



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, May 21, 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, Diepenbrock, Suter, Rinde, Gayman, Giboney, Hoover, Mangru, Banda (arrived at 10:02 am).

Board Members Absent: DeVore, Irish.

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

Item 2. Public Comment

None.

CONSENT MATTERS—Items 3–9:

Mr. Stern addressed a question from Board Member Suter regarding a typographical error in Item 9. A motion was then made by Board Member Suter, seconded by Board Member Rinde, to approve the recommendations on Consent Calendar Items 3-9. **(Adopted 8-0.)**

Item 3. Minutes of the April 16, 2025 Regular Meeting

Approve the minutes of the April 16, 2025 Regular Meeting.

Item 4. Disability Retirement Applications

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

- A. HUNTER, Alex (Collection Equipment Operator II, Sacramento Waste Management and Recycling Division): Grant a service-connected disability retirement.
- B. SAMUEL, Romeal (Human Services Program Planner, Behavioral Health Services): Grant a service-connected disability retirement with corrected effective date.

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

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

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

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

Item 7. Employer Liability Policies

Approve minor amendments to Employer Liability Policies: Declining Employer Payroll Policy and Terminating Employer Policy.

Item 8. Portfolio Allocation and Rebalancing Report—First Quarter 2025

Receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended March 31, 2025.

Item 9. Monthly Report of Investment Activity—April 2025

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

EXECUTIVE REPORTS:

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

Mr. Stern provided legislative updates on AB 1383, which is pending in Appropriations Committee, and AB 1439, which is not expected to advance this year. He discussed the employer file reporting delays with SacSewer and noted that 16 employees have retired since the separation with the County, 3 employees have applications in process, and 13 have terminated. Mr. Stern also provided conference and training updates: congratulated Mr. Giboney on his election to the SACRS Board of Directors, announced that registration is open for the SACRS-UC Berkely Public Pension Investment Management Program, July 13-16, and asked Mr. Giboney to comment on the NCPERS trustee certification program that he recently attended.

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

Mr. Davis provided an update regarding contract extensions for both general consultant Verus and real estate consultant Townsend along with a contract renewal for SCERS' portfolio analytics software provider MSCI/Caissa. All will be presented at the June Board meeting. Mr. Davis also provided an investment staff update, stating that Senior Investment Officer JR Pearce will be retiring from SCERS at the end of May.

Item 12. 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 concluded with a reminder of upcoming Retirement Planning Educational Events; for the Courts (Webinar—May 29), Probation Dept. (Outreach—June 4th), and General Membership (Webinar—June 26).

ADMINISTRATIVE MATTERS:

Item 13. Sacramento Area Sewer District–Replacement Benefits Plan Memorandum of Understanding

Approve Memorandum of Understanding between SCERS and Sacramento Area Sewer District (SacSewer) to coordinate a Replacement Benefits Plan for members subject to IRC 415 limits.

Mr. Stern presented this item. Following discussion, a motion was made by Board Member Hoover, seconded by Board Member Mangru, to approve Memorandum of Understanding between SCERS and Sacramento Area Sewer District (SacSewer) to coordinate a Replacement Benefits Plan for members subject to IRC 415 limits. **(Adopted 8-0.)**

Item 14. Actuarial Funding Risk Assessment Report

Receive and file the Actuarial Funding Risk Assessment Report, as presented by Segal.

Todd Tauzer and Molly Calcagno of Segal presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Gayman, to receive and file the Actuarial Funding Risk Assessment Report, as presented by Segal. **(Adopted 8-0.)**

Item 15. Legal Services Agreement

Authorize the Chief Executive Officer to extend the legal services agreement with Nossaman LLP for a three-year term through June 30, 2028, in an amount not to exceed a total of \$2,100,000.

Mr. Morrish presented this item. Following discussion, a motion was made by Vice President Aguallo, seconded by Board Member Rinde, to extend the legal services agreement with Nossaman LLP for a three-year term through June 30, 2028 in an amount not to exceed a total of \$2,100,000. **(Adopted 8-0.)**

BENEFITS MATTERS:

Item 16. Final Compensation Review Policy—Discussion Draft

Receive and file proposed amendments to the Final Compensation Review Policy discussion draft.

Mr. Stern presented this item. Following discussion, a motion was made by Board Member Mangru, seconded by Board Member Suter, to receive and file proposed amendments to the Final Compensation Review Policy discussion draft. **(Adopted 8-0.)**

INVESTMENT MATTERS:

Item 17. Asset Class Restructuring and Implementation: Global Equity

Approve revised structure and implementation plan for the Global Equity asset class.

Mr. Davis presented this item with assistance from Mr. Miller and John Nicolini of Verus. Following discussion, a motion was made by Board Member Suter, seconded by Vice President Aguillo, to approve revised structure and implementation plan for the Global Equity asset class. **(Adopted 8-0.)**

Item 18. Asset Class Restructuring and Implementation: Credit

Approve revised structure and implementation plan for the Credit asset class.

Mr. Davis presented this item with assistance from Jamie Fiedler of Cliffwater and John Nicolini of Verus. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Rinde, to approve revised structure and implementation plan for the Credit asset class. **(Adopted 8-0.)**

At 12:14 p.m., President Diepenbrock called for a brief recess. At 12:27 p.m., President Diepenbrock ended the recess and called the meeting to order.

Item 19. Total Fund Investment Performance Review Report—First Quarter 2025

Receive and file the performance report for the quarter ended March 31, 2025, as presented by Verus.

Mr. Stern introduced John Nicolini of Verus, who presented the item. Following discussion, a motion was made by Board Member Gayman, seconded by Board Member Mangru, to receive and file the performance report for the quarter ended March 31, 2025, as presented by Verus. **(Adopted 8-0.)**

OTHER MATTERS:

Item 20. Comments from Members of the Board of Retirement

Board Member Giboney requested some history regarding the Final Compensation Review Policy when the matter returns to the Board for consideration at the August Board meeting.

At 12:50 p.m., President Diepenbrock requested clarification from Mr. Morrish regarding closed session, who indicated that only Item 24 would be discussed in closed session. Items 21 and 22 were withdrawn, and Item 23 was withdrawn as a result of the Board's action on Item 4.

CLOSED SESSION

Item 21. 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 22. 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 23. 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.

Item 24. 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 1:12 p.m., President Diepenbrock reconvened the meeting in open session and announced that there was nothing to report out of closed session.

ADJOURNMENT

President Diepenbrock adjourned the meeting at 1:13 p.m.