



Executive Staff:

Richard Stensrud
Chief Executive Officer

Scott Chan
Chief Investment Officer

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

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

Nancy Wolford-Landers
Elected by the Retired Members

John Conneally
Elected by the Safety Members

Michael DeBord
Elected by the Retired Members

MINUTES

RETIREMENT BOARD MEETING, WEDNESDAY, JULY 17, 2013

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, July 17, 2013, and commenced at 10:02 a.m.

OPEN SESSION:

PUBLIC COMMENT:

1. None heard.
2. Chief Executive Officer Richard Stensrud invited nominations for the positions of SCERS Board Officers for fiscal year 2013-2014. Motion by Ms. Gin that the current Board Officers (James A. Diepenbrock, President and John B. Kelly, Vice President) be nominated to serve in their same offices for the 2013-2014 fiscal year; Seconded by Mr. Fowler. Motion carried (7-0).

MINUTES:

3. The Minutes of the June 19, 2013 regular meeting were approved on Motion by Ms. O'Neil; Seconded by Mr. DeBord. Motion carried (7-0).

CONSENT MATTERS:

Items 4-11

The Consent matters were acted upon as one unit upon a Motion by Mr. Fowler; Seconded by Ms. O'Neil. Motion carried (7-0).

4. CHRISTNER, Scott: Granted a service-connected disability retirement.
5. TAYABAS, Juanita: Denied a service-connected disability retirement.
6. TEJEDA, Lydia: Denied a service-connected disability retirement.
7. VOGELSAND, Nyla S.: Denied a service-connected disability retirement.
8. Approved the request by the County of Sacramento to prepay its employer retirement contribution for the 2013-2014 fiscal year.
9. Approved the proposed preliminary fiscal year end reconciliation of employer contributions by the Superior Court, County of Sacramento.
10. Executed the Annual Oath of Office and Affirmation of Duties and Responsibilities by members of the SCERS Board.
11. Received and filed the June 2013 Monthly Investment Manager Compliance Report and Watch List.

ADMINISTRATIVE MATTERS:

12. 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 November Board Meeting would be moved to Wednesday, November 6, so as to not interfere with the State Association of County Retirement Systems (SACRS) Fall Conference, which takes place November 12-15.

Mr. Stensrud reported that this fall, SCERS would be conducting an election for one Miscellaneous Board Member position and for both of the Retiree Board Member positions. Mr. Stensrud noted that the nomination period would take place August 5-16 and that voting would take place September 16-27. Mr. Stensrud stated that the Board would continue to be updated on the election.

ADMINISTRATIVE MATTERS (continued):

Mr. Stensrud noted that SACRS recently held its annual investment education program at UC Berkeley and that Board Member Rick Fowler attended. Mr. Fowler reported that the program was an excellent learning opportunity.

Mr. Stensrud discussed the recent announcement by CalPERS that it planned to establish a publically searchable database of retiree information and the subsequent announcement by CalPERS that the project would be put on hold while retiree groups pursued legislation to change the information that must be disclosed under the State Public Records Act. Mr. Stensrud stated that SCERS receives numerous requests for retiree information and that SCERS provides the information as required by the Public Records Act. Mr. Stensrud noted that requesting parties are charged to have data assembled that does not currently exist as a discrete public record. Mr. Stensrud noted the concerns that retiree information in a publically searchable database could potentially be exploited and retirees victimized.

13. Chief Benefits Officer John Gobel addressed the appeal by Stanley R. Huls of a benefit determination matter.

Mr. Gobel explained that Mr. Huls previously applied for service-connected disability retirement in August 2004 due to orthopedic limitations, which was denied by the SCERS Board and subsequently the denial was upheld upon review by the Superior Court. Mr. Gobel noted that Mr. Huls subsequently submitted a second application for service-connected disability retirement in March 2011 due to a mitral valve condition, a condition that was noted in Mr. Huls' previous disability application but not listed as the basis for his disability claim or deemed to be disabling in the medical evidence.

Mr. Gobel explained that in February 2013, he advised Mr. Huls that the second application could not be accepted because the application did not comply with the requirements of Section 31722 of the County Employees Retirement Law of 1937 (1937 Act), specifically that a disability application cannot be filed more than four months after the member's discontinuance of service unless the applicant has been continuously incapacitated from the date of discontinuance of service to the date of application. Mr. Gobel noted that Mr. Huls had last accrued service in 2002, at which time he was not deemed to be based disabled due to the mitral valve condition, nor had he produced medical evidence that he had been continuously incapacitated due to the mitral valve condition from that date to the date of his new application. Mr. Gobel stated that Mr. Huls was requesting that the Board over-rule this determination and permit the filing of the new disability application.

Mr. Huls, and his wife Rebecca Huls, addressed the Board regarding the appeal. Mrs. Huls commented on the delay between the submission of the new application and the decision that the application would not be accepted. Mrs. Huls stated that although Mr. Huls last worked in July 2002, he did not retire until March 2011 and therefore the second

ADMINISTRATIVE MATTERS (continued):

application for service-connected disability retirement due to a mitral valve condition was submitted within four months after his discontinuance of service and should be accepted.

Outside Counsel Lance Kjeldgaard advised the Board that this appeal is solely about the timeliness of the application in light of the requirements of the 1937 Act. Mr. Kjeldgaard stated that Mr. Huls' discontinuance of service was the last day he worked, July 12, 2002, not the date of retirement. Mr. Kjeldgaard noted that Mr. Huls had not been deemed to be disabled due to the heart condition on that date, nor established that he had been continuously disabled due to the heart condition from that date to the date of the new application.

Discussion followed.

Motion by Ms. O'Neil to deny the appeal by Stanley R. Huls of a benefit determination matter. Seconded by Mr. Fowler. Motion carried (8-0).

INVESTMENT MATTERS:

14. Chief Executive Officer Richard Stensrud presented the investment policy statement for the real estate sub-asset class. Mr. Stensrud noted that the Board had previously approved the component parts of the investment policy statement when they approved the strategic plan, twelve-month investment plan, and the implementation protocol for the real estate sub-asset class. Mr. Stensrud stated that as with other alternative assets, these components had been assembled into one policy document, which formally amends the existing real estate components in SCERS' legacy investment policy statement. Mr. Stensrud noted that the legacy investment policy statement was in the process of being re-written to reflect the various changes in SCERS' investment program over the last few years.

Motion by Mr. Kelly to approve the proposed investment policy statement for the real estate sub-asset class. Seconded by Mr. DeVore. Motion carried (8-0).

The meeting was adjourned at 10:35 a.m.

MEMBERS PRESENT: James A. Diepenbrock, John B. Kelly (arrived at 10:05 a.m.), Keith DeVore, Richard B. Fowler II, Diana Gin, Kathy O'Neil, Chris A. Pittman, John Conneally, and Michael DeBord.

MEMBERS ABSENT: Julie Valverde and Nancy Wolford-Landers.

OTHERS PRESENT: Richard Stensrud, Chief Executive Officer; Scott Chan, Chief Investment Officer; Kathryn T. Regalia, Chief Operations Officer; John W. Gobel, Sr., Chief Benefits Officer;

MINUTES – JULY 17, 2013

PAGE 5

Steve Davis, Deputy Chief Investment Officer; Suzanne Likarich, Retirement Services Manager; John Lindley, IT Administrator; Lance Kjeldgaard, Outside Counsel; Jennifer Young and Micolyn Magee, The Townsend Group; Katie Briscoe, Nossaman LLP; Diana Ruiz, Deputy County Counsel; Stanley and Rebecca Huls; and Scott Christner.

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.