



Sacramento Regional Transit District Agenda

**COMBINED SPECIAL MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES
AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT
WEDNESDAY, FEBRUARY 16, 2022 AT 9:00 A.M., via Webex**

Join from the meeting link: <https://sacrt-046d-16ae.my.webex.com/join/rmatthews>

Call in: 1-510-338-9438 Access Code: 126 931 3879

Webex App: Join Meeting # 126 931 3879

Online: Go to www.webex.com and click Join Meeting. Enter Meeting # 126 931 3879

MEETING NOTE: *This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.*

ROLL CALL

ATU Retirement Board:	Directors: Li, Kennedy, Niz, McGee Lee Alternates: Jennings, Land
IBEW Retirement Board:	Directors: Li, Kennedy, Bibbs, McCleskey Alternates: Jennings, Pickering
AEA Retirement Board:	Directors: Li, Kennedy, Devorak, McGoldrick Alternates: Jennings, Santhanakrishnan
AFSCME Retirement Board:	Directors: Li, Kennedy, Guimond, Thompson Alternates: Jennings, Salva
MCEG Retirement Board:	Directors: Li, Kennedy, Hinz, Bobek Alternates: Jennings, Flores

PUBLIC ADDRESSES BOARD ON MATTERS ON CONSENT AND MATTERS NOT ON THE AGENDA

At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker Request" via e-mail to Retirement@SacRT.com. While the Retirement Boards encourage your comments, State law prevents the Boards from discussing items that are not set forth on this meeting agenda. The Boards and staff take your comments very seriously and, if appropriate, will follow up on them.

	<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
1. Resolution:	Authorize the Boards to Conduct Their Meetings for the Next 30 Days	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Via Teleconference as Authorized under the Brown Act pursuant to				
	Government Code Section 54953, as Amended by Assembly Bill 361,				
	during the COVID-19 Pandemic (All). (Gobel)				

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
2. Resolution:	Election of Governing Board Officers of the Retirement Plan for Sacramento Regional Transit District Employees who are Members in MCEG (MCEG). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

CONSENT CALENDAR

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
3. Motion:	Approving the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Motion:	Approving the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (IBEW). (Gobel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (AEA). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Motion:	Approving the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (AFSCME). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Approving the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (MCEG). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8. Motion:	Approving the Minutes for the January 19, 2022 Special Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NEW BUSINESS

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
9. Information:	Receive Preliminary Results of Valuation Studies for Retirement Plans. (All). (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ADJOURN

NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Human Resources Pension and Retiree Services Administrator at 916-556-0296 or TDD 916/483-4327.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on file with the Pension & Retirement Services Analyst at 916-216-9927 and/or Clerk to the Board of Directors of the Sacramento Regional Transit District and are available for public inspection at 1400 29th Street, Sacramento, CA. Any person who has questions concerning any agenda item may call the Retirement Services Analyst of Sacramento Regional Transit District to make inquiry.



RETIREMENT BOARD STAFF REPORT

DATE: February 16, 2022 Agenda Item: 1
TO: Sacramento Regional Transit Retirement Board - All
FROM: John Gobel - Manager, Pension and Retirement Services
SUBJ: AUTHORIZE THE BOARDS TO CONDUCT THEIR MEETINGS FOR THE NEXT 30 DAYS VIA TELECONFERENCE AS AUTHORIZED UNDER THE BROWN ACT PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, DURING THE COVID-19 PANDEMIC

RECOMMENDATION

Adopt the attached Resolutions.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolutions will authorize the Retirement Boards to meet via teleconference due to the COVID-19 pandemic, consistent with Assembly Bill (AB) 361, for 30 days.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

Adopted and signed into law in September 2021, AB 361 amended the Ralph M. Brown Act ("Brown Act") to authorize modified procedures for remote (teleconference) meetings for each local legislative body that finds, by a majority vote, that it has considered the circumstances of the COVID-19 state of emergency, and (i) the state of emergency continues to directly impact the ability of the Retirement Board members to meet safely in person and/or (ii) state or local officials continue to impose or recommend measures to promote social distancing. The findings must be made no later than 30 days after using the modified procedures, and every 30 days thereafter. See Cal. Gov. Code § 54953(e).

Currently, the Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice. <https://dhs.saccounty.gov/PUB/Documents/AZ-Health-Info/ME-HealthOrder20220106.pdf>.

When the conditions of AB 361 are met, the Retirement Boards may meet remotely using teleconferencing without requiring any in-person option, without noticing the locations being used by Board members or making them open to the public, and without regard to whether a quorum of any of the Boards is participating from within the Boards' jurisdiction.

RESOLUTION NO. 2022-02-340

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of ATU Local Union 256 on this date:

February 16, 2022

Authorize the Retirement Board of Directors to Meet via Teleconference In Compliance with The Brown Act Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, During the Covid-19 Pandemic

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF ATU LOCAL 256 AS FOLLOWS:

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020 and the County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the Sacramento County Health Officer issued an order dated January 6, 2022 requiring that all public meetings in the County be held virtually until further notice; and

WHEREAS, this Board concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, to comply with the current Sacramento County Health Officer's order, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows:

1. The Retirement Board hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution.
2. The Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice.
3. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1).
4. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Retirement Board determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.
5. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists:

(a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

Ralph Niz, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-02-226

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of IBEW Union Local 1245 on this date:

February 16, 2022

Authorize the Retirement Board of Directors to Meet via Teleconference In Compliance with The Brown Act Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, During the Covid-19 Pandemic

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF IBEW LOCAL 1245 AS FOLLOWS:

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020 and the County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the Sacramento County Health Officer issued an order dated January 6, 2022 requiring that all public meetings in the County be held virtually until further notice; and

WHEREAS, this Board concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, to comply with the current Sacramento County Health Officer's order, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows:

1. The Retirement Board hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution.
2. The Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice.
3. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1).
4. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Retirement Board determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.
5. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists:

(a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

Constance Bibbs, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-02-224

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AEA on this date:

February 16, 2022

Authorize the Retirement Board of Directors to Meet via Teleconference In Compliance with The Brown Act Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, During the Covid-19 Pandemic

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AEA AS FOLLOWS:

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020 and the County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the Sacramento County Health Officer issued an order dated January 6, 2022 requiring that all public meetings in the County be held virtually until further notice; and

WHEREAS, this Board concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, to comply with the current Sacramento County Health Officer's order, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows:

1. The Retirement Board hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution.
2. The Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice.
3. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1).
4. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Retirement Board determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.
5. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists:

(a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

Russel Devorak, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-02-191

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AFSCME Local Union 146 on this date:

February 16, 2022

Authorize the Retirement Board of Directors to Meet via Teleconference In Compliance with The Brown Act Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, During the Covid-19 Pandemic

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AFSCME LOCAL 146 AS FOLLOWS:

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020 and the County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the Sacramento County Health Officer issued an order dated January 6, 2022 requiring that all public meetings in the County be held virtually until further notice; and

WHEREAS, this Board concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, to comply with the current Sacramento County Health Officer's order, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows:

1. The Retirement Board hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution.
2. The Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice.
3. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1).
4. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Retirement Board determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.
5. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists:

(a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

Peter Guimond, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-02-227

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of MCEG on this date:

February 16, 2022

Authorize the Retirement Board of Directors to Meet via Teleconference In Compliance with The Brown Act Pursuant to Government Code Section 54953, As Amended by Assembly Bill 361, During the Covid-19 Pandemic

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, on March 4, 2020, Governor Gavin Newsom issued a Proclamation of State of Emergency in response to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, the Sacramento County Health Officer declared a local health emergency related to the COVID-19 on March 6, 2020 and the County Administrator, acting in his capacity as the Director of Emergency Services, proclaimed the existence of a local emergency related to COVID-19 on March 6, 2020; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended and modified the teleconferencing requirements under the Brown Act (California Government Code Section 54950 et seq.) so that local legislative bodies can hold public meetings via teleconference (with audio or video communications, without a physical meeting location), as long as the meeting agenda identifies the teleconferencing procedures to be used; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended the provision of N-29-20 concerning the conduct of public meetings through September 30, 2021, and the Governor subsequently signed legislation revising Brown Act requirements for teleconferenced public meetings (Assembly Bill 361, referred to hereinafter as "AB 361"); and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent Resolution in the state Legislature; and

WHEREAS, as of the date of this Resolution, neither the County Health Officer nor the County Administrator have exercised their powers to lift the local health emergency and local state of emergency declared and proclaimed on March 6, 2020; and

WHEREAS, the Sacramento County Health Officer issued an order dated January 6, 2022 requiring that all public meetings in the County be held virtually until further notice; and

WHEREAS, this Board concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, to comply with the current Sacramento County Health Officer's order, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED AND FOUND as follows:

1. The Retirement Board hereby finds that the facts set forth in the above recitals are true and correct, and establish the factual basis for the adoption of this Resolution.
2. The Sacramento County Health Officer's January 6, 2022 Health Order requires that all public meetings in the County occur virtually until further notice.
3. There is an ongoing proclaimed state of emergency relating to the novel coronavirus causing the disease known as COVID-19 and as a result of that emergency, meeting in person would present imminent risks to the health or safety of attendees of in-person meetings of this legislative body within the meaning of California Government Code section 54953(e)(1).
4. Under the present circumstances, including the risks mentioned in the preceding paragraph, the Retirement Board determines that authorizing teleconferenced public meetings consistent with Assembly Bill 361 is necessary and appropriate.
5. Staff are directed to take all actions necessary to implement this Resolution in accordance with the foregoing provisions and the requirements of Government Code section 54953, as amended by Assembly Bill 361, including but not limited to returning for ratification of this Resolution every 30 days after teleconferencing for the first time pursuant to Assembly Bill 361 for so long as either of the following circumstances exists:

(a) the state of emergency continues to directly impact the ability of this legislative body to meet in person; and/or (b) state or local officials, including but not limited to the County Health Officer, continue to impose or recommend measures to promote social distancing.

TBD, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary



RETIREMENT BOARD STAFF REPORT

DATE: February 16, 2022 Agenda Item: 2
TO: Sacramento Regional Transit Retirement Board – MCEG
FROM: John Gobel - Manager, Pension and Retirement Services
SUBJ: ELECTION OF GOVERNING BOARD OFFICERS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT PLAN
FOR EMPLOYEES WHO ARE MEMBERS IN MCEG

RECOMMENDATION

Adopt the attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution will document the election of new officers for the MCEG Retirement Board, pursuant to the By-Laws for the Retirement Board.

FISCAL IMPACT

There is no fiscal impact.

DISCUSSION

On January 12, 2004, the Sacramento Regional Transit District (SacRT) Governing Board established five separate Retirement Boards to conduct business related to Retirement Plans on behalf of their members. In the case of the Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees, three separate boards are governed by a standard set of By-Laws. For reference, the latest amendment of these By-Laws was ratified by the MCEG Retirement Board on June 18, 2014. Pursuant to Section 2.21 of the By-Laws, each Retirement Board elects a Chair, Vice Chair and Secretary from among its members (excluding Alternate Directors), and the five Retirement Boards, together, may elect a Common Chair and Common Vice Chair.

All five Retirement Boards have selected a Common Chair and a Common Vice Chair.

Following the resignation of Director Laura Ham, the former Chair, and Director Craig Norman, the former Vice Chair, last month, two new directors were appointed to the MCEG Retirement Board: Director Lisa Hinz and Director Sandy Bobek. Per Section 2.26

of the By-Laws, the Retirement Board is required to elect a new Chair and a new Vice Chair for the MCEG Retirement Board at this meeting.

If the MCEG Retirement Board desires to be consistent with prior actions of SacRT's Retirement Boards, it should elect members of the business unit for the positions of Board Chair and Board Vice-Chair and re-elect Henry Li as Board Secretary.

The proposed action will have no effect on the selection of the Common Chair and Vice Chair for all five Retirement Boards, nor on the Board's appointment of its Assistant Secretary (John Gobel, Manager, Pension and Retirement Services).

ENCLOSURE A – SELECT PROVISIONS OF RETIREMENT BOARD BY-LAWS

§1.12 Retirement Board Composition

Each Retirement Board consists of not more than four (4) members and two (2) alternates. Two voting members and one alternate are appointed by the RT Board of Directors and two voting members and one alternate are appointed by the Union or bargaining/business unit.

The alternate Board Members serve on the Retirement Board during the absence of a Board member appointed by the same entity as the alternate. When an alternate Board Member serves in place of a regular Board Member, the alternate has all of the rights, duties and obligations of the Board member he or she is replacing, except for those rights, duties and obligations associated with a Board office held by the Board member.

§2.21 Officers

Each Board elects a Chair, Vice Chair, and Secretary from among its members. Alternate members cannot be elected as Board officers.

The five Retirement Boards, together, may elect a Common Chair and Common Vice Chair.

§2.26 Vacancy

If an officer vacates his or her seat on the Board because of death, resignation, illness, or other reason, officer elections must be held at the first Board meeting after the vacancy has been filled.

RESOLUTION NO. 2022-02-228

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of MCEG on this date:

February 16, 2022

ELECTION OF GOVERNING BOARD OFFICERS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT PLAN FOR EMPLOYEES WHO ARE MEMBERS IN MCEG

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, the Board of Directors:

1. Elects _____ as Chair;
2. Elects _____ as Vice Chair; and
3. Elects _____ as Secretary.

THAT, the above-listed individuals will serve in these elected roles until this Board elects to change its leadership; until any of the elected individuals resigns from such positions; or until any of the above-listed individuals leaves the Board.

THAT, this action does not alter this Board's appointment of its Assistant Secretary, or its selection of the Common Chair and Common Vice Chair of the five Sacramento Regional Transit District Retirement Boards.

TBD, Chair

ATTEST:

TBD, Secretary

By:

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting ATU
Wednesday, December 8, 2021
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Directors Li and Niz, and Alternate Land. Directors Kennedy and McGee Lee, and Alternate Jennings were absent.

The Common Vice Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel discussed Assembly Bill 361 (AB 361), urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it made certain findings at the start of the meeting. Thereafter, the Retirement Board would need to make the same findings again if Directors wished to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and Sacramento County's Health Officer and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director Niz moved to adopt Agenda Item 1. The motion was seconded by Alternate Land. Agenda Item 1 was carried unanimously by roll call vote: Ayes - Li, Niz, and Land; Noes – None.

December 8, 2021 Meeting Minutes – Continued

CONSENT CALENDAR

- 2. Motion: Approve the Minutes for the September 8, 2021 Quarterly Retirement Board Meeting (ATU). (Gobel)
- 8. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2021 for the ATU Pension Plan (ATU). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (All). (Gobel)
- 12. Information: Authorize Execution of Amendment to Contract with National Disability Evaluations (All). (Gobel)
- 13. Motion: Approve a Sole Source Procurement and the First Amendment to the Contract for Retirement Board Legal Support Services with Hanson Bridgett LLP to Extend the Contract Term (All). (Adelman)
- 14. Resolution: Adopt the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2022 (All). (Gobel)

Alternate Land moved to adopt Agenda Items 2, 8, 11, 12, 13, and 14. The motion was seconded by Director Niz. Agenda Items 2, 8, 11, 12, 13, and 14 were carried unanimously by roll call vote: Ayes - Li, Niz, and Land; Noes – None.

NEW BUSINESS

- 15. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2021 (All). (Adelman)

Jamie Adelman, AVP, Finance & Treasury, introduced Kimberly Cook from State Street Global Advisors (SSgA), the Retirement Plans' manager for the S&P 500 Index Strategy (Domestic Large Cap Equity) and MSCI EAFE Index Strategy (International Large Cap Equity). As reviewed in the written materials distributed for the presentation, SSgA manages two index funds for the Retirement Plans: approximately \$59 million in the S&P 500 Index Strategy and approximately \$18 million in the MSCI EAFE Index Strategy. For the measurement period ended September 30, 2021, the S&P 500 Strategy reported the following annualized returns: 1-Year of 29.95%, 3-Year of 15.94%, and 5-Year of 16.86%. For the same measurement period (ended September 30, 2021), the MSCI EAFE Index Strategy reported the following annualized returns: 1-Year of 25.99%, 3-Year of 7.92%, and 5-Year of 9.10%. All of the returns reported by SSgA were net of fees. Ms. Cook explained the slight difference in the returns for each Fund versus the index.

December 8, 2021 Meeting Minutes – Continued

During the discussion of the funds, Ms. Cook noted that SSgA's equity index team manages \$2.4 trillion and explained that this scale creates opportunities for cross-trading securities among commingled investors (rather than incurring the transaction costs associated with buying and selling securities). Ms. Cook also addressed recent organizational changes at SSgA, including the retirement of Lynn Blake - CIO of SSgA's index equity business (June 2021), the departure of Kate McKinley – General Counsel (September 2021), and the pending departure of Chris Baker – Chief Compliance Officer (mid-December 2021).

16. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Michael Jaje from Atlanta Capital, the Retirement Plans' Domestic Small Cap Equity manager. Ms. Adelman noted that the Fund has outperformed its benchmark over time, and provides protection in down markets. As reviewed in the written materials distributed for the presentation, Atlanta Capital manages a portfolio of approximately \$34 million for the Retirement Plans, which is benchmarked to the Russell 2000 Index. For the measurement period ended September 30, 2021, the portfolio reported the following annualized returns: 1-Year of 29.72%, 3-Year of 9.90%, 5-Year of 14.21%, and 10-Year of 15.87%.

During the discussion of the firm and its organizational structure, Mr. Jaje noted that Atlanta Capital has operated as a longtime subsidiary of Eaton Vance, which was recently acquired by Morgan Stanley. Mr. Jaje explained that Atlanta Capital still maintains its own brand and manages the portfolio as it has in prior years. Mr. Jaje also noted that the High Quality Small Cap portfolio holds a total of \$2.6 billion in assets and is closed to new investors.

During the review the portfolio and its performance, Mr. Jaje emphasized the importance of selecting high quality small cap stocks and the goal of providing downside protection to investors. Consistent with the bias toward quality and the goal of limiting losses in down markets, Mr. Jaje noted that the portfolio does not hold meme stocks and acknowledged that the portfolio under-performed the benchmark over the past twelve months. Since inception, however, Mr. Jaje noted that the annualized return of the portfolio (net of expenses) had exceeded the return of the benchmark by more than two percent – and done so with a lower level of risk (or beta) than the benchmark.

In response to a question from Brent Bernegger, Vice President of Finance, regarding returns and relative performance for the current quarter (ending December 2021),

December 8, 2021 Meeting Minutes – Continued

Mr. Jaje explained that the portfolio's returns had exceeded the benchmark on a quarter-to-date basis and was heading in the same direction for the calendar year. In response to a question from AEA Director Devorak regarding different considerations for institutional versus retail investors, Mr. Jaje described the portfolio's avoidance of non-profitable companies popularized by retail investors during the pandemic, and opined that these speculative investments had been a large driver of the benchmark's near-term results.

17. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Anne Heaphy and Uvan Tseng from Callan. In addition to reviewing total fund performance for the period ended September 30, 2021, Ms. Adelman asked Ms. Heaphy to further discuss the organizational changes reviewed by SSgA.

Ms. Heaphy advised that Callan had no major concerns regarding SSgA and their index funds. While discussing the Retirement Plans' other investment managers, Ms. Heaphy also referenced the acquisition of Pyrford's parent company, BMO Global Asset Management, by Columbia Threadneedle. Finally, Ms. Heaphy addressed the two managers under watch by explaining that, pursuant to the Retirement Boards' Investment Policy Statement, Callan expects to keep AQR and DFA on watch for two full years and to further discuss the Watch List at the next Quarterly Retirement Board Meeting.

Ms. Heaphy reviewed total fund performance through September 30, 2021. She noted that total assets were \$375 million for the period ended September 30, 2021 and that the aggregate, one-year return of 22.15% had exceeded the target portfolio's return of 19.29%, noting that the Retirement Plans' quarterly return was <.47%>. Ms. Heaphy explained the difference between manager effect and allocation effect on the Fund's performance, and noted that manager effect had been stronger over the one-year period. For the same period, written materials distributed by Callan also reported the following annualized returns: 1-Year of 22.15%, 3-Year of 10.37%, 5-Year of 10.18%, and 10-Year of 10.02%.

With regard to the newest asset class introduced to the portfolio, Ms. Heaphy noted that the Real Estate allocation became fully funded during the last quarter. Ms. Heaphy also noted that the Retirement Boards had used Fixed Income dollars to fund the two new Real Estate managers. Ms. Adelman pointed out that the portfolio was rebalanced by reallocating assets from the overweight allocation to Large Cap Equity to Fixed Income.

December 8, 2021 Meeting Minutes – Continued

Director Niz moved to receive and file Agenda Item 17. The motion was seconded by Alternate Land. Agenda Item 17 was carried unanimously by roll call vote: Ayes - Li, Niz, and Land; Noes – None.

18. Information: Draft Policy on Pensionable Compensation for PEPRA Members.
(All) (Gobel)

Mr. Gobel explained that the Staff Report is informational only and that no action is requested on the attached draft policy. This item was first presented to the Retirement Boards at the July 28, 2021 meeting in a Staff Report that reviewed key provisions of the Public Employees' Pension Reform Act of 2013 ("PEPRA"), including the pay items or "pensionable compensation" that may be used to determine retirement benefits and contributions for new members subject to PEPRA. As explained at that meeting, the first SacRT PEPRA member retirement application had been received, and Staff needed guidance on the pay items to be included in pensionable compensation for purposes of calculating retirement benefits.

The Retirement Boards were advised at the September 8, 2021 meeting that a working group had been assembled to assess the pay elements in effect at SacRT, at which time the Retirement Boards requested to revisit the item at the December 8, 2021 meeting, when a Draft Policy on Pensionable Compensation for PEPRA Members would be provided as an information-only item.

Mr. Gobel described the review performed by Retirement Services Staff, with assistance from the Retirement Boards' Legal Counsel and Finance and Information Technology Staff, of all payroll codes, and identification of the specific pay items that should be included or excluded in the computation of retirement benefits and the collection of contributions for PEPRA members. Mr. Gobel explained that the draft policy reflects the analysis of the working group to date, and, when a final policy is adopted, it will be incorporated by reference in the new restated Plan documents that are in progress. Mr. Gobel also explained that until a proposed policy is submitted to and acted on by the Retirement Boards, the wage types identified in the draft policy would be used to compute "preliminary retirement allowances" for retiring PEPRA members.

Mr. Gobel also summarized current federal court litigation involving the application of PEPRA to transit agencies in California, and noted that there may be further developments over the next few months, following the scheduled hearing on the merits of the case. Retirement Boards' Legal Counsel, Shayna van Hoften, explained that, given this uncertainty, Staff and Legal Counsel continue to work on the draft policy merely as a proactive measure, while monitoring the lawsuit, and do not anticipate any further action by the Board before the second quarter of 2022.

December 8, 2021 Meeting Minutes – Continued

ATU Director Niz expressed appreciation for Staff's recognition of the uncertainty created by the PEPRA litigation and for presenting the draft policy as informational only.

Ms. Adelman noted that an important goal of the draft policy was to offer transparency on retirement administration and provide Staff with the interim guidance needed to prepare estimates for PEPRA members and pay benefits to persons who planned to retire prior to the conclusion of federal litigation.

REPORTS, IDEAS AND COMMUNICATIONS

19. Information: Manager, Pension & Retirement Services Quarterly Verbal Update
 (All). (Gobel)

Mr. Gobel informed the Retirement Boards that Retirement Services had received approval to add an Administrative Assistant II to the team and had just completed the interview process to fill the position. By the date of the next Retirement Board meeting, Mr. Gobel explained that he hoped to be able announce a new hire and indicated that the additional staffing would be used to assist with several projects already underway and to further improve the delivery of member services.

With no further business to discuss and no public comment on matters not on the agenda (which was invited for a second time), the Retirement Board meeting was adjourned at 10:46 a.m.

Ralph Niz, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting IBEW
Wednesday, December 8, 2021
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Directors Li, Bibbs, and McCleskey. Alternate Pickering was also present. Director Kennedy and Alternate Jennings were absent.

The Common Vice Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel discussed Assembly Bill 361 (AB 361), urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it made certain findings at the start of the meeting. Thereafter, the Retirement Board would need to make the same findings again if Directors wished to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and Sacramento County's Health Officer and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director McCleskey moved to adopt Agenda Item 1. The motion was seconded by Director Bibbs. Agenda Item 1 was carried unanimously by roll call vote: Ayes - Li, Bibbs, and McCleskey; Noes - None.

December 8, 2021 Meeting Minutes – Continued

CONSENT CALENDAR

- 3. Motion: Approve the Minutes for the September 8, 2021 Quarterly Retirement Board Meeting (IBEW). (Gobel)
- 9. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2021 for the IBEW Pension Plan (IBEW). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (All). (Gobel)
- 12. Information: Authorize Execution of Amendment to Contract with National Disability Evaluations (All). (Gobel)
- 13. Motion: Approve a Sole Source Procurement and the First Amendment to the Contract for Retirement Board Legal Support Services with Hanson Bridgett LLP to Extend the Contract Term (All). (Adelman)
- 14. Resolution: Adopt the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2022 (All). (Gobel)

Director Bibbs moved to adopt Agenda Items 3, 9, 11, 12, 13 and 14. The motion was seconded by Director McCleskey. Agenda Items 3, 9, 11, 12, 13 and 14 were carried unanimously by roll call vote: Ayes - Li, Bibbs, and McCleskey; Noes – None.

NEW BUSINESS

- 15. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2021 (All). (Adelman)

Jamie Adelman, AVP, Finance & Treasury, introduced Kimberly Cook from State Street Global Advisors (SSgA), the Retirement Plans' manager for the S&P 500 Index Strategy (Domestic Large Cap Equity) and MSCI EAFE Index Strategy (International Large Cap Equity). As reviewed in the written materials distributed for the presentation, SSgA manages two index funds for the Retirement Plans: approximately \$59 million in the S&P 500 Index Strategy and approximately \$18 million in the MSCI EAFE Index Strategy. For the measurement period ended September 30, 2021, the S&P 500 Strategy reported the following annualized returns: 1-Year of 29.95%, 3-Year of 15.94%, and 5-Year of 16.86%. For the same measurement period (ended September 30, 2021), the MSCI EAFE Index Strategy reported the following annualized returns: 1-Year of 25.99%, 3-Year of 7.92%, and 5-Year of 9.10%. All of the returns reported by SSgA were net of fees. Ms. Cook explained the slight difference in the returns for each Fund versus the index.

December 8, 2021 Meeting Minutes – Continued

During the discussion of the funds, Ms. Cook noted that SSgA's equity index team manages \$2.4 trillion and explained that this scale creates opportunities for cross-trading securities among commingled investors (rather than incurring the transaction costs associated with buying and selling securities). Ms. Cook also addressed recent organizational changes at SSgA, including the retirement of Lynn Blake - CIO of SSgA's index equity business (June 2021), the departure of Kate McKinley – General Counsel (September 2021), and the pending departure of Chris Baker – Chief Compliance Officer (mid-December 2021).

16. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Michael Jaje from Atlanta Capital, the Retirement Plans' Domestic Small Cap Equity manager. Ms. Adelman noted that the Fund has outperformed its benchmark over time, and provides protection in down markets. As reviewed in the written materials distributed for the presentation, Atlanta Capital manages a portfolio of approximately \$34 million for the Retirement Plans, which is benchmarked to the Russell 2000 Index. For the measurement period ended September 30, 2021, the portfolio reported the following annualized returns: 1-Year of 29.72%, 3-Year of 9.90%, 5-Year of 14.21%, and 10-Year of 15.87%.

During the discussion of the firm and its organizational structure, Mr. Jaje noted that Atlanta Capital has operated as a longtime subsidiary of Eaton Vance, which was recently acquired by Morgan Stanley. Mr. Jaje explained that Atlanta Capital still maintains its own brand and manages the portfolio as it has in prior years. Mr. Jaje also noted that the High Quality Small Cap portfolio holds a total of \$2.6 billion in assets and is closed to new investors.

During the review the portfolio and its performance, Mr. Jaje emphasized the importance of selecting high quality small cap stocks and the goal of providing downside protection to investors. Consistent with the bias toward quality and the goal of limiting losses in down markets, Mr. Jaje noted that the portfolio does not hold meme stocks and acknowledged that the portfolio under-performed the benchmark over the past twelve months. Since inception, however, Mr. Jaje noted that the annualized return of the portfolio (net of expenses) had exceeded the return of the benchmark by more than two percent – and done so with a lower level of risk (or beta) than the benchmark.

In response to a question from Brent Bernegger, Vice President of Finance, regarding returns and relative performance for the current quarter (ending December 2021),

December 8, 2021 Meeting Minutes – Continued

Mr. Jaje explained that the portfolio's returns had exceeded the benchmark on a quarter-to-date basis and was heading in the same direction for the calendar year. In response to a question from AEA Director Devorak regarding different considerations for institutional versus retail investors, Mr. Jaje described the portfolio's avoidance of non-profitable companies popularized by retail investors during the pandemic, and opined that these speculative investments had been a large driver of the benchmark's near-term results.

17. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Anne Heaphy and Uvan Tseng from Callan. In addition to reviewing total fund performance for the period ended September 30, 2021, Ms. Adelman asked Ms. Heaphy to further discuss the organizational changes reviewed by SSgA.

Ms. Heaphy advised that Callan had no major concerns regarding SSgA and their index funds. While discussing the Retirement Plans' other investment managers, Ms. Heaphy also referenced the acquisition of Pyrford's parent company, BMO Global Asset Management, by Columbia Threadneedle. Finally, Ms. Heaphy addressed the two managers under watch by explaining that, pursuant to the Retirement Boards' Investment Policy Statement, Callan expects to keep AQR and DFA on watch for two full years and to further discuss the Watch List at the next Quarterly Retirement Board Meeting.

Ms. Heaphy reviewed total fund performance through September 30, 2021. She noted that total assets were \$375 million for the period ended September 30, 2021 and that the aggregate, one-year return of 22.15% had exceeded the target portfolio's return of 19.29%, noting that the Retirement Plans' quarterly return was <.47%>. Ms. Heaphy explained the difference between manager effect and allocation effect on the Fund's performance, and noted that manager effect had been stronger over the one-year period. For the same period, written materials distributed by Callan also reported the following annualized returns: 1-Year of 22.15%, 3-Year of 10.37%, 5-Year of 10.18%, and 10-Year of 10.02%.

With regard to the newest asset class introduced to the portfolio, Ms. Heaphy noted that the Real Estate allocation became fully funded during the last quarter. Ms. Heaphy also noted that the Retirement Boards had used Fixed Income dollars to fund the two new Real Estate managers. Ms. Adelman pointed out that the portfolio was rebalanced by reallocating assets from the overweight allocation to Large Cap Equity to Fixed Income.

December 8, 2021 Meeting Minutes – Continued

Director Bibbs moved to receive and file Agenda Item 17. The motion was seconded by Director McCleskey. Agenda Item 17 was carried unanimously by roll call vote: Ayes - Li, Bibbs, and McCleskey; Noes – None.

18. Information: Draft Policy on Pensionable Compensation for PEPRA Members.
(All) (Gobel)

Mr. Gobel explained that the Staff Report is informational only and that no action is requested on the attached draft policy. This item was first presented to the Retirement Boards at the July 28, 2021 meeting in a Staff Report that reviewed key provisions of the Public Employees' Pension Reform Act of 2013 ("PEPRA"), including the pay items or "pensionable compensation" that may be used to determine retirement benefits and contributions for new members subject to PEPRA. As explained at that meeting, the first SacRT PEPRA member retirement application had been received, and Staff needed guidance on the pay items to be included in pensionable compensation for purposes of calculating retirement benefits.

The Retirement Boards were advised at the September 8, 2021 meeting that a working group had been assembled to assess the pay elements in effect at SacRT, at which time the Retirement Boards requested to revisit the item at the December 8, 2021 meeting, when a Draft Policy on Pensionable Compensation for PEPRA Members would be provided as an information-only item.

Mr. Gobel described the review performed by Retirement Services Staff, with assistance from the Retirement Boards' Legal Counsel and Finance and Information Technology Staff, of all payroll codes, and identification of the specific pay items that should be included or excluded in the computation of retirement benefits and the collection of contributions for PEPRA members. Mr. Gobel explained that the draft policy reflects the analysis of the working group to date, and, when a final policy is adopted, it will be incorporated by reference in the new restated Plan documents that are in progress. Mr. Gobel also explained that until a proposed policy is submitted to and acted on by the Retirement Boards, the wage types identified in the draft policy would be used to compute "preliminary retirement allowances" for retiring PEPRA members.

Mr. Gobel also summarized current federal court litigation involving the application of PEPRA to transit agencies in California, and noted that there may be further developments over the next few months, following the scheduled hearing on the merits of the case. Retirement Boards' Legal Counsel, Shayna van Hoften, explained that, given this uncertainty, Staff and Legal Counsel continue to work on the draft policy merely as a proactive measure, while monitoring the lawsuit, and do not anticipate any further action by the Board before the second quarter of 2022.

December 8, 2021 Meeting Minutes – Continued

ATU Director Niz expressed appreciation for Staff's recognition of the uncertainty created by the PEPRA litigation and for presenting the draft policy as informational only.

Ms. Adelman noted that an important goal of the draft policy was to offer transparency on retirement administration and provide Staff with the interim guidance needed to prepare estimates for PEPRA members and pay benefits to persons who planned to retire prior to the conclusion of federal litigation.

REPORTS, IDEAS AND COMMUNICATIONS

19. Information: Manager, Pension & Retirement Services Quarterly Verbal Update
 (All). (Gobel)

Mr. Gobel informed the Retirement Boards that Retirement Services had received approval to add an Administrative Assistant II to the team and had just completed the interview process to fill the position. By the date of the next Retirement Board meeting, Mr. Gobel explained that he hoped to be able announce a new hire and indicated that the additional staffing would be used to assist with several projects already underway and to further improve the delivery of member services.

With no further business to discuss and no public comment on matters not on the agenda (which was invited for a second time), the Retirement Board meeting was adjourned at 10:46 a.m.

Constance Bibbs, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting AEA
Wednesday, December 8, 2021
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Directors Li, Devorak, and McGoldrick. Alternate Santhanakrishnan was also present. Director Kennedy and Alternate Jennings were absent.

The Common Vice Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel discussed Assembly Bill 361 (AB 361), urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it made certain findings at the start of the meeting. Thereafter, the Retirement Board would need to make the same findings again if Directors wished to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and Sacramento County's Health Officer and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director McGoldrick moved to adopt Agenda Item 1. The motion was seconded by Director Devorak. Agenda Item 1 was carried unanimously by roll call vote: Ayes - Li, Devorak, and McGoldrick; Noes – None.

December 8, 2021 Meeting Minutes – Continued

CONSENT CALENDAR

4. Motion: Approve the Minutes for the September 8, 2021 Quarterly Retirement Board Meeting (AEA). (Gobel)
7. Motion: Approve the Minutes for the October 20, 2021 Special Retirement Board Meeting (AEA). (Gobel)
10. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2021 for the Salaried Pension Plan (AEA, AFSCME, MCEG). (Adelman)
11. Information: Update on Roles and Responsibilities Related to Pension Administration (All). (Gobel)
12. Information: Authorize Execution of Amendment to Contract with National Disability Evaluations (All). (Gobel)
13. Motion: Approve a Sole Source Procurement and the First Amendment to the Contract for Retirement Board Legal Support Services with Hanson Bridgett LLP to Extend the Contract Term (All). (Adelman)
14. Resolution: Adopt the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2022 (All). (Gobel)

Director Devorak moved to adopt Agenda Items 4, 7, 10, 11, 12, 13, and 14. The motion was seconded by Director McGoldrick. Agenda Items 4, 7, 10, 11, 12, 13, and 14 were carried unanimously by roll call vote: Ayes - Li, Devorak, and McGoldrick; Noes – None.

NEW BUSINESS

15. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2021 (All). (Adelman)

Jamie Adelman, AVP, Finance & Treasury, introduced Kimberly Cook from State Street Global Advisors (SSgA), the Retirement Plans' manager for the S&P 500 Index Strategy (Domestic Large Cap Equity) and MSCI EAFE Index Strategy (International Large Cap Equity). As reviewed in the written materials distributed for the presentation, SSgA manages two index funds for the Retirement Plans: approximately \$59 million in the S&P 500 Index Strategy and approximately \$18 million in the MSCI EAFE Index Strategy. For the measurement period ended September 30, 2021, the S&P 500 Strategy reported the following annualized returns: 1-Year of 29.95%, 3-Year of 15.94%, and 5-Year of

December 8, 2021 Meeting Minutes – Continued

16.86%. For the same measurement period (ended September 30, 2021), the MSCI EAFE Index Strategy reported the following annualized returns: 1-Year of 25.99%, 3-Year of 7.92%, and 5-Year of 9.10%. All of the returns reported by SSgA were net of fees. Ms. Cook explained the slight difference in the returns for each Fund versus the index.

During the discussion of the funds, Ms. Cook noted that SSgA's equity index team manages \$2.4 trillion and explained that this scale creates opportunities for cross-trading securities among commingled investors (rather than incurring the transaction costs associated with buying and selling securities). Ms. Cook also addressed recent organizational changes at SSgA, including the retirement of Lynn Blake - CIO of SSgA's index equity business (June 2021), the departure of Kate McKinley – General Counsel (September 2021), and the pending departure of Chris Baker – Chief Compliance Officer (mid-December 2021).

16. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Michael Jaje from Atlanta Capital, the Retirement Plans' Domestic Small Cap Equity manager. Ms. Adelman noted that the Fund has outperformed its benchmark over time, and provides protection in down markets. As reviewed in the written materials distributed for the presentation, Atlanta Capital manages a portfolio of approximately \$34 million for the Retirement Plans, which is benchmarked to the Russell 2000 Index. For the measurement period ended September 30, 2021, the portfolio reported the following annualized returns: 1-Year of 29.72%, 3-Year of 9.90%, 5-Year of 14.21%, and 10-Year of 15.87%.

During the discussion of the firm and its organizational structure, Mr. Jaje noted that Atlanta Capital has operated as a longtime subsidiary of Eaton Vance, which was recently acquired by Morgan Stanley. Mr. Jaje explained that Atlanta Capital still maintains its own brand and manages the portfolio as it has in prior years. Mr. Jaje also noted that the High Quality Small Cap portfolio holds a total of \$2.6 billion in assets and is closed to new investors.

During the review the portfolio and its performance, Mr. Jaje emphasized the importance of selecting high quality small cap stocks and the goal of providing downside protection to investors. Consistent with the bias toward quality and the goal of limiting losses in down markets, Mr. Jaje noted that the portfolio does not hold meme stocks and acknowledged that the portfolio under-performed the benchmark over the past twelve months. Since inception, however, Mr. Jaje noted that the annualized return of the

December 8, 2021 Meeting Minutes – Continued

portfolio (net of expenses) had exceeded the return of the benchmark by more than two percent – and done so with a lower level of risk (or beta) than the benchmark.

In response to a question from Brent Bernegger, Vice President of Finance, regarding returns and relative performance for the current quarter (ending December 2021), Mr. Jaje explained that the portfolio's returns had exceeded the benchmark on a quarter-to-date basis and was heading in the same direction for the calendar year. In response to a question from AEA Director Devorak regarding different considerations for institutional versus retail investors, Mr. Jaje described the portfolio's avoidance of non-profitable companies popularized by retail investors during the pandemic, and opined that these speculative investments had been a large driver of the benchmark's near-term results.

17. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Anne Heaphy and Uvan Tseng from Callan. In addition to reviewing total fund performance for the period ended September 30, 2021, Ms. Adelman asked Ms. Heaphy to further discuss the organizational changes reviewed by SSgA.

Ms. Heaphy advised that Callan had no major concerns regarding SSgA and their index funds. While discussing the Retirement Plans' other investment managers, Ms. Heaphy also referenced the acquisition of Pyrford's parent company, BMO Global Asset Management, by Columbia Threadneedle. Finally, Ms. Heaphy addressed the two managers under watch by explaining that, pursuant to the Retirement Boards' Investment Policy Statement, Callan expects to keep AQR and DFA on watch for two full years and to further discuss the Watch List at the next Quarterly Retirement Board Meeting.

Ms. Heaphy reviewed total fund performance through September 30, 2021. She noted that total assets were \$375 million for the period ended September 30, 2021 and that the aggregate, one-year return of 22.15% had exceeded the target portfolio's return of 19.29%, noting that the Retirement Plans' quarterly return was <.47%>. Ms. Heaphy explained the difference between manager effect and allocation effect on the Fund's performance, and noted that manager effect had been stronger over the one-year period. For the same period, written materials distributed by Callan also reported the following annualized returns: 1-Year of 22.15%, 3-Year of 10.37%, 5-Year of 10.18%, and 10-Year of 10.02%.

With regard to the newest asset class introduced to the portfolio, Ms. Heaphy noted that the Real Estate allocation became fully funded during the last quarter. Ms. Heaphy also noted that the Retirement Boards had used Fixed Income dollars to fund the two new

December 8, 2021 Meeting Minutes – Continued

Real Estate managers. Ms. Adelman pointed out that the portfolio was rebalanced by reallocating assets from the overweight allocation to Large Cap Equity to Fixed Income.

Director Devorak moved to receive and file Agenda Item 17. The motion was seconded by Director McGoldrick. Agenda Item 17 was carried unanimously by roll call vote: Ayes - Li, Devorak, and McGoldrick; Noes – None.

18. Information: Draft Policy on Pensionable Compensation for PEPRA Members.
(All) (Gobel)

Mr. Gobel explained that the Staff Report is informational only and that no action is requested on the attached draft policy. This item was first presented to the Retirement Boards at the July 28, 2021 meeting in a Staff Report that reviewed key provisions of the Public Employees' Pension Reform Act of 2013 ("PEPRA"), including the pay items or "pensionable compensation" that may be used to determine retirement benefits and contributions for new members subject to PEPRA. As explained at that meeting, the first SacRT PEPRA member retirement application had been received, and Staff needed guidance on the pay items to be included in pensionable compensation for purposes of calculating retirement benefits.

The Retirement Boards were advised at the September 8, 2021 meeting that a working group had been assembled to assess the pay elements in effect at SacRT, at which time the Retirement Boards requested to revisit the item at the December 8, 2021 meeting, when a Draft Policy on Pensionable Compensation for PEPRA Members would be provided as an information-only item.

Mr. Gobel described the review performed by Retirement Services Staff, with assistance from the Retirement Boards' Legal Counsel and Finance and Information Technology Staff, of all payroll codes, and identification of the specific pay items that should be included or excluded in the computation of retirement benefits and the collection of contributions for PEPRA members. Mr. Gobel explained that the draft policy reflects the analysis of the working group to date, and, when a final policy is adopted, it will be incorporated by reference in the new restated Plan documents that are in progress. Mr. Gobel also explained that until a proposed policy is submitted to and acted on by the Retirement Boards, the wage types identified in the draft policy would be used to compute "preliminary retirement allowances" for retiring PEPRA members.

Mr. Gobel also summarized current federal court litigation involving the application of PEPRA to transit agencies in California, and noted that there may be further developments over the next few months, following the scheduled hearing on the merits of the case. Retirement Boards' Legal Counsel, Shayna van Hoften, explained that, given this uncertainty, Staff and Legal Counsel continue to work on the draft policy merely as a

December 8, 2021 Meeting Minutes – Continued

proactive measure, while monitoring the lawsuit, and do not anticipate any further action by the Board before the second quarter of 2022.

ATU Director Niz expressed appreciation for Staff's recognition of the uncertainty created by the PEPRA litigation and for presenting the draft policy as informational only.

Ms. Adelman noted that an important goal of the draft policy was to offer transparency on retirement administration and provide Staff with the interim guidance needed to prepare estimates for PEPRA members and pay benefits to persons who planned to retire prior to the conclusion of federal litigation.

REPORTS, IDEAS AND COMMUNICATIONS

19. Information: Manager, Pension & Retirement Services Quarterly Verbal Update (All). (Gobel)

Mr. Gobel informed the Retirement Boards that Retirement Services had received approval to add an Administrative Assistant II to the team and had just completed the interview process to fill the position. By the date of the next Retirement Board meeting, Mr. Gobel explained that he hoped to be able announce a new hire and indicated that the additional staffing would be used to assist with several projects already underway and to further improve the delivery of member services.

With no further business to discuss and no public comment on matters not on the agenda (which was invited for a second time), the Retirement Board meeting was adjourned at 10:46 a.m.

Russel Devorak, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting AFSCME
Wednesday, December 8, 2021
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Directors Li, Guimond, and Thompson. Director Kennedy, Alternate Jennings, and Alternate Salva were absent.

The Common Vice Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel discussed Assembly Bill 361 (AB 361), urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it made certain findings at the start of the meeting. Thereafter, the Retirement Board would need to make the same findings again if Directors wished to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and Sacramento County's Health Officer and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director Guimond moved to adopt Agenda Item 1. The motion was seconded by Director Thompson. Agenda Item 1 was carried unanimously by roll call vote: Ayes - Li, Guimond, and Thompson; Noes – None.

December 8, 2021 Meeting Minutes – Continued

CONSENT CALENDAR

- 5. Motion: Approve the Minutes for the September 8, 2021 Quarterly Retirement Board Meeting (AFSCME). (Gobel)
- 10. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2021 for the Salaried Pension Plan (AEA, AFSCME, MCEG). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (All). (Gobel)
- 12. Information: Authorize Execution of Amendment to Contract with National Disability Evaluations (All). (Gobel)
- 13. Motion: Approve a Sole Source Procurement and the First Amendment to the Contract for Retirement Board Legal Support Services with Hanson Bridgett LLP to Extend the Contract Term (All). (Adelman)
- 14. Resolution: Adopt the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2022 (All). (Gobel)

Director Guimond moved to adopt Agenda Items 5, 10, 11, 12, 13 and 14. The motion was seconded by Director Thompson. Agenda Items 5, 10, 11, 12, 13 and 14 were carried unanimously by roll call vote: Ayes - Li, Guimond, and Thompson; Noes – None.

NEW BUSINESS

- 15. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2021 (All). (Adelman)

Jamie Adelman, AVP, Finance & Treasury, introduced Kimberly Cook from State Street Global Advisors (SSgA), the Retirement Plans' manager for the S&P 500 Index Strategy (Domestic Large Cap Equity) and MSCI EAFE Index Strategy (International Large Cap Equity). As reviewed in the written materials distributed for the presentation, SSgA manages two index funds for the Retirement Plans: approximately \$59 million in the S&P 500 Index Strategy and approximately \$18 million in the MSCI EAFE Index Strategy. For the measurement period ended September 30, 2021, the S&P 500 Strategy reported the following annualized returns: 1-Year of 29.95%, 3-Year of 15.94%, and 5-Year of 16.86%. For the same measurement period (ended September 30, 2021), the MSCI EAFE Index Strategy reported the following annualized returns: 1-Year of 25.99%, 3-Year

December 8, 2021 Meeting Minutes – Continued

of 7.92%, and 5-Year of 9.10%. All of the returns reported by SSgA were net of fees. Ms. Cook explained the slight difference in the returns for each Fund versus the index.

During the discussion of the funds, Ms. Cook noted that SSgA's equity index team manages \$2.4 trillion and explained that this scale creates opportunities for cross-trading securities among commingled investors (rather than incurring the transaction costs associated with buying and selling securities). Ms. Cook also addressed recent organizational changes at SSgA, including the retirement of Lynn Blake - CIO of SSgA's index equity business (June 2021), the departure of Kate McKinley – General Counsel (September 2021), and the pending departure of Chris Baker – Chief Compliance Officer (mid-December 2021).

16. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Michael Jaje from Atlanta Capital, the Retirement Plans' Domestic Small Cap Equity manager. Ms. Adelman noted that the Fund has outperformed its benchmark over time, and provides protection in down markets. As reviewed in the written materials distributed for the presentation, Atlanta Capital manages a portfolio of approximately \$34 million for the Retirement Plans, which is benchmarked to the Russell 2000 Index. For the measurement period ended September 30, 2021, the portfolio reported the following annualized returns: 1-Year of 29.72%, 3-Year of 9.90%, 5-Year of 14.21%, and 10-Year of 15.87%.

During the discussion of the firm and its organizational structure, Mr. Jaje noted that Atlanta Capital has operated as a longtime subsidiary of Eaton Vance, which was recently acquired by Morgan Stanley. Mr. Jaje explained that Atlanta Capital still maintains its own brand and manages the portfolio as it has in prior years. Mr. Jaje also noted that the High Quality Small Cap portfolio holds a total of \$2.6 billion in assets and is closed to new investors.

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December 8, 2021 Meeting Minutes – Continued

In response to a question from Brent Bernegger, Vice President of Finance, regarding returns and relative performance for the current quarter (ending December 2021), Mr. Jaje explained that the portfolio's returns had exceeded the benchmark on a quarter-to-date basis and was heading in the same direction for the calendar year. In response to a question from AEA Director Devorak regarding different considerations for institutional versus retail investors, Mr. Jaje described the portfolio's avoidance of non-profitable companies popularized by retail investors during the pandemic, and opined that these speculative investments had been a large driver of the benchmark's near-term results.

17. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2021 (All). (Adelman)

Ms. Adelman introduced Anne Heaphy and Uvan Tseng from Callan. In addition to reviewing total fund performance for the period ended September 30, 2021, Ms. Adelman asked Ms. Heaphy to further discuss the organizational changes reviewed by SSgA.

Ms. Heaphy advised that Callan had no major concerns regarding SSgA and their index funds. While discussing the Retirement Plans' other investment managers, Ms. Heaphy also referenced the acquisition of Pyrford's parent company, BMO Global Asset Management, by Columbia Threadneedle. Finally, Ms. Heaphy addressed the two managers under watch by explaining that, pursuant to the Retirement Boards' Investment Policy Statement, Callan expects to keep AQR and DFA on watch for two full years and to further discuss the Watch List at the next Quarterly Retirement Board Meeting.

Ms. Heaphy reviewed total fund performance through September 30, 2021. She noted that total assets were \$375 million for the period ended September 30, 2021 and that the aggregate, one-year return of 22.15% had exceeded the target portfolio's return of 19.29%, noting that the Retirement Plans' quarterly return was <.47%>. Ms. Heaphy explained the difference between manager effect and allocation effect on the Fund's performance, and noted that manager effect had been stronger over the one-year period. For the same period, written materials distributed by Callan also reported the following annualized returns: 1-Year of 22.15%, 3-Year of 10.37%, 5-Year of 10.18%, and 10-Year of 10.02%.

With regard to the newest asset class introduced to the portfolio, Ms. Heaphy noted that the Real Estate allocation became fully funded during the last quarter. Ms. Heaphy also noted that the Retirement Boards had used Fixed Income dollars to fund the two new Real Estate managers. Ms. Adelman pointed out that the portfolio was rebalanced by reallocating assets from the overweight allocation to Large Cap Equity to Fixed Income.

December 8, 2021 Meeting Minutes – Continued

Director Guimond moved to receive and file Agenda Item 17. The motion was seconded by Director Thompson. Agenda Item 17 was carried unanimously by roll call vote: Ayes - Li, Guimond, and Thompson; Noes – None.

18. Information: Draft Policy on Pensionable Compensation for PEPRA Members.
(All) (Gobel)

Mr. Gobel explained that the Staff Report is informational only and that no action is requested on the attached draft policy. This item was first presented to the Retirement Boards at the July 28, 2021 meeting in a Staff Report that reviewed key provisions of the Public Employees' Pension Reform Act of 2013 ("PEPRA"), including the pay items or "pensionable compensation" that may be used to determine retirement benefits and contributions for new members subject to PEPRA. As explained at that meeting, the first SacRT PEPRA member retirement application had been received, and Staff needed guidance on the pay items to be included in pensionable compensation for purposes of calculating retirement benefits.

The Retirement Boards were advised at the September 8, 2021 meeting that a working group had been assembled to assess the pay elements in effect at SacRT, at which time the Retirement Boards requested to revisit the item at the December 8, 2021 meeting, when a Draft Policy on Pensionable Compensation for PEPRA Members would be provided as an information-only item.

Mr. Gobel described the review performed by Retirement Services Staff, with assistance from the Retirement Boards' Legal Counsel and Finance and Information Technology Staff, of all payroll codes, and identification of the specific pay items that should be included or excluded in the computation of retirement benefits and the collection of contributions for PEPRA members. Mr. Gobel explained that the draft policy reflects the analysis of the working group to date, and, when a final policy is adopted, it will be incorporated by reference in the new restated Plan documents that are in progress. Mr. Gobel also explained that until a proposed policy is submitted to and acted on by the Retirement Boards, the wage types identified in the draft policy would be used to compute "preliminary retirement allowances" for retiring PEPRA members.

Mr. Gobel also summarized current federal court litigation involving the application of PEPRA to transit agencies in California, and noted that there may be further developments over the next few months, following the scheduled hearing on the merits of the case. Retirement Boards' Legal Counsel, Shayna van Hoften, explained that, given this uncertainty, Staff and Legal Counsel continue to work on the draft policy merely as a proactive measure, while monitoring the lawsuit, and do not anticipate any further action by the Board before the second quarter of 2022.

December 8, 2021 Meeting Minutes – Continued

ATU Director Niz expressed appreciation for Staff's recognition of the uncertainty created by the PEPRA litigation and for presenting the draft policy as informational only.

Ms. Adelman noted that an important goal of the draft policy was to offer transparency on retirement administration and provide Staff with the interim guidance needed to prepare estimates for PEPRA members and pay benefits to persons who planned to retire prior to the conclusion of federal litigation.

REPORTS, IDEAS AND COMMUNICATIONS

19. Information: Manager, Pension & Retirement Services Quarterly Verbal Update
 (All). (Gobel)

Mr. Gobel informed the Retirement Boards that Retirement Services had received approval to add an Administrative Assistant II to the team and had just completed the interview process to fill the position. By the date of the next Retirement Board meeting, Mr. Gobel explained that he hoped to be able announce a new hire and indicated that the additional staffing would be used to assist with several projects already underway and to further improve the delivery of member services.

With no further business to discuss and no public comment on matters not on the agenda (which was invited for a second time), the Retirement Board meeting was adjourned at 10:46 a.m.

Peter Guimond, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting MCEG
Wednesday, December 8, 2021
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li and Norman, and Alternate Flores. Directors Kennedy and Ham and Alternate Jennings were absent.

The Common Vice Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel discussed Assembly Bill 361 (AB 361), urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it made certain findings at the start of the meeting. Thereafter, the Retirement Board would need to make the same findings again if Directors wished to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and Sacramento County's Health Officer and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director Norman moved to adopt Agenda Item 1. The motion was seconded by Alternate Flores. Agenda Item 1 was carried unanimously by roll call vote: Ayes - Li, Norman, and Flores; Noes - None.

December 8, 2021 Meeting Minutes – Continued

CONSENT CALENDAR

- 6. Motion: Approve the Minutes for the September 8, 2021 Quarterly Retirement Board Meeting (MCEG). (Gobel)
- 10. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2021 for the Salaried Pension Plan (AEA, AFSCME, MCEG). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (All). (Gobel)
- 12. Information: Authorize Execution of Amendment to Contract with National Disability Evaluations (All). (Gobel)
- 13. Motion: Approve a Sole Source Procurement and the First Amendment to the Contract for Retirement Board Legal Support Services with Hanson Bridgett LLP to Extend the Contract Term (All). (Adelman)
- 14. Resolution: Adopt the Sacramento Regional Transit Retirement Boards Meeting Calendar for 2022 (All). (Gobel)

Director Norman moved to adopt Agenda Items 6, 10, 11, 12, 13 and 14. The motion was seconded by Alternate Flores. Agenda Items 6, 10, 11, 12, 13 and 14 were carried unanimously by roll call vote: Ayes - Li, Norman, and Flores; Noes – None.

NEW BUSINESS

- 15. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2021 (All). (Adelman)

Jamie Adelman, AVP, Finance & Treasury, introduced Kimberly Cook from State Street Global Advisors (SSgA), the Retirement Plans' manager for the S&P 500 Index Strategy (Domestic Large Cap Equity) and MSCI EAFE Index Strategy (International Large Cap Equity). As reviewed in the written materials distributed for the presentation, SSgA manages two index funds for the Retirement Plans: approximately \$59 million in the S&P 500 Index Strategy and approximately \$18 million in the MSCI EAFE Index Strategy. For the measurement period ended September 30, 2021, the S&P 500 Strategy reported the following annualized returns: 1-Year of 29.95%, 3-Year of 15.94%, and 5-Year of 16.86%. For the same measurement period (ended September 30, 2021), the MSCI EAFE Index Strategy reported the following annualized returns: 1-Year of 25.99%, 3-Year

December 8, 2021 Meeting Minutes – Continued

of 7.92%, and 5-Year of 9.10%. All of the returns reported by SSgA were net of fees. Ms. Cook explained the slight difference in the returns for each Fund versus the index.

During the discussion of the funds, Ms. Cook noted that SSgA's equity index team manages \$2.4 trillion and explained that this scale creates opportunities for cross-trading securities among commingled investors (rather than incurring the transaction costs associated with buying and selling securities). Ms. Cook also addressed recent organizational changes at SSgA, including the retirement of Lynn Blake - CIO of SSgA's index equity business (June 2021), the departure of Kate McKinley – General Counsel (September 2021), and the pending departure of Chris Baker – Chief Compliance Officer (mid-December 2021).

16. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2021 (All). (Adelman)

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December 8, 2021 Meeting Minutes – Continued

In response to a question from Brent Bernegger, Vice President of Finance, regarding returns and relative performance for the current quarter (ending December 2021), Mr. Jaje explained that the portfolio's returns had exceeded the benchmark on a quarter-to-date basis and was heading in the same direction for the calendar year. In response to a question from AEA Director Devorak regarding different considerations for institutional versus retail investors, Mr. Jaje described the portfolio's avoidance of non-profitable companies popularized by retail investors during the pandemic, and opined that these speculative investments had been a large driver of the benchmark's near-term results.

17. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2021 (All). (Adelman)

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With regard to the newest asset class introduced to the portfolio, Ms. Heaphy noted that the Real Estate allocation became fully funded during the last quarter. Ms. Heaphy also noted that the Retirement Boards had used Fixed Income dollars to fund the two new Real Estate managers. Ms. Adelman pointed out that the portfolio was rebalanced by reallocating assets from the overweight allocation to Large Cap Equity to Fixed Income.

December 8, 2021 Meeting Minutes – Continued

Alternate Flores moved to receive and file Agenda Item 17. The motion was seconded by Director Norman. Agenda Item 17 was carried unanimously by roll call vote: Ayes - Li, Norman, and Flores; Noes – None.

18. Information: Draft Policy on Pensionable Compensation for PEPRA Members.
(All) (Gobel)

Mr. Gobel explained that the Staff Report is informational only and that no action is requested on the attached draft policy. This item was first presented to the Retirement Boards at the July 28, 2021 meeting in a Staff Report that reviewed key provisions of the Public Employees' Pension Reform Act of 2013 ("PEPRA"), including the pay items or "pensionable compensation" that may be used to determine retirement benefits and contributions for new members subject to PEPRA. As explained at that meeting, the first SacRT PEPRA member retirement application had been received, and Staff needed guidance on the pay items to be included in pensionable compensation for purposes of calculating retirement benefits.

The Retirement Boards were advised at the September 8, 2021 meeting that a working group had been assembled to assess the pay elements in effect at SacRT, at which time the Retirement Boards requested to revisit the item at the December 8, 2021 meeting, when a Draft Policy on Pensionable Compensation for PEPRA Members would be provided as an information-only item.

Mr. Gobel described the review performed by Retirement Services Staff, with assistance from the Retirement Boards' Legal Counsel and Finance and Information Technology Staff, of all payroll codes, and identification of the specific pay items that should be included or excluded in the computation of retirement benefits and the collection of contributions for PEPRA members. Mr. Gobel explained that the draft policy reflects the analysis of the working group to date, and, when a final policy is adopted, it will be incorporated by reference in the new restated Plan documents that are in progress. Mr. Gobel also explained that until a proposed policy is submitted to and acted on by the Retirement Boards, the wage types identified in the draft policy would be used to compute "preliminary retirement allowances" for retiring PEPRA members.

Mr. Gobel also summarized current federal court litigation involving the application of PEPRA to transit agencies in California, and noted that there may be further developments over the next few months, following the scheduled hearing on the merits of the case. Retirement Boards' Legal Counsel, Shayna van Hoften, explained that, given this uncertainty, Staff and Legal Counsel continue to work on the draft policy merely as a proactive measure, while monitoring the lawsuit, and do not anticipate any further action by the Board before the second quarter of 2022.

December 8, 2021 Meeting Minutes – Continued

ATU Director Niz expressed appreciation for Staff's recognition of the uncertainty created by the PEPRA litigation and for presenting the draft policy as informational only.

Ms. Adelman noted that an important goal of the draft policy was to offer transparency on retirement administration and provide Staff with the interim guidance needed to prepare estimates for PEPRA members and pay benefits to persons who planned to retire prior to the conclusion of federal litigation.

REPORTS, IDEAS AND COMMUNICATIONS

19. Information: Manager, Pension & Retirement Services Quarterly Verbal Update
 (All). (Gobel)

Mr. Gobel informed the Retirement Boards that Retirement Services had received approval to add an Administrative Assistant II to the team and had just completed the interview process to fill the position. By the date of the next Retirement Board meeting, Mr. Gobel explained that he hoped to be able announce a new hire and indicated that the additional staffing would be used to assist with several projects already underway and to further improve the delivery of member services.

With no further business to discuss and no public comment on matters not on the agenda (which was invited for a second time), the Retirement Board meeting was adjourned at 10:46 a.m.

Craig Norman for Laura Ham, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary

**Sacramento Regional Transit District
Special Retirement Board Meeting (ATU)
Wednesday, January 19, 2022
MEETING MINUTES**

This was a special meeting of the Sacramento Regional Transit District ATU Retirement Board. The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 2:01 p.m. A quorum was present comprised as follows: Directors Kennedy, Niz and McGee Lee. Director Li arrived at 2:05 p.m. Alternates Jennings and Land were absent.

The Common Chair, Patrick Kennedy, presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

NEW BUSINESS

1. Resolution: Authorize the Board to Conduct Its Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic. (Gobel)

John Gobel presented a brief overview of Assembly Bill 361 (AB 361), the urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Board could continue to meet virtually as it had been if it makes certain findings at the start of this meeting. The Board will need to adopt findings again to continue to meet remotely after 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and the Sacramento County Health Officer's January 6, 2022 Health Order, requiring that all public meetings in the County occur virtually until further notice, and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director Niz moved to adopt the AB361 Resolution. The motion was seconded by Director McGee Lee. The motion was carried unanimously by roll call vote: Ayes – Kennedy, Li, Niz and McGee Lee. Noes – None.

2. Resolution: Approve a Disability Retirement for Dorine Hunter (ATU) (Gobel).

Wednesday January 19, 2022, ATU Special Retirement Board Meeting Minutes – Continued

John Gobel reviewed the recommendation from the examining physician with the Board and made the staff recommendation to approve this disability retirement benefit. There were no questions from the Board nor public comment on the item.

Director Kennedy moved to adopt the Disability Retirement Approval Resolution. The motion was seconded by Director Li. The motion was carried unanimously by roll call vote: Ayes – Kennedy, Li, Niz and McGee Lee. Noes – None.

Director McGee Lee thanked the Applicant for her years of service with the District.

With no further business to discuss, the Retirement Board meeting was adjourned at 2:08 p.m.

Ralph Niz, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary



RETIREMENT BOARD STAFF REPORT

DATE: February 16, 2022 Agenda Item: 9
TO: Sacramento Regional Transit Retirement Boards – All
FROM: John Gobel - Manager, Pension and Retirement Services
SUBJ: RECEIVE PRELIMINARY RESULTS OF VALUATION STUDIES FOR RETIREMENT PLANS

RECOMMENDATION

No Recommendation - Information Only

FISCAL IMPACT

There is no fiscal impact associated with this informational Staff Report.

DISCUSSION

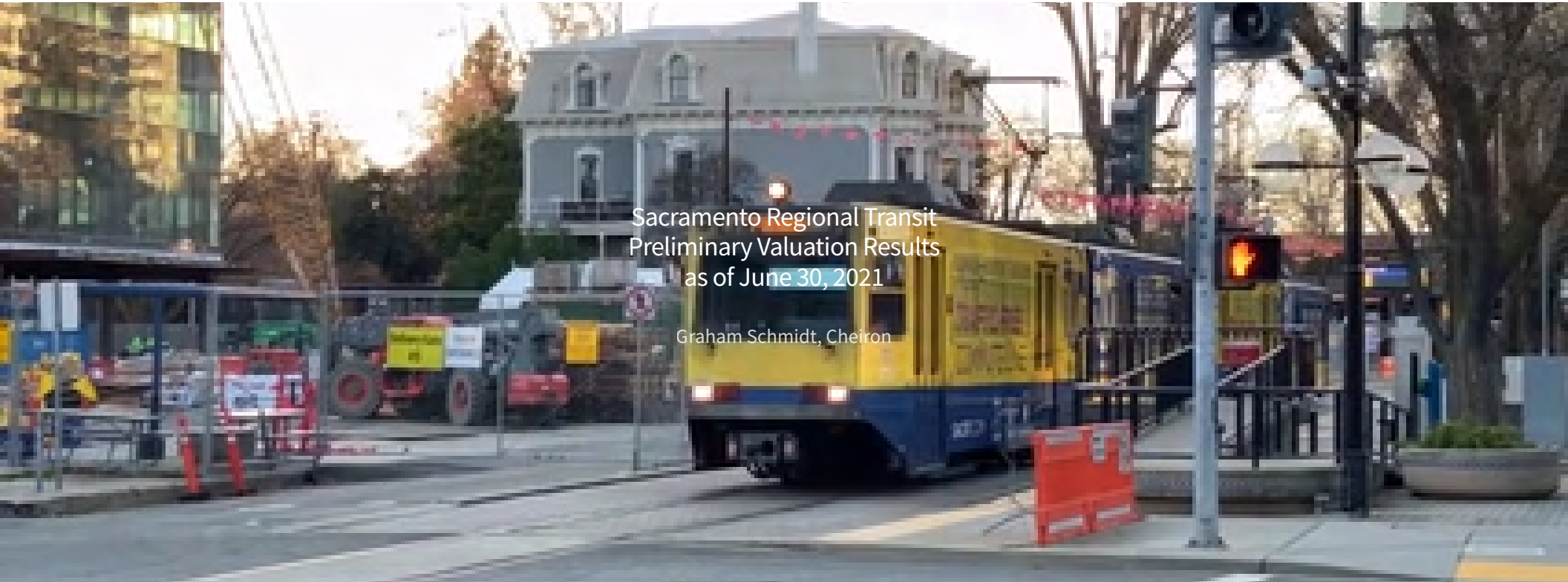
Every year (usually in February), the Retirement Plans' consulting actuary, Graham Schmidt of Cheiron, meets with the Retirement Boards and presents preliminary results for the actuarial valuations. This meeting occurs prior to the submission of final valuations (usually in March) for three separate defined benefit (DB) plans, which are commonly referred to as the ATU Plan, the IBEW Plan, and the Salaried Plan.

Discussion of the preliminary results serves as an annual refresher for the Retirement Boards and provides an opportunity for Directors to ask questions prior to completion of the Actuarial Valuation Reports (AVRs). Some years, the Retirement Plans' actuary also asks the Retirement Boards for input on assumptions (such as anticipated investment rates of return) that could alter the AVRs. The AVRs are then presented at a subsequent meeting for adoption by the Retirement Boards.

When the Retirement Boards adopt their respective AVRs, they accept both the funded ratio determined by the actuary and the corresponding contribution rates (employer and employee, in the case of PEPRA members) for the next fiscal year. Accordingly, AVRs for the July 1, 2021 valuation date will be submitted at the Quarterly Retirement Board Meeting on March 16, 2022 and used to determine the required contribution rates for the fiscal year beginning July 1, 2022.

This year, Mr. Schmidt will be presenting the preliminary results in a new format, which Staff believes is just as informative as previous presentations, but better-suited for a

discussion of three DB plans with five distinct Retirement Boards. Because the information presented by the actuary is a precursor to the AVRs and contribution rates that will be submitted to the Retirement Boards next month, attendance is strongly encouraged for by all Directors and Alternates of the Retirement Boards.



Sacramento Regional Transit
Preliminary Valuation Results
as of June 30, 2021

Graham Schmidt, Cheiron



What are the SacRT Retirement Plans?

Members
Groups

Where do the Plans stand?

Liabilities, Assets and
Funded Status

Contribution
Requirements

How did they get here?

What happened since
last year?

History and Trends

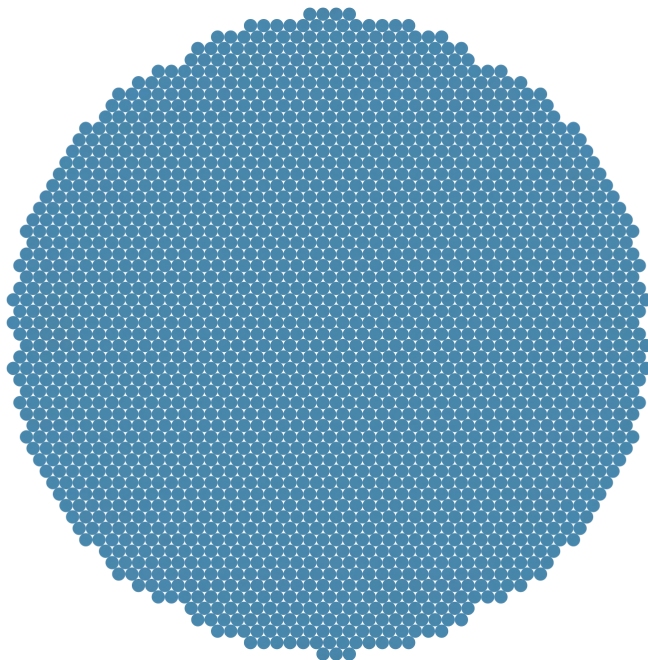
Where are they going?

Projected Cost

Projected Funded Ratio



a **System** of plans designed to provide **pension** benefits to the **members** on behalf of the **District**



We relied on demographic information supplied by SacRT. We did not audit the data. However, we performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

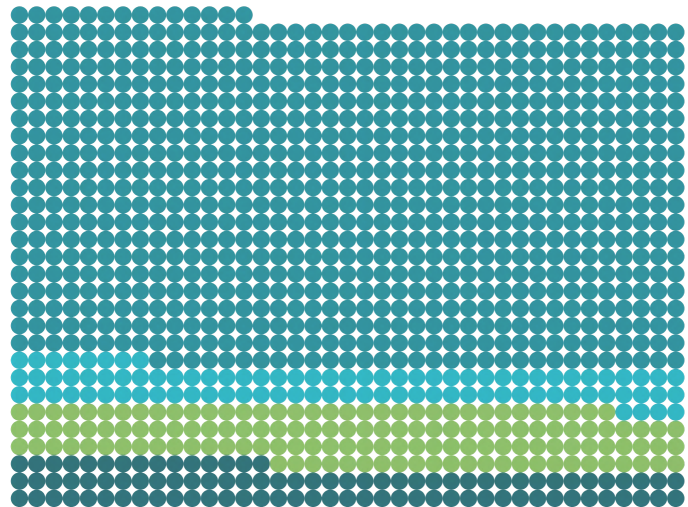
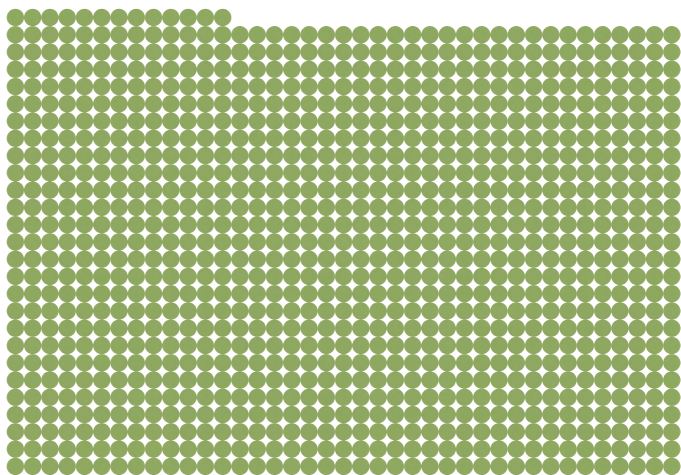




Just under 50% are **active** employees, with the rest **in pay status** - retirees, disabled members, or beneficiaries - or eligible for a **deferred benefit**. All members not currently actively working are referred to as **inactive**.

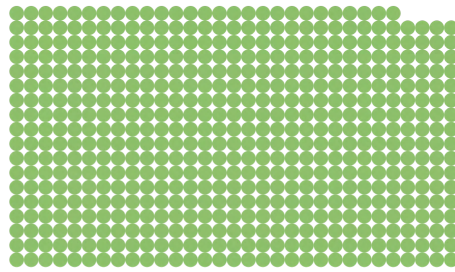
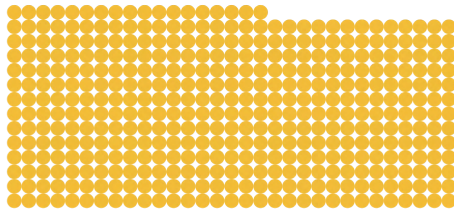
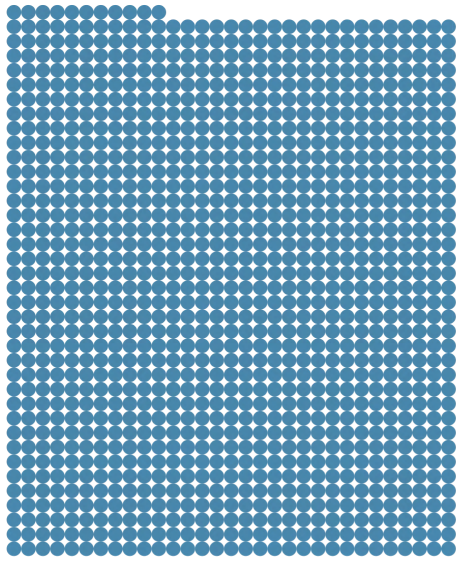
5 of 40

Stat ■ Active ■ Beneficiary ■ Deferred/Termed ■ Disabled ■ Retiree



We relied on demographic information supplied by SacRT. We did not audit the data. However, we performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.



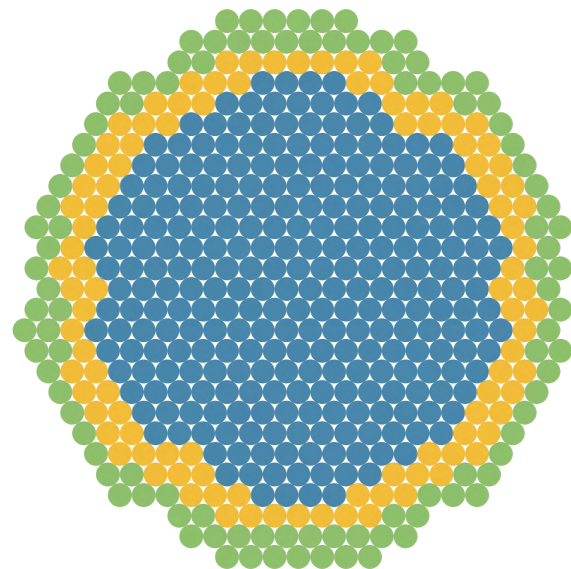
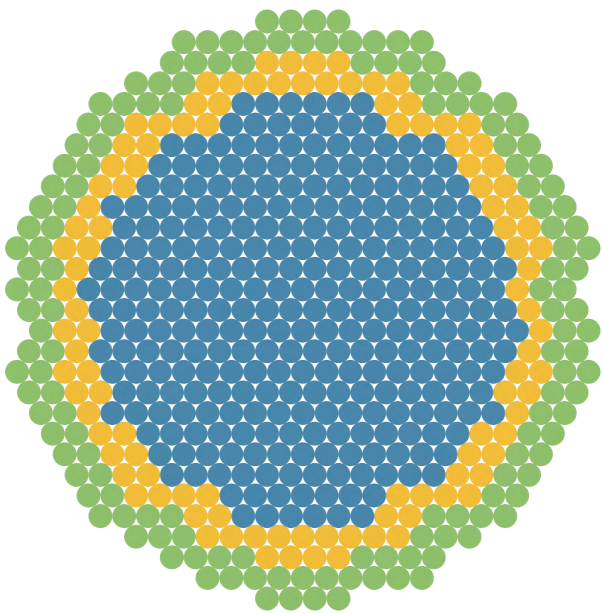


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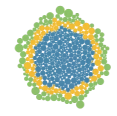
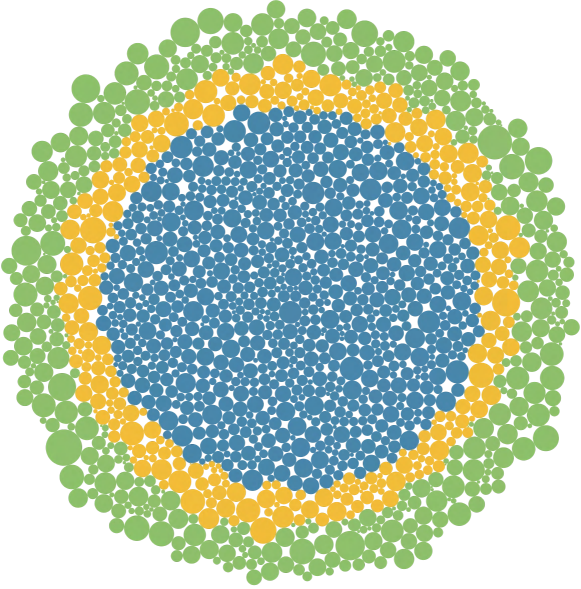
Plan ■ ATU ■ IBEW ■ Salaried



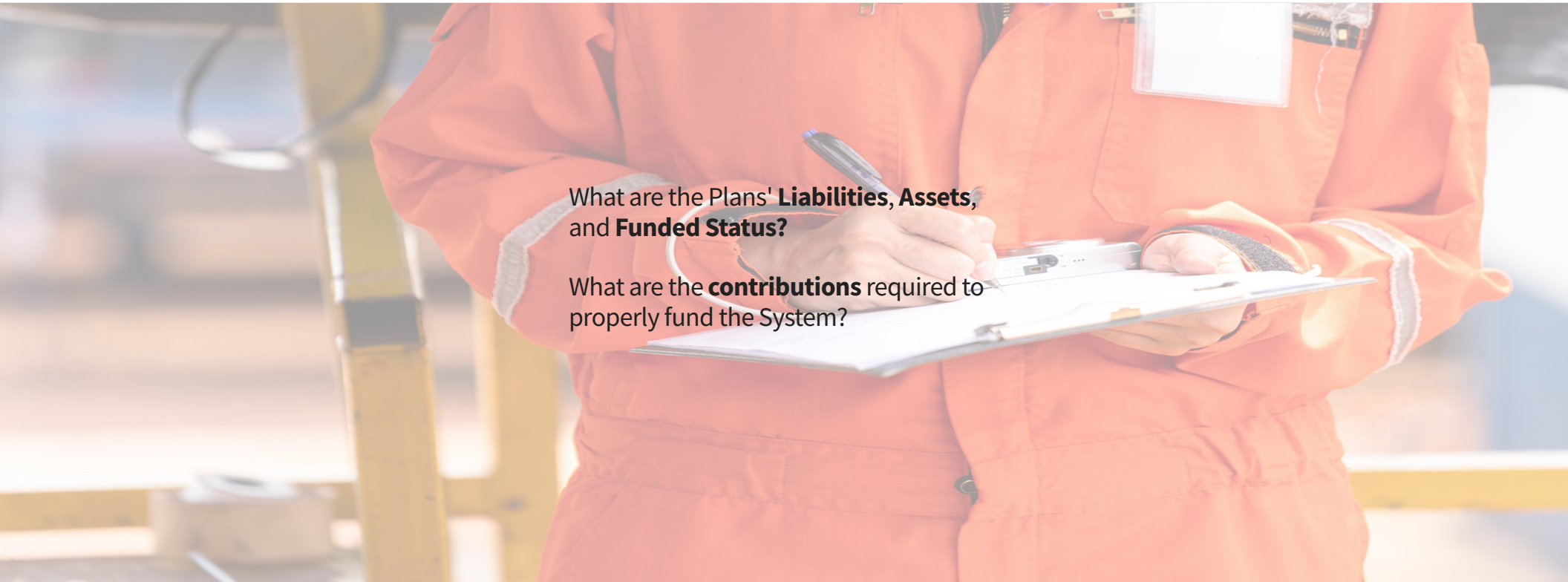
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Plan ■ ATU ■ IBEW ■ Salaried



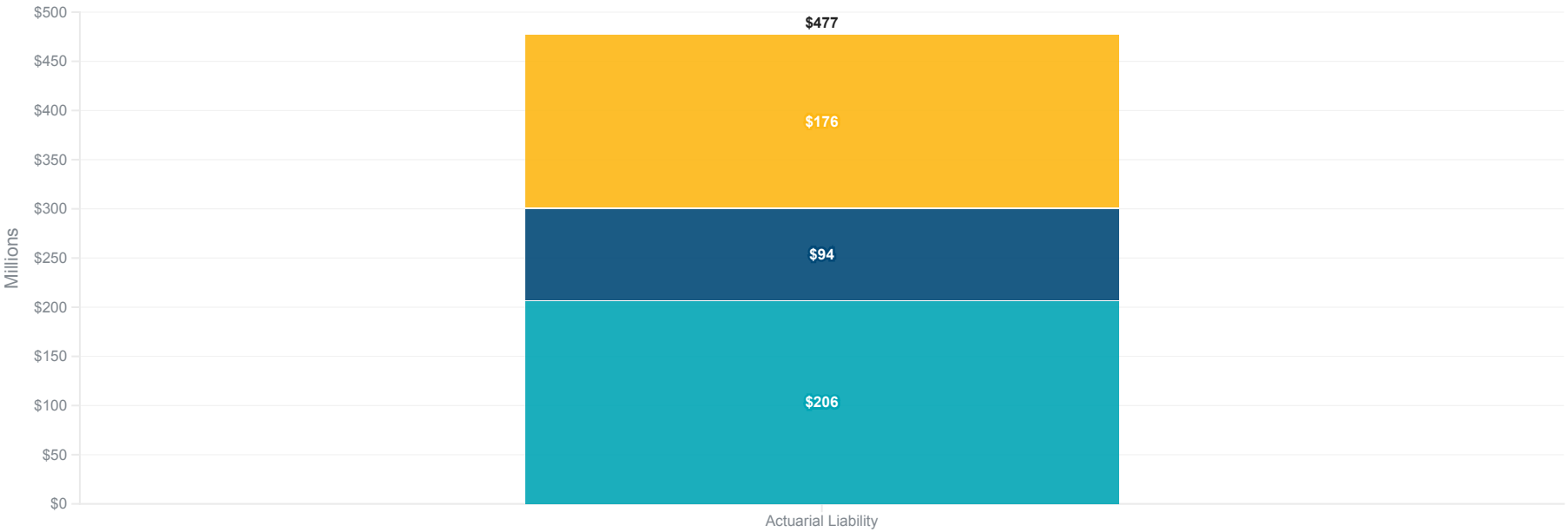
We relied on demographic information supplied by SacRT. We did not audit the data. However, we performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.



What are the Plans' **Liabilities, Assets,**
and **Funded Status?**

What are the **contributions** required to
properly fund the System?

■ ATU ■ IBEW ■ Salaried



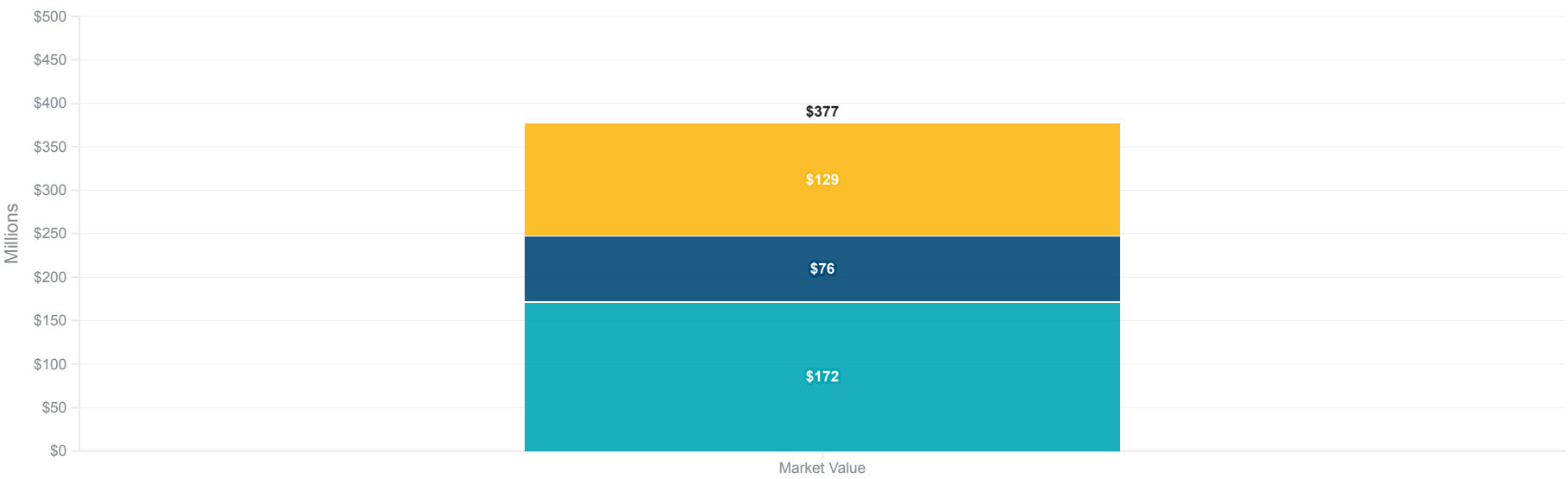


Next, we turn to the Plans' assets. The **Market Value of Assets** is the **Fair Value** as of the **Measurement Date**, June 30, 2021. The District separately tracks the assets for each group.

11 of 40

All **Market Value** Actuarial Value

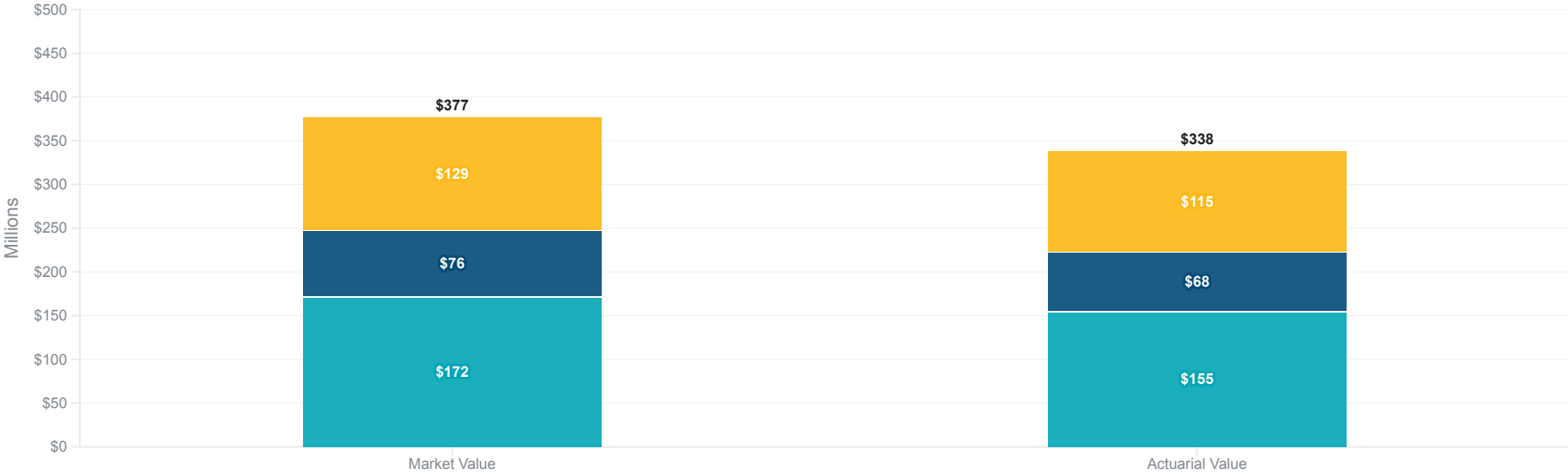
■ ATU ■ IBEW ■ Salaried



The Market Value can fluctuate significantly from year to year because of rapid changes in the investment markets. We also calculate a smoothed value, the **Actuarial Value of Assets**, to reduce volatility in the contributions and better understand trends in funded status. Because the System had a very strong return during FY 2020-21, the Actuarial Value is currently below the Market Value, which means there are deferred gains which will get recognized in future years.

All Market Value Actuarial Value

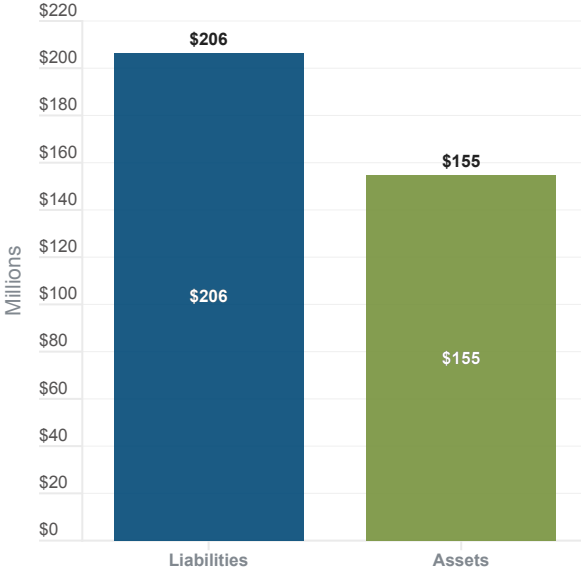
ATU IBEW Salaried





■ Actuarial Liability ■ Actuarial Assets ■ Unfunded Liability (UAL)

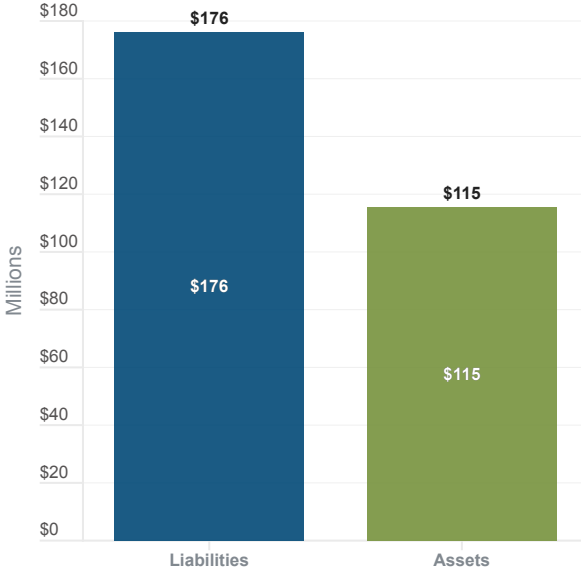
ATU



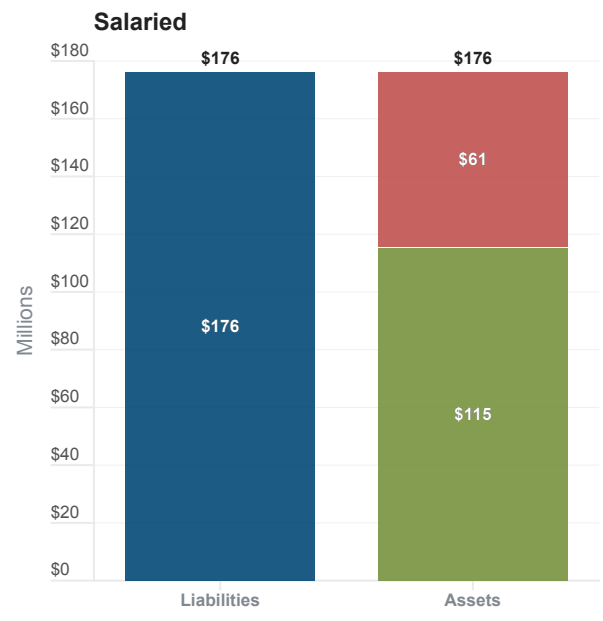
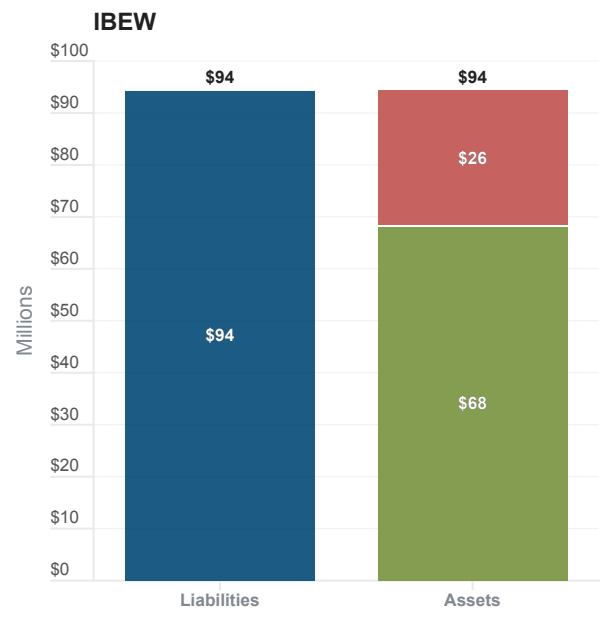
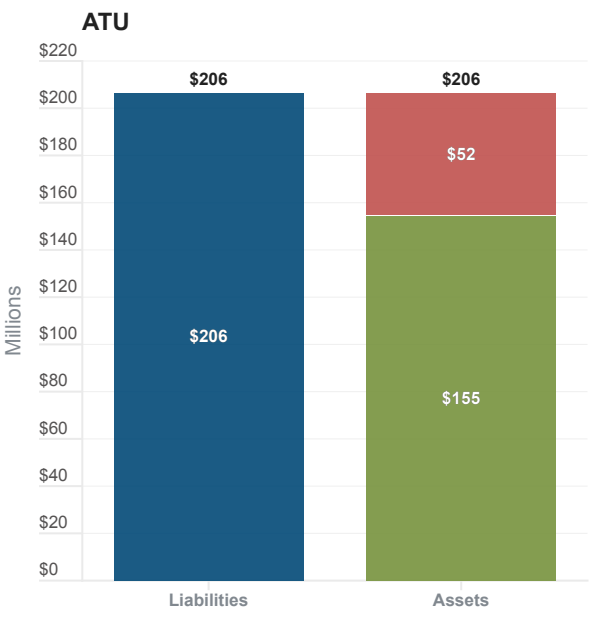
IBEW



Salaried



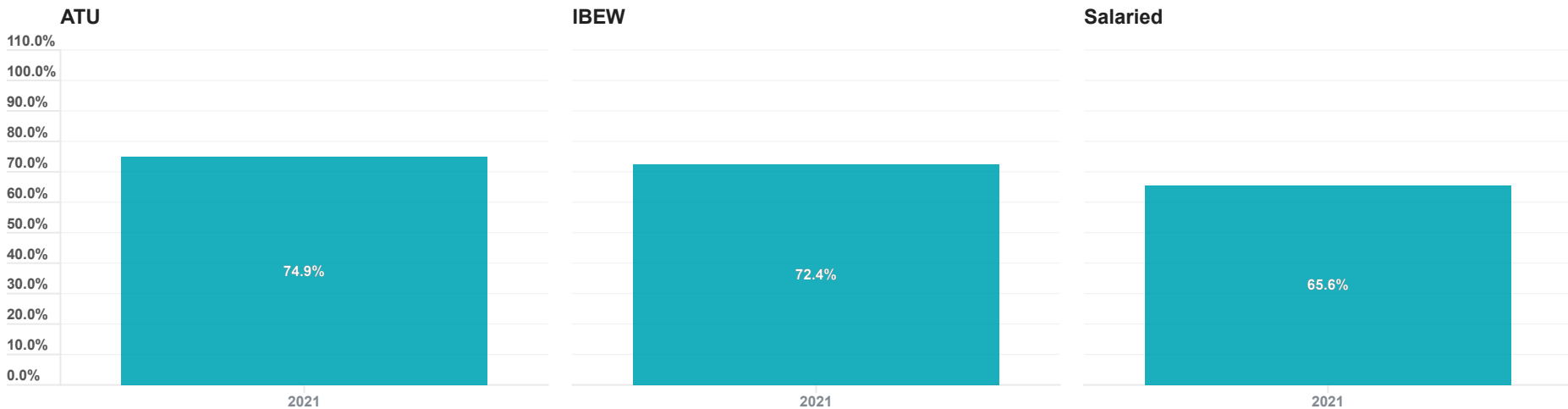
■ Actuarial Liability ■ Actuarial Assets ■ Unfunded Liability (UAL)



Funded Ratio

2021

Funded Ratio (AVA) Funded Ratio (MVA)

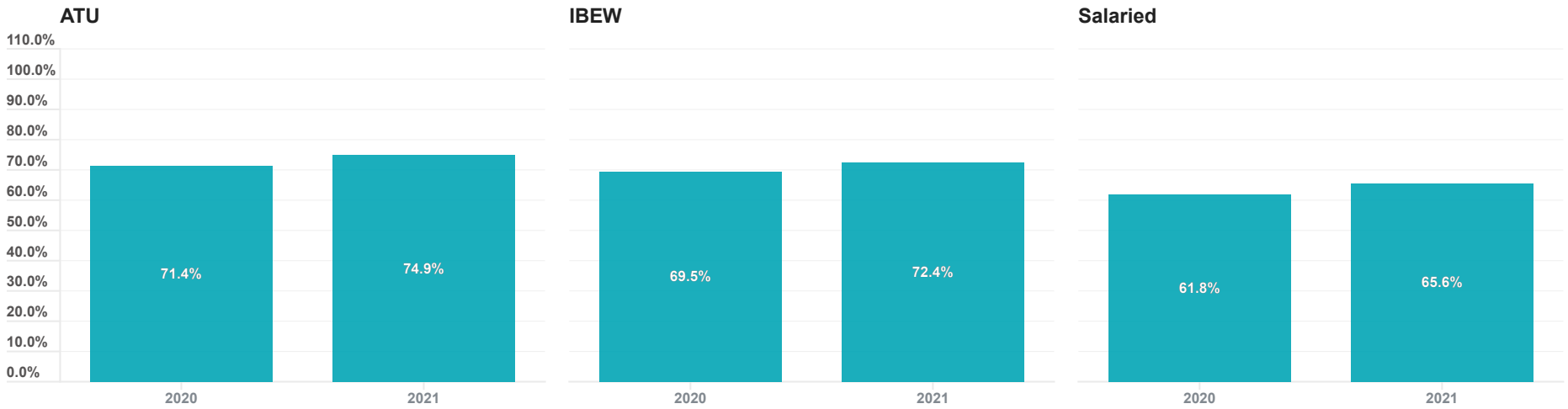




Funded Ratio

All

Funded Ratio (AVA) Funded Ratio (MVA)

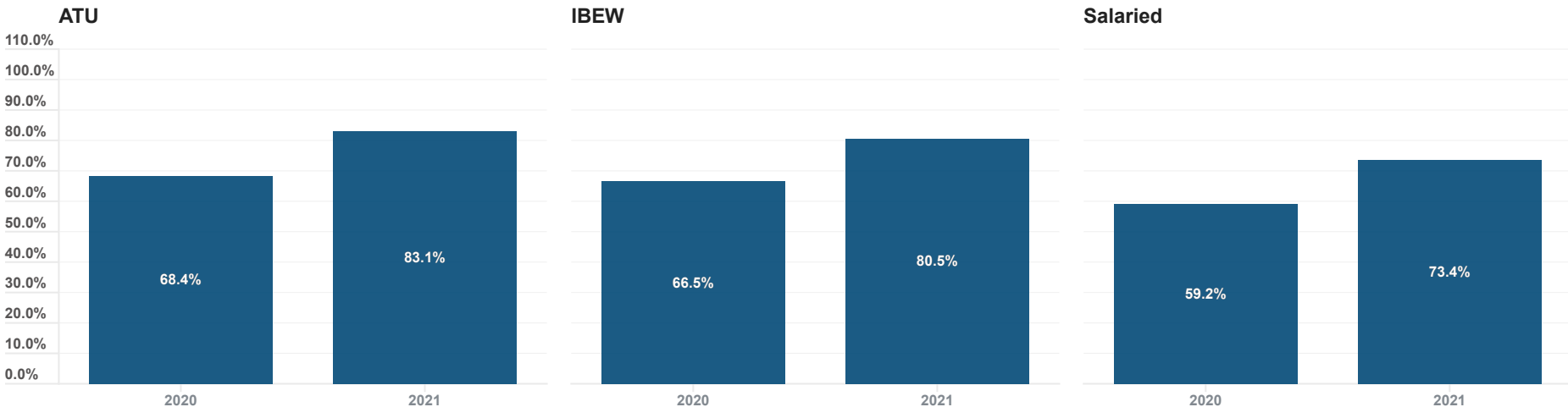




Funded Ratio

All

Funded Ratio (AVA) Funded Ratio (MVA)

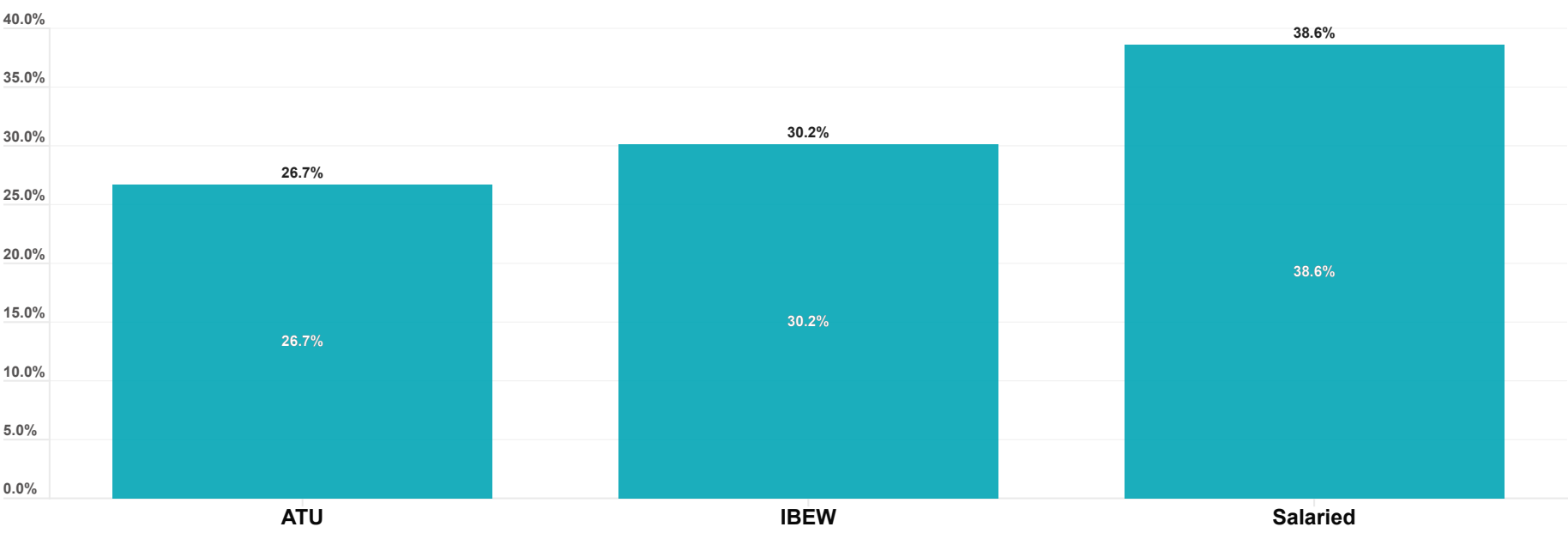




Next, we review the **Actuarially Determined Contribution (ADC) rates** for the Plans, shown as a *percentage of projected pensionable pay*. The contribution rates are effective for the fiscal year following the valuation date (i.e. from 7/1/2022-6/30/2023).

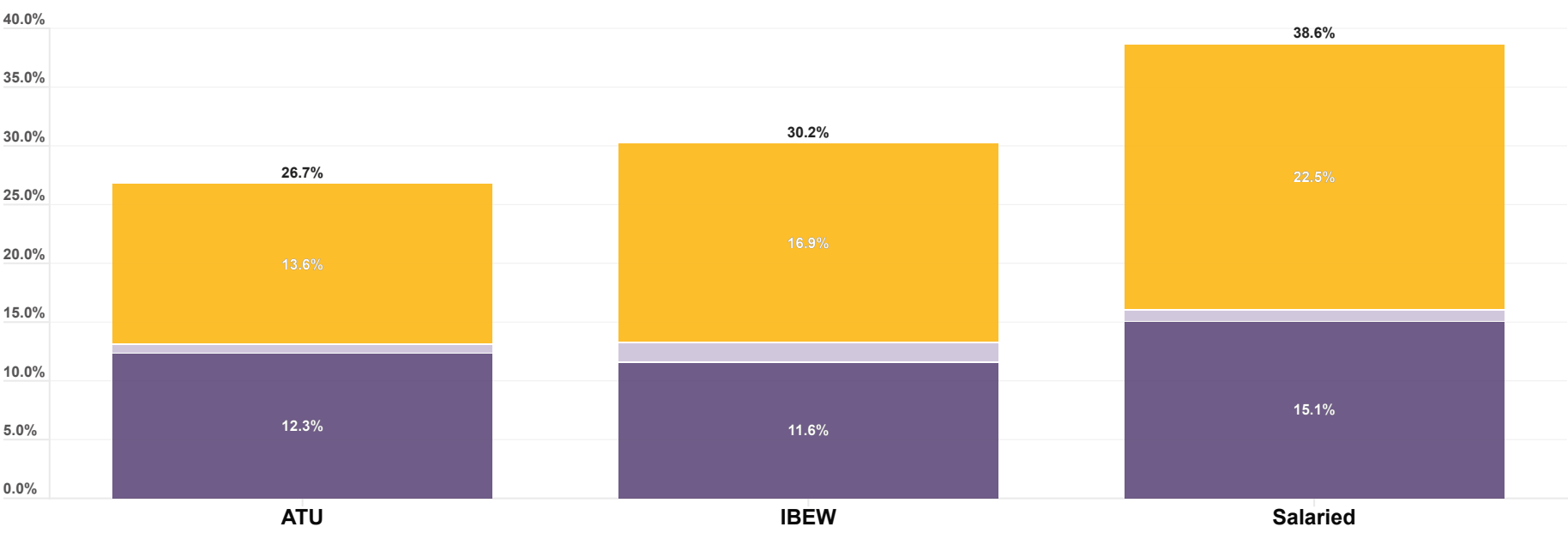
18 of 40

■ Total ADC Rate ■ Employer Normal Cost ■ Admin Expense ■ UAL Amortization





■ Total ADC Rate
 ■ Employer Normal Cost
 ■ Admin Expense
 ■ UAL Amortization





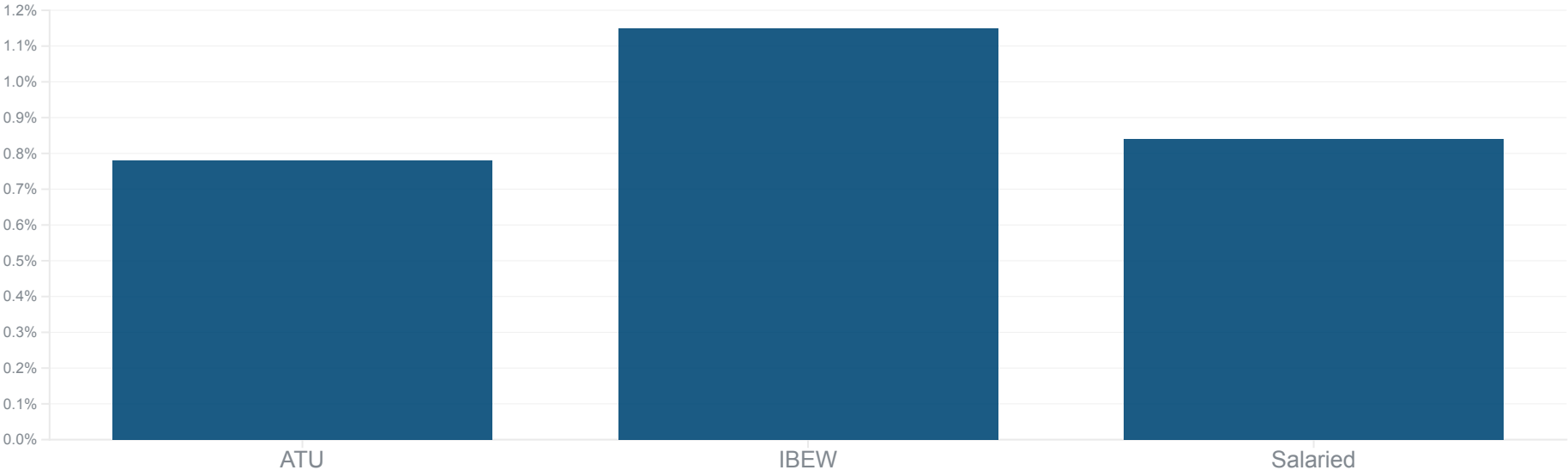
What happened to the System in the **past year?**

What are the **history** and **trends** over time?

We review the change in the Actuarially Determined Cost (ADC) rate for each group over the past year. First, we note that the employer rates for all three groups were *expected to increase* as a result of the Boards' decision to **phase-in** the UAL impact of assumption changes over a three-year period as part of the 2020 valuation.

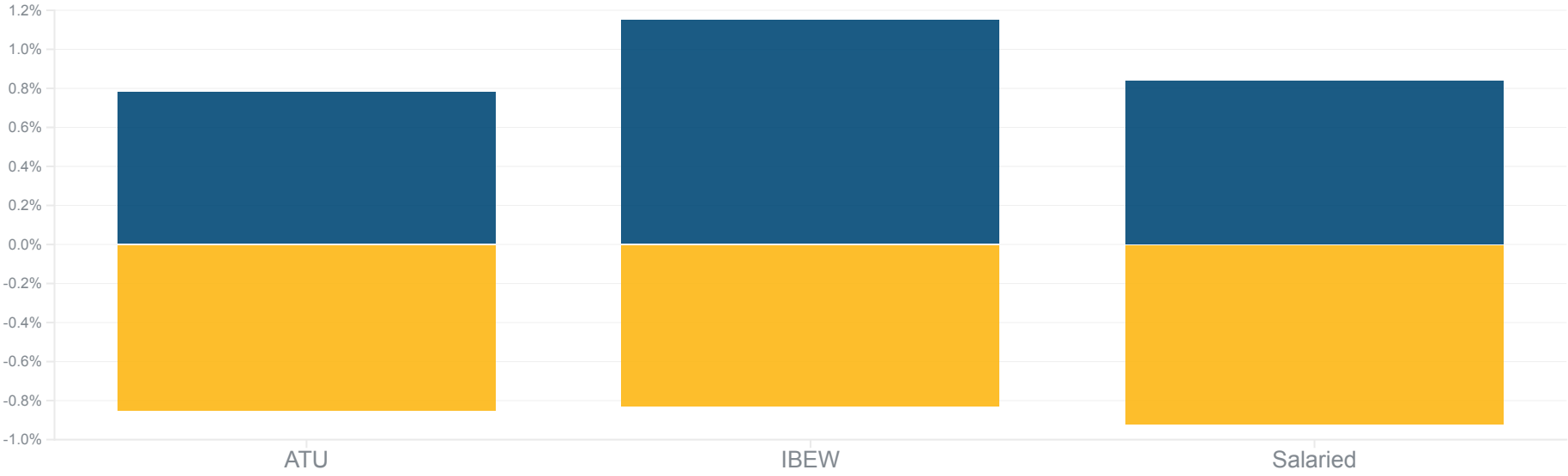
ADC Change by Source

Net Change Expected Change from Phase-In Asset Gain PEPRA Demographics Payroll Growth Contrib/Expense

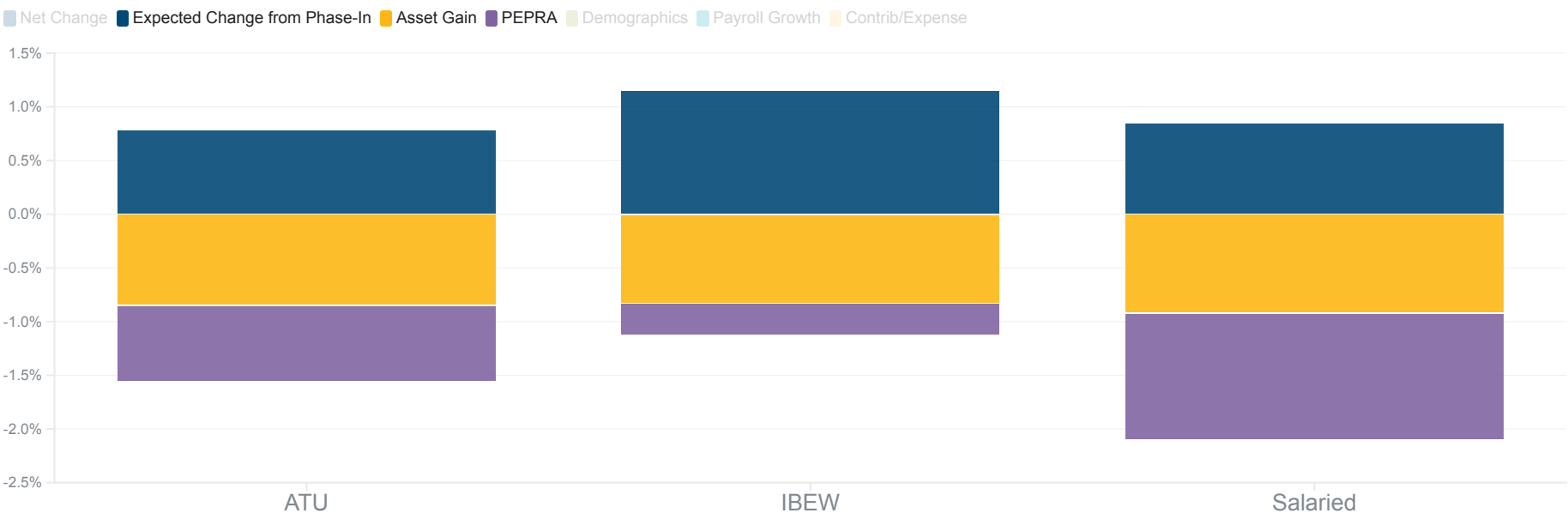


ADC Change by Source

Net Change Expected Change from Phase-In Asset Gain PEPRA Demographics Payroll Growth Contrib/Expense

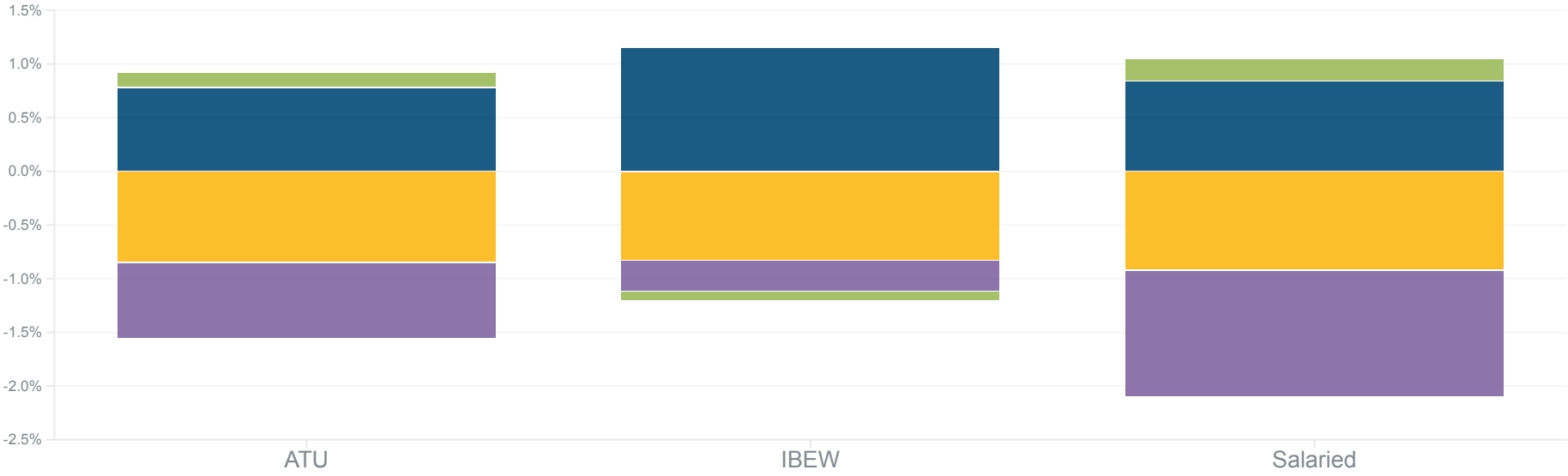


ADC Change by Source

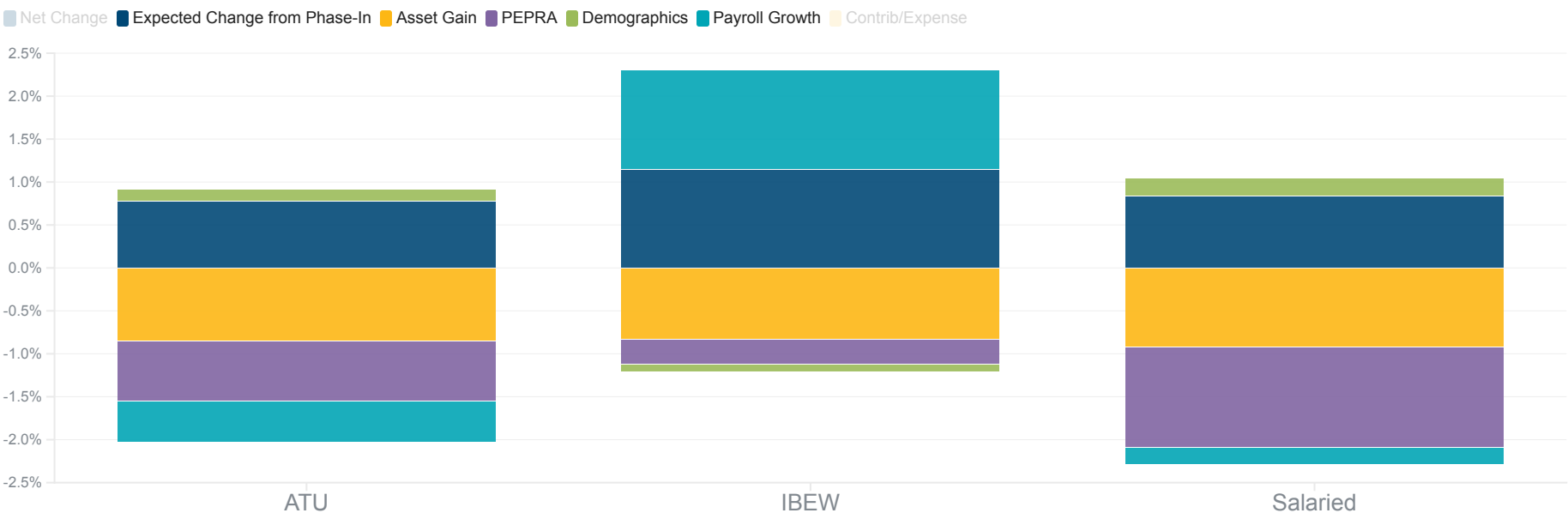


ADC Change by Source

Net Change Expected Change from Phase-In Asset Gain PEPRA Demographics Payroll Growth Contrib/Expense



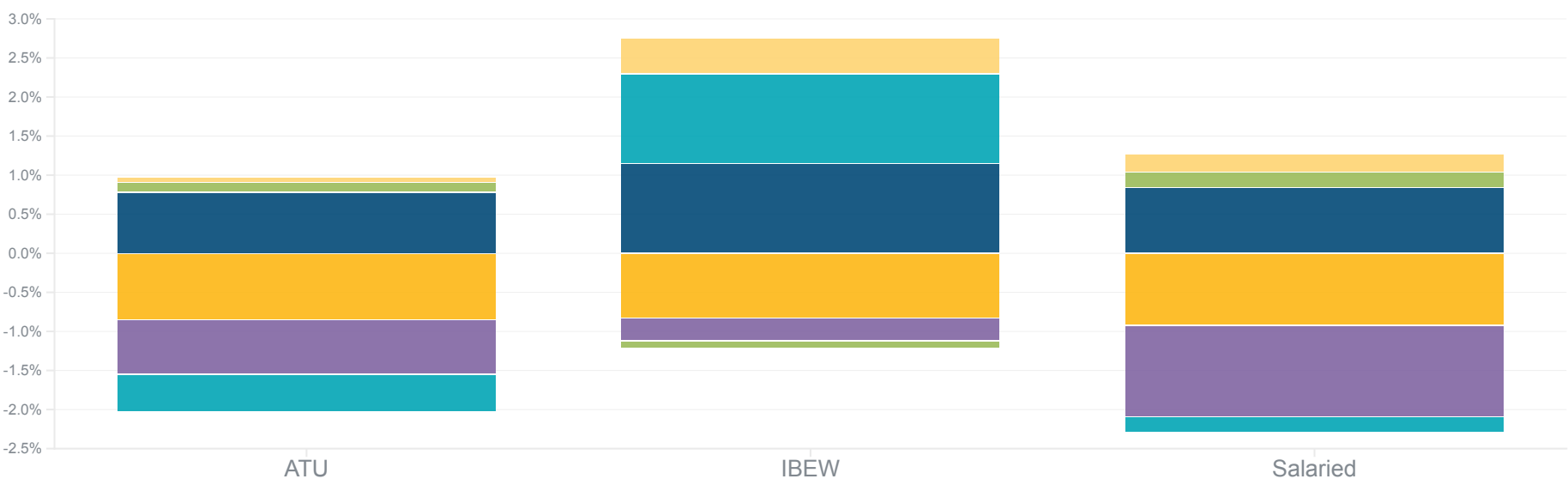
ADC Change by Source





ADC Change by Source

Net Change Expected Change from Phase-In Asset Gain PEPRA Demographics Payroll Growth Contrib/Expense



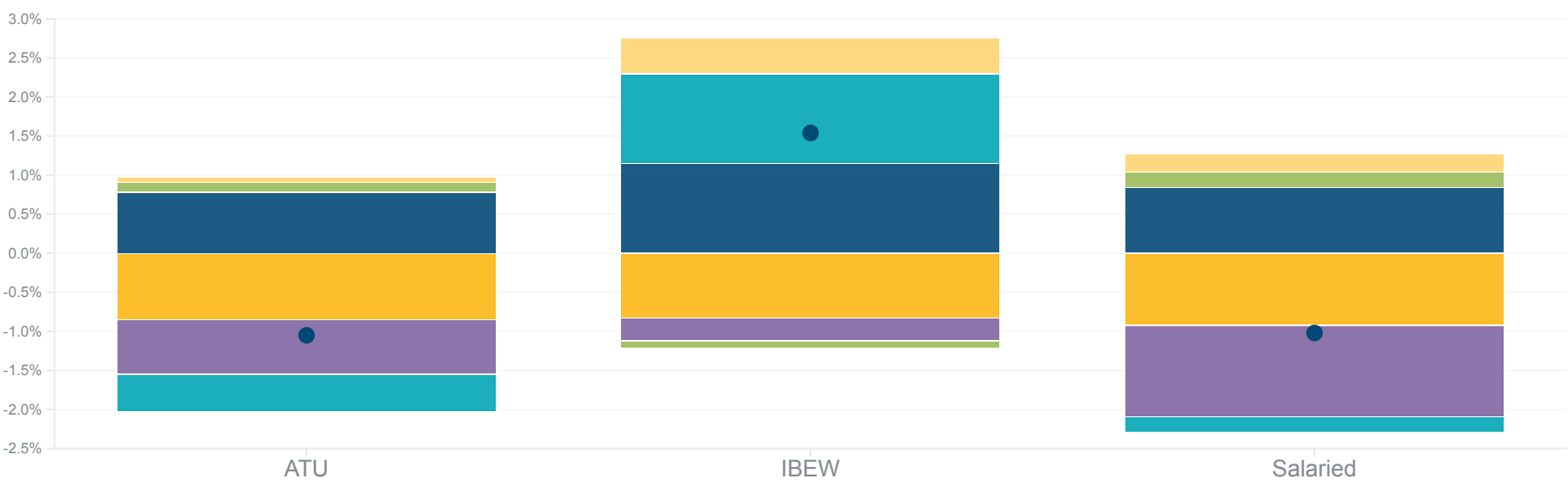


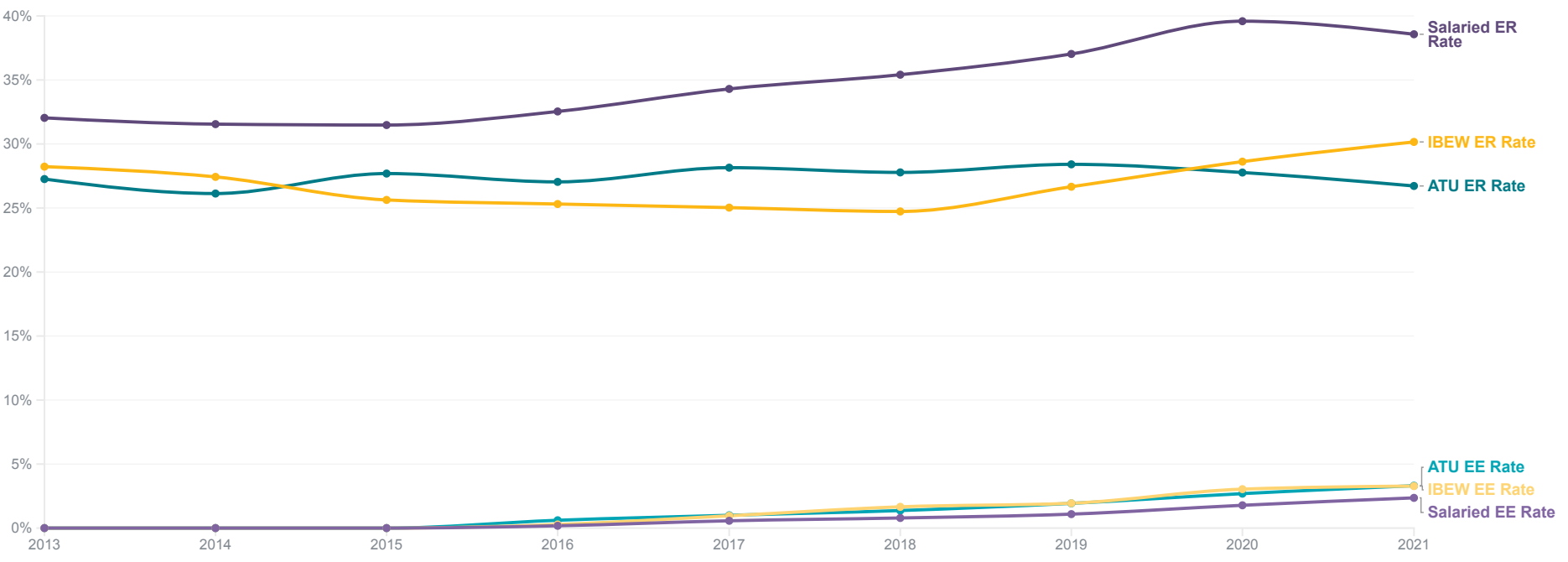
The net impact was a reduction in cost for ATU (by 1.1% of pensionable pay) and the Salaried Plan (by 1.0%), with an increase for IBEW (by 1.5%), primarily from the lower payroll and the larger impact from the phase-in of assumption changes

27 of 40

ADC Change by Source

Legend: Net Change, Expected Change from Phase-In, Asset Gain, PEPRA, Demographics, Payroll Growth, Contrib/Expense



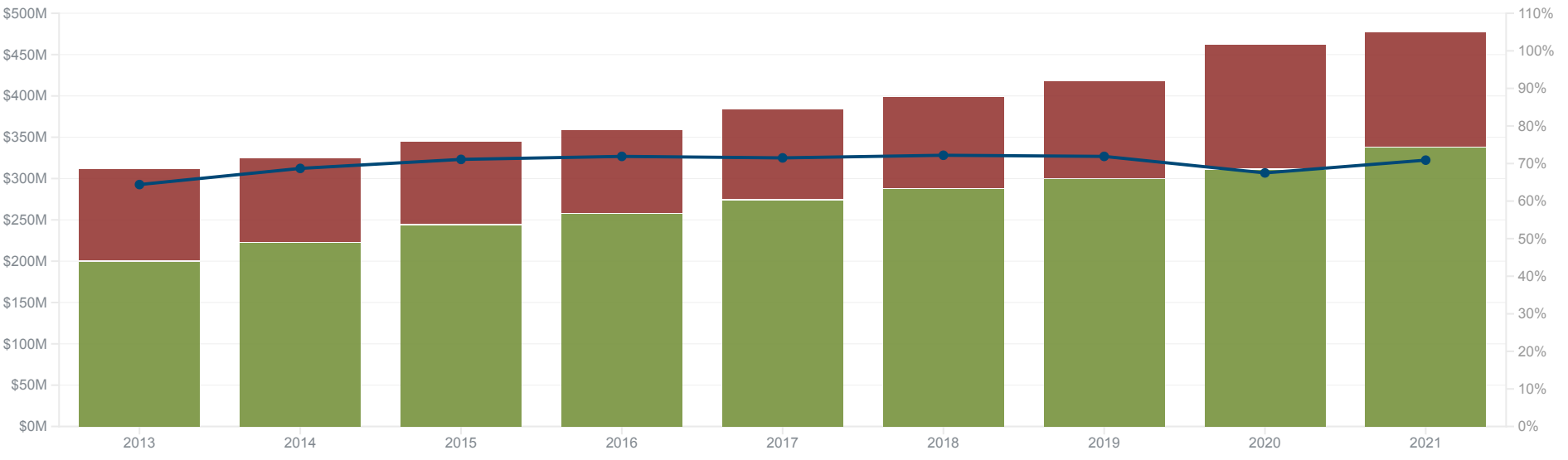




Here we review the history of the combined funded status over the past nine years. The line shows the funded ratio (on an AVA basis), with the scale shown along the right-hand axis. Assets and the UAL in dollars are shown in the bars. Individual plans can be selected from the drop down below. We note that the funded ratio has varied around 70%.

Combined ▾

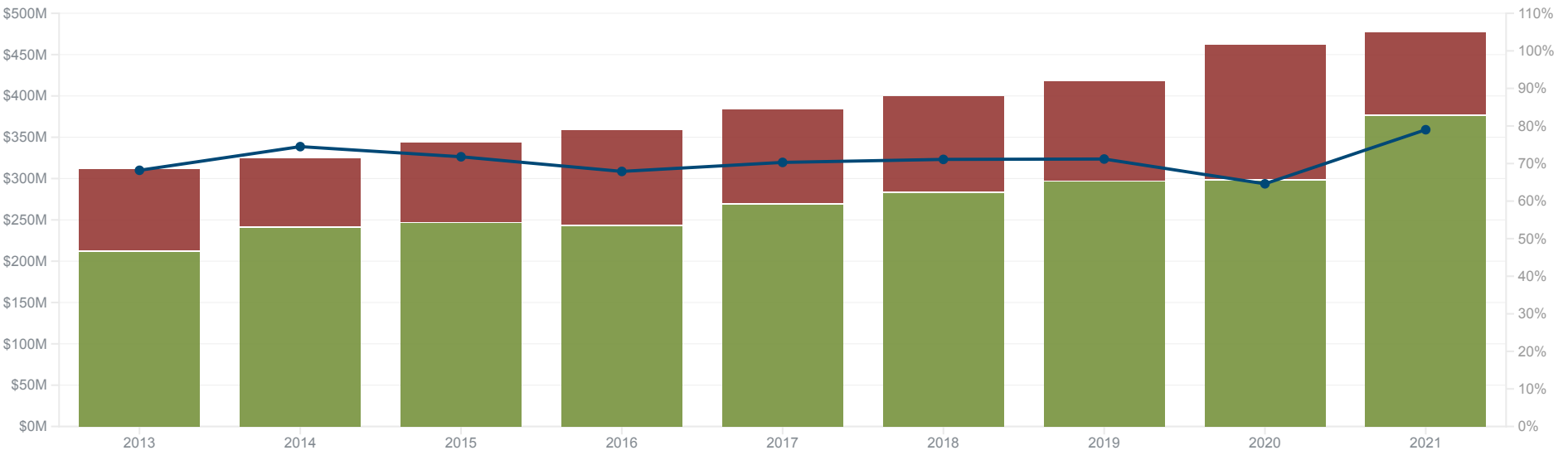
Funded Ratio (AVA) Funded Ratio (MVA) Actuarial Value of Assets Market Value of Assets Unfunded Actuarial Liability (AVA) Unfunded Actuarial Liability (MVA)





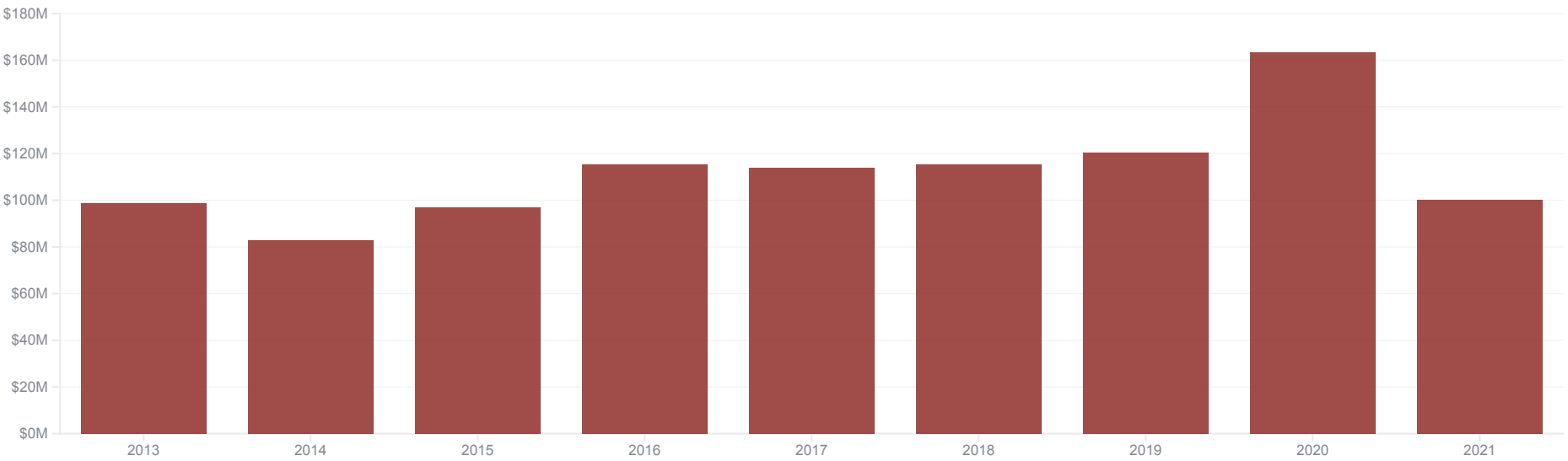
Combined

Funded Ratio (AVA) Funded Ratio (MVA) Actuarial Value of Assets Market Value of Assets Unfunded Actuarial Liability (AVA) Unfunded Actuarial Liability (MVA)



Combined

Funded Ratio (AVA) Funded Ratio (MVA) Actuarial Value of Assets Market Value of Assets Unfunded Actuarial Liability (AVA) Unfunded Actuarial Liability (MVA)





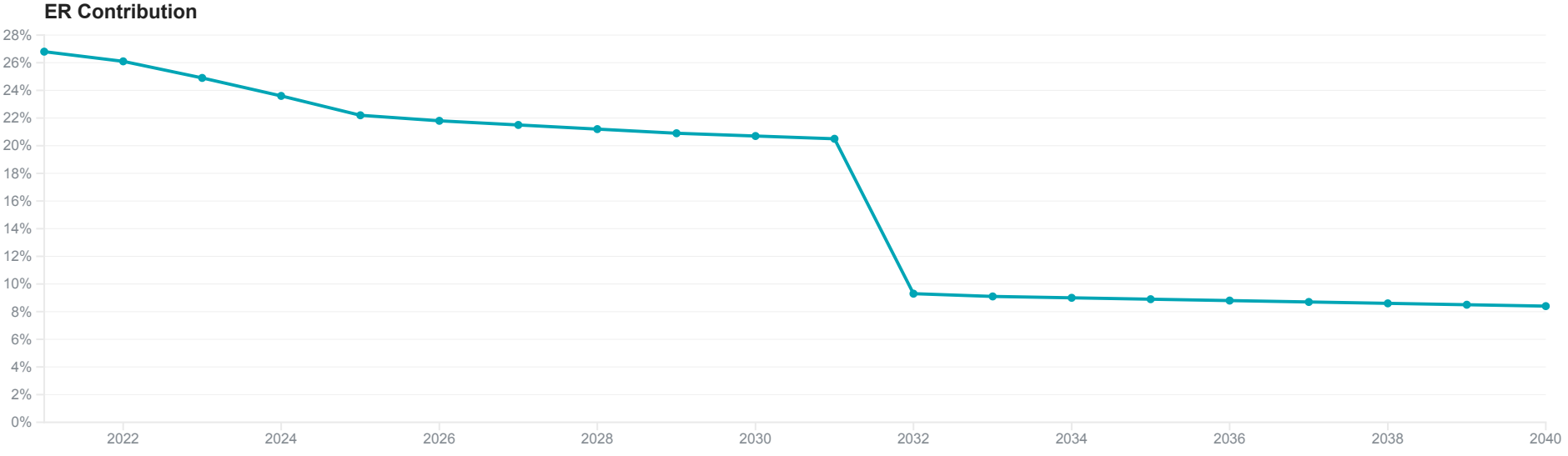
How are **contributions** expected to change?

What is **expected** to happen to each Plans' funded status?

Below we show the projected employer contributions for the ATU plan, assuming all assumptions are met (including a 6.75% return each year). The rates are expected to drop over the next four years as the current year investment gains are recognized, and then continue to decline as the PEPRA population increases. The rates is expected to drop significantly in the 2032 valuation, when the largest layer of the UAL is paid off.

ER Contribution

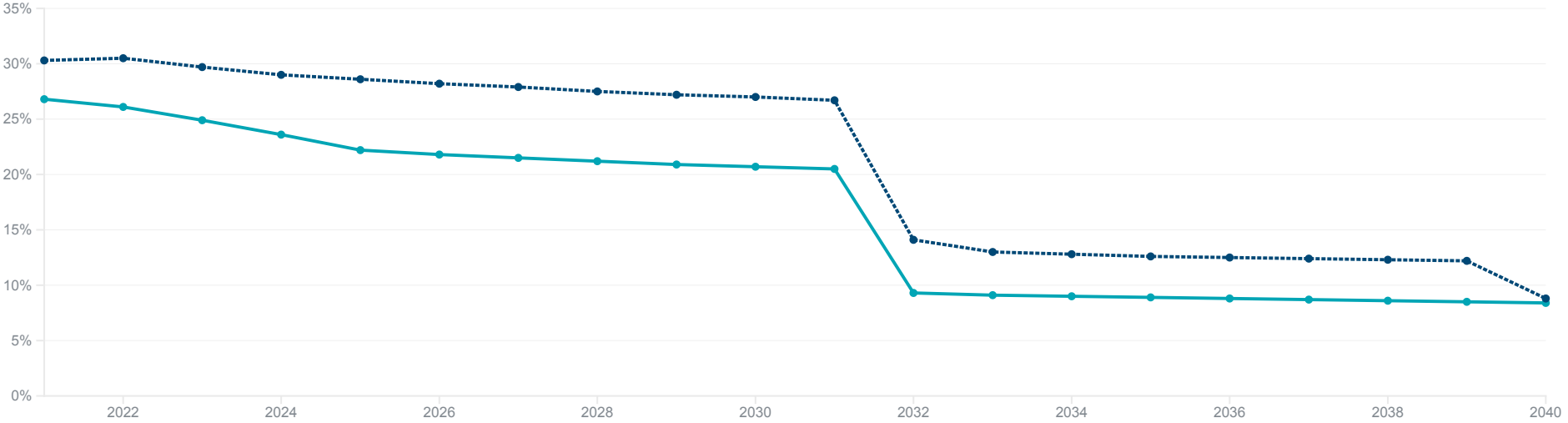
■ ATU ■ ATU (2020 AVR) ■ IBEW ■ IBEW (2020 AVR) ■ Salaried ■ Salaried (2020 AVR)



ER Contribution

■ ATU ■ ATU (2020 AVR) ■ IBEW ■ IBEW (2020 AVR) ■ Salaried ■ Salaried (2020 AVR)

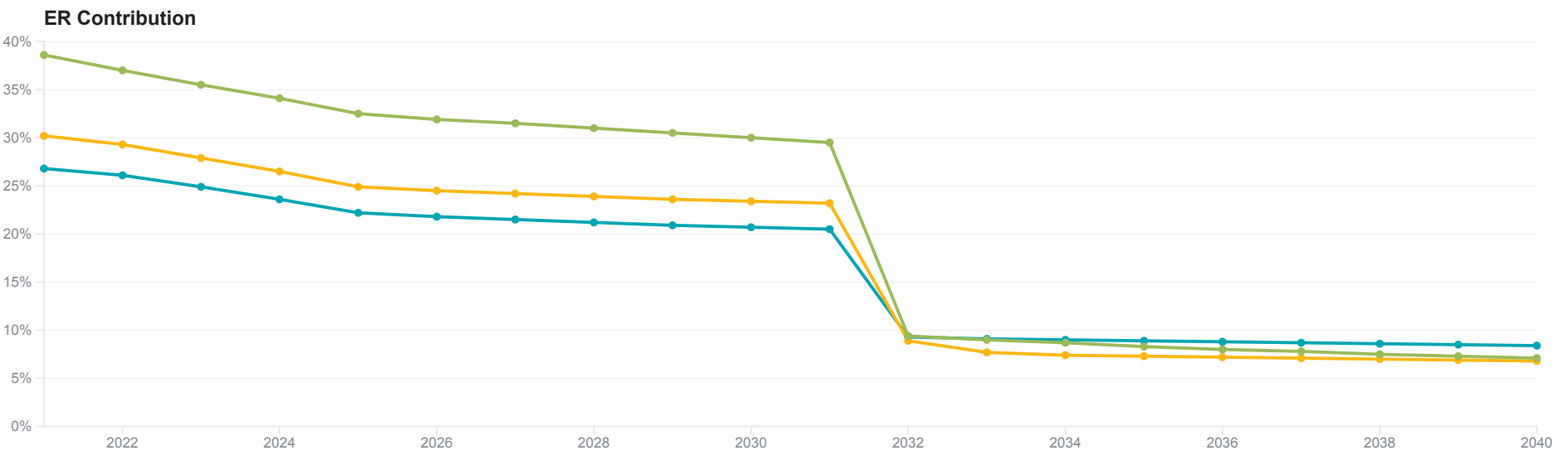
ER Contribution





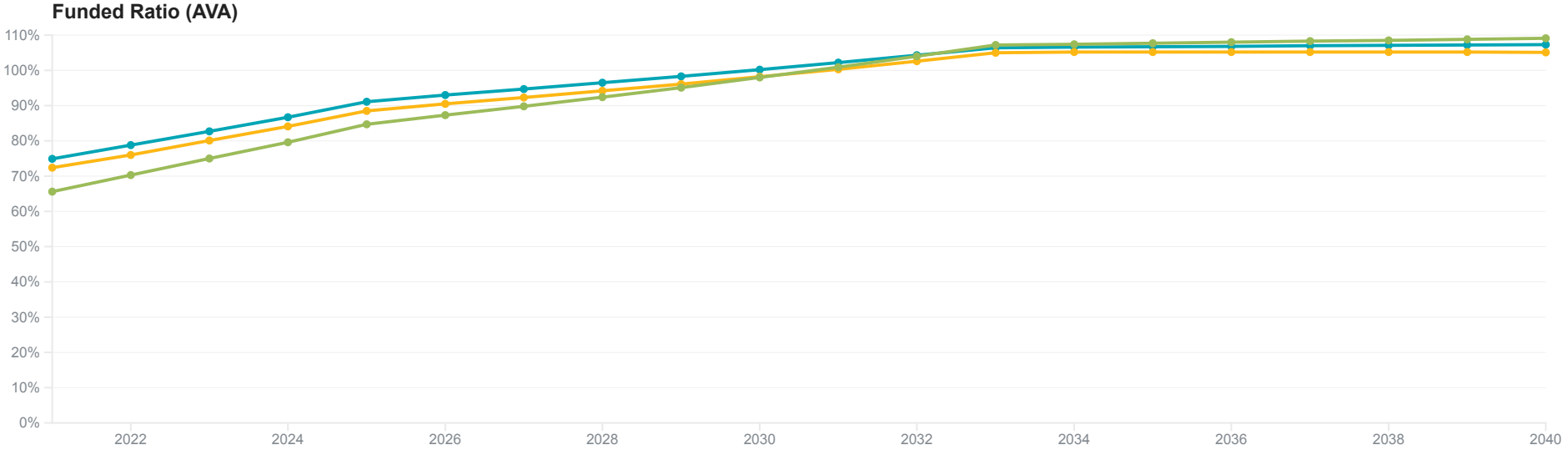
ER Contribution

■ ATU ■ ATU (2020 AVR) ■ IBEW ■ IBEW (2020 AVR) ■ Salaried ■ Salaried (2020 AVR)



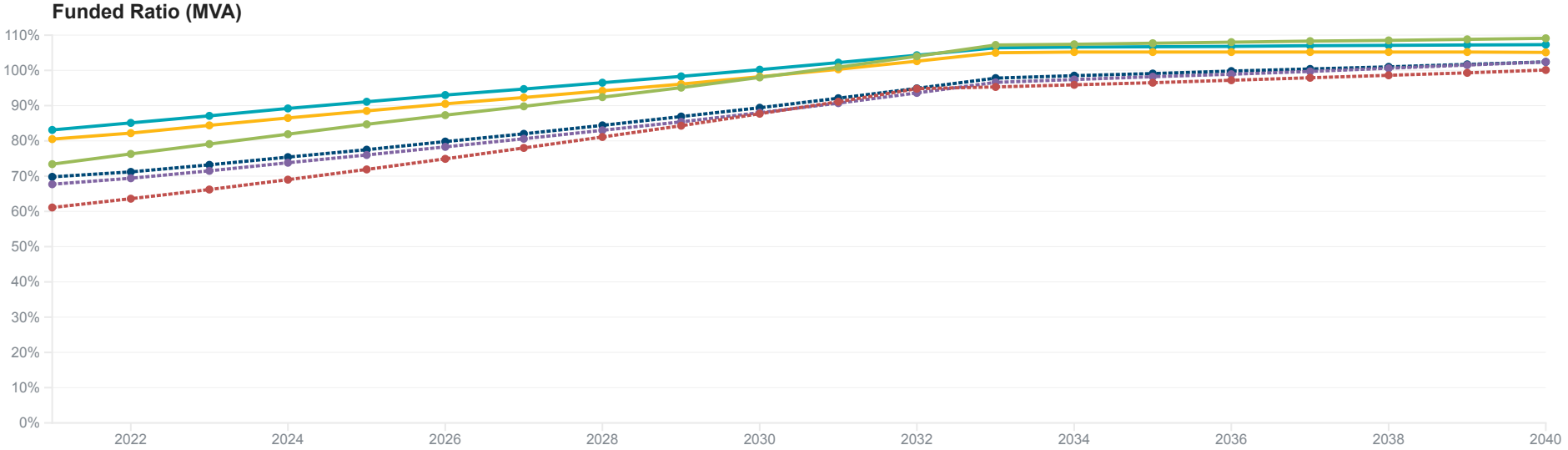
Funded Ratio (AVA)

■ ATU ■ ATU (2020 AVR) ■ IBEW ■ IBEW (2020 AVR) ■ Salaried ■ Salaried (2020 AVR)



Funded Ratio (MVA)

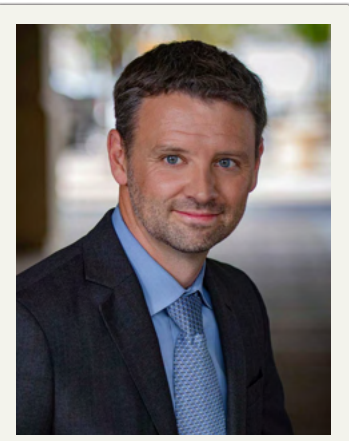
■ ATU ■ ATU (2020 AVR) ■ IBEW ■ IBEW (2020 AVR) ■ Salaried ■ Salaried (2020 AVR)





SacRT Consulting Team

Click card for bio or to contact



Graham Schmidt
Consulting Actuary



Anne Harper
Principal Consulting Actuary



Leighann Maloney
Senior Actuarial Analyst



Certification

The purpose of this report is to present the preliminary results of the SacRT actuarial valuations as of June 30, 2021. These results are still under peer review and subject to change.

In preparing our presentation, we relied on information (some oral and some written) supplied by SacRT. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. The data and actuarial assumptions used (unless modified within this communication) will be described in our June 30, 2021 actuarial valuation report.

Future projections may differ significantly from the projections presented in this presentation due to such factors as the following: plan experience different from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

Projections in this presentation were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent.

To the best of our knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared for the SacRT Retirement Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.