



Executive Staff:

Richard Stensrud  
Chief Executive Officer

Scott Chan  
Chief Investment Officer

Robert L. Gaumer  
General Counsel

Kathryn T. Regalia  
Chief Operations Officer

John W. Gobel, Sr.  
Chief Benefits Officer

Members of the Board of Retirement

James A. Diepenbrock, President  
Appointed by the Board of Supervisors

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

Michael DeBord  
Elected by the Retired Members

Keith DeVore  
Appointed by the Board of Supervisors

Richard B. Fowler II  
Appointed by the Board of Supervisors

Diana Gin  
Elected by the Miscellaneous Members

Kathy O'Neil  
Elected by the Miscellaneous Members

Chris A. Pittman  
Elected by the Safety Members

Julie Valverde  
Ex Officio, Director of Finance

John Conneally  
Elected by the Safety Members

Martha J. Hoover  
Elected by the Retired Members

## MINUTES

### RETIREMENT BOARD MEETING, WEDNESDAY, APRIL 16, 2014

A regular meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 19th Floor, Sacramento, California, on Wednesday, April 16, 2014, and commenced at 10:03 a.m.

#### OPEN SESSION:

##### PUBLIC COMMENT:

1. None heard.

##### MINUTES:

2. The Minutes of the March 19, 2014 regular meeting were approved on Motion by Mr. DeBord; Seconded by Mr. DeVore. Motion carried (8-0).

##### CONSENT MATTERS:

Items 3-12

The Consent Matters were acted upon as one unit upon a Motion by Mr. Fowler; Seconded by Ms. Gin. Motion carried (8-0).

**CONSENT MATTERS (continued):**

3. BEAMER, Gordon R.: Denied a service-connected disability retirement.
4. MCGEE, Samuel L.: Granted a nonservice-connected disability retirement.
5. PAANA, Ronald J.: Granted a service connected disability retirement.
6. PEASE, Steamer L.: Denied a service-connected disability retirement.
7. RAZ, Natalie: Denied a service-connected disability retirement.
8. THOMAS, Bonita: Denied a service-connected disability retirement.
9. Approved proposed items to be voted on by the membership at the State Association of County Retirement Systems (SACRS) Spring Conference.
10. Approved proposed renewal of SCERS' fiduciary liability insurance coverage.
11. Approved proposed General Counsel relocation transition expense.
12. Received and filed the March 2014 Monthly Investment Manager Compliance Report and Watch List.

**CLOSED SESSION:**

**INVESTMENT MATTERS:**

13. Considered the purchase or sale of particular, specific pension fund investments pursuant to Government Code Section 54956.81.

**OPEN SESSION:**

**ADMINISTRATIVE MATTERS:**

14. Chief Executive Officer Richard Stensrud provided an update on developments affecting public retirement systems and on miscellaneous system and staff activities.

Mr. Stensrud noted that the SACRS Public Pension Investment Management Program would be held July 20 – July 23 at UC Berkeley. Mr. Stensrud stated that Board Members who wish to attend should contact Staff for assistance.

**ADMINISTRATIVE MATTERS (continued):**

Mr. Stensrud reported on the issue of post retirement employment. Mr. Stensrud explained that retirees can be hired back in the County, typically as a retired annuitant, and work up to 960 hours in a year without having to transition back to active employment status. Mr. Stensrud noted that a retiree can also come back to work in the County if they qualify as an independent contractor (as defined by the IRS), which would not limit the number of hours the retiree could work without having to transition back to active employment status. Mr. Stensrud stated that SCERS has traditionally viewed the management and monitoring of post retirement employment as being an employer responsibility. Mr. Stensrud noted, however, that the CalPEPRA legislation has changed this viewpoint and that a greater responsibility is now placed on retirement systems. Mr. Stensrud stated that SCERS is discussing the new process with employers and that he anticipates SCERS would be putting together a survey that will go out to departments throughout the County to determine the practices, policies, and procedures that are currently being used regarding post retirement employment. Mr. Stensrud further stated that, based on the survey results, SCERS would create educational materials for employers and departments, and would establish policies for employers to follow with respect to post retirement employment. Discussion followed.

Mr. Stensrud reported on the investment concept of high frequency trading that was currently receiving a large amount of media attention. Patrick Thomas of Strategic Investment Solutions (SIS) spoke to explain the concept and detail the pros and cons of the practice. Discussion followed.

Mr. Stensrud stated that SCERS Staff and the County IT department had been assessing SCERS' vulnerability to the "Heartbleed virus." Mr. Stensrud noted that the web servers that were used for the SCERS website did not use the protocols that were susceptible to the virus and that SCERS website remains secure.

Mr. Stensrud noted that the May Board Meeting would take place on Thursday, May 22, at 10:00 a.m.

The meeting was adjourned at 11:03 a.m.

MEMBERS PRESENT: James A. Diepenbrock, Michael DeBord, Keith DeVore, Richard B. Fowler II, Diana Gin, Kathy O'Neil, Chris A. Pittman, Julie Valverde, John Conneally, and Martha J. Hoover.

MEMBERS ABSENT: John B. Kelly

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Scott Chan, Chief Investment Officer; Robert L. Gaumer, General Counsel; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer; Steve Davis, Deputy Chief Investment Officer; Suzanne Likarich, Retirement Services Manager; JR Pearce, Investment Officer; John Lindley, IT Administrator; Patrick Thomas, Strategic Investment Solutions, Inc; Paul Hight and Kris Usery, County Risk Management; and John Reed, Diana Ruiz, and Claire van Dam, Deputy County Counsel.

Respectfully submitted,

Richard Stensrud  
Chief Executive Officer and  
Secretary of the Retirement Board

APPROVED: \_\_\_\_\_  
James A. Diepenbrock, President

DATE: \_\_\_\_\_

cc: Retirement Board (11); Board of Supervisors (6); County Counsel; County Executive (2); Internal Services Agency (2); County Labor Relations; Employee Organizations (20); Sacramento County Retired Employees' Association; SCERS Member Districts (10); Elected Officials (3); Superior Court of California, County of Sacramento; Amervest Company, Inc.; Mark Merin; John R. Descamp; and The Sacramento Bee.