



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 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

Brandon Gayman
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, June 18, 2025

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

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

Board Members Present: Aguallo, DeVore, Diepenbrock, Suter, Rinde, Banda (arrived at 10:02 a.m.), Mangru, Gayman, Giboney, Hoover, Irish.

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; Jim Donohue, Deputy Chief Investment Officer; Brian Miller, Senior Retirement Investment Officer; Kenter Ludlow, Retirement Investment Analyst, Marilee Mitchell, Senior Office Specialist (c).

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.

Nicole Heil of Private Equity Stakeholder Project spoke on the impact of private equity on the planet.

President Diepenbrock announced that he would not accept a renomination as Board President at the regularly scheduled Board meeting in August, as he does not intend to seek reappointment to the Board when his term expires in December.

CONSENT MATTERS—Items 3–8:

Consent matters are acted upon as one unit. If the Chair removes an item from the Consent Calendar for discussion, it will be heard at the appropriate time. If an item containing one or more recommendations to the Board is approved on Consent, the recommendation(s) therein are approved.

A motion was made by Board Member Suter, seconded by Board Member Rinde, to approve the recommendations on Consent Calendar Items 3-8. **(Adopted 9-0.)**

Item 3. Minutes of the May 21, 2025 Regular Meeting

Approve the minutes of the May 21, 2025 Regular Meeting.

Item 4. Disability Retirement Applications

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

- A. COOPER, Laurie: (Assistant Probation Officer, Sacramento County Probation Department): Grant a service-connected disability retirement.
- B. FISHER, Alice: (Mental Health Worker, Sacramento County Mental Health Department): Grant a service-connected disability retirement.
- C. IVORY, Nekia: (Deputy Clerk III, Sacramento Superior Court): Dismiss for non-cooperation in pursuing the application.
- D. MCENTIRE, David (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.

Item 5. Ratification of Service Retirement Application Approvals—May 2025

Ratify the service retirement applications that were finalized in May 2025.

Item 6. State Association of County Retirement Systems Legislative Update—June 2025

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2025.

Item 7. 2025-26 Employer Contribution Prepayments

Approve Sacramento County's and Sacramento Area Sewer District's intent to prepay the employer contribution for the 2025-26 fiscal year.

Item 8. Monthly Report of Investment Activity—May 2025

Receive and file the Monthly Report of Investment Activity for May 2025.

EXECUTIVE REPORTS:

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

Mr. Stern shared the timeline for the Board election: First day to obtain candidate nomination papers—July 21; Last day to file candidate nomination papers along with a candidate statement not exceeding 200 words—August 1; Voting Period—September 15-26; Official Results—October 7; with Term of Office beginning January 1, 2026.

Mr. Stern reported that registration is still open for the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program on Modern Investment Theory and Practice for Retirement Systems which will be held from July 13-16, at UC Berkeley.

The Audit Committee met on June 17 and Mr. Stern invited the Audit Committee Chair Dave Irish to provide a summary of the meeting. Mr. Irish reported that the independent auditors, Brown Armstrong, presented a work plan and timeline for conducting the annual financial audit for the fiscal year ending June 30, 2025. He further reported that Larry Jensen of Audit and Risk Management Services provided an overview of the SCERS risk and compliance audit initiative and discussed the current phase of work, including issuance of an auditing services RFP for the proposed audit plan covering fiscal years 2025–26 and 2026–27. Mr. Irish indicated that Staff plans to release the RFP by June 30, and begin work as early as mid-to-late-August 2025 along the following anticipated timeline: June 23—RFP Announcement and Release; July 3—Deadline to submit question regarding RFP; July 8—SCERS response to RFP questions; July 18—Response to RFP submission deadline; July 22-23—Interview/Presentation (Optional); and July 31—Notice of Award.

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

Mr. Davis provided an update on the upcoming changes to the Master Investment Policy Statement (IPS) and asset category allocations for the Board to consider at the Board Meeting in August. Mr. Davis also provided updates related to SCERS' Overlay Program managed by State Street Global Advisors (SSGA). The Overlay Program update was related to the implementation of SCERS' revised strategic asset allocation that the Board approved in March. Staff and SSGA are targeting the end of July for the Overlay Program to rebalance SCERS' current portfolio to the revised strategic asset allocation targets.

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

Mr. Riddle provided the Board with an update on the status of recently processed retirement applications and current disability retirement applications in process. Mr. Riddle gave an update on the recent Retirement Planning webinar with the Courts (May 29) and the Outreach with the Probation Dept. (June 4th). He concluded with a reminder of the General Membership Webinar (June 26).

ADMINISTRATIVE MATTERS:

Item 12. Sacramento County Department of Finance-Division of Revenue Recovery Memorandum of Understanding

Approve Memorandum of Understanding between SCERS and the County Department of Finance-Division of Revenue Recovery regarding overpayment collection processes and procedures and authorize the Chief Executive Officer to execute the document on behalf of SCERS.

Mr. Morrish presented this item, after receiving confirmation from Board Member Rinde of his intent to abstain from discussion and voting. Mr. Morrish advised that there was no cognizable conflict of interest requiring recusal but acknowledged a perceptible conflict in that Board Member Rinde would be signing the proposed MOU on behalf of the County in his capacity as Director of the Department of Finance. Following discussion, a motion was made by Board Member Banda, seconded by Board Member Hoover, to approve the Memorandum of Understanding between SCERS and the County Department of Finance-Division of Revenue Recovery regarding overpayment collection processes and procedures and authorize the Chief Executive Officer to execute the document on behalf of SCERS. **(Adopted 8-0; Board Member Rinde abstained.)**

INVESTMENT MATTERS:

Item 13. Investment Manager Recommendation—Global Equity

Approve an investment of approximately \$250 million to Acadian Asset Management's Global All Country Equity Extension strategy, approve converting Acadian's International Small Cap Value strategy to Acadian's Non-U.S. Small Cap Developed Equity strategy with a commitment of approximately \$195 million, authorize Staff to determine the most effective method for transitioning assets, and authorize the Chief Executive Officer to execute any documents or agreements necessary to complete the investments and transition of assets.

Mr. Davis introduced Brian Miller and Brian Kwan of Verus, who presented this item. Andrew Miller and Chris Covington of Acadian Asset Management also assisted with the presentation. Following discussion, a motion was made by Board Member Suter, seconded by Vice President Aguillo, to approve an investment of approximately \$250 million to Acadian Asset Management's Global All Country Equity Extension strategy, approve converting Acadian's International Small Cap Value strategy to Acadian's Non-U.S. Small Cap Developed Equity strategy with a commitment of approximately \$195 million, authorize Staff to determine the most effective method for transitioning assets, and authorize the Chief Executive Officer to execute any documents or agreements necessary to complete the investments and transition of assets, with the stipulation that a fee structure be provided to the Board Chair for review prior to execution of any documents or agreements. **(Adopted 9-0.)**

Item 14. Portfolio Analytics Services

Authorize the Chief Executive Officer to extend the contract with MSCI for portfolio analytic services for an additional three years, through June 30, 2028, with expenditures not to exceed \$650,000 each fiscal year.

Mr. Davis and Mr. Donohue presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Mangru, to authorize the Chief Executive Officer to extend the contract with MSCI for portfolio analytic services for an additional three years, through June 30, 2028, with expenditures not to exceed \$650,000 each fiscal year. **(Adopted 9-0.)**

At 11:40 a.m., without objection from the Board, President Diepenbrock announced that Items 17 and 18 would be taken next out of order.

Item 15. Investment Performance Report—Alternative Assets

Receive and file the Investment Performance Report for the quarter ended March 31, 2025 for the Absolute Return portfolio, and the quarter ended December 31, 2024 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC.

Jamie Feidler of Cliffwater presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Mangru, to receive and file the first quarter Investment Performance Report— Alternative Assets. **(Adopted 8-0.)**

Item 16. Investment Performance Report—Real Estate

Receive and file Investment Performance Report on real estate investments for the quarter ended March 31, 2025, as presented by Townsend Group.

Chris Cunningham and Richard Brown of Townsend Group presented this item. Board Member Irish departed the meeting during discussion of this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Suter, to receive and file the Investment Performance Report on real estate investments for the quarter ended March 31, 2025, as presented by the Townsend Group. **(Adopted 8-0.)**

Item 17. General Investment Consultant Services

Authorize the Chief Executive Officer to extend the consulting services agreement with Verus for an additional two years, through June 30, 2027, with expenditures not to exceed \$510,000 each fiscal year.

Mr. Davis presented this item. Following discussion, a motion was made by Vice President Aguallo, seconded by Board Member Suter, to authorize the Chief Executive Officer to extend the consulting services agreement with Verus for an additional two years, through June 30, 2027, with expenditures not to exceed \$510,000 each fiscal year. **(Adopted 9-0.)**

Item 18. Real Estate Investment Consultant Services

Authorize the Chief Executive Officer to extend the consulting services agreement with The Townsend Group for an additional two years, through June 30, 2027, with expenditures not to exceed \$275,000 each fiscal year.

Mr. Davis presented this item. Following discussion, a motion was made by Board Member Rinde, seconded by Vice President Aguallo, to authorize the Chief Executive Officer to extend the consulting services agreement with The Townsend Group for an

additional two years, through June 30, 2027, with expenditures not to exceed \$275,000 each fiscal year. **(Adopted 9-0.)**

At 11:53 a.m., President Diepenbrock called for a brief recess. President Diepenbrock departed the meeting during the recess. At 12:05 p.m., Vice President Aguallo ended the recess and called the meeting to order, resuming with Item 15.

OTHER MATTERS:

Item 19. Comments from Members of the Board of Retirement

Vice President Aguallo yielded to Mr. Stern, who reminded the Board about the upcoming special Board meetings at the end of July for strategic vision planning. Vice President Aguallo requested clarification from Mr. Morrish regarding closed session. Mr. Morrish indicated that Item 20 was withdrawn, and that Item 21 was withdrawn as a result of the Board's action on Item 4.

CLOSED SESSION

Item 20. 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 21. 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 12:45 p.m.