



BOARD OF RETIREMENT

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

Meeting Minutes

Thursday, September 5, 2019

9:00 AM

Board Room

Trustees Present:

JANICE RUTHERFORD, Appointed Member (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 and Risk Management
COLIN BISHOP, Chief of Member Services
KATHLEEN CROOK, Retirement Benefits Officer
DAVE LANTZER, Senior Staff Counsel
AMY MCINERNEY, Chief Financial Officer
JOSEPH MICHAEL, Chief Information Officer
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
JAKE ABBOTT, Investment Officer
HUGO ALVAREZ, Information Security Supervisor
ERIN CALICCHIO, Senior Executive Secretary
J. CARTWRIGHT, Public
JACKY CORDERO, Office Specialist
EYDIE COX, Senior Investment Analyst
MARIA DIZON, Business System Analyst
JOSEPH DOTAN, MD
MATTHEW ERICKSON, County of San Bernardino
M. ESCOBEDO, Public
ANTHONY ESPARZA, Disability Retirement Specialist
TINA GARCIA, Enterprise Content Specialist
GREG HAMMON, Public

HARRY HATCH, Retiree
NANCY HARMON, Retiree
SONYA HOLMES, Office Specialist
SYLVIA HUBBARD, Disability Retirement Specialist
EMELY MORENO, Investment Analyst
LANCE MOHR, M.D.
SHOAIB NAQVI, M.D.
SARA NYDAM, Disability Retirement Specialist
JANE OATMAN, F.S.O.
SHERI ORELLANA, Teamsters 1932
ESTHER ORTEGA, Public
DANIELA PAZ, Executive Secretary
DAWN PETERSON, Disability Retirement Supervisor
KARL RUBOW, Business System Engineer
MARK TAYLOR, County of San Bernardino
MICHAEL TAMONY, Communications Officer
JANICE TAMKIN, Retiree
AMIT THANKI, Senior Investment Officer
MONICA VARGAS, Retirement Specialist Supervisor
IVETTE VEGA, Office Specialist
LAURA VOSSMAN, Senior Investment Officer
MYRON ZAMORA, Information Systems Technician

Absent:

NEAL WANER, Appointed Member (Vice-Chair)
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 9:02 AM, and led the Pledge of Allegiance.

PUBLIC COMMENT

Harry Hatch, Retiree, provided Public Comment.

RECOGNITIONS

1. Presentation to Maria Dizon in recognition of her 15 years of service at SBCERA. [19-515](#)
Joe Michael presented Maria Dizon with a 15 year service award pin in recognition for her service to SBCERA.
2. Presentation to Dawn Peterson in recognition of her 15 years of service at SBCERA. [19-516](#)
Barbara Hannah presented Dawn Peterson with a 15 year service award pin in

recognition for her service to SBCERA.

3. Presentation to Laura Vossman in recognition of her 5 years of service at SBCERA. [19-514](#)

Don Pierce presented Laura Vossman with a 5 year service award pin in recognition for her service to SBCERA.

CONSENT

Trustee Fiorino pulled Item 11 from the Consent Calendar and Trustee Stafford pulled Item 13 from the Consent Calendar for discussion.

A motion was made by Kennedy, seconded by Bracco, that the amended Consent Calendar be Approved. The motion carried by the following vote:

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

4. Approve minutes of regular meeting of August 1, 2019. [19-472](#)
5. Approve Service Retirements and Rescind Retirement Application. [19-520](#)
6. Correct the effective date of Jacob Wiegel's disability retirement benefit - County of San Bernardino - Sheriff. [19-447](#)
7. Review and determine the disability retirement application of Michael D. Dyson - County of San Bernardino - Sheriff. [19-511](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement effective March 31, 2018, the day after the last day of regular compensation.

8. Review and determine the disability retirement application of Heather Hubbard - County of San Bernardino - Sheriff. [19-485](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement effective May 10, 2018, the date of application.

9. Review and determine the disability retirement application of Raymond J. Hilfer, Jr. - County of San Bernardino - Sheriff. [19-470](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement effective March 17, 2018, the day after the last day of regular compensation.

10. Review and determine the disability retirement application of Jeffrey A. Rose - County of San Bernardino - Sheriff. [19-509](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement effective August 3, 2019, the day after the last day of regular compensation.

11. Recognize Janice Tamkin's seven excess hours worked during the Fiscal Year 2018-19 as *de minimus* and allow retiree to continue working through the end of her approved re-employment period of September 2020. [19-499](#)

This item was pulled from the Consent Calendar. Please see entry below.

12. Rescind General Policy No. 001 - Mission Statement as the Mission Statement was updated as part of the Triennial Strategic Plan for Fiscal Years 2020-2022 and a separate policy is unnecessary and redundant. [19-481.1](#)

13. Ratify education-related travel expenses for Trustees for the Quarter Ending June 30, 2019. [19-504](#)

This item was pulled from the Consent Calendar. Please see entry below.

14. Approve SBCERA Resolution No. 2019-3 - Employer Pay Codes of Employee Compensation. [19-513](#)

ACTION ITEMS

15. Action on Deferred Items from Consent, if any. [19-478](#)

11. Recognize Janice Tamkin's seven excess hours worked during the Fiscal Year 2018-19 as *de minimus* and allow retiree to continue working through the end of her approved re-employment period of September 2020.

Bishop, staff, reviewed. The Board discussed the totality of the circumstance and determined that there was no intent to violate the policy.

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

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

Nays: 2 - Fiorino and Williams

Absent: 4 - Johnson, Michaelson, Newcomer and Waner

13. Ratify education-related travel expenses for Trustees for the Quarter Ending June 30, 2019.

McInerney, staff, reviewed. The Board discussed and suggested changes to future reports.

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

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford and Williams

Absent: 4 - Johnson, Michaelson, Newcomer and Waner

Trustee Mason left the meeting at 9:40 AM.

Trustee Stafford left the meeting at 9:50 AM.

16. Approve the request to extend employment of Timothy O'Connell from August 30, 2019 to February 28, 2021 because an extreme necessity exists 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 been met. [19-522](#)

Crook, staff, reviewed. Steve Tracy provided comment.

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

Ayes: 5 - Rutherford, Bracco, Flynn, Kennedy, and Williams

Nays: 1 - Fiorino

Absent: 6 - Waner, Mason, Stafford, Johnson, Michaelson, and Newcomer

Trustee Mason returned to the meeting at 9:52 AM.

Trustee Stafford returned to the meeting at 9:53 AM.

17. Rescind Benefits Policy No. 022 - Standard for Determining Whether a Minor Child is Regularly Enrolled as Full-Time Student, and replace with Benefits Policy No. 029 - Standard for Determining the Eligibility of a Continuance for a Survivor Benefit. [19-487.1](#)

Hannah, staff, reviewed.

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

Ayes: 7 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

Abstain: 1 - Mason

Trustee Kennedy left the meeting at 10:10 AM.

18. Approve the new General Policy No. 020 - Participating Employer Termination and Terminal Funding Obligation. [19-482.1](#)

McInerney, staff, reviewed.

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

Ayes: 5 - Rutherford, Bracco, Flynn, Stafford, and Williams

Nays: 2 - Fiorino, and Mason

Absent: 5 - Waner, Kennedy, Johnson, Michaelson, and Newcomer

Trustee Kennedy returned to the meeting at 10:17 AM.

19. Approve a proposed contract with ACCO Engineered Systems to [19-467.1](#)

provide heating and air conditioning installation services in the sum of \$134,571, plus a project contingency of \$15,429 for total project costs not to exceed \$150,000.

Michael, staff, reviewed.

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

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

20. Approve a proposed contract with Allied-Universal Protection for building security enhancements to 348 West Hospitality Lane in the sum of \$156,951.37, plus a project contingency of \$8,058.63 for total project costs not to exceed \$165,000. [19-468.1](#)

Michael, staff, reviewed.

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

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

21. Approve proposed contracts for tenant improvements at 348 West Hospitality Lane, as follows: [19-466.1](#)
- UPRITE Construction in the sum of \$824,445.29 for general construction services;
 - Level 3 Project Management in the sum of \$29,483.35 for construction management services;
 - Sisson Design Group in the sum of \$44,900.00 for architecture and design services (unused funds carryover from existing approved contract);
 - SI Testing in the sum of \$32,029.50 for data center generator connection services;
 - Western Audio Video in the sum of \$95,922.20 for audio/visual services; and
 - G/M Business Interiors in the sum of \$283,157.76 for furnishings.

In addition, approve a project contingency of \$63,892 for a total project cost not to exceed \$1,373,830, approve the use of contingency funds not to exceed \$222,000 to cover project costs in excess of Fiscal Year 2019-20's budgeted amount; grant the Chief Executive Officer authority to sign change orders up to \$5,000, and approve the joint authority of the Board Chair and Chief Executive Officer to approve change orders that exceed \$5,000.

Michael, staff, reviewed.

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

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

INFORMATION ITEMS

22. PGIM Fixed Income Portfolio Review. [19-465.1](#)

Pierce, staff, presented.

23. Private Equity Review. [19-469.1](#)

Pierce, staff, presented.

24. Update on the wind-down of the offshore investment platform. [19-475.1](#)

Pierce, staff, presented.

RECEIVE AND FILE

25. Report on the Executive Committee meeting conducted July 17, 2019. [19-431.1](#)

Received and filed.

26. Report on the Investment Committee meeting conducted August 13, 2019. [19-494](#)

Received and filed.

27. Report on the Administrative Committee meeting conducted August 15, 2019. [19-503](#)

Received and filed.

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

28. Review and determine the disability retirement application of Maria J. Escobedo - County of San Bernardino - Behavioral Health. [19-445.1](#)

Trustee Stafford returned to the meeting at 11:09 AM.

A motion was made by Mason, seconded by Stafford, to Approve Staff's Recommendation to deny a Service-Connected Disability Retirement and to deny a Supplemental Retirement Allowance. The motion carried by the following vote:

Ayes: 7 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, and Stafford

Nays: 1 - Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

Board Chair Rutherford left the meeting at 11:35 AM and Trustee Fiorino assumed the role of Acting Board Chair.

29. Review and determine the disability retirement application of Lorena Frey - County of San Bernardino - Probation. [19-471](#)

A motion was made by Bracco, seconded by Flynn, to Approve Staff's Recommendation to grant a Service-Connected Disability Retirement with an effective date of September 30, 2017, the day after the last day of regular compensation, and to deny a Supplemental Retirement Allowance. The motion carried by the following vote:

Ayes: 7 - Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 5 - Rutherford, Waner, Johnson, Michaelson, and Newcomer

Board Chair Rutherford returned to the meeting at 11:40 AM.

30. Review and determine the disability retirement application of Gregory Hammon - County of San Bernardino - Human Services. [19-506](#)

A motion was made by Flynn, seconded by Bracco, to Approve Staff's Recommendation to deny a Service-Connected Disability Retirement. The motion carried by the following vote:

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

31. Review and determine the disability retirement application of Esther R. Ortega - County of San Bernardino - Auditor/Controller - Recorder. [19-488](#)

A motion was made by Fiorino, seconded by Stafford, to Approve Staff Recommendations 1, 2 & 4 and to modify Staff Recommendation 3 to reflect that Ms. Ortega is not capable of gainful employment; therefore, grant a Supplemental Disability Retirement, with an effective date of May 26, 2018, the day after the last day of regular compensation. The motion carried by the following vote:

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

Nays: 2 - Bracco, and Mason

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

Trustee Stafford left the meeting at 10:50 AM.

32. Review and determine the disability retirement application of Bob Stine - County of San Bernardino - Sheriff. [19-489](#)

A motion was made by Bracco, seconded by Flynn, that this agenda item be Continued to the BOARD OF RETIREMENT, meeting on 10/3/2019. The motion carried by the following vote:

Ayes: 7 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, and Williams

Absent: 5 - Waner, Stafford, Johnson, Michaelson, and Newcomer

Trustee Stafford returned to the meeting at 11:04 AM.

Other Closed Session Matters:

33. Determine the Board discretionary portion of the investment incentive award for the Chief Investment Officer, for the fiscal year ended June 30, 2019; and review the total investment incentive awards, for the Chief Investment Officer and Senior Investment Officers. **19-493**

A motion was made by Bracco, seconded by Kennedy, to Continue the Chief Investment Officer portion of this agenda item to the BOARD OF RETIREMENT, meeting on 10/3/2019. The motion carried by the following vote:

Ayes: 8 - Rutherford, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

Absent: 4 - Waner, Johnson, Michaelson, and Newcomer

OPEN SESSION

34. Report by Counsel on actions taken in Closed Session. **19-479**

Counsel reported on actions taken in Closed Session.

EXECUTIVE REPORTS

35. Chief Executive Officer. **19-524**

Cherney, staff, reported.

36. Chief Counsel. **19-525**

Hannah, staff, reported.

37. Chief Investment Officer. **19-507**

Pierce, staff, reported.

TRUSTEE ATTENDANCE REPORTS

38. Report by Trustees concerning Education and Training attended. **19-519**

Trustee Williams reported on his attendance.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

Trustee Stafford suggested an agenda item to discuss the possibility of the San Bernardino County Board of Supervisors appointing a retiree to the Board of Retirement. Trustee Stafford requested that a future agenda item be placed for the Board's consideration to include investment due diligence expenses in the quarterly transparency reporting on the Board's agenda.

ADJOURN

Board Chair Rutherford adjourned the meeting at 1:15 PM.

Respectfully submitted,

JANICE RUTHERFORD, Board Chair

DEBBY CHERNEY, Board Secretary

DATED: _____