallo adjourned the meeting at 1:19 p.m.



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
October 16, 2024

AGENDA ITEM:

Minutes of the September 18, 2024 Regular Meeting

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to approve the minutes of the September 18, 2024 Regular Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on October 16, 2024 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:

(Present but not voting)

James Diepenbrock
Board President

Eric Stern
Chief Executive Officer and
Board Secretary