MINUTES

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, June 17, 2026

10:00 A.M.

Location: Sacramento Metropolitan Fire
10545 Armstrong Avenue, Suite 200
Mather, California 95655

Live-stream at www.scers.gov

OPEN SESSION

Item 1. Call to Order/Roll Call

President Giboney called the meeting to order at 10:01 a.m. Eric Stern, Chief Executive Officer, took roll call.

Board Members Present: Giboney, Aguallo, DeVore, Suter, Rinde, Irish, Gayman, Hoover, Shah

Board Members Absent: Banda, Mangru

Mr. Morrish confirmed that alternate Board Members Irish and President Giboney would be voting as a result of the elected Board Members' absence.

Also present: Eric Stern, Chief Executive Officer; Margo Allen, Chief Operations Officer; Steve Davis, Chief Investment Officer; Keith Riddle, Chief Benefits Officer; Jason Morrish, General Counsel; Jim Donohue, Deputy Chief Investment Officer; Omar Martin, Senior Retirement Investment Officer; Karen McMillen, Retirement Investment Officer; 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.

None.

CONSENT MATTERS–Items 3–9:

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 Shah, to approve the recommendations on Consent Calendar Items 3-9. **(Adopted 9-0.)**

Item 3. Minutes of the May 20, 2026 Regular Meeting
Approve the minutes of the May 20, 2026 Regular Meeting.

Item 4. Disability Retirement Applications
Adopt Staff's recommendations for the following Disability Retirement Application:

A. GREWAL, Ravinder (Sheriff Records Officer I, Sacramento County Sheriff's Department): Grant a service-connected disability retirement.

Adopt Proposed Decision of Administrative Law Judge for the following Disability Retirement Application:

B. CASTANON, Gilbert (Assistant Probation Officer, Sacramento County Probation Department): Grant a service-connected disability retirement.

Item 5. Ratification of Service Retirement Application Approvals—May 2026
Ratify the service retirement applications that were finalized in May 2026.

Item 6. State Association of County Retirement Systems Legislative Update—June 2026
Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2026.

Item 7. 2026-27 Employer Contribution Prepayments
Approve Sacramento County and Sacramento Area Sewer District's intent to prepay the employer contribution for the 2026-27 fiscal year, and additional Sacramento Metropolitan Fire District unfunded liability payment for 2026-27.

Item 8. Monthly Report of Investment Activity—May 2026
Receive and file the Monthly Report of Investment Activity for May 2026.

Item 9. Report of Closed Session Action
Receive and file report of closed session action regarding the purchase or sale of pension fund investments.

EXECUTIVE REPORTS:

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

Mr. Stern provided an update on the SCERS' office closure and stated that the building had recently re-opened to tenants following an electrical fire during the first week of April. However, SCERS' fiber network lines were damaged, and repair work is still underway. SCERS has announced a Monday, July 6, re-opening date for staff and members.

Mr. Stern thanked the Sac Metro Fire District for hosting the Board meeting. He noted the historic relationship between SCERS and Sac Metro Fire, which was created by a merger of many smaller fire districts, including two that were SCERS participating employers – Florin Fire and North Highlands Fire districts. There are about 130 Sac Metro Fire retirees and beneficiaries receiving pensions from SCERS. Under the funding agreement, the district's baseline payment is about $4.8 million a year; it can vary as investment gains and losses are smoothed over a 3-year period. The district has been making advance payments, including a $3 million payment expected in July, as noted in Item 7. The remaining UAAL is about $33.3 million, as of June 30, 2025, with an expected payoff in 2036.

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

Mr. Davis provided an update on the Man Numeric transition, noting that a $450 million transfer occurred over 2 days with assistance from a manager and Mr. Miller, who oversaw the transition. Mr. Davis noted that there will be an education component on fee structures during the August Board Meeting and added that Cerity would be presenting the liquidity study in August or September. The Investment Forum will take place on Tuesday, Sept 15th at the Embassy Suites. This year's forum will focus on moderated discussions about the macro-economic market level and the asset classes. Board Members should receive a draft agenda in the next 2 weeks.

Board Member Shah inquired about the Bloomberg news item regarding a Cliffwater private credit redemption request and requested Mr. Davis to share comments. Mr. Davis stated that SCERS does not invest directly in Cliffwater funds as we utilize our own funds in private credit and have an established relationship with Cliffwater as a consultant.

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, current disability retirement applications in process, and an update on the wellness check program. He noted that despite the office closure, the benefits team was able to successfully conduct our joint retirement planning webinar on June 10, 2026. The next joint retirement planning webinar is scheduled for September 10, 2026, and the next mid-career retirement planning webinar is targeted for late October.

ADMINISTRATIVE MATTERS:

Item 13. Actuarial Assumptions

Discuss potential actuarial assumption changes, contribution-rate impacts, and considerations as part of the upcoming Experience Study.

Mr. Stern presented this item with assistance from Todd Tauzer of Segal. The next step in the Experience Study will be conducting stakeholder outreach during the summer months with formal recommendations presented to the Board for adoption on August 19th, 2026. Assumptions made on July 1, 2027 would be incorporated in the 2027-28 contribution rates. Mr. Stern also announced that Mr. Tauzer is leaving Segal for a position with the federal Government Accountability Office and thanked him for all his efforts over the years. No formal action was taken by the Board.

Item 14. Technology Services

Authorize the Chief Executive Officer to extend the contract with QualApps for technology development and advisory services through June 30, 2028, in an amount not to exceed $1.8 million.

Mr. Taylor 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 contract with QualApps for technology development and advisory services through June 30, 2028, in an amount not to exceed $1.8 million. **(Adopted 9-0.)**

Item 15. Accounting System Software

Authorize the Chief Executive Officer to execute an agreement with Sikich for Microsoft Dynamics 365 Business Central implementation services and first-year software licensing in an amount not to exceed $400,000.

Ms. Allen presented this item. Following discussion, a motion was made by Board Member Shah, seconded by Board Member Hoover, to authorize the Chief Executive Officer to execute an agreement with Sikich for Microsoft Dynamics 365 Business Central implementation services and first-year software licensing in an amount not to exceed $400,000. **(Adopted 8-0; Board Member Rinde abstained.)**

Item 16. Business Continuity Report

Receive and file Business Continuity Report regarding temporary building closure at 980 9th Street during April-June 2026.

Following discussion, a motion was made by Board Member Irish, seconded by Board Member Gayman, to receive and file Business Continuity Report regarding temporary building closure at 980 9th Street during April-June 2026. **(Adopted 9-0.)**

INVESTMENT MATTERS:

Item 17. Alternative Assets Consultant

Authorize the Chief Executive Officer to amend the alternative assets consultant contract with Cliffwater LLC through June 30, 2028, with expenditures not to exceed $1,000,000 over the two-year period.

Mr. Davis presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Suter, to authorize the Chief Executive Officer to amend the alternative assets consultant contract with Cliffwater LLC through June 30, 2028, with expenditures not to exceed $1,000,000 over the two-year period. **(Adopted 9-0.)**

Item 18. Investment Performance Report—Alternative Assets

Receive and file the Investment Performance Report for the quarter ended March 31, 2026 for the Absolute Return portfolio, and the quarter ended December 31, 2025 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC.

Mr. Feidler of Cliffwater presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Hoover, to receive and file the Investment Performance Report for the quarter ended March 31, 2026 for the Absolute Return portfolio, and the quarter ended December 31, 2025 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC. **(Adopted 9-0.)**

Item 19. Investment Performance Report—Real Estate

Receive and file Investment Performance Report on real estate investments for the quarter ended March 31, 2026, as presented by Townsend Group.

Mr. Cunningham of Townsend presented this item. Following discussion, a motion was made by Vice President Aguallo, seconded by Board Member Irish, to receive and file Investment Performance Report on real estate investments for the quarter ended March 31, 2026, as presented by Townsend Group. **(Adopted 9-0.)**

OTHER MATTERS:

Item 20. Comments from Members of the Board of Retirement

Board Member Suter asked Board Member Rinde how the SB 827 Financial Governance training went. Mr. Stern stated that there would be additional opportunities for training in this area with other agencies.

Vice President Aguallo announced that he will not be in attendance for the Board Meeting in August. President Giboney inquired, among the Board Members, who would be attending the Berkeley meeting.

President Giboney announced that there would be no closed session discussion, as Item 20 was withdrawn and Item 21 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. 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

President Giboney adjourned the meeting at 12:33 p.m.