



Executive Staff:

Richard Stensrud  
Chief Executive Officer

James G. Line  
General Counsel

Kathryn T. Regalia  
Chief Operations Officer

John W. Gobel, Sr.  
Chief Benefits Officer

Members of the Board of Retirement

James A. Diepenbrock, President  
Appointed by the Board of Supervisors

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

Julie Valverde, Ex Officio  
Director of Finance

Diana Gin  
Elected by the Miscellaneous Members

Winston H. Hickox  
Appointed by the Board of Supervisors

William D. Johnson  
Elected by the Safety Members

Kathy O'Neil  
Elected by the Miscellaneous Members

Nancy Wolford-Landers  
Elected by the Retired Members

Robert L. Woods  
Appointed by the Board of Supervisors

John Conneally  
Elected by the Safety Members

Michael DeBord  
Elected by the Retired Members

## MINUTES

### RETIREMENT BOARD MEETING, WEDNESDAY, FEBRUARY 23, 2011

A special meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 18th Floor, Sacramento, California, on Wednesday, February 23, 2011, and commenced at 9:04 a.m.

#### OPEN SESSION:

##### PUBLIC COMMENT:

1. None heard.

##### INVESTMENT MATTERS:

Chief Executive Officer Richard Stensrud and Investment Officers Scott Chan and Steve Davis provided a presentation covering possible areas of change within SCERS' investment portfolio that may be referenced in the forthcoming presentations by the candidates for the general investment consulting services assignment. Mr. Chan and Mr. Davis also provided a memorandum outlining the key areas on which to focus when evaluating the finalist candidates.

Mr. Stensrud noted that Staff was confident that all of the finalists are highly capable of fulfilling the role of SCERS' general investment consultant and encouraged the Board to consider which candidate they believed would be the best complement to the capabilities of the Board and Staff.

Pete Keliuotis, Patrick Thomas, and Barry Dennis presented on behalf of Strategic Investment Solutions, Inc. (SIS). Carolyn Smith and Allan C. Martin presented on behalf of NEPC, LLC. Ronald Peyton, James A. Callahan, Elizabeth B. Hood, and Uvan Tseng presented on behalf of Callan Associates, Inc.

The respective candidates addressed: (1) The experience of the consulting team and their firm's resources and capabilities in providing broad-based consulting services; (2) Their approach to establishing an asset allocation plan; (3) Their approach to developing an asset class and manager structure; (4) Their approach to risk management; and (5) Their perspectives on SCERS' existing portfolio and observations on areas where change may be considered.

After the presentation and a question and answer session with each candidate, the Board discussed the qualifications of the candidates, including consideration of: (1) The consulting services capabilities and proposed consultant team; (2) The comparative strengths of the candidates; (3) Which consultant represented the best complement to the capabilities of the Board and Staff; and (4) The fee proposals of the candidates. Further discussion followed regarding which would be the best partner for helping accomplish SCERS' strategic investment plan and objectives.

Motion by Ms. O'Neil to select Strategic Investment Solutions, Inc. as SCERS' general investment consultant; Seconded by Mr. Hickox. Motion carried (9-0).

The meeting was adjourned at 1:10 p.m.

**MEMBERS PRESENT:** James A. Diepenbrock, John B. Kelly, Julie Valverde, Diana Gin, Winston H. Hickox, William D. Johnson, Kathy O'Neil (arrived at 9:14 a.m.), Nancy Wolford-Landers, Robert L. Woods, John Conneally, and Michael DeBord.

**MEMBERS ABSENT:** None.

**OTHERS PRESENT:** Richard Stensrud, Chief Executive Officer; James G. Line, General Counsel; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer; Scott Chan, Investment Officer; Steve Davis, Investment Officer; John Lindley, IT Administrator; Pete Keliuotis, Patrick Thomas, and Barry Dennis of Strategic Investment Solutions, Inc. (SIS); Carolyn Smith and Allan C. Martin of NEPC, LLC; and Ronald Peyton, James A. Callahan, Elizabeth B. Hood, and Uvan Tseng of Callan Associates, Inc.

Respectfully submitted,

Richard Stensrud  
Chief Executive Officer and  
Secretary of the Retirement Board

APPROVED: \_\_\_\_\_  
James A. Diepenbrock, President

DATE: \_\_\_\_\_

cc: Retirement Board (11); Board of Supervisors (6); County Counsel; County Executive (2); Internal Services Agency (2); County Labor Relations; Employee Organizations (20); Sacramento County Retired Employees' Association; SCERS Member Districts (10); Elected Officials (3); Superior Court of California, County of Sacramento; Amervest Company, Inc.; Mark Merin; John R. Descamp; and The Sacramento Bee.