



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

AGENDA

Executive Staff:

Eric Stern
Chief Executive Officer

Steve Davis
Chief Investment Officer

Kathryn T. Regalia
Chief Operations Officer

John W. Gobel, Sr.
Chief Benefits Officer

Stephen Hawley
Chief Strategy Officer

REGULAR MEETING OF THE BOARD OF RETIREMENT

SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, DECEMBER 19, 2018

10:00 A.M.

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

OPEN SESSION

Item 1. **Call to Order**

CLOSED SESSION

Item 2. **Conference with Legal Counsel – Anticipated Litigation**

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code (one case).

OPEN SESSION

Item 3. **Public Comment**

Matters under the jurisdiction of the Board may be addressed by the general public.
Total meeting time allotted for the Public Comment item is up to fifteen (15) minutes.

Item 4. **Minutes**

The Minutes of the November 5, 2018 regular meeting to be approved.

CONSENT MATTERS – Items 5 - 10:

Consent matters are acted upon as one unit. If the Chair removes an item from Consent Matter for discussion, it will be heard as the last item(s) of the Administrative Matters, Investment Matters, Benefit 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.

Item 5. Disability Retirement Applications

- A. LOGGINS, Bonnie; Staff recommendation dated December 19, 2018.
- B. WRIGHT, Billy; Staff recommendation dated December 19, 2018.
- C. Reference: General Law and Authorized Board Actions on Disability Retirement Proposed Decisions

Item 6. Retirement Board Meeting Calendar for 2019

Item 7. Interest Crediting Rate on Member Contribution Accounts for December 31, 2018

Item 8. Fees and Costs for Outside Legal Services

Item 9. Monthly Investment Manager Activity, Compliance and Watch List Report – October and November 2018

Item 10. Monthly Report of New Investment Activity – November 2018

EXECUTIVE REPORTS:

Item 11. Chief Executive Officer’s Report (no action requested)

Item 12. Chief Investment Officer’s Report (no action requested)

ADMINISTRATIVE MATTERS:

Item 13. Annual Independent Financial Statement Audit

Presentation by the SCERS’ Audit Committee of the June 30, 2018 Independent Auditor’s Report on the Comprehensive Annual Financial Report; Required Communications in Accordance with Professional Standards (SAS 114); Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters; and Agreed Upon Conditions Report (Management Letter). Receive and file.

BENEFIT MATTERS:

Item 14. Compensation Earnable Policy on Overtime, CTO-Expired, and CTO-Over-Max

Staff to recommend that the Board adopt the proposed policy, which establishes that any portion of an allowance or other pay differential that includes overtime pay or compensatory time off (CTO) paid in excess of a member’s regularly scheduled work hours (including CTO-expired and CTO-over-max) must be excluded from Final Compensation activity after the pay period ending December 22, 2018. Deliberation and action.

Item 15. **Service Credit Policy**

Staff to recommend that the Board adopt the proposed policy, establishing that, beginning with the pay period commencing on December 23, 2018, SCERS will limit service credit to one (1) year in a 365-day period. Deliberation and action.

INVESTMENT MATTERS:

Item 16. **Transition of Commodities Exposure**

Staff to recommend that the Board approve the transition of SCERS' investment in the Gresham Strategic Commodities Fund into Gresham's The TAP Fund, Ltd., and authorize the Chief Executive Officer to execute documents to complete the transaction. Deliberation and Action.

Item 17. **Liquidity Analysis**

Verus Advisory, Inc. and Staff to present liquidity analysis and cash flow profile of SCERS' plan. Receive and file.

Item 18. **Quarterly Investment Performance Report – Third Quarter 2018**

Verus Advisory, Inc. to present the performance report for the quarter ended September 30, 2018. Receive and file.

Item 19. **Quarterly Investment Performance Report – Alternative Assets**

Cliffwater, LLC to present the performance report for the Absolute Return asset class for the periods ending September 30, 2018, and for the Private Equity, Private Credit Real Assets, and Opportunities asset classes for the periods ended June 30, 2018. Receive and file.

Item 20. **Quarterly Investment Performance Report – Real Estate – Third Quarter 2018**

Townsend Group to present the performance report on real estate investments for the quarter ended September 30, 2018. Receive and file.

ADJOURNMENT