



Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Robert L. Gaumer
General Counsel

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

Stephen Hawley
Chief Strategy Officer

AGENDA

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, DECEMBER 20, 2017

10:00 A.M.

Location: **SCERS Board Room**
980 9th Street, 19th Floor
Sacramento, California 95814

OPEN SESSION

Item 1. **Call to Order**

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.

Item 3. **Minutes**

The Minutes of the November 7, 2017 and November 30, 2017 Special Meetings to be approved.

CONSENT MATTERS – Items 4 - 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 as the last item(s) of the Administrative Matters, Investment Matters or Closed Session, as appropriate. If a Consent item containing one or more recommendations to the Board is approved on Consent the recommendation(s) therein are approved.

Members of the Board of Retirement

Rick Fowler, President
Appointed by the Board of Supervisors

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

Keith DeVore, Vice President
Appointed by the Board of Supervisors

Steven L. Baird
Elected by the Miscellaneous Members

James A. Diepenbrock
Appointed by the Board of Supervisors

Ben Lamera
Ex Officio, Director of Finance

Alan Matré, CPA
Elected by the Miscellaneous Members

Kathy O'Neil
Elected by the Retired Members

Chris A. Pittman
Elected by the Safety Members

John Conneally
Elected by the Safety Members

Martha J. Hoover
Elected by the Retired Members

Item 4. **Disability Retirement Applications**

- A. MEHTANI, Anita; Staff recommendation dated December 20, 2017
- B. MIRANDA, Kim R.; Proposed Decision of Administrative Law Judge dated October 11, 2017
- C. RANDALL, Richard M.; Staff recommendation dated December 20, 2017
- D. SOLOMON, William A.; Staff recommendation dated December 20, 2017
- E. WRIGHT, Marquette A.; Staff recommendation dated December 20, 2017
- F. Reference; General Law and Authorized Board Actions on Disability Retirement Proposed Decisions

Item 5. **Interest Crediting Rate on Member Contribution Accounts for December 31, 2017**

Item 6. **Retirement Board Meeting Calendar for 2018**

Item 7. **Private Credit Delegation of Authority – Resolution 2017-11**

Item 8. **Monthly Report of New Investment Activity – November 2017**

Item 9. **Monthly Investment Manager Activity, Compliance and Watch List Report – October and November 2017**

ADMINISTRATIVE MATTERS:

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

- Updates on developments affecting public retirement systems;
- Report on miscellaneous system and staff activities.

Item 11. **Annual Audit**

Presentation by Brown Armstrong Accountancy Certified Public Accountants of the June 30, 2017 Independent Auditor's Report; Required Communication in Accordance with Professional Standards (SAS 114); Report on Internal Control over Financial Reporting and on Compliance and Other Matters; and Agreed Upon Conditions Report (Management Letter). Receive and file.

Item 12. **Comprehensive Annual Financial Report (CAFR)**

Presentation by staff of the Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 2017 and 2016. Receive and file.

Item 13. **Affirmation of Existing SCERS Policies**

Presentation by General Counsel of existing SCERS policies in revised policy format for Board affirmation. Deliberation and action.

INVESTMENT MATTERS:

Item 14. Quarterly Total Fund Investment Performance Report – Third Quarter 2017

Verus to present the performance report for the quarter ended September 30, 2017. Receive and file, with deliberation and action on any recommendations made in the report.

Item 15. Quarterly Investment Performance Report – Alternative Assets

Cliffwater to present the performance report for the Absolute Return asset class for the periods ending September 30, 2017, and for the Private Equity, Private Credit, Real Assets and Opportunities asset classes for the periods ending June 30, 2017. Receive and file, with deliberation and action on any recommendations made in the report.

Item 16. Quarterly Investment Performance Report – Real Estate

Townsend Group to present the performance report on real estate investments for the quarter ended September 30, 2017. Receive and file, with deliberation and action on any recommendations made in the report.

Item 17. Education on Markets in Financial Instruments Directive II (MiFID II) and Presentation of Manager Research Budgets and Soft Dollars Audit

Presentation by Zeno and Staff on this European Union regulation on financial market activities and services effective January 3, 2018, and results of Zeno's study of the potential impact on SCERS investment managers of rules on unbundling the purchase of research from execution services. Receive and File.

CLOSED SESSION

No items scheduled, but matters may be considered in Closed Session, as permitted by law, if necessary.

ADJOURNMENT