



MINUTES

BOARD OF RETIREMENT

June 6, 2019

BOARD ROOM

**348 WEST HOSPITALITY LANE, FIRST FLOOR
SAN BERNARDINO, CA**

Trustees Present:

JANICE RUTHERFORD, Appointed Member (Chair)
NEAL WANER, Appointed Member (Vice-Chair)
MARC BRACCO, Safety Member
LOUIS FIORINO, General Member
SEAN FLYNN, Appointed Member
MICHAEL KENNEDY, Appointed Member
ENSEN MASON, Treasurer
DAWN STAFFORD, Retired Member
VERE WILLIAMS, General Member

Others Present:

DEBBY CHERNEY, Chief Executive Officer
BARBARA HANNAH, Chief Counsel
STACEY BARNIER, Director of Human Resources & Risk Management
COLIN BISHOP, Chief of Member Services
KATHLEEN CROOK, Retirement Benefits Officer
DAVID LANTZER, Senior Staff Counsel
AMY MCINERNY, Chief Financial Officer
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
JENNIFER CARRY, Public Defender
MATTHEW ERICKSON, County of San Bernardino
ANTHONY ESPARZA, Disability Retirement Specialist
ERIC GUERRA, County of San Bernardino
HARRY HATCH, Retiree
SYLVIA HUBBARD, Disability Retirement Specialist
JOHN KENNEDY, Nossaman, LLP
STEVIE KOVIENSKY, Sheriff
KEVIN LACY, Sheriff
ROCKY MARTIN, Digital Deployment
JOSEPH MICHAEL, Chief Information Officer
GWEN MORSE, Human Services

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SHOAIB NAQVI, MD
PHIL PAULE, County of San Bernardino
DAWN PETERSON, Disability Retirement Supervisor
ALICIA RANGE, Sheriff
LINDA SHELTON, Retiree
BRIAN TONSETH, Welfare Fraud
LAURA VOSSMAN, Senior Investment Officer

Not Present:

JOHN JOHNSON, Alternate Ex-Officio Member
JOHN MICHAELSON, Alternate Retired Member
JARED NEWCOMER, Alternate Safety Member

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Board Chair Rutherford called the meeting to order at 9:03 AM and led the Pledge of Allegiance.

Board Chair Rutherford recognized the 75 anniversary of D-Day and thanked those veterans for their service.

PUBLIC COMMENTS:

No Public Comments were provided.

CONSENT ITEMS:

Trustee Williams pulled Item #1 from the Consent Calendar for discussion.

Bracco moved, Kennedy seconded, to approve Items 2-3 on the Consent Calendar.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

1. Approve minutes of regular meeting of May 2, 2019.

This item was pulled from the Consent Calendar for discussion. See entry below.

2. Approve Service Retirements and Service Retirement Effective Date Changes.

- 2a. Approve Special Assignment Compensation (SAC) in the amount of 7.5% of base salary for Michael Tamony, Communications Officer in the Member Services Department, effective March 30, 2019 through August 2, 2019, or such sooner date as the CEO determines SAC pay is no longer appropriate.

3. Disability Applications – Initial Decision:

- a. Adams, Summer L.
 - 1. Ms. Adams is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Ms. Adams' disability is Service-Connected based on post-traumatic stress disorder with anxiety and depression; therefore, grant a Service-Connected disability benefit.
 - 3. Ms. Adams is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance.
 - 4. Staff shall initiate disability benefit payments with an effective date of June 8, 2019, the day after the last day of regular compensation.
- b. Barnes, Sandra D.
 - 1. Ms. Barnes is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Ms. Barnes' disability is Nonservice-Connected based on physical and cognitive impairments related to multiple sclerosis; therefore, grant a Nonservice-Connected disability benefit.
 - 3. Ms. Barnes is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance.
 - 4. Staff shall initiate disability benefit payments with an effective date of June 9, 2018, the day after the last day of regular compensation.
- c. Bonde, Glenn G.
 - 1. Mr. Bonde is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Mr. Bonde's disability is Service-Connected based on bilateral knee injuries and venous stasis disease in bilateral lower extremities; therefore, grant a Service-Connected disability benefit.
 - 3. Staff shall initiate disability benefit payments with an effective date of March 17, 2018, the day after the last day of regular compensation.
- d. Gross, Charles R.
 - 1. Mr. Gross is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Mr. Gross' disability is Service-Connected based on right shoulder injury; therefore, grant a Service-Connected disability benefit.
 - 3. Staff shall initiate disability benefit payments with an effective date of October 27, 2018, the day after the last day of regular compensation.
- e. Legorreta, Lucille
 - 1. Ms. Legorreta is permanently incapacitated for the performance of duties and disability retirement be granted.
 - 2. Ms. Legorreta's disability is Service-Connected based on PTSD, anxiety,

depression and insomnia; therefore, grant a Service-Connected disability benefit.

3. Ms. Legorreta is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance.

4. Staff shall initiate disability benefit payments with an effective date of March 16, 2019, the day after the last day of regular compensation.

f. Martinez, Veronica

1. Ms. Martinez is permanently incapacitated for the performance of duties and disability retirement be granted.

2. Ms. Martinez' disability is Service-Connected based on post-traumatic stress disorder, major depression and severe anxiety; therefore, grant a Service-Connected disability benefit.

3. Ms. Martinez is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance.

4. Staff shall initiate disability benefit payments with an effective.

g. Picciano, Anthony E.

1. Mr. Picciano is permanently incapacitated for the performance of duties and disability retirement be granted.

2. Mr. Picciano's disability is Service-Connected based on right knee injury and lumbar disc herniation; therefore, grant a Service-Connected disability benefit.

3. Staff shall initiate disability benefit payments with an effective date of November 11, 2017, the day after the last day of regular compensation.

h. Solomon, John

1. Mr. Solomon is permanently incapacitated for the performance of duties and disability retirement be granted.

2. Mr. Solomon's disability is Service-Connected based on right wrist injury; therefore, grant a Service-Connected disability benefit.

3. Staff shall initiate disability benefit payments with an effective date of February 3, 2018, the day after the last day of regular compensation.

ACTION ITEMS

4. Action on Deferred Items from Consent, if any.

1. Approve minutes of regular meeting of May 2, 2019.

Trustee Williams requested that the minutes be amended to memorialize his comments on Item #9 stating that he would like the budget to be compared to the current year actual.

Waner moved, Williams seconded, to approve as amended.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

5. Approve the request to extend employment of George Taylor from June 29, 2019 to June 19, 2020 because an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, and thus the standards of Policy No. 015 have been met.

Crook and Bishop, staff, reviewed. Jennifer Carry, Public Defender, provided comment.

Stafford moved, Waner seconded, to Approve.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Rutherford, Stafford, Waner

Noes: Mason

Abstain: Williams

Motion Passed.

6. Approve the request to extend employment of Frank Sheridan from June 24, 2019 to June 24, 2021 because an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, and thus the standards of Policy No. 015 have been met.

Crook and Bishop, staff, reviewed. Steve Koviensky and Kevin Lacey, Sheriff, provided Comment. Harry Hatch, retiree, provided comment as well.

Bracco moved, Williams seconded, to Approve.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

7. Approve the engagement of Digital Deployment for website redesign, development, implementation and hosting services, in an amount not to exceed \$150,925.

Bishop and Cherney, staff, reviewed.

Williams moved, Flynn seconded, to Approve.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

8. Rescind Education & Training Policy No. 004, Issue No. 001 (Gift of Food and Drink Policy) and adopt Education and Training Policy No. 004, Issue No. 2.0 (Gift of Food and Drink Policy).

Hannah, staff, reviewed. Trustee Williams stated that his abstention is based on the process and not the contents.

Waner moved, Bracco seconded, to rescind and adopt.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner

Abstain: Williams

Motion Passed.

9. Approve the Staff Position Classifications pursuant to the approved FY 2019-20 Annual Budget, and Approve the Updated SBCERA Salary Schedule.

Cherney and Barnier, staff, reviewed. Trustee Williams stated that his abstention is based on the process and not the contents.

Stafford moved, Kennedy seconded, to Approve.

Ayes: Bracco, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner

Noes: Fiorino

Abstain: Williams

Motion Passed.

10. Terminate the dedicated Domestic Equity Call-Overwrite Program.

Pierce, staff, reviewed.

Mason moved, Bracco seconded, to Terminate.

Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

INFORMATION ITEMS

Trustee Stafford left the meeting at 10:24 AM.

Trustee Bracco left the meeting at 10:28 AM.

11. Budget vs. Actual Review – As of 3rd Quarter for the Year Ending June 30, 2019 (As of 3/31/2019).

McInerny, staff, presented.

12. 2019 SBCERA Board Election.

Lantzer, staff, presented.

RECEIVE AND FILE

13. Report on the Investment Committee meeting conducted May 14, 2019.
14. Report on the Executive Committee meeting conducted May 23, 2019.
15. Beach Point Capital Portfolio Review.

Waner moved, Kennedy seconded, to receive and file Items 13-15.
Ayes: Fiorino, Flynn, Kennedy, Mason, Rutherford, Waner, Williams
Absent: Bracco, Stafford
Motion Passed.

Trustee Bracco returned to the meeting at 10:30 AM.
Trustee Stafford returned to the meeting at 10:31 AM.

CLOSED SESSION (*Will not begin before 10:00 a.m.)

16. Initial Decision:

- a. Tonseth, Brian

Waner moved, Stafford seconded, to reject staff recommendation and approve the following:

1. Mr. Tonseth is permanently incapacitated for the performance of duties and disability retirement be granted.
 2. Mr. Tonseth's disability is Service-Connected based on plantar fasciitis; therefore, grant a Service-Connected disability benefit.
 3. Mr. Tonseth is capable of gainful employment; therefore, deny the supplemental disability retirement allowance.
 4. Staff shall initiate disability benefit payments with an effective date of February 17, 2018, the day after the last day of regular compensation.
- Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams
Motion Passed.

17. Supplemental Retirement Allowance:

- a. Approve the staff's determination to deny Peggy Brewer's request to apply for the Supplemental Disability Retirement Allowance (Gov. Code §31740).

Ms. Brewer submitted a request for a continuance.

Fiorino moved, Williams seconded, to continue this item, at the request of Ms. Brewer, to the July 11, 2019 Board of Retirement meeting.

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Ayes: Bracco, Fiorino, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Motion Passed.

Other Closed Session Matters:

Trustee Fiorino recused himself from Item #18 and left the meeting at 11:12 AM.

18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) case.

Stafford moved, Williams seconded, to provide instruction to staff and counsel.

Ayes: Bracco, Flynn, Kennedy, Mason, Rutherford, Stafford, Waner, Williams

Absent: Fiorino

Motion Passed.

Trustee Fiorino returned to the meeting at 11:54 AM.

OPEN SESSION

19. Report by Counsel on actions taken in Closed Session.

Counsel reported on actions taken in Closed Session.

EXECUTIVE REPORTS

20. Chief Executive Officer.

Cherney, staff, reported.

Trustee Flynn left the meeting at 12:02 PM.

21. Chief Investment Officer.

Pierce, staff, reported.

22. Chief Counsel – Legislative Update.

Hannah, staff, reported.

TRUSTEE ATTENDANCE REPORTS

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| 23. | <u>Name</u> | <u>Conference</u> | <u>Dates</u> |
| | Louis Fiorino | 2019 SACRS Spring Conference – | May 6-10, 2019 |

Olympic Valley, CA

Ensen Mason	2019 SACRS Spring Conference – Olympic Valley, CA	May 6-10, 2019
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Vere Williams	2019 SACRS Spring Conference – Olympic Valley, CA	May 6-10, 2019
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Trustees Fiorino, Mason and Williams reported on their attendance.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

Trustee Williams suggested a future agenda item to review the three (3) minute rule for members to speak on disability items. Board Chair Rutherford stated that this item will be agendized for the August 1, 2019 Board meeting.

ADJOURN

Board Chair Rutherford appointed Trustee Mason as an alternate member to the Investment Committee for the June 11, 2019 meeting.

Board Chair Rutherford adjourned the meeting at 12:18 PM.

Respectfully submitted,

JANICE RUTHERFORD, Chair

DEBBY CHERNEY, Board
Secretary

DATED_____