



## BOARD OF RETIREMENT

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

### Meeting Minutes

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Thursday, September 5, 2019

9:00 AM

Board Room

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#### 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 MCINERNY, 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](#)  
Recieved and filed.
- 26. Report on the Investment Committee meeting conducted August 13, 2019. [19-494](#)  
Recieved and filed.
- 27. Report on the Administrative Committee meeting conducted August 15, 2019. [19-503](#)  
Recieved 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,

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JANICE RUTHERFORD, Board Chair

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DEBBY CHERNEY, Board Secretary

DATED: \_\_\_\_\_