



Executive Staff:

Richard Stensrud
Chief Executive Officer

Jeffrey W. States
Chief Investment Officer

James G. Line
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

Keith DeVore, 1st Vice President
Elected by Miscellaneous Members

John B. Kelly, 2nd Vice President
Appointed by the Board of Supervisors

Dave Irish, Director of Finance
Ex-Officio

Winston H. Hickox
Appointed by the Board of Supervisors

Alice Jarboe
Elected by Miscellaneous Members

William D. Johnson
Elected by Safety Members

Nancy Wolford-Landers
Elected by Retired Members

Robert Woods
Appointed by the Board of Supervisors

John Conneally
Elected by Safety Members

William Cox
Elected by Retired Members

MINUTES

RETIREMENT BOARD MEETING, THURSDAY, FEBRUARY 14, 2008

The special meeting of the Retirement Board was held in the Sacramento County Employees' Retirement System Administrative Office, 980 9th Street, 18th Floor, Sacramento, California, on Thursday, February 14, 2008, commencing at 9:00 a.m.

OPEN SESSION:

PUBLIC COMMENT:

1. None heard.

CLOSED SESSION:

2. An emergency item was added to the agenda by vote of the Board. Motion by Ms. Jarboe to take up an item that has arisen since the agenda was posted and which could not be deferred to the next Board Meeting; Seconded by Mr. Irish. Motion carried (8-0). Since the item involved a possible threat to a public facility it was addressed in Closed Session pursuant to Government Code Section 54957.

OPEN SESSION:

INVESTMENT MATTERS:

3. Tom Lightvoet of Mercer Investment Consulting and Chief Investment Officer Jeffrey States provided an overview of the search for and candidates being considered for a U.S. Equity Large Cap Growth investment management assignment.

INVESTMENT MATTERS: (Continued)

Presentations were made by the following investment management firms:

- Wells Capital Management – Ozo Jaculewicz, Associate Portfolio Manager and Thomas Pence, Managing Director and Senior Portfolio Manager.
- Winslow Capital Management – Justin Kelly, Managing Director and Clark Winslow, Chairman, Chief Executive Officer and Chief Investment Officer.
- Turner Investment Partners -- Scott Eversole, Director and Robert E. Turner, Chairman and Chief Investment Officer.

At the finish of the presentations the Board discussed the similarities and differences between the investment process and philosophy of the firms. Discussion included consideration of: (a) the security selection methodology; (b) the number of stocks owned in the portfolio; (c) the expected performance in different economic environments and stages of the business cycle; (d) the upside and downside capture related to the benchmark; and (e) portfolio turnover. The ownership and organization of each firm and the size of the investment staff were also discussed.

Motion by Mr. Hickox to receive and file the presentation materials and to select Wells Capital Management for the engagement; Seconded by Mr. Woods. Motion carried (8-0).

4. Tom Lightvoet of Mercer Investment Consulting and Chief Investment Officer Jeffrey States provided an overview of the search for and candidates being considered for a U.S. Equity Small Cap Value investment management assignment.

Mr. Lightvoet also advised the Board that his son-in-law was employed by one of the candidate firms – Wedge Capital Management – and offered to recuse himself from discussion of the candidates. General Counsel James Line advised the Board that he did not believe the situation involved a conflict of interest that mandated recusal and that the Board could proceed as it deemed appropriate. It was agreed that Mr. Lightvoet would be able to provide a fair and objective assessment of the candidates and that his participation in the discussion would be of value to the Board.

Presentations were made by the following investment management firms:

- Numeric Investors – Roy DiNocola, Institutional Sales Executive and Arup Datta, Managing Director.
- Thompson, Siegel & Walmsley, LLC – John Reifsnider, Director of Institutional Marketing and Brett Hawkins, Portfolio Manager.
- Wedge Capital Management -- John Norman, General Partner and Martin Robinson, General Partner.

INVESTMENT MATTERS: (Continued)

At the finish of the presentations the Board discussed the similarities and differences between the investment process and philosophy of the firms. Discussion included consideration of: (a) the security selection methodology; (b) the number of stocks owned in the portfolio; (c) the expected performance in different economic environments and stages of the business cycle; (d) the upside and downside capture related to the benchmark; and (e) portfolio turnover. The ownership and organization of each firm and the size of the investment staff were also discussed.

Mr. Hickox suggested that two firms be engaged for the assignment and made a Motion to that effect. The Motion did not obtain a Second. After further discussion, however, the suggestion to engage two firms was reconsidered. Motion by Mr. Cox to engage Wedge Capital Management and Thompson, Siegel & Walmsley, LLC for the assignment; Seconded by Mr. Hickox. Motion carried (6-1-1, with Mr. Kelly abstaining).

The meeting was adjourned at 1:10 p.m.

MEMBERS PRESENT: James A. Diepenbrock; Dave Irish; John Kelly (departed at 11:30 am and returned at 12:53pm); Winston H. Hickox; Robert Woods; Alice Jarboe; William Cox; and John Conneally.

MEMBERS ABSENT: Keith DeVore; William D. Johnson; Nancy Wolford-Landers;

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Jeffrey States, Chief Investment Officer; James G. Line, General Counsel; Ozo Jaculewicz and Thomas Pence of Wells Capital Management; Clark Winslow, Justin Kelly and John Maschoff of Winslow Capital Management; Robert E. Turner, Scott Eversole, Vijay Shankaran and David Kovax of Turner Investment Partners; Roy DiNicola and Arup Datta of Numeric Investors; John Reifsnider and Brett P. Hawkins of Thompson, Siegel & Walmsley, LLC; Martin Robinson and John G. Norman of Wedge Capital Management; Tom Lightvoet of Mercer Investment Consulting; and Jennifer Foster, Executive Assistant.

Respectfully submitted,

SACRAMENTO COUNTY EMPLOYEES'
RETIREMENT SYSTEM

Richard Stensrud
Chief Executive Officer

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.