



## 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 Aguillo, 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

Jack Noble  
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)

THURSDAY, JUNE 20, 2024

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**

Vice President Aguillo called the meeting to order at 10:00 a.m. Eric Stern, Chief Executive Officer, took roll call.

**Board Members Present:** Aguillo, DeVore, Suter, Rinde, Noble, Giboney, Hoover, Irish.

**Board Members Absent:** Diepenbrock, Banda, Mangru.

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; JR Pearce, Senior Retirement Investment Officer; Brian Miller, Senior Retirement Investment Officer; Jim Donohue, Deputy Chief Investment Officer; Abel Pendergrass, Retirement Investment Analyst; Vinny Ortega, Senior Office Specialist (c).

Mr. Stern indicated that Vice President Aguillo called the meeting to order due to the absence of President Diepenbrock.

**Item 2. Public Comment**

None.

**CONSENT MATTERS—Items 3–9:**

A motion was made by Board Member Rinde, seconded by Board Member Devore, to approve the recommendations on Consent Calendar Items 3-7, and 9. **(Adopted 7-0 as to Items 4-7 and 9. Adopted 6-0 as to Item 3; Board Member Hoover abstained.)** Item 8 was pulled for separate consideration as referenced below.

**Item 3. Minutes of the May 15, 2024 Regular Meeting**

Approve the minutes of the May 15, 2024 Regular Meeting.

**Item 4. Disability Retirement Applications**

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

- A. BRESLER, Lorelei (Human Services Social Worker, Health and Human Services): Grant a reciprocal service-connected disability retirement.
- B. GRAEF, Jeramie (Sanitation District Maintenance and Operations Assistant, Sacramento Area Sewer District); Grant a service-connected disability retirement.
- C. JENKINS, Kenneth, (Deputy Sheriff, Sheriff's Department); Grant a service-connected disability retirement.
- D. JONES, Shaelomena (Human Services Specialist II/Employment Advisor, Department of Human Assistance); Grant a non-service-connected disability retirement.

**Item 5. Ratification of Service Retirement Application Approvals—May 2024**

Ratify the service retirement applications that were finalized in May 2024.

**Item 6. State Association of County Retirement Systems Legislative Update—June 2024**

Receive and file the State Association of County Retirement Systems (SACRS) Legislative Update for June 2024.

**Item 7. Board Policies**

Re-affirm the following policy:

- A. Membership Policy

**Item 8. Sacramento County 2024-25 Contribution Prepayment**

Approve Sacramento County's intent to prepay the employer contribution for the 2024-25 fiscal year.

Vice President Aguallo inquired about the replacement benefit plan. Mr. Stern explained some of the concepts and IRS rules regarding the plan. A motion was then made by Board Member DeVore, seconded by Board Member Suter, to approve the recommendation on Item 8. **(Adopted 7-0.)**

**Item 9. Monthly Report of Investment Activity—May 2024**

Receive and file the Monthly Report of Investment Activity for May 2024.

## **EXECUTIVE REPORTS:**

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

Mr. Stern provided the following timeline for Board elections for Miscellaneous, Safety, and Alternate Safety seats, for the three-year term beginning January 1, 2025:

- July 22-August 2, 2024: Candidate nomination filing period.
- September 16-27: Vote-by-mail period.
- October 8: Official results.

Mr. Stern noted that communications to employers and active members are in progress.

Mr. Stern also stated registration is open for trustee education events through CALAPRS and SACRS. He noted that he recently attended an NCPERS conference and recommended that trustees consider attending upcoming NCPERS events as well.

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

Mr. Davis provided an update on public equity/fixed income rebalancing that was completed in early June 2024. Mr. Davis advised that a transition manager, State Street Global Marketing, was used to sell most of the public equity positions involved in the rebalance, and SCERS contributed capital directly to SCERS' core plus fixed income managers. The cost of the sells came below pre-trade estimates. Mr. Davis thanked Mr. Miller for leading the rebalance.

Mr. Davis indicated that Ian Toner, the Chief Investment Officer of Verus, would be providing an education presentation at the August Board meeting regarding the current macro environment and considerations for asset allocation decisions.

Mr. Davis reminded the board of the ERT Surveys that would be conducted by Verus, and advised that once the surveys were concluded, Verus would aggregate the data and present the results at the September Board meeting.

### **Item 12. Chief Benefits Officer's Report (no action requested)**

Mr. Riddle reported that, as indicated in Item 5, the team processed 70 retirement applications in May 2024. He further advised that per Item 4, staff completed 4 disability retirement application recommendations that were approved. After approvals from the June Board Meeting, SCERS has 46 disability retirement applications in the queue, 3 of which are awaiting ALJ hearings.

Mr. Riddle indicated that SCERS would be hosting the next Pension Planning Webinar on Tuesday, June 25, 2024 at 10:00 a.m. In addition to our customary participants from SCERS, the County Employee Benefits Office, Fidelity Investments, Social Security, and SCREA, Mission Square is being added to the mix. Mission Square administers the County's employer-funded Retiree Health Savings Plan. Upon separation or retirement from the County, former employees can use the account to pay for qualified health expenses. Including Mission Square in the webinar provides future county retirees with a comprehensive overview of their retiree benefits.

## **ADMINISTRATIVE MATTERS:**

### **Item 13. Actuarial Services**

Approve actuarial services agreement with Segal through June 30, 2027, and authorize the Chief Executive Officer to execute any necessary documents.

Ms. Allen presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Noble, to approve the actuarial services agreement with Segal through June 30, 2027, and authorize the Chief Executive Officer to execute any necessary documents. **(Adopted 7-0.)**

## **INVESTMENT MATTERS:**

### **Item 14. Quarterly Investment Performance Report—Alternative Assets**

Receive and file the performance report for the quarter ended March 31, 2024, for the Absolute Return portfolio, and the quarter ended December 31, 2023 for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC.

Mr. Davis introduced George Bumeder of Cliffwater, who presented this item. Following discussion, a motion was made by Board Member Noble, seconded by Board Member Rinde, to receive and file the performance report for the quarter ended March 31, 2024, for the Absolute Return portfolio, and the quarter ended December 31, 2023, for the Private Equity, Private Credit, and Real Assets portfolios, as presented by Cliffwater, LLC. **(Adopted 7-0.)**

### **Item 15. Quarterly Investment Performance Report—Real Estate**

Receive and file performance report on real estate investments for quarter ended March 31, 2024, as presented by Townsend Group.

Richard Brown of the Townsend Group presented this item. Following discussion, a motion was made by Board Member Suter, seconded by Board Member Noble, to receive and file the performance report on real estate investments for quarter ended March 31, 2024, as presented by Townsend Group. **(Adopted 7-0.)**

### **Item 16. Alternative Assets Consultant Services**

Approve amendment to consulting services agreement with Cliffwater, LLC through June 30, 2026, in an amount not to exceed \$1,000,000 and authorize the Chief Executive Officer to execute any necessary documents.

Mr. Davis presented this item. Following discussion, a motion was made by Board Member DeVore, seconded by Board Member Hoover, to approve an amendment to the consulting services agreement with Cliffwater, LLC through June 30, 2026, in an amount not to exceed \$1,000,000 and authorize the Chief Executive Officer to execute any necessary documents. **(Adopted 7-0.)**

**OTHER MATTERS:**

**Item 17. Comments from Members of the Board of Retirement**

Board Member Irish provided a report from the June 13, 2024, Audit Committee meeting. Vice President Aguallo, with confirmation from Mr. Morrish, indicated that Item 18 was being withdrawn as there were no issues to discuss in closed session. Item 19 was withdrawn as a result of the Board's action on Item 4.

**CLOSED SESSION**

**Item 18. 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.*, Sacramento County Superior Court Case No. 24CV007762.

**Item 19. 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**

**Vice President Aguallo adjourned the meeting at 10:56 a.m.**