Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 5

MEETING DATE: **January 17, 2018**

SUBJECT: **Affirmation of Existing SCERS Policies**

SUBMITTED FOR: **___ Consent** **_X_ Deliberation and Action** **___ Receive and File**

RECOMMENDATION

Staff recommends the Board affirm the reformatted policies.

PURPOSE

To collect, reformat, affirm, and organize all Board policies in one central location to ensure proper administration of all SCERS Board policies.

DISCUSSION

The policy formatting and affirmation project continues with five more policies for the Board to review. As with last month, the greatest change between the current policy and that which Staff recommends that the Board affirm is the format of the policy. The Attachments to this agenda item will specifically identify the amendments to each of the five offered policies.

In future months the changes to the policies will be more substantive and will require greater discussion.

As the Board is aware, a policy represents the general principles by which an entity is guided in the management of its affairs. SCERS operates under many policies and procedures. They serve to guide the strategic direction as well as govern the day-to-day activities of the system. The Board adopts these policies to provide leadership to Staff on how it wants the overall affairs as well as day-to-day operations.

Over the past couple of years, Staff has been collecting Board and Staff policies to create a library of all policies that govern SCERS' strategic, legal, administrative, and operational activities. In addition to collecting the policies, Staff sought to classify the policies into categories and identify the SCERS executive responsible for overseeing its application.

The policies included in this agenda item all represent a longstanding policy that is being reformatted into the new standard SCERS policy format. Several Attachments accompany this

memorandum to assist the Board. The first is a brief summary of the policy transition. The next five provide copies of the policies in the new standard SCERS policy format and in their current format. These are provided so the Board can confirm that the changes being made are predominantly format changes.

BACKGROUND

The project began with Staff determining the universe of policies, then reviewing archive Board materials to identify when the policies were adopted or last revised by the Board. Staff now has what it believes is a comprehensive list of SCERS policies. At the December 2017 meeting, the Board affirmed the first seven of approximately 40 policies in the new format.

ATTACHMENTS

1. Summary of policy changes
2. Protection of Individual Records Policy
3. Fiduciary Standard Policy
4. Securities Litigation Policy
5. Board Meetings Audio Recordings Policy
6. Access Criminal History for SCERS Employment Policy

Prepared by:

/S/

Robert L. Gaumer
General Counsel

Reviewed by:

/S/

Eric Stern
Chief Executive Officer

ATTACHMENT 1

Protection of Individual Records Policy

The Protection of Individual Records Policy was adopted by the Board in response to an appellate decision regarding disclosure of certain member records. The policy clarifies SCERS' interpretation of the appellate decision. The policy was adopted by the Board on December 15, 2011, and it has remained unchanged since its adoption. Staff has reformatted the 2011 policy, and restated the first paragraph of the "Policy" section to clearly identify that the disclosable information falls into two headings: 1) the "Retirement Benefit Amount" in total or its component parts; and 2) "Calculation of Retirement Benefit Amount," which lists the data used to calculate the benefit amount. All other original wording of the policy is retained. Staff is requesting that the Board affirm the amended and reformatted policy.

Fiduciary Standard Policy

The Fiduciary Standard was adopted by the Board as a supplement to the Private Equity Investment Policy Statement to provide guidelines for considering investments with private equity funds/managers, generally venture capital, where the fund manager is unwilling to expressly agree to the fiduciary standard of care typically desired in investment management engagements. The policy was adopted by the Board on January 16, 2013 by Resolution 2013-05, and it has remained unchanged since its adoption.

Staff has revised the policy title and content to apply broadly to all of SCERS written agreements for investment management and consulting services, clearly state the preferred fiduciary standard of care as adopted in Resolution 2013-05, add definitions of terms used throughout the policy, and maintain the guidelines for assessing and accepting a lower contractual standard of care for private market investments (typically venture capital and energy partnerships) where a fiduciary standard of care is not industry standard.

Staff is requesting that the Board affirm the amended and reformatted policy.

Securities Litigation Policy

The Securities Litigation Policy establishes the Staff and Board roles in monitoring and actively engaging in securities litigation cases. The policy was adopted by the Board on April 19, 2007, and has remained unchanged since its adoption. Staff has reformatted the 2007 policy into the new SCERS policy format. With the exception of the "Purpose" section being updated in the amended policy, there are no other changes. Staff is requesting that the Board affirm the reformatted policy.

Board Meetings Audio Recordings Policy

The Board Meetings Audio Recordings Policy establishes a protocol for creating, using and disposing of audio recordings of Board of Retirement meetings. The policy was adopted by the Board on June 19, 2008 in Resolution 2008-13 and has remained unchanged since its adoption. Staff has reformatted the 2008 policy from its current resolution format into the new SCERS policy format, updated the policy title, and clarified that the purpose of the policy is to provide for the "making and use" of the audio recordings, as well as their "retention and destruction." All other original wording of the policy is retained. Staff is requesting that the Board affirm the amended and reformatted policy.

Access Criminal History for SCERS Employment Policy

The Access Criminal History for SCERS Employment Policy authorizes SCERS to access criminal history information prior to hiring employees. The policy was adopted by the Board on June 19, 2008 in Resolution 2008-14, and has remained unchanged since its adoption. Staff has reformatted the 2008 policy into the new SCERS policy format, inserted access to "local" summary criminal history information, in addition to state and federal, replaced the phrase "felony, or misdemeanor involving moral turpitude" with "crime;" and modified some of the policy wording to make it clear that criminal history will only be accessed for persons selected for SCERS employment.

The Board's Resolution 2008-14 by which this policy was established, includes "local," state, and federal level summary criminal history information in the first "whereas" clause, but "local" was omitted from the "resolved" statement. The amended policy includes "local" in the list of jurisdictions for which access to summary criminal history information is authorized.

The phrase "misdemeanor involving moral turpitude" in the original policy is arcane because the term **"**moral turpitude**"** does not have a common meaning, and the courts have ruled that there is no clear, comprehensive definition or test to determine whether a particular crime involves moral turpitude. The amended policy replaces the clause "felony, or misdemeanor involving moral turpitude" with "crime," which broadly includes felonies and misdemeanors of all types. The policy provides that a criminal conviction may be disregarded if it is determined that mitigating circumstances exist or the crime is not related to the employment in question.

Staff is requesting that the Board approve the amended and reformatted policy.

ATTACHMENT 2

PROTECTION OF INDIVIDUAL RECORDS POLICY

DOCUMENTS:

1 - POLICY PRESENTED IN REVISED POLICY FORMAT

Minor proposed revisions to first paragraph of policy
For affirmation by the Board on January 17, 2018

2 - POLICY AS ADOPTED BY THE BOARD

On December 15, 2011

PROTECTION OF INDIVIDUAL RECORDS POLICY

Revision Date:	**January 17, 2018**	**Policy Number:**	**010**
Revision Number:	**1**		

PURPOSE

The purpose of this Policy is to clarify what records continue to be protected from disclosure as "individual records" by Government Code Section 31532.

POLICY

Disclosable Information

If requested under the California Public Records Act ("PRA") (Government Code section 6250, et seq.), SCERS will provide:

A. Retirement Benefit Amount

The amount of the monthly benefit (total gross allowance) and/or, if requested, the components thereof (e.g., base allowance amount, cost of living adjustments, other monthly benefit amount, health benefit amount, etc.) paid by SCERS.

B. Calculation of Retirement Benefit Amount

The following information as determined by the Board in a good faith effort to be consistent with the 3rd Appellate District decision (*Sacramento County Employees' Retirement System v. Superior Court* (2011) 195 Cal. App. 4th 440) is necessary information to calculate a retirement benefit:

1. Years of service (in the aggregate, but not a breakdown of individual regular and special service credits, such as service purchases);
2. Last position held;
3. Department from which retired;
4. Date of retirement;
5. Final compensation;
6. Applicable retirement formula and tier;
7. Age factor, and
8. Any other information determined by the General Counsel to be necessary to calculate a particular retirement benefit, such as applicable federal or state

limitations on benefits or compensation, unless specifically protected from disclosure under this Policy.

Protected Individual Records

All otherwise nonpublic information provided to SCERS by a member, or by a third party on behalf of a member (including the employer), will continue to be protected from disclosure under Government Code Section 31532 as "individual records," including, but not limited to, the following examples:

1. Medical reports and information regarding medical or psychological status or condition;
2. Personal data such as contact and address information, names of spouses, relatives and dependents, and Social Security numbers;
3. Date of birth;
4. Age, including age at retirement;
5. Member contributions;
6. Individual accounts;
7. Breakdown of regular and special service credits, such as service purchases;
8. The names of beneficiaries and eligible survivors;
9. Payment option selections; and,
10. Nonpublic correspondence with the Board or staff

APPLICATION

SCERS is only required to provide records which it prepared, owned, used or retained and does not have a duty to create a record when one does not exist (Government Code Section 6252(e); *Haynie v. Superior Court* (2001) 26 Cal.4th 1061; 71 Ops. Cal. Atty. Gen. 235 (1998)).

SCERS is entitled to charge a fee for the direct costs of duplicating any record. The Board has determined that the direct cost of duplicating any paper copy of any record is $0.25 per page (Government Code Section 6253(b)).

If a request is made for SCERS to construct a new record in electronic form, and the request would require data compilation, extraction, or programming, SCERS may charge for the actual cost of constructing the new electronic record; including any costs of programming and computer services necessary to produce a copy of the record (Government Code Section 6253.9(b)).

As with any PRA Request, including any questions as to whether a public inquiry should be considered to be a PRA Request, any request that may involve "individual records" should be immediately referred to the General Counsel, who will determine how to respond

in consultation with the Chief Executive Officer. The General Counsel shall be responsible to maintain a log of all PRA Requests and Responses thereto.

BACKGROUND

The PRA requires that public records be disclosed unless the records are exempt from disclosure (Government Code section 6253(b)). The PRA specifically exempts from disclosure any records that are protected by state or federal law (Government Code section 6254(k)). The County Employees' Retirement Law ("CERL") requires that "individual records" of members not be disclosed (Government Code section 31532).

The phrase "individual records" has been defined by the California 3rd District Court of Appeal ("3rd DCA") to mean any "information provided by a member, or on the member's behalf." *Sacramento County Employees' Retirement System v. Superior Court* (2011) 195 Cal. App. 4th 440, 463. This has been interpreted for all practical purposes by the California 1st District Court of Appeal ("1st DCA") to mean the same as "all otherwise nonpublic information submitted to a CERL retirement system by or about individual members." *Sonoma County Employees' Retirement Association v. Superior Court* (2011) 198 Cal. App. 4th 986, 1004.

Under either definition, both appellate district courts have agreed that "individual records" do not include the name and amount of retirement benefits received by a member or beneficiary. However, the 3rd DCA has also concluded that "how that amount was calculated (years of service, position held, date of retirement, and so forth)" does not 'fall within a member's individual records'…"195 Cal.App.4th at 465.

Similarly, the California 4th District Court of Appeal (4th DCA") upheld a lower court order that required the disclosure of a "computer-generated document, titled 'Disability Retirement Calculation Summary Final,'" redacted to exclude certain information--including "retiree dates of birth." *San Diego County Employees' Retirement System v. Superior Court* (2011) 196 Cal. App. 4th 1228, 1234.

In contrast, the 1st DCA recognized that, while amending Government Code Section 31532 in 1957, the Legislature understood that "individual records of members" would encompass "the details of how retired members' monthly gross benefit amounts were calculated (but not the resulting amounts)." 198 Cal.App.4th 986, 1003; citing opinions rendered by the California Attorney General in 1955 and 1956 regarding a similar provision in the Public Employees' Retirement Law. The 1st DCA specifically held that "a member's date of birth and age at retirement would be protected from disclosure either as part of a member's 'sworn statement'…or as otherwise nonpublic information about the member supplied to the [retirement] board by a member or a third party." 198 Cal.App.4th 986,1003.

RESPONSIBILITIES

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
01-17-2018	*Board to affirm in revised policy format*
12-15-2011	Board approved new policy

POLICY REGARDING PROTECTION OF INDIVIDUAL RECORDS AS REQUIRED BY GOVERNMENT CODE SECTION 31532

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM (SCERS)

Purpose

The purpose of this Policy is to clarify what records continue to be protected from disclosure as "individual records" by Government Code Section 31532.

Background

The California Public Records Act, hereafter referred to as the "PRA" (Government Code section 6250, et seq.) requires that public records be disclosed unless the records are exempt from disclosure (Government Code section 6253(b)). The PRA specifically exempts from disclosure any records that are protected by state or federal law (Government Code section 6254(k)). The County Employees' Retirement Law ("CERL") requires that "individual records" of members not be disclosed (Government Code section 31532).

The phrase "individual records" has been defined by the Court of Appeal for the Third Appellate District ("3rd DCA") to mean any "information provided by a member, or on the member's behalf." *Sacramento County Employees' Retirement System v. Superior Court* (2011) 195 Cal. App. 4th 440, 463. This has been interpreted for all practical purposes by the Court of Appeal for the First Appellate District ("1st DCA") to mean the same as "all otherwise nonpublic information submitted to a CERL retirement system by or about individual members." *Sonoma County Employees' Retirement Association v. Superior Court* (2011) 198 Cal. App. 4th 986, 1004.

Under either definition, both appellate courts have agreed that "individual records" do not include the name and amount of retirement benefits received by a member or beneficiary. However, the 3rd DCA has also concluded that "how that amount was calculated (years of service, position held, date of retirement, and so forth)" does not "fall within a member's 'individual record'…" 195 Cal. App.4th at 465.

Similarly, the Court of Appeal for the Fourth District (4th DCA") upheld a lower court order that required the disclosure of a "computer-generated document, titled 'Disability Retirement Calculation Summary Final,'" redacted to exclude certain information – including "retiree dates of birth." *San Diego County Employees' Retirement System v. Superior Court* (2011) 196 Cal. App. 4th 1228, 1234. In contrast, the 1st DCA recognized that while amending Government Code Section 31532 in 1957 the Legislature understood that "individual records of members" would encompass "the details of how retired members' monthly gross benefit amounts were calculated (but not the resulting amounts)." 198 Cal.App.4th 986, 1003; citing opinions rendered by the California Attorney General in 1955 and 1956 regarding a similar provision in the Public Employees' Retirement Law. The 1st DCA Court specifically held that "a member's date of birth and age at retirement would be protected from disclosure either as part of a member's 'sworn statement' … or as otherwise nonpublic information about the member supplied to the [retirement] board by a member or a third party." 198 Cal. App. 4th 986, 1003.

Policy

Despite the apparent disagreement among the appellate courts which have considered the issue, SCERS is obligated by the decision of the 3rd DCA to provide not only the benefit paid to a member (including the base retirement allowance, any cost of living adjustments, any monthly benefit, and any health benefit), but also certain information necessary to calculate the retirement benefit. In a good faith effort to be consistent with the decision of the 3rd DCA, the Trustees of SCERS have determined that the following information is necessary to calculate any retirement benefit, and should be disclosed if requested under the PRA:

1. Years of service (in the aggregate, but not a breakdown of individual regular and special service credits, such as service purchases).

2. Last position held.

3. Department from which retired.

4. Date of retirement.

5. Final compensation.

6. Applicable retirement formula and tier.

7. Age factor.

8. Any other information determined by the General Counsel to be necessary to calculate a particular retirement benefit, such as applicable federal or state limitations on benefits or compensation, unless specifically protected from disclosure under this Policy.

Protection of Individual Records

All otherwise nonpublic information provided to SCERS by a member, or by a third party on behalf of the member (including the employer), will continue to be protected from disclosure under Government Code Section 31532 as "individual records," including, but not limited to, the following examples:

1. Medical reports and information regarding medical or psychological status or condition.

2. Personal data such as contact and address information, names of spouses, relatives and dependents, and Social Security numbers.

3. Date of birth.

4. Age, including age at retirement.

5. Member contributions.

6. Individual accounts.

7. Breakdown of regular and special service credits, such as service purchases.

8. The names of beneficiaries and eligible survivors.

9. Payment option selections.

10. Nonpublic correspondence with the Retirement Board or staff.

Procedures

SCERS is only required to provide records which it prepared, owned, used or retained, and does not have a duty to create a record when one does not exist (Government Code Section 6252(e); *Haynie v. Superior Court* (2001) 26 Cal.4th 1061; 71 Ops. Cal. Atty. Gen. 235 (1988)).

SCERS is entitled to charge a fee for the direct costs of duplicating any record. The Trustees have determined that the direct cost of duplicating any paper copy of any record is $0.25 per page (Government Code Section 6253(b)).

If a request is made for SCERS to construct a new record in electronic form, and the request would require data compilation, extraction, or programming, SCERS may charge for the actual cost of constructing the new electronic record, including any costs of programming and computer services necessary to produce a copy of the record (Government Code Section 6253.9(b)).

As with any PRA Request, including any question as to whether a public inquiry should be considered to be a PRA Request, any request that may involve “individual records” should be immediately referred to the General Counsel, who will determine how to respond in consultation with the Chief Executive Officer. The General Counsel shall be responsible to maintain a log of all PRA Requests and Responses thereto.

Adopted by the Retirement Board on December 15, 2011.

ATTACHMENT 3

FIDUCIARY STANDARD POLICY

DOCUMENTS:

1 - POLICY PRESENTED IN REVISED POLICY FORMAT

Updated policy title and content to apply broadly to all of SCERS written agreements for investment management and consulting services, clearly state the preferred fiduciary standard of care adopted by the Board in 2013, and add definitions of terms used throughout the policy.

For approval by the Board on January 17, 2018

2 - POLICY AS ADOPTED BY THE BOARD

On January 16, 2013 by Resolution 2013-15

FIDUCIARY STANDARD POLICY

Revision Date:	**January 17, 2018**	**Policy Number:**	**041**
Revision Number:	**1**		

PURPOSE

The purpose of this policy is to establish the standard of care to which an investment manager, investment fund, or any other entity or person offering to invest SCERS' assets must agree in writing prior to receiving SCERS assets, or receiving SCERS' commitment to provide assets, for investment.

DEFINITIONS

For purposes of this policy, the following definitions apply:

"Preferred Fiduciary Standard of Care" means the standard of care set forth in the California Constitution, Article XVI, Section 17 and California Government Code section 31595.

"1940 Act Standard of Care" means the standard of care applicable to registered investment advisors who have a fiduciary duty to their investors under the federal Investment Advisors Act of 1940 ("1940 Act").

"Private Market Investment" means an investment strategy, fund, or fund manager SCERS' identifies as venture capital within the Private Equity asset class, or as an energy partnership within the Real Assets asset class.

POLICY

Under Article XVI, Section 17 of the California Constitution, the Board has sole and exclusive fiduciary responsibility over the assets of the system and shall discharge its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims. This is often referred to as the "prudent expert rule."

The Board contracts with external investment managers, advisors, and consultants for the investment of system assets and, as the Board's delegates, seeks in its written agreements for investment management and consulting services, to hold these service providers to the same fiduciary standard of care to which the Board itself is subject.

A. Contractual Standards of Care

1. SCERS will include terms for the Preferred Fiduciary Standard of Care in negotiating all of its contracts for investment management and consulting services. It is anticipated all public markets investment managers will agree in writing to this fiduciary standard.

2. In the alternative, SCERS may accept terms specifying the fiduciary standard of care set forth in the 1940 Act for Registered Investment Advisors. It is anticipated that most private market investment managers will be Registered Investment Advisors and subject to the standard of care specified in the 1940 Act.

3. On a case-by-case basis if and as necessary, SCERS may accept an alternative, lower contractual standard of care pursuant to the guidelines and application specified in this Policy. It is anticipated this will arise in connection with private market investments (as defined herein) that typically offer a lower standard of care as the industry standard.

B. Guidelines for Assessing and Accepting a Lower Contractual Standard of Care for Private Market Investments

Rather than simply accept the lower standard of care typically offered in the terms for private market investments, SCERS will attempt to negotiate inclusion of the Preferred Fiduciary Standard in each of its side letters for such investments.

When SCERS is unable to negotiate the Preferred Fiduciary Standard in a side letter for a private market investment, and the private market investment manager represents that it is not a Registered Investment Advisor, SCERS will assess on a case-by-case basis whether to proceed with the investment, and will seek the following in its consideration:

1. Written affirmation from SCERS' Investment Counsel that the private market fund/manager will agree in its side letter with SCERS to provide sufficient transparency and notice regarding any action taken by the fund/manager that would otherwise amount to a conflict of interest or deviation from the fiduciary standard under the 1940 Act for Registered Investment Advisors.

2. Written affirmation from SCERS' alternative assets investment consultant that the consultant has reviewed the investment risks of the private market investment, the risks of private market investments more generally, and the limited fiduciary standard offered by the specific fund/manager, and that based upon the consultant’s due diligence, the standard of care offered by the fund/manager is consistent with other similarly situated investment funds/managers who manage institutional assets in similar investment types and strategies.

3. Assessment by SCERS' Staff and consultant of the characteristics, processes and track record of potential private markets investments that will mitigate the risk of a lower standard of care, including:

    a. A track record of multiple funds performing in the top quartile of its peer group across the cycle.

    b. Experienced general partners and partners.

    c. A track record evidencing the fair treatment of limited partners historically (including during stressful times or circumstances when the fund performance has been less than optimal).

    d. A history and process for dealing with conflicts of interest (such as investing in companies held by prior or successive funds).

C. Investment Protocol

The assessment of the fund terms for standard of care is one important element in a mosaic of factors in determining whether to make or maintain a private market investment. However, since it involves both a quantitative and qualitative evaluation of many factors, flexibility, rather than rigid rules or hard limits, is warranted. This Policy sets forth the considerations that will impact how a conclusion is reached for any specific private market investment opportunity.

The evaluation of the potential risk and risk mitigation of the standard of care provided by a private market investment's fund terms will be incorporated in SCERS' due diligence process and reports that outline the basis for the investment decision.

BACKGROUND

It has been SCERS' practice to hold its investment managers to the same standard of care to which the Board is held. However, this past practice is difficult to maintain as alternative investment managers in general are reluctant to agree to the Preferred Fiduciary Standard of Care. This is an industry wide challenge for public pension plans.

Fortunately, since the Dodd Frank Act, most alternative investment managers are Registered Investment Advisors (RIAs) under the 1940 Act. The 1940 Act fiduciary standard of care requires registered investment advisors to act and to serve a client's best interests with the intent to eliminate, or at least to expose, all potential conflicts of interest which might incline an investment adviser--consciously or unconsciously--to render advice which was not in the best interest of the investment adviser's clients. Among public pension plans nationwide, the fiduciary standard of care required of RIAs by the 1940 Act is generally held to be acceptable.

Unfortunately, private market investments as defined herein are not subject to the Dodd Frank Act, and thus are not RIAs. Instead, these managers present themselves as fiduciaries under Delaware law. The challenge is that under Delaware law, investment

managers can expressly contract with limited partners not to be held to certain fiduciary practices as required by ERISA and the 1940 Act. Such exempted practices include, but are not limited to, allocation of assets among sub-funds and arms-length transactions. To date, public pension plans have had very limited, if any, success in negotiating a higher standard of fiduciary care with these private market investment managers.

Investing in venture capital and private energy partnerships remains an important component in the construction of SCERS private equity portfolio. Venture capital funds provide unique return profiles by investing in higher growth, early stage companies that benefit from developing breakthrough technologies. Investments in these companies helps to provide diversification from more mature companies prevalent in the investments of other private equity strategies such as buyout or distressed debt. Investment in private energy partnerships provides diversification from other private real assets strategies such as infrastructure. Given both the importance of venture capital and private energy partnership investing and factors unique to each fund which can mitigate risk, the guidelines in this Policy highlight the circumstances and assessments that SCERS will undergo for private market investments before agreeing to a lower standard of fiduciary care.

RESPONSIBILITIES

Executive Owner: Chief Investment Officer

POLICY HISTORY

Date	Description
01-17-2018	*Board to rename and amend in revised policy format*
01-16-2013	Board approved; Resolution 2013-05

RESOLUTION NO. SCERS 2013-05

RESOLUTION OF THE BOARD OF RETIREMENT OF THE SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM TO ESTABLISH THE APPROPRIATE FIDUCIARY STANDARD FOR PRIVATE EQUITY INVESTMENT MANAGERS

WHEREAS, the Sacramento County Employees' Retirement System (SCERS) trustees and officers are held to a fiduciary duty of care under the California Constitution, article XVI, § 17 and California Government Code sections 31594 and 31595 (CERL) that requires them to *discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.* This is often referred to as the Prudent Expert standard of fiduciary duty; and,

WHEREAS, it has been the SCERS practice to hold its investment managers to this same standard of fiduciary care, however, the past practice is proving difficult to maintain, as private equity managers in general are reluctant to agree to the Prudent Expert standard of fiduciary duty, which is an industry wide challenge for public pension plans; and,

WHEREAS, under the *Dodd Frank Act,* most private equity managers are Registered Investment Advisors (RIAs) under the *Investment Advisors Act of 1940* (1940 Act), and the 1940 Act fiduciary standard of care requires registered investment advisors to act and to serve a client's best interests with the intent to eliminate, or at least to expose, all potential conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not in the best interest of the investment adviser's clients, and among public pension plans nationwide, the fiduciary standard of care required of RIAs by the 1940 Act is generally held to be acceptable; and,

WHEREAS, some private equity managers, including venture capital managers and a small subset of private equity managers, are not covered by the Dodd Frank Act, and are not required to become RIAs, however, other sufficient safeguards may be in place to warrant the lesser standard of fiduciary care on a case-by-case basis; and,

WHEREAS, SCERS desires to set forth appropriate standards of fiduciary duty for its investment managers; and,

THEREFORE, BE IT RESOLVED AND ORDERED, that this Board adopts the following standards of fiduciary duty for its investment managers as follows:

> The preferred fiduciary standard of duty for SCERS investment managers shall be the Prudent Expert Standard of fiduciary duty as set forth in the California Constitution, article XVI, § 17 and California Government Code sections 31594 and 31595 (CERL), but in the alternative SCERS will accept the fiduciary standard of duty set forth in the Investment Advisors Act of 1940 for Registered

Investment Advisors, and SCERS may accept other fiduciary standards of duty on a case-by-case basis pursuant to the attached Private Equity Policy Supplement: Fiduciary Standard. See Attached Policy.

On motion made by Member Gin, Seconded by Member Valverde, the foregoing Resolution was passed and adopted by the Board of the Sacramento County Employees' Retirement System this 16th day of January, 2013, by the following vote:

AYES: Diepenbrock, DeVore, Fowler, Gin, Pittman, Valverde, Wolford-Landers, Conneally

NOES: None

ABSTAIN: None

ABSENT: Kelly, O'Neil

President of the Board of the
Sacramento County Employees'
Retirement System

ATTEST: Richard Stewart

Secretary of the Board of the
Sacramento County Employees'
Retirement System

SCERS' Private Equity Policy Supplement: Fiduciary Standard

A. Policy Objectives

This policy supplements SCERS' Private Equity Investment Policy Statement ('Private Equity IPS') by outlining guidelines for assessing, mitigating, managing and monitoring the risks associated with investments in private equity funds Where the fund manager is unwilling to expressly agree to the fiduciary standard of care typically desired in investment management engagements.

The California Constitution, article XVI, § 17 and California Government Code sections 31594 and 31595 (CERL) hold SCERS' trustees and officers to a fiduciary duty of care that requires them to, "*discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims."* This is often referred to as the *Prudent Expert* standard of fiduciary duty.

It has been SCERS' practice to hold its investment managers to this same standard of fiduciary care. However, in certain cases alternative investment managers in general are reluctant to agree to the Prudent Expert standard of fiduciary duty. This is an industry wide challenge for public pension plans.

Fortunately, since the *Dodd Frank Act*, most alternative investment managers are Registered Investment Advisors (RIAs) under the *Investment Advisors Act of 1940* (1940 Act). The 1940 Act fiduciary standard of care requires registered investment advisors to act and to serve a client's best interests with the intent to eliminate, or at least to expose, all potential conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not in the best interest of the investment adviser's clients. Among public pension plans nationwide, the fiduciary standard of care required of RIAs by the 1940 Act is generally held to be an acceptable alternative to the prudent expert fiduciary standard.

Unfortunately, venture capital managers, as well as a small subset of private equity funds (certain energy related partnerships) are not covered by the Dodd Frank Act, and are not required to become RIAs. Instead these managers oftentimes present themselves as fiduciaries under Delaware law. The challenge is that under Delaware law, investment managers can expressly contract with limited partners not to be held to certain fiduciary practices as required by ERISA and the 1940 Act. Such exempted practices include, but are not limited to, allocation of assets among sub-funds and arms-length transactions. To date, public pension plans have had very limited, if any, success in negotiating a higher standard of fiduciary duty with venture capital managers. In addition, not all managers in this category have been formed under Delaware law and their particular governing law may not include fiduciary provisions.

Investing in venture capital remains an important component in the construction of a private equity portfolio. Venture capital funds provide unique return profiles by investing in higher growth early stage companies which benefit from developing breakthrough technologies. Investing in earlier stage high growth companies helps to provide diversification against more mature companies prevalent in other private equity strategies such as buyout or distressed debt. Given both the importance of venture capital investing and factors unique to each fund which can mitigate risk, the following section highlights how SCERS will assess and address a potential investment in private equity funds such as venture capital funds with a lower standard of fiduciary care.

B. Investment Guidelines

While the industry standard for the duty of fiduciary care is set lower in the venture capital segment of private equity (and a certain subset of private equity funds), rather than simply accept this lower standard, SCERS' investment Staff will press for the inclusion of the fiduciary standard in each side letter.

It is anticipated that in the majority of cases, SCERS will be unable to negotiate the fiduciary standard in its side letters for venture capital managers and for some private equity managers. In these cases, an assessment regarding whether an investment will be made in such a fund will be conducted on a case by case basis. Specifically, Staff will seek the following in its consideration of investing in a private equity fund directly:

1. Direct SCERS' Investment Counsel to affirm in writing that the private equity fund will agree in the side letter to sufficient transparency and notice regarding any action taken by the private equity fund or the GP that would otherwise amount to a conflict of interest or deviation from the fiduciary standard under the 1940 Act for RIAs.

2. Request SCERS' alternative assets investment consultant to affirm in writing that it has completed its standard due diligence process when it reviewed the fund, including assessing both investment and operational risks, to confirm that the fund is an institutional quality fund that meets industry standards for similarly situated fund managers who manage institutional assets in this market space, and that the fund would be appropriate for the SCERS portfolio

3. SCERS' Staff and the consultant will assess whether the characteristics, processes and track record of the potential private equity investment mitigates the risk of a lower standard, including whether the manager has:

    a. A track record of multiple funds performing in the top quartile of its peer group across the cycle.

    b. Experienced general partners and partners.

c. A track record evidencing the fair treatment of limited partners historically (including during stressful times or circumstances when the fund performance has been less than optimal).

d. A history and process for properly dealing with conflicts of interest (such as investing in companies held by prior or successor funds).

C. Implementation Protocol

The assessment of the relevant standard of care is one important element in a mosaic of factors in determining whether an investment should be made with or maintained in a private equity fund. However, since it involves both a quantitative and qualitative evaluation of many factors, it is not susceptible to rigid rules or hard limits. The goal of the proposed policy, therefore, is to set forth the considerations that will impact how a conclusion is reached in any given case.

The evaluation of the potential risk and risk mitigation in a private equity fund's standard of fiduciary duty will be incorporated in the due diligence process and reports that outline the basis for the investment decision.

ATTACHMENT 4

SECURITIES LITIGATION POLICY

DOCUMENTS:

1 - POLICY PRESENTED IN REVISED POLICY FORMAT

Minor revisions to "Purpose" statement of policy

For affirmation by the Board on January 17, 2018

2 - POLICY AS ADOPTED BY THE BOARD

On April 19, 2007

SECURITIES LITIGATION POLICY

Revision Date:	**January 17, 2018**	**Policy Number:**	**043**
Revision Number:	**1**		

PURPOSE

The purpose of this policy is to establish guidelines and procedures for the Sacramento County Employees' Retirement System ("SCERS") to monitor securities class action proceedings, and determine and facilitate the appropriate level of participation by SCERS in securities class action litigation to recover damages for investment losses caused by the malfeasance of persons and entities associated with a SCERS investment.

POLICY

SCERS will engage the services of a qualified pool of law firms ("Securities Litigation Counsel") with the experience and expertise required to properly evaluate, and if necessary, represent SCERS in securities litigation matters. While such firms frequently offer to provide securities litigation monitoring services at no cost, in order to ensure the independence and integrity of its assessment, SCERS will retain a separate company ("Support Service Provider") for that purpose. The Board of Retirement delegates the decision to participate in a class action to the Chief Executive Officer, subject to the obligation to report to the Board as provided below.

APPLICATION

The following procedures will be used to: 1) collect objective information about potential cases that is timely, accurate, and comprehensive; 2) calculate SCERS' losses and potential recovery in a particular action; 3) evaluate the legal merits of individual cases; 4) consider the benefits and costs of alternative approaches to participation in the case; and 5) decide whether SCERS should seek appointment as lead plaintiff according to pre-determined criteria, including a threshold amount of estimated losses.

A. Collection of Information

The Support Service Provider shall continuously monitor SCERS' investment portfolio with the assistance of its Custodial Bank, and shall regularly make available to the General Counsel current information and data in useable form, to include, at a minimum:

1. Description of any and all pending securities class actions for which SCERS may qualify as a class participant;

2. Calculation of what, if any, recognized damages SCERS has incurred;

3. Listing of any settlements for which SCERS should file a claim.

B. Review

The General Counsel shall review the information on a weekly basis, and determine whether any pending action involves recognized damages to SCERS of $2 million dollars or more. If so, the General Counsel will refer that particular action to each Securities Litigation Counsel in the pool for further review and legal analysis. Securities Litigation Counsel shall independently evaluate the action, and make a written recommendation to the General Counsel as to what, if any, level of participation in the litigation SCERS should consider.

C. Recommendation

Upon receipt of the report(s) and recommendations from Securities Litigation Counsel, the General Counsel shall consult with the Chief Investment Officer and make a recommendation to the Chief Executive Officer as to the appropriate action to be taken by SCERS.

If the recommendation is for SCERS to petition to be lead plaintiff in an action, the recommendation shall include referral to a particular Securities Litigation Counsel for that purpose, together with the reasons for the recommendation, including legal strategies, possible conflicts of interest, and fee proposals.

D. Disposition

The Chief Executive Officer shall consider the recommendation of the General Counsel and shall decide what, if any action, SCERS should pursue. If time permits, the matter shall be referred to the Board for action. In the event an immediate decision is necessary, the Chief Executive Officer is authorized to make the decision, but shall concurrently notify the Board President and shall include a summary of the action in his report to the Board at its next meeting.

E. Active Monitoring

The General Counsel will also actively monitor every class action in which SCERS may have recognized damages. In addition, the General Counsel may recommend to the Chief Executive Officer at any time that SCERS should take further action, such as intervening or objecting as appropriate; filing amicus support; or, opting out of the class.

F. Lead Plaintiff

In every case where SCERS is designated as a lead plaintiff, it shall take all actions consistent with its status as a fiduciary of the class. The Securities Litigation Counsel shall be required to provide in advance a projected time table, legal

strategy, anticipated budget and expectations for the level of participation by SCERS. In addition the firm will be required to provide a monthly written report of its expenditure of time and money in the case. SCERS may, in its sole discretion, participate in any or all legal proceedings. The Securities Litigation Counsel shall appear before the Board as reasonably requested to discuss progress in the case, and upon resolution of the case shall present a final report.

G. Asset Recovery

The Custodial Bank shall continue to be responsible for filing all proofs of claim, including the supporting documents and information necessary to recover assets in every securities class action proceeding in which SCERS has damages. The General Counsel, in consultation with the Chief Investment Officer, shall monitor the performance of the Custodial Bank in that regard. The Custodial Bank shall submit quarterly reports on the securities litigation proceeds recovered, which information shall be shared with the Board.

BACKGROUND

The federal Private Securities Litigation Reform Act of 1995 ("PSLRA") permits institutional investors, such as SCERS, to seek lead plaintiff status in securities class action cases. It has been demonstrated that when institutional investors serve as lead plaintiffs it can facilitate the reduction of attorneys' fees and costs, improve the amount and distribution of net recoveries for the class, deter individual wrongdoers, and effect structural governance reform.

However, being a lead plaintiff may involve certain costs, including, but not limited to, additional staff time required to respond to discovery requests and attend legal proceedings. Therefore, in assessing the appropriate role an institutional investor should take in any given case, it is important to carefully consider alternative approaches, including, but not limited to, active monitoring of a case; intervening or objecting as appropriate; filing amicus support; or opting out of the class to pursue recovery in another manner.

RESPONSIBILITIES

Responsibility for the coordination and management of these procedures shall rest with the General Counsel, in consultation with the Chief Investment Officer, subject to the review and approval of the Chief Executive Officer.

Executive Owner: General Counsel

POLICY HISTORY

Date	Description
01-17-2018	*Board to affirm in revised policy format*
04-19-2007	Board approved new policy

Securities Litigation Policy

Sacramento County Employees' Retirement System

Purpose

The purpose of this policy is to establish guidelines and procedures for monitoring, evaluating and participating in securities class action litigation when appropriate to recover damages for investment losses caused by the malfeasance of persons and entities associated with a SCERS investment.

Principles

The federal Private Securities Litigation Reform Act of 1995 ("PSLRA") permits institutional investors, such as SCERS, to seek lead plaintiff status in securities class action cases. It has been demonstrated that when institutional investors serve as lead plaintiffs it can facilitate the reduction of attorneys fees and costs, improve the amount and distribution of net recoveries for the class, deter individual wrongdoers, and effect structural governance reform.

However, being a lead plaintiff may involve certain costs, including, but not limited to, additional staff time required to respond to discovery requests and attend legal proceedings. Therefore, in assessing the appropriate role an institutional investor should take in any given case, it is important to carefully consider alternative approaches, including, but not limited to: active monitoring of a case; intervening or objecting as appropriate; filing amicus support; or, opting out of the class to pursue recovery in another manner.

In order to determine and facilitate the appropriate level of participation by SCERS in a securities class action proceeding, it is important to establish a policy, and implement procedures, to: 1) collect objective information about potential cases that is timely, accurate, and comprehensive; 2) calculate SCERS' losses and potential recovery in a particular action; 3) evaluate the legal merits of individual cases; 4) consider the benefits and costs of alternative approaches to participation in the case; and, 5) decide whether SCERS should seek appointment as lead plaintiff according to pre-determined criteria, including a threshold amount of estimated losses.

Policy

SCERS will engage the services of a qualified pool of law firms ("Securities Litigation Counsel") with the experience and expertise required to properly evaluate, and if necessary, represent SCERS in securities litigation matters. While such firms frequently offer to provide securities litigation monitoring services at no cost, in order to insure the independence and integrity of its assessment, SCERS will retain a separate company ("Support Service Provider") for that purpose. The Board of Retirement delegates the decision to participate in a class action to the Chief Executive Officer, subject to the obligation to report to the Board as provided below.

Procedures

Responsibilities

Responsibility for the coordination and management of these procedures shall rest with the General Counsel, in consultation with the Chief Investment Officer, subject to the review and approval of the Chief Executive Officer.

Collection of Information

The Support Service Provider shall continuously monitor SCERS' investment portfolio with the assistance of its Custodial Bank, and shall regularly make available to the General Counsel current information and data in useable form, to include, at a minimum:

1. Description of any and all pending securities class actions for which SCERS may qualify as a class participant;

2. Calculation of what, if any, recognized damages SCERS has incurred;

3. Listing of any settlements for which SCERS should file a claim.

Review

The General Counsel shall review the information on a weekly basis, and determine whether any pending action involves recognized damages to SCERS of $2 million dollars or more. If so, the General Counsel will refer that particular action to each Securities Litigation Counsel in the pool for further review and legal analysis. Securities Litigation Counsel shall independently evaluate the action, and make a written recommendation to the General Counsel as to what, if any, level of participation in the litigation SCERS should consider.

Recommendation

Upon receipt of the report(s) and recommendations from Securities Litigation Counsel, the General Counsel shall consult with the Chief Investment Officer and make a recommendation to the Chief Executive Officer as to the appropriate action to be taken by SCERS.

If the recommendation is for SCERS to petition to be lead plaintiff in an action, the recommendation shall include referral to a particular Securities Litigation Counsel for that purpose, together with the reasons for the recommendation, including legal strategies, possible conflicts of interest, and fee proposals.

Disposition

The Chief Executive Officer shall consider the recommendation of the General Counsel and shall decide what, if any action, SCERS should pursue. If time permits, the matter shall be referred to the Board of Retirement for action. In the event an immediate decision is necessary, the Chief Executive Officer is authorized to make the decision, but shall concurrently notify the President of the Board of Retirement and shall include a summary of the action in his report to the Board at its next meeting.

Active Monitoring

The General Counsel will also actively monitor every class action in which SCERS may have recognized damages. In addition, the General Counsel may recommend to the Chief Executive Officer at any time that SCERS should take further action, such as intervening or objecting as appropriate; filing amicus support; or, opting out of the class.

Lead Plaintiff

In every case where SCERS is designated as a lead plaintiff, it shall take all actions consistent with its status as a fiduciary of the class. The Securities Litigation Counsel shall be required to provide in advance a projected time table, legal strategy, anticipated budget and expectations for the level of participation by SCERS. In addition the firm will be required to provide a monthly written report of its expenditure of time and money in the case. SCERS may, in its sole discretion, participate in any or all legal proceedings. The Securities Litigation Counsel shall appear before the Board as reasonably requested to discuss progress in the case, and upon resolution of the case shall present a final report.

Asset Recovery

The Custodial Bank shall continue to be responsible for filing all proofs of claim, including the necessary supporting documents and information, necessary to recover assets in every securities class action proceeding in which SCERS has damages. The General Counsel, in consultation with the Chief Investment Officer, shall monitor the performance of the Custodial Bank in that regard. The Custodial Bank shall submit quarterly reports on the securities litigation proceeds recovered, which information shall be shared with the Board.

Amendment

The policy and procedures contained in this document may be amended or modified by the Board at any time in its sole discretion.

ATTACHMENT 5

BOARD MEETINGS AUDIO RECORDINGS POLICY

DOCUMENTS:

1 - POLICY PRESENTED IN REVISED POLICY FORMAT

Updated policy title and clarified “Purpose” statement to include the “making and use” of audio recordings as well as their “retention and destruction.”

For affirmation by the Board on January 17, 2018

2 - POLICY AS ADOPTED BY THE BOARD

On June 19, 2008 in Resolution 2008-13

BOARD MEETINGS AUDIO RECORDINGS POLICY

Revision Date:	**January 17, 2018**	**Policy Number:**	**013**
Revision Number:	**1**		

PURPOSE

The purpose of this Policy is to provide for the making, use, retention and destruction of audio recordings of meetings of the Retirement Board of the Sacramento County Employees' Retirement System ("SCERS") as permitted by statute.

POLICY

Audio Recordings of Board Meetings

Audio recordings of meetings of the Board are to be made solely for the purpose of facilitating the preparation of the minutes of the meetings, unless otherwise ordered by the Board as to a particular meeting.

Retention of Audio Recordings

Audio recordings of any meeting of the Board are required to be retained only until after the minutes of that particular meeting have been adopted by the Board as provided in the Bylaws.

Destruction of Audio Recordings

Audio recordings of meetings of the Board may be erased or destroyed at any time after minutes of meetings to which the audio recordings pertain are adopted by the Board, but no less than 30 days after the recording, unless otherwise ordered by the Board as to a particular meeting.

BACKGROUND

Government Code Section 54953.5 permits destruction of audio recordings of public meetings 30 days after recording. Audio recordings of the meetings of the SCERS Board are made solely to facilitate the preparation of the minutes of the meeting to be adopted by the Board. The Bylaws of the Board specifically provides that the minutes of Board meetings shall include all official acts of the Board and, when approved, shall be a part of the permanent records of the Board. The SCERS Board has not intended that audio recordings of the meetings of the Board serve the additional purpose of preserving informational content for public reference except when specifically so provided by the Board.

RESPONSIBILITIES

Executive Owner: Chief Operations Officer

POLICY HISTORY

Date	Description
01-17-2018	*Board to retitle and affirm in revised policy format*
06-19-2008	Board approved new policy; Resolution 2008-13

RESOLUTION NO. SCERS 2008-13

RESOLUTION OF THE BOARD OF RETIREMENT OF THE SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM TO ESTABLISH A POLICY AS TO RETENTION AND DESTRUCTION OF RECORDINGS OF MEETINGS

WHEREAS, audio recordings of the meetings of the Board are made solely to facilitate the preparation of the minutes of the meeting to be adopted by the Board; and,

WHEREAS, Chapter 2, Section 12 of the Bylaws of the Board specifically provides that the minutes of the Board shall include all official acts of the Board, and that when adopted shall be a part of the permanent records of the Board; and,

WHEREAS, it has not been intended that audio recordings of the meetings of the Board serve the additional purpose of preserving informational content for public reference except when specifically so provided by the Board;

WHEREAS, Government Code Section 54953.5 permits destruction of adio tapes of public meetings 30 days after recording;

THEREFORE, BE IT RESOLVED AND ORDERED that this Board adopts the following policy as to the retention and destruction of audio recordings of Board meetings:

1. Audio Recordings of Board Meetings

   Audio recordings of meetings of the Board are to be made solely for the purpose of facilitating the preparation of the minutes of the meetings unless otherwise ordered by the Board as to a particular meeting.

2. Retention of Audio Recordings

   Audio recordings of any meeting of the Board are required to be retained only until after minutes of that particular meeting have been adopted by the Board as provided in the Bylaws.

///

3. Destruction of Audio Recordings

Audio recordings of meetings of the Board may be erased or destroyed at any time after minutes of meetings to which the audio recordings pertain are adopted by the Board, but no less than 30 days after the recording, unless otherwise ordered by the Board as to a particular meeting.

On motion made by Member Jarboe, Seconded by Member Hickox, the foregoing Resolution was passed and adopted by the Board of the Sacramento County Employees' Retirement System this 19th day of June, 2008 , by the following vote:

AYES:	Cox, DeVore, Diepenbrock, Hickox, Irish, Jarboe, Johnson, Woods
NOES:	None
ABSTAIN:	None
ABSENT:	Kelly

ADOPTED: June 19, 2008

President of the Board of the Sacramento County Employees' Retirement System

ATTEST: Richard Stensrud

Secretary of the Board of the Sacramento County Employees' Retirement System

ATTACHMENT 6

ACCESS CRIMINAL HISTORY FOR SCERS EMPLOYMENT POLICY

DOCUMENTS:

1 - POLICY PRESENTED IN REVISED POLICY FORMAT

Updated policy title and made minor wording changes to clarify that SCERS may access local, state and federal criminal history; delete an arcane, undefined term; and clarify that criminal history will only be accessed for persons selected for SCERS employment.

For approval by the Board on January 17, 2018

2 - POLICY AS ADOPTED BY THE BOARD

On June 19, 2008 in Resolution 2008-14

ACCESS CRIMINAL HISTORY FOR SCERS EMPLOYMENT POLICY

Revision Date:	**January 17, 2018**	**Policy Number:**	**053**
Revision Number:	**1**		

PURPOSE

This Policy authorizes the Sacramento County Employees' Retirement System (SCERS) to access summary criminal history information prior to employing any person as an important preventive measure for safeguarding confidential information and SCERS' financial and other assets, and maintaining the highest levels of fiduciary responsibility.

POLICY

SCERS is hereby authorized to access local, state and federal summary criminal history information for any person selected for SCERS employment (including volunteers and contract employees), subject to the condition that SCERS shall not disseminate the information to any person or entity (including any private entity) not permitted to access such information by law.

SCERS shall not consider a person who has been convicted of a crime eligible for employment (including volunteers and contract employees); except that such conviction may be disregarded if it is determined that mitigating circumstances exist, or the conviction is not related to the employment in question.

BACKGROUND

Prior to adoption of this Policy, SCERS accessed criminal history information prior to employing a person in an executive staff position. Other SCERS staff positions are filled from County employment lists. Although applicant information may be screened to see if it is consistent with applicant responses, criminal history is generally not accessed for County-approved job candidates.

SCERS' systems and business practices require that many staff members have access to confidential member information including social security numbers, birthdates, home addresses and bank account information. In addition, many SCERS staff members are trusted with handling financial transactions.

Given SCERS' duty to safeguard confidential information and to protect against fraud, the Board determined that criminal history information should be obtained for any person selected for SCERS employment.

California Penal Code Sections 11105(b)(11) and 13300(b)(11) require the governing board of a county or district to specifically authorize access to summary criminal history information for employment purposes.

RESPONSIBILITIES

Executive Owner: Chief Operations Officer

POLICY HISTORY

Date	Description
01-17-2018	*Board to approve amended policy in revised format*
06-19-2008	Board adopted policy; Resolution 2008-14

RESOLUTION NO. SCERS 2008-14

RESOLUTION OF THE BOARD OF RETIREMENT
OF THE SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM TO
AUTHORIZE ACCESS TO SUMMARY CRIMINAL HISTORY INFORMATION
RELATING TO EXCLUSION FROM EMPLOYMENT

WHEREAS, California Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize counties and districts to access state and local summary criminal history information for employment purposes; and,

WHEREAS, California Penal Code Section 11105(b)(11) authorizes counties and districts to access federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and,

WHEREAS, California Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be an exclusion from employment based upon specific criminal conduct on the part of the subject of the record; and,

WHEREAS, California Penal Code Sections 11105(b)(11) and 13300(b)(11) require the governing board of a county or district to specifically authorize access to summary criminal history information for employment purposes;

THEREFORE, BE IT RESOLVED that the Sacramento County Employees' Retirement System ("SCERS") is hereby authorized to access state and federal level summary criminal history information for employment purposes (including volunteers and contract employees) subject to the condition that SCERS shall not disseminate the information to any person or entity (including any private entity) not permitted access to such information by law; and,

IT IS FURTHER RESOLVED that SCERS shall not consider a person who has been convicted of a felony, or a misdemeanor involving moral turpitude, eligible for employment (including volunteers and contract employees); except that such conviction may be disregarded if it is determined that mitigating circumstances exist, or the conviction is not related to the employment in question.

On motion made by Member Irish, Seconded by Member Jarboe, the foregoing Resolution was passed and adopted by the Board of the Sacramento County Employees' Retirement System this 19th day of June, 2008, by the following vote:

AYES: Cox, DeVore, Diepenbrock, Hickox, Irish, Jarboe, Johnson, Woods

NOES: None

ABSTAIN: None

ABSENT: Kelly

ADOPTED: June 19, 2008

President of the Board of the
Sacramento County Employees'
Retirement System

ATTEST:

Secretary of the Board of the
Sacramento County Employees'
Retirement System