SCERS
SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

MINUTES

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, August 19, 2026

10:00 A.M.

Location: Sacramento Metropolitan Fire District
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 10:00 a.m. Eric Stern, Chief Executive Officer, took roll call.

Board Members Present: Giboney, Suter, Banda, Mangru, Rinde, Irish, Gayman, Hoover, Shah

Board Members Absent: Aguallo, DeVore

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, Executive Secretary.

Item 2. Election of Board Officers
Recommendation for the Board to nominate and elect officers for 2026-27.

Mr. Stern introduced this item. A motion was made by Board Member Suter, seconded by Board Member Shah, to re-nominate President Giboney as Board President. **(Adopted 7-0.)**

President Giboney called for nominations for the office of Vice-President. Following discussion, a motion was made by Board Member Mangru, seconded by Board Member Rinde, to nominate Board Member Suter as Board Vice-President. **(Adopted 7-0.)**

Item 3. Public Comment
Matters under the jurisdiction of the Board may be addressed by the general public at the start of the meeting. <u>Total meeting time allotted for the Public Comment item is up to fifteen (15) minutes</u>.

James Means, Chair of the Elk Grove-Cosumnes Cemetery District (EGCCD), addressed the Board to request that Item 22 be delayed in order for tabled for the EGCCD Board to discuss the matter further prior to any action by the Board of Retirement. Mr. Stern advised the Board that Staff was not opposed to a delay and indicated that he would meet with the EGCCD Board prior to the September Board meeting. Without objection from the Board, President Giboney confirmed that Item 22 would be withdrawn from the agenda.

Greg Stuber, President of the Sacramento County Probation Association, addressed the Board to request that the discount rate being considered in Item 20 not be reduced to 6.5% per Staff's recommendation.

Nate Seger, President of the Sacramento County Deputy Sheriffs' Association, addressed the Board to request that the discount rate being considered in Item 20 not be reduced to 6.5% per Staff's recommendation.

<u>CONSENT MATTERS–Items 4-15:</u>

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 Rinde, seconded by Vice-President Suter to approve recommendations on Consent Calendar Items 4-15. **(Adopted 7-0 as to Items 5-15. Adopted 5-0 as to Item 4; Board Members Mangru and Banda abstained.)**

Item 4. Minutes of the June 17, 2026 Regular Meeting
Approve the minutes of the June 17, 2026 Regular Meeting.

Item 5. Minutes of the June 16, 2026 Audit Committee Meeting
Approve the minutes of the June 16, 2026 Audit Committee Meeting.

Item 6. Disability Retirement Applications
Adopt Staff's recommendations for the following Disability Retirement Applications:

A. BATES, Jonathan (Deputy Sheriff, Sacramento County Sheriff's Department): Grant a service-connected disability retirement.

B. CASE, Amelia (Deputy Sheriff, Sacramento County Sheriff's Department): Grant a service-connected disability retirement.

C. KLEMME, Dennis (Airport Operations Dispatcher Range B, Airports): Grant a service-connected disability retirement.

D. MOLDEN, Robert (Deputy Probation Officer, Sacramento County Probation Department: Grant a non-service-connected disability retirement.

Item 7. Ratification of Service Retirement Application Approvals—June and July 2026
Ratify the service retirement applications that were finalized in June and July 2026.

Item 8. State Association of County Retirement Systems Legislative Update—August 2026
Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for August 2026.

Item 9. CEO Delegated Authority Expense Report—Second Quarter 2026
Receive and file the CEO Delegated Authority Expense Report for the quarter ended June 30, 2026.

Item 10. 2026-27 Employer Contribution Prepayments
Receive and file report confirming Sacramento County and Sacramento Area Sewer District employer contribution prepayments for fiscal year 2026-27, and Sacramento Metro Fire District unfunded liability payment for 2026-27.

Item 11. Board Policies
Reaffirm or approve amendments to the following policies:

A. Placement Agent Policy

B. Staff Background Check Policy

C. Service Credit Policy

Item 12. Portfolio Allocation and Rebalancing Report—Second Quarter 2026
Receive and file the Portfolio Allocation and Rebalancing Report for the quarter ended June 30, 2026.

Item 13. 2025 Alternative Asset Fee and Expense Report
Receive and file the 2025 Alternative Asset Fee and Expense Report.

Item 14. Monthly Report of Investment Activity—June and July 2026
Receive and file the Monthly Report of Investment Activity for June and July 2026.

Item 15. Legal Services
Approve an amendment to legal services agreement with investment counsel Foley & Lardner LLP increasing the not-to-exceed amount to $1,225,000 through January 2027 and authorize the Chief Executive Officer to execute any necessary documents.

EXECUTIVE REPORTS:

Item 16. Chief Executive Officer's Report (no action requested)

Mr. Stern thanked the Sacramento Metropolitan Fire District and Metro Cable 14 for hosting the meeting and facilitating the live stream. He reported that the Government Financial Services Joint Powers Authority, a JPA for school district financial matters, had withdrawn its request from July 2025 to join SCERS as a participating employer because it has joined CalPERS.

Mr. Stern commented on two recent California Supreme Court cases affecting CERL retirement systems. In July 2026, the Court ruled in favor of VCERA, affirming that retirement systems can restrict vacation cashouts from straddling final compensation periods under PEPRA. In August 2026, the Court ruled against LACERA in a case that sought to establish the retirement board's plenary authority over the county regarding personnel and compensation decision-making authority. Mr. Stern indicated that the Board's Ad Hoc Compensation committee will continue to examine the impact of the case as work continues on a compensation study.

Item 17. Chief Investment Officer's Report

Receive and file CIO Report for the quarter ended June 30, 2026.

Mr. Davis presented this item. He reported that responses for the General Consultant RFP have been reviewed and in-person interviews would begin early September. Mr. Davis further announced the Investment Forum will be held on Tuesday, September 15th.

Following discussion, a motion was made by Board Member Shah, seconded by Board Member Gayman, to receive and file the CIO Report for the quarter ended June 30, 2026. **(Adopted. 7-0)**

Item 18. Chief Benefits Officer's Report (no action requested)

Mr. Riddle presented this item. Mr. Riddle provided an update on recently processed retirement applications, current disability retirement applications in process, and an update on the benefit verification program. He reported that the Benefits Team participated in outreach for SETA on August 7th, and will attending open enrollment benefit fairs for the Sacramento Area Sewer District and the Sacramento County Employee Benefits Office (EBO) through October. The next joint retirement planning workshop is scheduled for September 10th, and a mid-career webinar will be held on October 28th.

ADMINISTRATIVE MATTERS:

Item 19. Liquidity Study

Receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Cerity Partners.

Mr. Davis introduced Brian Kwan and John Nicolini of Cerity Partners, who presented this item. Following discussion, a motion was made by Board Member Gayman, seconded by Vice-President Suter, to receive and file the liquidity study and cash-flow profile of SCERS' portfolio, as presented by Cerity Partners. **(Adopted 7-0.)**

At 11:12 p.m., without objection from the Board, President Giboney announced that, at the request of Vice-President Suter, Item 26 would be heard out of order at this time.

Item 20. Actuarial Experience Study

Receive and file the Actuarial Experience Study as of June 30, 2025; adopt assumptions as recommended by Segal effective the June 30, 2026 valuation, including a reduction in the discount rate to 6.50%; and consider whether to implement either a two- or a three-year phase-in of the unfunded liability contribution-rate increase.

Molly Calcagno and Matthew Strom of Segal presented this item. Following discussion, a motion was made by Board Member Shah, seconded by Board Member Rinde to receive and file the Actuarial Experience Study as of June 30, 2025; adopt assumptions as recommended by Segal effective the June 30, 2026 valuation, excluding a reduction in the discount rate to 6.5%; and direct Staff to evaluate other risk management and reserve options for future Board consideration. **(Adopted 7-0.)**

At 1:15 p.m., President Giboney called for a recess. At 1:30 p.m., President Giboney ended the recess and called the meeting to order.

Item 21. Technology Report—Second Quarter 2026

Receive and file Technology Report for the quarter ended June 30, 2026.

Mr. Taylor presented this item with assistance from Ms. Allen. Following discussion, a motion made by Board Member Gayman, seconded by Board Member Mangru, to receive and file Technology Report for the quarter ended June 30, 2026. **(Adopted 7-0.)**

<u>BENEFIT MATTERS:</u>

Item 22. Elk Grove Cemetery District Enrollment Errors—Remediation Plan

Approve the remediation plan to correct member enrollment errors identified at Elk Grove Cemetery District (EGCD).

President Giboney announced that, as discussed during Item 3, Item 22 was withdrawn and would be considered at the September Board meeting.

Item 23. Post-Retirement Employment Policy

Approve amendments to the Post-Retirement Employment Policy.

Mr. Riddle presented this item. Board Member Irish departed the meeting during discussion of this item. Following discussion, a motion was made by Vice-President

Suter, seconded by Board Member Hoover, to approve amendments to the Post-Retirement Employment Policy. **(Adopted 6-0; Board Member Rinde abstained.)**

INVESTMENT MATTERS:

Item 24. Education: Investment Fees
Receive and file presentation on investment fee trends and analysis.

President Giboney announced, without objection from the Board, that at the request of Mr. Stern, Item 24 was withdrawn and would be considered at the September Board meeting.

Item 25. Investment Manager Compliance and Watch List Report—Second Quarter 2026
Receive and file the Investment Manager Compliance and Watch List Report for the quarter ended June 30, 2026.

Mr. Davis presented this item. Following discussion, a motion was made by Board Member Gayman, seconded by Board Member Rinde, to receive and file the Investment Manager Compliance and Watch List Report for the quarter ended June 30, 2026. **(Adopted 7-0.)**

Item 26. Total Fund Investment Performance Report—Second Quarter 2026
Receive and file Total Fund Investment Performance Report for the quarter ended June 30, 2026, as presented by Cerity Partners.

Brian Kwan of Cerity Partners presented this item. Following discussion, a motion was made by Vice-President Suter, seconded by Board Member Mangru, to receive and file Total Fund Investment Performance Report for the quarter ended June 30, 2026, as presented by Cerity Partners. **(Adopted 7-0.)**

OTHER MATTERS:

Item 27. Comments from Members of the Board of Retirement

Mr. Morrish addressed questions from Vice-President Suter regarding disability retirement policies and conferring with other Board members.

At 1:59 p.m., President Giboney requested clarification from Mr. Morrish regarding closed session, who indicated that Items 29-31 would be discussed. Item 28 was withdrawn as a result of the Board's action on Item 6.

CLOSED SESSION

Item 28. 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 29. 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 30. 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: *Marriage of Banh/Kim*, Superior Court of California, County of Sacramento, Case No. 15FL03807.

Item 31. PERSONNEL MATTERS—PUBLIC EMPLOYEE APPOINTMENTS
Pursuant to Government Code section 54957(b)(1), this session shall be closed for the Board to discuss the following public employee appointment:
Assistant Retirement Administrator-Operations (Chief Operations Officer)

At 2:30 p.m. President Giboney reconvened the meeting in open closed session and announced that there was nothing to report out of closed session.

ADJOURNMENT

President Giboney adjourned the meeting at 2:30 p.m.

Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
September 16, 2026

AGENDA ITEM:

Minutes of the August 19, 2026 Regular Meeting

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to approve the minutes of the August 19, 2026 Regular Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on September 16, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

____
Chris Giboney
Board President

____
Eric Stern
Chief Executive Officer and
Board Secretary