



### 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

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, August 20, 2025**

**10:00 A.M.**

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

**Live-stream at [www.scers.gov](http://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, Mangru, Gayman, Giboney, Hoover, Irish (arrived at 10:28 a.m.).

**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; Karen McMillen, Retirement Investment Officer, Kenter Ludlow, Retirement Investment Analyst, Marilee Mitchell, Senior Office Specialist (c).

#### **Item 2. Election of Board Officers**

Recommendation for the Board to nominate and elect officers for 2025-26.

A motion was made by Board Member Suter, seconded by Board Member DeVore, to nominate Board Member Giboney as President. **(Adopted 9-0.)**

President Giboney called for nominations for the office of Vice President. A motion was made by Board Member Diepenbrock, seconded by Board Member Mangru, to re-nominate Vice President Aguallo. **(Adopted 9-0.)**

**Item 3. Public Comment**

None.

**CONSENT MATTERS–Items 4-14:**

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.

Mr. Morrish addressed a question from Board Member Suter regarding voting on the minutes for the Audit Committee. A motion was then made by Board Member DeVore, seconded by Board Member Diepenbrock, to approve the recommendations on Consent Calendar Items 4-14. **(Adopted 9-0 as to Items 4-5 and 7-14. Adopted 8-0 as to Item 6; Board Member Suter abstained.)**

**Item 4. Minutes of the June 18, 2025 Regular Meeting**

Approve the minutes of the June 18, 2025 Regular Meeting.

**Item 5. Minutes of the June 17, 2025 Audit Committee Meeting**

Approve the minutes of the June 17, 2025 Audit Committee Meeting.

**Item 6. Disability Retirement Applications**

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

- A. BROOKS, Jimmy: (Custodian Level 2, Sacramento County General Services Department): Grant a non-service-connected disability retirement.
- B. CONNELLY, Lorene: (Mental Health Worker, Sacramento County Mental Health Department): Grant a service-connected disability retirement.
- C. GONZALES, Steven: (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- D. HICKMAN, Randy: (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- E. HOLM, Adam: (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- F. LACKEY, Victor: (Deputy Sheriff, Sheriff's Department): Grant a service-connected disability retirement.
- G. LENARD, Nathan: (Human Service Specialist II, Sacramento County Department of Human Assistance): Grant a non-service-connected disability retirement.

- Item 7. Ratification of Service Retirement Application Approvals—June and July 2025**  
Ratify the service retirement applications that were finalized in June and July 2025.
- Item 8. State Association of County Retirement Systems Legislative Update (SACRS)—August 2025**  
Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for August 2025.
- Item 9. CEO Delegated Authority Expense Report—Second Quarter 2025**  
Receive and file the CEO Delegated Authority Expense Report for the quarter ended June 30, 2025.
- Item 10. Employer Contribution Prepayments**  
Receive and file report confirming Sacramento County and Sacramento Area Sewer District employer contribution prepayments for fiscal year 2025-26, and Sacramento Metro Fire District unfunded liability payment for 2025-26.
- Item 11. Portfolio Allocation and Rebalancing Report—Second Quarter 2025**  
Receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended June 30, 2025.
- Item 12. 2024 Alternative Asset Fee and Expense Report**  
Receive and file the 2024 Alternative Asset Fee and Expense Report.
- Item 13. Report of Closed Session Action**  
Receive and file report of closed session action regarding the purchase or sale of pension fund investments.
- Item 14. Monthly Report of Investment Activity—June and July 2025**  
Receive and file the Monthly Report of Investment Activity for June and July 2025.

### **EXECUTIVE REPORTS:**

- Item 15. Chief Executive Officer's Report (no action requested)**  
Mr. Stern introduced and welcomed new employees, Paralegal Mercedes Campos and Investment Officer Karen McMillen.

Mr. Stern provided an update on the employer file reporting delays with the Sacramento Area Sewer District (SacSewer), noting that SCERS has not been able to reconcile contributions and service credit for SacSewer employees since the district separated from the County in December 2024. He noted that earlier this month, SCERS engaged Segal's technology unit to provide consulting services to SacSewer to help remedy reporting inconsistencies. SCERS also sent a letter to SacSewer employees the prior week to inform them that SCERS recognizes them as members, will continue to pay new retirees on estimates based on their prior County time, and will post updated contribution and service credit information to their MySCERS accounts as soon it is available. He stated there are 22 SacSewer members who retired and 18 terminated since the separation.

Mr. Stern also noted that the board of the Government Financial Services Joint Power Authority (JPA) passed a resolution on July 24 expressing interest in joining SCERS for their employees. SCERS staff has been engaged in discussions with the JPA for several months and will bring the matter to the SCERS Board at a future meeting. Mr. Stern also provided conference and training updates: CALAPRS Trustee Roundtable, October 3, virtual and SACRS Fall Conference, November 12-14, Huntington Beach.

**Item 16. Chief Investment Officer's Report**

Receive and file CIO Report for the quarter ended June 30, 2025.

Mr. Davis presented this item. Following discussion, a motion was made by Vice President Aguallo, seconded by Board Member Rinde to receive and file the CIO Report for the quarter ended June 30, 2025. **(Adopted 9-0.)**

**Item 17. 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 described the benefit verification process currently underway for a segment of the SCERS retiree population to confirm their proof of life and benefit recipient eligibility. Mr. Riddle gave an update on the recent SETA Employee Resource Fair and reported on upcoming SacSewer Benefit fairs at their locations in Rancho Cordova, Elk Grove, and North Sacramento. The next retirement planning webinar is scheduled for Thursday September 18 at 10:00 a.m.

**ADMINISTRATIVE MATTERS:**

**Item 18. Custodial Bank Recommendation**

Award custodial services contract to Northern Trust Bank and authorize the Chief Executive Officer to enter final contract negotiations with the firm.

Ms. Allen introduced Joe Abdou of Verus and Melanie Pickett, Colleen Brennan, and Julie Gonsch of Northern Trust Bank, who presented this item. Following discussion, a motion was made by Board Member Diepenbrock, seconded by Board Member Suter, to approve the award of a custodial services contract to Northern Trust Bank and authorize the Chief Executive Officer to enter final contract negotiations with the firm. **(Adopted 9-0.)**

**Item 19. Technology Services**

Authorize Chief Executive Officer to execute a contract with Levi, Ray, and Shoup, Inc. (LRS) for technology services in an amount not to exceed \$685,000.

Mr. Taylor presented this item to the Board. Following discussion, a motion was made by Board Member Hoover, seconded by Board Member Mangru, to authorize the Chief Executive Officer to execute a contract with Levi, Ray, and Shoup, Inc. (LRS) for technology services in an amount not to exceed \$685,000. **(Adopted 9-0.)**

**At 12:01 p.m., President Giboney called for a brief recess. At 12:19 p.m., President Giboney ended the recess and called the meeting to order.**

**Item 20. Strategic Management Plan Report—Second Quarter 2025**

Receive and file an update on activities and progress related to the 2025 Strategic Management Plan for the quarter ended June 30, 2025.

President Giboney announced that, at the request of Mr. Stern and without objection from the Board, this item would be tabled and brought before the Board at the regularly scheduled September meeting.

**Item 21. Technology Report—Second Quarter 2025**

Receive and file Technology Report for the quarter ended June 30, 2025.

Mr. Stern presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member DeVore, to receive and file Technology Report for the quarter ended June 30, 2025. **(Adopted 9-0.)**

**BENEFIT MATTERS:**

**Item 22. Final Compensation Policy**

Approve amendments to Final Compensation Policy and direct staff to implement correction plan.

Mr. Stern presented this item with assistance from Mr. Riddle. Following discussion, a motion was made by Board Member Rinde, seconded by Board Member DeVore, to approve amendments to the Final Compensation Policy and direct staff to implement the correction plan. **(Adopted 9-0.)**

**Item 23. Service Purchase Policy**

Approve amendments to the Service Purchase Policy.

Mr. Stern presented this item. A motion was made by Board Member Rinde, seconded by Board Member Sutter, to approve the amendments to the Service Purchase Policy. **(Adopted 9-0.)**

**INVESTMENT MATTERS:**

**Item 24. Investment Manager Compliance and Watch List Report—Second Quarter 2025**

Receive and file the Investment Manager Compliance and Watch List Report for the quarter ended June 30, 2025.

Mr. Davis presented this item. Vice President Aguallo departed the meeting during discussion of this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Banda, to receive and file the Investment Manager Compliance and Watch List Report for the quarter ended June 30, 2025. **(Adopted 8-0.)**

**Item 25. Master Investment Policy Statement and Asset Category Investment Policy Statements**

Approve amendments to the Master Investment Policy Statement (IPS) and the Asset Category Investment Policy Statements and rescind the Limited Partner Advisory Committees Policy and incorporate key and relevant components of the policy into the Master IPS.

Mr. Davis presented this item. Board Member Irish departed the meeting during discussion of this item. A motion was made by Board Member Diepenbrock, seconded by Board Member Rinde to approve amendments to the Master Investment Policy Statement (IPS) and the Asset Category Investment Policy Statements and rescind the Limited Partner Advisory Committees Policy and incorporate key and relevant components of the policy into the Master IPS. **(Adopted 8-0.)**

**Item 26. Total Fund Investment Performance Report—Second Quarter 2025**

Receive and file Total Fund Investment Performance Report for the quarter ended June 30, 2025, as presented by Verus.

Brian Kwan of Verus presented this item. Board Member Banda departed the meeting prior to discussion of this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member DeVore, to receive and file Total Fund Investment Performance Report for the quarter ended June 30, 2025, as presented by Verus. **(Adopted 8-0.)**

**OTHER MATTERS:**

**Item 27. Comments from Members of the Board of Retirement**

Board Member Suter expressed gratitude for an article in the SCERS newsletter detailing the actions required of surviving family member(s) after the loss of a member in order to receive benefits.

**At 1:48 p.m., President Giboney requested clarification from Mr. Morrish regarding closed session, who indicated that only Items 28 and 31 would be discussed in closed session. Item 29 was withdrawn, and Item 30 was withdrawn as a result of the Board's action on Item 6.**

**CLOSED SESSION**

**Item 28. 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 29. 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 30. 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.

**Item 31. PURCHASE OR SALE OF PENSION FUND INVESTMENTS**  
Pursuant to Government Code Section 54956.81, this session shall be closed to consider the purchase or sale of particular, specific pension fund investments.

**At 2:16 p.m., President Giboney reconvened the meeting in open session and announced that there was nothing to report out of closed session.**

### **ADJOURNMENT**

**President Giboney adjourned the meeting at 2:17 p.m.**



# **Retirement Board Order**

## **Sacramento County Employees' Retirement System**

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**Before the Board of Retirement  
September 17, 2025**

AGENDA ITEM:

**Minutes of the August 20, 2025 Regular Meeting**

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to approve the minutes of the August 20, 2025 Regular Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on September 17, 2025 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

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Chris Giboney  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary