



BOARD OF RETIREMENT

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

Meeting Minutes

Thursday, December 5, 2019

9:00 AM

Board Room

Trustees Present:

JANICE RUTHERFORD, Appointed Member (Chair)
NEAL WANER, Appointed Member (Vice-Chair)
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
JARED NEWCOMER, Alternate Safety Member

Others Present:

DEBBY CHERNEY, Chief Executive Officer
BARBARA HANNAH, Chief Counsel
KATHLEEN CROOK, Retirement Benefits Officer
DAVID LANTZER, Senior Staff Counsel
AMY MCINERNY, Chief Financial Officer
JOSEPH MICHAEL, Chief Information Officer
DAWN PETERSON, Disability Retirement Supervisor
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
JAKE ABBOTT, Investment Officer
PAUL ANGELO, Segal Consulting
STACEY BARNIER, Director of Human Resources and Risk Management
KATHLEEN BRENNAN, Teamsters 1932
BILLIE BURCH, ARMC
MATTHEW ERICKSON, County of San Bernardino
ANTHONY ESPARZA, Disability Retirement Specialist
SHELLA GREER, Accounting Technician
NANCY HARMON, Retiree
HARRY HATCH, Retiree
SONYA HOLMES, Office Specialist
SYLVIA HUBBARD, Disability Retirement Specialist

JOHN KENNEDY, Nossaman
JANA MACK, Senior Accountant
DANIEL MEJIA, Information System Technician
JOSEPH MICHAEL, Chief Information Officer
JOHN MONROE, Segal Consulting
SARA NYDAM, Disability Retirement Specialist
JANE OATMAN, FSO
DANIELA PAZ, Information Services Coordinator
MICHAEL TAMONY, Communications Officer
AMIT THANKI, Senior Investment Officer
ILIANA TORRES, Human Resources Specialist
DEBRA RAMIREZ, Public
RAMON RUBALCOVA, SEIU Local 721
ROBERT SHAW, Retired
LAURA SHULTZ, Retiree
IVETTE VEGA, Office Specialist
LAURA VOSSMAN, Senior Investment Officer
MYRON ZAMORA, Associate Business Systems Engineer

Absent:

MARC BRACCO, Safety Member
JOHN JOHNSON, Alternate Ex-Officio 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 congratulated Trustee Fiorino and Trustee Stafford on their re-election and Mr. Harry Hatch on his election to the Board of Retirement.

PUBLIC COMMENT

Harry Hatch, retiree, provided Public Comment.

RECOGNITIONS

1. Presentation to Sylvia Hubbard in recognition of her 15 years of service at SBCERA. [19-639](#)

Dawn Peterson and Barbara Hannah presented Sylvia Hubbard with a 15 year service award pin in recognition for her service to SBCERA.

2. Presentation to John Michaelson in recognition of his service as a Trustee on the Board of Retirement from January 1, 2017 through December 31, 2019. [19-640](#)

Board Chair Rutherford presented John Michaelson with a monument in recognition of his service as a Trustee on the Board of Retirement from January 1, 2017 through December 31, 2019. Vice-Chair Waner provided special remarks. John Michaelson thanked the SBCERA staff and Board of Retirement

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for their service.

CONSENT

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

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

Absent: 2 - Bracco, and Johnson

3. Approve minutes of regular meeting of November 7, 2019. [19-641](#)
4. Approve Service Retirements and Rescind Retirement. [19-643](#)
5. Approve the disability retirement application of Benjamin Alexander - County of San Bernardino - County Fire. [19-642](#)
6. Review and determine the disability retirement application of Christopher Cook - County of San Bernardino - ARMC. [19-651](#)

The Board approved Staff Recommendation to grant a Non-Service Connected Disability Retirement with an effective date of March 21, 2015, the day after the last day of regular compensation.

7. Approve the disability retirement application and supplemental retirement allowance of Mahury J. Flores - County of San Bernardino - Environmental Health. [19-635](#)
8. Approve the disability retirement application of Kevin P. Jaquez - County of San Bernardino - Sheriff. [19-633](#)
9. Approve the disability retirement application of Roger Perez - County of San Bernardino - Sheriff. [19-649](#)
10. Approve the disability retirement application of Edward W. Preston - County of San Bernardino - Sheriff. [19-645](#)
11. Approve the disability retirement application of Robert Shaw - County of San Bernardino - Sheriff. [19-644](#)
12. Approve the disability retirement application and supplemental retirement allowance of Charity J. Sheridan - County of San Bernardino - Environmental Health. [19-636](#)
13. Approve the attendance and related expenses of Ensen Mason to the Ares Private Equity Group Annual Meetings to be held in Laguna Niguel, CA on March 3-4, 2020. [19-673](#)
14. Approve the Calendar Year (CY) 2020 Investment Manager On-site Due Diligence Schedule and Exception List. [19-623.1](#)

ACTION ITEMS

15. Action on Deferred Items from Consent, if any. [19-671](#)

No Items deferred from Consent Calendar.

16. Deny the request to extend employment of Susan Thomas from January 1, 2020 to January 1, 2021 because there is neither an extreme necessity, nor circumstances that are unavoidable or could not have been anticipated, to continue the retiree's employment beyond the 18-month limit, and thus the standards of SBCERA Board Administration Policy No. 015 "Retirees Returning to Work," have not been met. [19-648](#)

Crook, staff, reviewed. Billie Burch with ARMC provided comment.

A motion was made by Flynn, seconded by Williams, that an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, contrary to staff recommendation to deny the request. Therefore, approve the request for extension of employment of retiree beyond the 18-month limit. Extension of the employment will commence on the date indicated on this certification and will terminate on January 1, 2021. The motion carried by the following vote:

Ayes: 5 - Rutherford, Waner, Flynn, Williams, and Newcomer

Nays: 4 - Fiorino, Kennedy, Mason, and Stafford

Absent: 2 - Bracco, and Johnson

17. Approve Segal Consulting's Actuarial Valuation and Review, and related reports, as of June 30, 2019. [19-664](#)

Paul Angelo and John Monore with Segal presented.

A motion was made by Kennedy, seconded by Williams, that this agenda item be Approved. The motion carried by the following vote:

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

Absent: 2 - Bracco, and Johnson

18. Approve the Audited Basic Financial Statements, Independent Auditor's Report, and other Required Communications for the years ended June 30, 2019 and 2018. [19-646.1](#)

McInerny, staff, reviewed.

A motion was made by Stafford, seconded by Flynn, that this agenda item be Approved. The motion carried by the following vote:

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

Absent: 2 - Bracco, and Johnson

19. Approve an updated Investment Compliance Services Agreement with Kriescher Miller. [19-625.1](#)

Pierce, staff, reviewed.

A motion was made by Waner, seconded by Kennedy, that this agenda item be Approved. The motion carried by the following vote:

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

Absent: 2 - Bracco, and Johnson

INFORMATION ITEMS

20. Active vs. Passive Portfolio Management Review. [19-628.1](#)
Pierce, staff, reviewed.
21. Mondrian Portfolio Review. [19-626.1](#)
Pierce, staff, reviewed.
22. TOBAM Portfolio Review. [19-627.1](#)
Pierce, staff, reviewed.
23. Operational Due Diligence Findings for 2019 by Kreischer Miller. [19-638.1](#)
This presentation was received by the Board.
24. Report on the Budget vs Actual Review - For the Fiscal Year Ending June 30, 2020 as of the First Quarter ending September 30, 2019. [19-666](#)
This presentation was received by the Board.

RECEIVE AND FILE

25. Report on the Investment Committee meeting conducted November 19, 2019. [19-653](#)
Received and filed.
26. Report on the Audit Committee meeting conducted November 21, 2019. [19-663](#)
Received and filed.
27. Receive and file the summary of change orders on tenant improvement projects at 348 W. Hospitality Lane. [19-667](#)
Received and filed.

Board Chair Rutherford stated that Item #34 would be heard first in Closed Session. Trustee Fiorino recused himself from Item #34 and left the meeting. Barbara Hannah and Christa James left the meeting as well.

CLOSED SESSION (*Will not begin before 10:30 AM)

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Trustee Fiorino, Barbara Hannah and Christa James returned to the meeting at 12:15PM.

28. Review and determine the disability retirement application of Debra J. Ramirez - County of San Bernardino - Human Services. [19-591](#)

A motion was made by Fiorino, seconded by Williams, to reject Staff Recommendation and find that Ms. Ramirez is permanently incapacitated for the performance of duties based on the claimed injury(ies)/disease, granting a Service-Connected Disability Retirement and finding that Ms. Ramirez is not capable of gainful employment; therefore, granting the supplemental disability retirement allowance with an effective date of the day after the last day of regular compensation. The motion carried by the following vote:

Ayes: 5 - Fiorino, Flynn, Stafford, Williams, and Newcomer

Nays: 4 - Rutherford, Waner, Kennedy, and Mason

Absent: 2 - Bracco, and Johnson

29. Review and determine the disability retirement application of Dawn M. Spellman - County of San Bernardino - Public Works. [19-620](#)

A motion was made by Waner, seconded by Stafford, to reject Staff Recommendation and find that Ms. Spellman is permanently incapacitated for the performance of duties based on the claimed injury(ies)/disease, granting a Non-Service Connected Disability Retirement and finding that Ms. Spellman is not capable of gainful employment; therefore, granting the supplemental disability retirement allowance with an effective date of November 8, 2018, the date of application. The motion carried by the following vote:

Ayes: 5 - Waner, Flynn, Stafford, Williams, and Newcomer

Nays: 4 - Rutherford, Fiorino, Kennedy, and Mason

Absent: 2 - Bracco, and Johnson

OPEN SESSION

30. Report by Counsel on actions taken in Closed Session. [19-672](#)

Counsel reported on actions taken in Closed Session.

EXECUTIVE REPORTS

31. Chief Investment Officer. [19-659](#)

Pierce, staff, reported.

32. Chief Executive Officer. [19-668](#)

Cherney, staff, reported.

Trustee Flynn left the meeting at 1:25PM.

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TRUSTEE ATTENDANCE REPORTS

33. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-674](#)

Trustees Fiorino, Stafford and Waner reported on their attendance.

CLOSED SESSION

34. Conference with Legal Counsel - Existing Litigation [19-675](#)
Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9: One (1) case. Christie Porter v. San Bernardino County Employees' Retirement Association (San Bernardino County Superior Court Case No. CIVDS 1919225).

No reportable action was taken.

OPEN SESSION

35. Report by Counsel on actions taken in Closed Session. [19-676](#)

Counsel reported that no reportable action was taken on Item #34.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

No suggestions for future agenda items were provided.

ADJOURN

Board Chair Rutherford adjourned the meeting at 1:43PM.

Respectfully submitted,

JANICE RUTHERFORD, Board Chair

DEBBY CHERNEY, Board Secretary

DATED: _____