



San Bernardino County Employees'
Retirement Association

BOARD OF RETIREMENT

<https://tinyurl.com/sbcerajulyboard>

OR

Phone number: (877) 853-5257 Toll-free

Meeting ID: 936 2094 1705 Password: 429573

Meeting Minutes

Thursday, July 2, 2020

9:00 AM

Zoom/Telephonic

Trustees Present:

JANICE RUTHERFORD, Appointed Member (Chair)
NEAL WANER, Appointed Member (Vice-Chair)
JEAN-RENE BASLE, Appointed Member
MARC BRACCO, Safety Member
LOUIS FIORINO, General Member
MICHAEL KENNEDY, Appointed Member
DAWN STAFFORD, Retired Member
VERE WILLIAMS, General Member
HARRY HATCH, Alternate Retired Member
JARED NEWCOMER, Alternate Safety Member

Others Present:

DEBBY CHERNEY, Chief Executive Officer
BARBARA HANNAH, Chief Counsel
JAKE ABBOTT, Investment Officer
COLIN BISHOP, Chief of Member Services
DAVID LANTZER, Senior Staff Counsel
AMY MCINERNEY, Chief Financial Officer
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
SAM AUSTIN, NEPC
STACEY BARNIER, Director of Human Resources and Risk Management
ERIN CALICCHIO, Senior Executive Secretary
EYDIE COX, Senior Investment Analyst
ASHLEY DUNNING, Nossaman
JAYSON EATON, Accounting Manager
MATTHEW ERICKSON, County of San Bernardino
ANTHONY ESPARZA, Disability Retirement Specialist
MONICA GONZALEZ, Executive Secretary
ROBERT GUILLEN, Member
MARK HARROD, Member

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BRUCE HECTOR, M.D.
SYLVIA HUBBARD, Disability Retirement Specialist
JOHN KENNEDY, Nossaman
THOMAS KIM, Investment Officer
ALLAN MARTIN, NEPC
JOSEPH MICHAEL, Chief Information Officer
LANCE MOHR, M.D.
SHOAIB NAQVI, M.D.
SARA NYDAM, Disability Retirement Specialist
SHERI ORELLANA, Teamsters 1932
DAWN PETERSON, Disability Retirement Supervisor
RAMON RUBALCAVA, Public
JAMIE SAAVEDRA, Public
BONNIE SUNDVALL, County of San Bernardino
NICOLE TAETSCH, Public
MARK TAYLOR, County of San Bernardino
AMIT THANKI, Senior Investment Officer
ILIANA TORRES, Human Resources Specialist
MICHAEL TREGER, Attorney
ROBERT WICKUM, County of San Bernardino
CASEY WILKERSON, Office Specialist
CHRISTIAN ZUGEL, Zais

Absent:

ENSEN MASON, Treasurer
JOHN JOHNSON, Alternate Ex-Officio Member

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Board Chair Rutherford called the meeting to order at 9:02 AM and led the Pledge of Allegiance.

PUBLIC COMMENT

No Public Comment was provided.

CONSENT

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

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

1. Approve minutes of regular meeting of June 4, 2020. [19-958](#)
2. Approve Service Retirements and Change Effective Date. [19-979](#)
3. Approve the Service-Connected Disability Retirement application of Jeffrey Allen Ditsch - County of San Bernardino - Sheriff. [19-970](#)

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4. Approve the Service-Connected Disability Retirement application (Optional Death Allowance - §31787) of Rene S. Garcia - Sheriff - County of San Bernardino. [19-980](#)
5. Approve the Service-Connected Disability Retirement application of Mayra Alexandra Hernandez - County of San Bernardino - Sheriff. [19-969](#)
6. Approve and adopt updates to Investment Policy No. 003 (RFP Search Policy). [19-951.1](#)

ACTION ITEMS

7. Action on Deferred Items from Consent, if any. [19-974](#)

No Items Deferred from Consent Calendar.

8. Approve the request to extend re-employment of Andrew Antekeier as Safety Unit Extra Help-Background Investigator for the San Bernardino County Sheriff's Department, from April 3, 2020 to April 3, 2021, because an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, and thus the standards of SBCERA Board Benefits Policy No. 032: "Retirees Returning to Work," have been met. [19-985](#)

Bishop, staff, reviewed. Robert Wickum, Assistant Sheriff, provided comments.

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

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

9. Approve the request to extend re-employment of Marguerite Finneran as Recurrent Sergeant for the San Bernardino County Sheriff's Department, from April 2, 2020 to April 1, 2021, because an extreme necessity exists to continue the retiree's employment beyond the 18-month limit, and thus the standards of SBCERA Board Benefits Policy No. 032: "Retirees Returning to Work," have been met. [19-983](#)

Bishop, staff, reviewed. Robert Wickum, Assistant Sheriff, provided comments.

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

Ayes: 7 - Rutherford, Waner, Basle, Bracco, Kennedy, Stafford, and Williams

Nays: 1 - Fiorino

Absent: 2 - Mason, and Johnson

10. Approve the request to extend re-employment of Linda Maese as Public Service Employee of the District Attorney's Office, from May 11, 2020 to May 7, 2021, because an extreme necessity exists to continue the retiree's employment beyond the 18-Month limit, and thus the [19-982](#)

standards of SBCERA Board Benefits Policy No. 032: "Retirees Returning to Work," have been met.

Bishop, staff, reviewed.

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

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

11. Approve Segal's actuarial recommendations for managing tail volatility and amortization of the Unfunded Actuarial Accrued Liability (UAAL). [19-956](#)

A motion was made by Waner, seconded by Basle, that this agenda item be Continued to the BOARD OF RETIREMENT, meeting on 8/6/2020. The motion carried by the following vote:

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

Board Chair Rutherford left the meeting at 10:15 AM and Vice-Chair Waner assumed the role of Board Chair in her absence.

12. Approve the proposed 2020 Asset Allocation, Ranges and Benchmarks. [19-949.1](#)

Pierce, staff, and Allan Martin with NEPC reviewed. Trustee Fiorino voted no on this item because he believes that the asset allocation is too heavy in credit, and that the return estimates for US equity are understated and credit are overstated.

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

Ayes: 6 - Waner, Basle, Bracco, Kennedy, Stafford, and Williams

Nays: 1 - Fiorino

Absent: 3 - Rutherford, Mason, and Johnson

Trustee Rutherford returned to the meeting at 10:32 AM and assumed her role as Board Chair.

13. Discuss FY 2020-21 Audit Workplan and determine three areas to contract for Agreed Upon Procedures Reports during FY 2020-21. [19-961.1](#)

McInerney, staff, reviewed and the Board discussed the FY 2020-21 Audit Workplan.

A motion was made by Basle, seconded by Rutherford, to Approve categories 1, 2 and 3 for the Agreed Upon Procedures Reports during FY 2020-21. The motion carried by the following vote:

Ayes: 6 - Rutherford, Waner, Basle, Fiorino, Kennedy, and Stafford

Nays: 2 - Bracco, and Williams

Absent: 2 - Mason, and Johnson

14. Appointment of and provide direction to a Voting Delegate and Alternate Voting Delegate for the SACRS Board of Directors Electronic Election. [19-962](#)

Board Chair Rutherford appointed Trustee Hatch as voting delegate to cast votes on the Boards behalf during the SACRS 2020-2021 Board of Directors electronic Election. The Board directed Trustee Hatch to support Trustee Williams candidacy for the position of Regular Member and to accept the SACRS Nominating Committee ballot for President, Vice President, Treasurer and Secretary.

INFORMATION ITEMS

15. ZAIS Update on Structured Credit. [19-955.1](#)

This item was heard before Item #12, out of order. Abbott, staff, and Christian Zugel from ZAIS presented.

RECEIVE AND FILE

A motion was made by Stafford, seconded by Bracco, to Receive and File Item #'s 16-19. The motion carried by the following vote:

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

16. Report on the Investment Committee meeting conducted June 9, 2020. [19-964](#)
17. Report on the Audit Committee meeting conducted June 18, 2020. [19-975](#)
18. Summary of change orders on tenant improvement projects at 348 W. Hospitality Lane. [19-989](#)
19. Review of Financial Statement Audit Approach for the Fiscal Year Ending June 30, 2020. [19-963.1](#)

CLOSED SESSION

20. Review and determine the Service-Connected Disability Retirement with Supplemental Retirement Allowance of Flora Adodo - Sheriff - County of San Bernardino. [19-986](#)

A motion was made by Waner, seconded by Bracco, to Continue Item #20 to a future Board of Retirement meeting and to Continue Item #23 to the BOARD OF RETIREMENT, meeting on 8/6/2020. The motion carried by the following vote:

Ayes: 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams

Absent: 2 - Mason, and Johnson

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21. Review and determine the Service-Connected Disability Retirement application of Robert R. Guillen - County of San Bernardino - Sheriff. [19-882](#)
- A motion was made by Bracco, seconded by Stafford, to amend Staff Recommendation to find that Mr. Guillen is permanently incapacitated for the performance of duties and a Service-Connected Disability Retirement should be granted with an effective date of June 20, 2019. The motion carried by the following vote:
- Ayes:** 6 - Rutherford, Waner, Basle, Bracco, Kennedy, and Stafford
- Nays:** 2 - Fiorino, and Williams
- Absent:** 2 - Mason, and Johnson
22. Review and determine the Service-Connected Disability Retirement with Supplemental Retirement Allowance of Mark Harrod - Probation - County of San Bernardino. [19-981](#)
- A motion was made by Stafford, seconded by Fiorino, to Approve Staff Recommendation finding that Mr. Harrod is permanently incapacitated for the performance of duties and a Service-Connected Disability Retirement should be granted. Mr. Harrod is capable of gainful employment; therefore, deny the supplemental disability retirement allowance. Staff shall initiate disability benefit payments with an effective date of March 30, 2019, the day after the last day of regular compensation. The motion carried by the following vote:
- Ayes:** 8 - Rutherford, Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams
- Absent:** 2 - Mason, and Johnson
23. Review and determine the Service-Connected Disability Retirement application of Scott A. Peterson - County of San Bernardino - Sheriff. [19-957](#)
- This item was continued to the August 6, 2020 Board of Retirement meeting. Please see action details under Item #20.
24. Review and determine the Service-Connected Disability Retirement with Supplemental Retirement Allowance application of Emily Danner - County of San Bernardino - Human Services. [19-611.1](#)
- A motion was made by Stafford, seconded by Williams, to Maintain the initial board decision from November 7, 2019 that Ms. Danner is permanently incapacitated for the performance of duties and the disability is non-service connected; therefore, grant a Non-Service Connected Disability Benefit. Ms. Danner is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance. Staff initiated disability benefit payments with an effective date of September 3, 2016, the day after the last day of regular compensation. The motion carried by the following vote:
- Ayes:** 7 - Waner, Basle, Bracco, Fiorino, Kennedy, Stafford, and Williams
- Absent:** 2 - Mason, and Johnson
- Abstain:** 1 - Rutherford

Other Closed Session Matters:

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25. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED [19-973](#)

LITIGATION

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of section 54956.9: One (1) case.

Trustee Fiorino recused from this item. No reportable action was taken.

OPEN SESSION

26. Report by Counsel on actions taken in Closed Session. [19-976](#)

Lantzer and Hannah, staff, reported on actions taken in Closed Session.

EXECUTIVE REPORTS

27. Chief Executive Officer. [19-978](#)

Cherney, staff, reported.

28. Chief Counsel. [19-990](#)

Received and filed.

29. Chief Investment Officer. [19-965](#)

Received and filed.

TRUSTEE ATTENDANCE REPORTS

30. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-977](#)

Trustee Stafford reported on her attendance.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

No suggestions for future agenda items were provided.

ADJOURN

Board Chair Rutherford adjourned the meeting at 12:41 PM.

Respectfully submitted,

JANICE RUTHERFORD, Board Chair

DEBBY CHERNEY, Board Secretary

DATED: _____

