



BOARD OF RETIREMENT

348 W. Hospitality Lane, First Floor
San Bernardino, CA 92415

Meeting Minutes

Thursday, October 3, 2019

9:00 AM

Board Room

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
JOHN MICHAELSON, Alternate Retired Member

Others Present:

DEBBY CHERNEY, Chief Executive Officer
BARBARA HANNAH, Chief Counsel
STACEY BARNIER, Director of Human Resources and Risk Management
AMY MCINERNEY, Chief Financial Officer
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
MOISES ARTOLA, Accountant
MELISSA BURROUGHS, SEBA
LAVETTE CAMACHO, Member
GILBERT CAMACHO, Member
NINA BACA, Accounting Technician
COLIN BISHOP, Chief of Member Services
CONNIE CHURBY, Retiree
CHRISTINA CINTRON, Accounting Manager
EYDIE COX, Senior Investment Analyst
JAWNALEE DEVERNA, Accountant
NICK DOWNEY, Public
JAYSON EATON, Senior Accountant
MATTHEW ERICKSON, County of San Bernardino
ANTHONY ESPARZA, Disability Retirement Specialist
ERICA ESPINOSA, Executive Secretary

NICK FERRANO, Public
CRISTINA GOMEZ-PEREZ, Accountig Technician
SHELLA GREER, Accounting Technician
HARRY HATCH, Retiree
SYLVIA HUBBARD, Disability Retirement Specialist
MELANIE ILER, Accounting Technician
JANA MACK, Senior Accountant
JOSEPH MICHAEL, Chief Information Officer
EMELY MORENO, Investment Analyst
JANE OATMAN, Attorney
DAWN PETERSON, Disability Retirement Supervisor
PAULA SANCHEZ, Accounting Technician
MICHAEL TAMONY, Communications Officer
MARK TAYLOR, County of San Bernardino
AMIT THANKI, Senior Investment Officer
ERIK TIGARD, Senior Accountant
NICHOLE VALENZUELA, Accounting Technician
IVETTE VEGA, Office Specialist
LAURA VOSSMAN, Senior Investment Officer

Absent:

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

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Board Chair Rutherford called the meeting to order at 9:01 AM, and led the Pledge of Allegiance.

PUBLIC COMMENT

No Public Comment was provided.

RECOGNITIONS

1. Recognize achievement of the Fiscal Services team for receiving the following GFOA Awards for FY 2017-18: [19-557](#)
 1. Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report; and
 2. Award for Outstanding Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report.

Debby Cherney, Chief Executive Officer, recognized the Fiscal Services staff of SBCERA for their hard work and dedication in achieving the Government Financial Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and Award for Outstanding Achievement.

Exhibit A: Page 3

CONSENT

A motion was made by Flynn, seconded by Waner, that the Consent Calendar be Approved. The motion carried by the following vote:

Ayes: 9 - Rutherford, Waner, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 2 - Johnson, and Newcomer

2. Approve minutes of regular meeting of September 5, 2019. [19-560](#)
3. Approve minutes of Special Board meeting of September 19, 2019. [19-554](#)
4. Approve minutes of Special Board meeting of September 20, 2019. [19-558](#)
5. Approve Service Retirements and Rescind Retirement Application. [19-548](#)
6. Review and determine the disability retirement application of Gusztav Asboth - County of San Bernardino - Sheriff. [19-547](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of May 12, 2018, the day after the last day of regular compensation.

7. Review and determine the disability retirement application of Nicholas S. Downey - County of San Bernardino - Sheriff. [19-545](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of May 14, 2016, the day after the last day of regular compensation.

8. Review and determine the disability retirement application of Nicholas E. Ferronato - County of San Bernardino - Sheriff. [19-538](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of the day after the last day of regular compensation.

9. Review and determine the disability retirement application of Timothy Quick - County of San Bernardino - Sheriff. [19-528](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of the day after the last day of regular compensation as determined by staff.

10. Review and determine the disability retirement application of William K. Underhill - County of San Bernardino - Sheriff. [19-544](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of the day after the last day of regular compensation as determined by staff.

ACTION ITEMS

11. Action on Deferred Items from Consent, if any. [19-517](#)

No Items deferred from Consent Calendar.

12. Chair's appointment of a Voting Delegate and Alternate Voting Delegate for the SACRS Fall Business Meeting on Friday, November 15, 2019. [19-564](#)

Board Chair Rutherford appointed Trustee Waner as voting delegate and Trustee Fiorino as alternate to cast votes on the Boards behalf at the upcoming SACRS Fall Conference on November 15, 2019.

INFORMATION ITEMS

13. Report on the Budget vs Actual Review - For the Year Ending June 30, 2019. [19-561](#)

McInerney, staff, reported.

Trustee Fiorino recused himself from Item 14 and left the meeting 9:15 AM. Trustee Williams stated that he has worked with Ms. Camacho but is capable of being objective and will remain in the meeting.

CLOSED SESSION

14. Review and determine the disability retirement application of Lavette Camacho - County of San Bernardino - Information Services. [19-526](#)

A motion was made by Waner, seconded by Flynn, to Approve Staff Recommendations 1, 3 & 4 and to modify Staff Recommendation 2 to reflect that Ms. Camacho's disability is Service-Connected, with an effective date of September 1, 2018, the day after the last day of regular compensation. The motion carried by the following vote:

Ayes: 6 - Rutherford, Waner, Flynn, Kennedy, Stafford, and Williams

Nays: 2 - Bracco, and Mason

Absent: 2 - Johnson, and Newcomer

Recused: 1 - Fiorino

Trustee Fiorino returned to the meeting at 9:48 AM.

15. Approve Staff's Recommendation and adopt the Proposed Findings, Conclusions of Law, and Recommended Disposition to rescind the supplemental disability retirement allowance (Gov. Code § 31740) of Member Connie Churby because she is capable of gainful employment; and, approve staff to initiate recovery of overpayments of supplemental disability retirement amounts paid after the member was capable of gainful employment through an offset of future benefits. [19-562](#)

Exhibit A: Page 5

A motion was made by Bracco, seconded by Mason, to Approve Staff-Recommendation and direct staff to initiate recovery of the overpayment of the supplemental retirement amounts effective August 28, 2017 through an offset of future benefits. The motion carried by the following vote:

Ayes: 6 - Waner, Bracco, Fiorino, Kennedy, Mason, and Williams

Nays: 3 - Rutherford, Flynn, and Stafford

Absent: 2 - Johnson, and Newcomer

16. Review and determine the disability retirement application of Bob Stine - County of San Bernardino - Sheriff. [19-489.1](#)

A motion was made by Mason, seconded by Fiorino, to Approve Staff Recommendation finding that Mr. Stine is not permanently incapacitated for the performance of duties based on the claimed injury(ies)/disease as listed in Exhibit A and a disability retirement be denied. The motion failed by the following vote:

Ayes: 3 - Waner, Fiorino, and Mason

Nays: 6 - Rutherford, Bracco, Flynn, Kennedy, Stafford, and Williams

Absent: 2 - Johnson, and Newcomer

A motion was made by Bracco, seconded by Stafford, to modify Staff Recommendation to find that Mr. Stine is permanently incapacitated for the performance of duties. Therefore, grant a Service-Connected Disability Retirement with an effective date of October 1, 2016, the day after the last day of regular compensation. The motion carried by the following vote:

Ayes: 6 - Rutherford, Bracco, Flynn, Kennedy, Stafford, and Williams

Nays: 3 - Waner, Fiorino, and Mason

Absent: 2 - Johnson, and Newcomer

Other Closed Session Matters:

17. Determine the Board discretionary portion of the investment incentive award for the Chief Investment Officer, for the fiscal year ended June 30, 2019. **19-553**

A motion was made by Flynn, seconded by Stafford, to award the discretionary component of the Chief Investment Officer's Incentive at 3.5%. The motion carried by the following vote:

Ayes: 5 - Rutherford, Waner, Flynn, Mason, and Stafford

Nays: 4 - Bracco, Fiorino, Kennedy, and Williams

Absent: 2 - Johnson, and Newcomer

OPEN SESSION

18. Report by Counsel on actions taken in Closed Session. [19-518](#)

Exhibit A: Page 6

Chief Counsel reported on actions taken in Closed Session. Counsel also reported that on Item 17 the Board voted to award its discretionary component of the Chief Investment Officer's Incentive at 3.5%.

EXECUTIVE REPORTS

19. Chief Executive Officer. [19-556](#)
Cherney, staff, reported.
20. Chief Counsel. [19-565](#)
Hannah, staff, reported.
21. Chief Investment Officer. [19-542](#)
Pierce, staff, reported.

Board Chair Rutherford left the meeting at 11:53 AM and Vice-Chair Waner assumed the role of Board Chair.

TRUSTEE ATTENDANCE REPORTS

22. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-563](#)

Trustee Fiorino reported on his attendance at the Pathway due diligence meeting in Los Angeles, CA and Trustees Williams, Fiorino and Michaelson reported on their attendance at the SBCERA Investment Forum in Lake Arrowhead, CA.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

Trustee Michaelson suggested an item on the definition of gainful employment. Trustee Williams suggested an item reviewing Rosenberg Rules of Order as modified by SBCERA, as well as an item on internal audits, and an item on the three minute rule for members to address the Board.

ADJOURN

Vice-Chair Waner adjourned the meeting at 12:04 PM.

Exhibit A: Page 7

BOARD OF RETIREMENT

Meeting Minutes

October 3, 2019

Respectfully submitted,

JANICE RUTHERFORD, Board Chair

DEBBY CHERNEY, Board Secretary

DATED: _____