



## BOARD OF RETIREMENT

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

### Meeting Minutes

---

Thursday, November 7, 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  
COLIN BISHOP, Chief of Member Services  
DAVID LANTZER, Senior Staff Counsel  
JOSEPH MICHAEL, Chief Information Officer  
DONALD PIERCE, Chief Investment Officer  
LAURA VOSSMAN, Senior Investment Officer  
ERIN CALICCHIO, Recorder  
JAKE ABBOTT, Investment Officer  
YOLANDA BULLOCK, Senior Legal Secretary  
DANA CARTER, Member  
JOSE CHAVEZ, Member  
JAMES ELLS, Member  
MATTHEW ERICKSON, County of San Bernardino  
ANTHONY ESPARZA, Disability Retirement Specialist  
THERESA FISHER, Executive Secretary  
HARRY HATCH, Retiree  
SYLVIA HUBBARD, Disability Retirement Specialist  
PABLO GARCIA HURTADO, Member  
ALLAN MARTIN, NEPC

AMY MCINERNY, Chief Financial Officer  
LANCE MOHR, M.D.  
SHOAIB NAQVI, M.D.  
SARA NYDAM, Disability Retirement Specialist  
SHERI ORELLANA, Teamsters  
DANIELA PAZ, Information Systems Coordinator  
DAWN PETERSON, Disability Retirement Supervisor  
MARK TAYLOR, County of San Bernardino  
RAMONA VALDEZ, Member

**Absent:**

JARED NEWCOMER, Alternate Safety Member  
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**

Harry Hatch, Retiree, provided Public Comment.

**CONSENT**

Trustee Michaelson pulled Item 7 from the Consent Calendar and Trustee Fiorino pulled Items 12, 13 and 19 from the Consent Calendar for discussion.

A motion was made by Kennedy, seconded by Stafford, that the amended 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

1. Approve minutes of regular meeting of October 3, 2019. [19-596](#)
2. Approve Service Retirements and Service Retirement Effective Date Change. [19-594](#)
3. Review and determine the disability retirement application of Jorge De La Torre - City of Chino Hills. [19-590](#)

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

4. Review and determine the disability retirement application of James M. Ells - County of San Bernardino - Sheriff. [19-612](#)

The Board approved Staff Recommendation to grant a Service-Connected

Disability Retirement with an effective date of March 16, 2019, the day after the last day of regular compensation.

5. Review and determine the disability retirement application of Randall S. Emon - County of San Bernardino - Sheriff. [19-616](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of November 24, 2018, the day after the last day of regular compensation.

6. Review and determine the disability retirement application of John R. Flesher - County of San Bernardino - County Fire. [19-589](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of April 1, 2017, the day after the last day of regular compensation.

7. Review and determine the disability retirement application of Pablo E. Garcia Hurtado - County of San Bernardino - Probation. [19-571](#)

This item was pulled from the Consent Calendar and heard in Closed Session. Please see entry below.

8. Review and determine the disability retirement application of Roberto P. Lomeli - County of San Bernardino - Sheriff. [19-584](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of June 8, 2019, the day after the last day of regular compensation.

9. Review and determine the disability retirement application of Linda L. Mahany - County of San Bernardino - Probation. [19-587](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of May 26, 2018, the day after the last day of regular compensation.

10. Review and determine the disability retirement application of Lee M. Medeiros - County of San Bernardino - Sheriff. [19-619](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of June 23, 2018, the day after the last day of regular compensation.

11. Review and determine the disability retirement application of Michelle Miranda - County of San Bernardino - Probation. [19-588](#)

The Board approved Staff Recommendation to grant a Service-Connected Disability Retirement with an effective date of February 17, 2018, the day after

the last day of regular compensation.

12. Approve the attendance and related expenses of Louis Fiorino to the “Navigating a New Paradigm in Fixed Income & Credit” event hosted by Apollo Management, to be held in Los Angeles, CA on November 8, 2019. [19-614](#)

This item was pulled from the Consent Calendar and heard in Open Session. Please see entry below.

13. Approve the attendance and related expenses of Louis Fiorino to the Ares Private Equity Group Annual Meetings to be held in Laguna Niguel, CA on March 3-4, 2020. [19-613](#)

This item was pulled from the Consent Calendar and heard Open Session. Please see entry below.

14. Approve the 2020 Board of Retirement and Committee Meeting Dates. [19-609](#)

15. Approve Special Assignment Compensation in the amount of 7.5% of base salary for Erin Calicchio, Senior Executive Secretary in the Investment Services Department, effective October 26, 2019 and extension of Special Assignment Compensation for Michael Tamony, Communications Officer in the Member Services Department, through January 31, 2020 or such sooner date as the CEO determines SAC pay is no longer appropriate. [19-624](#)

16. Ratify education-related travel expenses for Trustees for the Quarter Ending September 30, 2019. [19-621](#)

17. Rescind Administration Policy No. 010 (Electronic Board and Committee Agenda Materials Policy). [19-570.1](#)

18. Approve updates to Benefits Policy No. 023 (Adjustment to the Pensionable Compensation Limit Policy). [19-573.1](#)

19. Approve a proposed contract with Secureworks in the sum of \$38,988 (plus applicable sales taxes) to provide cybersecurity detection and prevention and endpoint threat monitoring. [19-568.1](#)

This item was pulled from the Consent Calendar and heard in Open Session. Please see entry below.

20. Approve a minor revision to Education and Training Policy No. 003 (Trustee Travel and Expense) to incorporate transparency reporting on all trustee expenses. [19-578.1](#)

21. Approve SBCERA Resolution No. 2019-4 - Employer Pay Codes of Employee Compensation. [19-618.1](#)

### **ACTION ITEMS**

22. Action on Deferred Items from Consent, if any. [19-603](#)

12. Approve the attendance and related expenses of Louis Fiorino to the “Navigating a New Paradigm in Fixed Income & Credit” event hosted by Apollo Management, to be held in Los Angeles, CA on November 8, 2019.

Trustee Fiorino announced that he is no longer planning to attend the “Navigating a New Paradigm in Fixed Income & Credit” event hosted by Apollo Management, to be held in Los Angeles, CA on November 8, 2019.

13. Approve the attendance and related expenses of Louis Fiorino to the Ares Private Equity Group Annual Meetings to be held in Laguna Niguel, CA on March 3-4, 2020.

Trustee Williams requested that he also be permitted to attend the same event.

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

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

**Absent:** 2 - Johnson, and Newcomer

19. Approve a proposed contract with Secureworks in the sum of \$38,988 (plus applicable sales taxes) to provide cybersecurity detection and prevention and endpoint threat monitoring.

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

**Absent:** 2 - Johnson, and Newcomer

23. Provide direction to SBCERA Trustees appointed as voting delegate and alternate voting delegate for the SACRS Business Meeting to be held at the upcoming SACRS Fall Conference on November 15, 2019; direct staff to take a support position on SB 783 and the as yet unnamed LACERA bill on Government Code Section 31728.

[19-608](#)

Cherney and Lantzer, staff, reviewed.

A motion was made by Mason to direct the SACRS voting delegate to take a support position on SB 783 and to oppose the as yet unnamed LACERA bill on Government Code Section 31728. The motion died for lack of a second.

A motion was made by Stafford, seconded by Fiorino, to direct the SACRS voting delegate to take support positions on both SB 783 and the as yet unnamed LACERA bill on Government Code Section 31728. The motion carried by the following vote:

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

**Nays:** 1 - Mason

**Absent:** 2 - Johnson, and Newcomer

24. Approve the Updated SBCERA Salary Schedule Effective December 20, 2019 to Implement Cost of Living Adjustments, and include the use of \$37,000 from the Unrestricted Contingency Fund for the Administrative budget and a \$23,000 additional appropriation to the Non-Administrative budget. [19-598](#)

Barnier, staff, reviewed.

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, Bracco, Fiorino, Flynn, Kennedy, Mason, Stafford, and Williams

**Absent:** 2 - Johnson, and Newcomer

25. Rescind Administration Policy No. 008 (Privacy and Confidentiality) and replace with Administration Policy No. 021 (Handling of Personally Identifiable Information (PII)). [19-576.1](#)

Bishop and Michael, staff, reviewed.

A motion was made by Fiorino, seconded by Flynn, that this agenda item 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

26. Approve updates to Benefits Policy No. 025 (Requests for Pension Benefits and the Presentation of Supporting Information) including renaming the policy to Requests and Appeals for Pension Benefits. [19-580.1](#)

Hannah, staff, reviewed.

A motion was made by Stafford, seconded by Waner, that this agenda item 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

27. Approve and adopt the proposed changes to the Procedures for Disability Retirement Applications and Formal Hearings. [19-421.2](#)

Hannah and Lantzer, staff, reviewed.

Harry Hatch, retiree, provided Public Comment.

A motion was made by Williams, seconded by Fiorino, that the Disability Retirement presentation time be extended to five minutes. The motion failed by the following vote:

**Ayes:** 2 - Fiorino, Williams

**Nays:** 7 - Rutherford, Waner, Bracco, Flynn, Kennedy, Mason, and Stafford

**Absent:** 2 - Johnson, and Newcomer

A motion was made by Fiorino, seconded by Stafford, to Approve Staff Recommendation to (1) expand the jurisdiction of the formal hearing process; (2) allow only those with an official role to be permitted in Closed Session; (3) that the time limit to address the Board remain at the time allotted for public comment which may be expanded at the discretion of the chair; (4) that reconsideration no longer be a part of the administrative review process; and (5) to approve the other proposed changes to the procedures. The motion carried by the following vote:

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

**Absent:** 2 - Johnson, and Newcomer

### **CLOSED SESSION**

7. Review and determine the disability retirement application of Pablo E. Garcia Hurtado - County of San Bernardino - Probation.

A motion was made by Williams, seconded by Stafford, to Approve Staff's Recommendation to grant a Service-Connected Disability Retirement and Supplemental Disability Retirement Allowance with an effective date of the day after the last day of regular compensation; however, the specific date will be determined pending audit of member's account. The motion carried by the following vote:

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

**Absent:** 2 - Johnson, and Newcomer

### **OPEN SESSION**

#### **INFORMATION ITEMS**

28. GoldenTree Asset Management Portfolio Review.

[19-552.1](#)

The presentation was received by the Board.

29. Presentation by NEPC of their Quarterly Investment Performance Review for the period ending September 30, 2019.

[19-631](#)

Pierce, staff, and Allan Martin of NEPC, presented.

#### **RECEIVE AND FILE**

30. Report on the Investment Committee meeting conducted October 8, 2019.

[19-579](#)

Received and filed.



31. Report on the Administrative Committee meeting conducted October 17, 2019. [19-599](#)

Received and filed.

32. Receive and file the summary of change orders to date on tenant improvements project at 348 W. Hospitality Lane. [19-601](#)

Received and filed.

Trustee Flynn left the meeting at 12:06 PM.

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

33. Review and determine the disability retirement application of Dana A. Carter - County of San Bernardino - Probation. [19-569](#)

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

**Ayes:** 2 - Bracco, and Mason

**Nays:** 6 - Rutherford, Waner, Fiorino, Kennedy, Stafford, and Williams

**Absent:** 3 - Flynn, Johnson, Newcomer

A motion was made by Kennedy, seconded by Williams, to Approve Staff Recommendations 1, 2 & 4 granting a Service-Connected Disability Retirement and to modify Staff Recommendation 3 to reflect that Ms. Carter is not capable of gainful employment; therefore, grant a Supplemental Disability Retirement Allowance. The motion carried by the following vote:

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

**Nays:** 1 - Mason

**Absent:** 3 - Flynn, Johnson, and Newcomer

34. Review and determine the disability retirement application of Jose A. Chavez - County of San Bernardino - Probation. [19-610](#)

A motion was made by Waner, seconded by Bracco, to Approve Staff's Recommendation to grant a Service-Connected Disability Retirement with an effective date of August 17, 2019, the day after the last day of regular compensation and deny the Supplemental Disability Retirement Allowance. The motion carried by the following vote:

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

**Absent:** 3 - Flynn, Johnson, and Newcomer

35. Review and determine the disability retirement application of Emily Danner - County of San Bernardino - Human Services. [19-611](#)

A motion was made by Mason, seconded by Stafford, to Approve Staff Recommendations 1, 2 & 4 granting a Non-Service Connected Disability Retirement.



Retirement and to modify Staff Recommendation 3 to reflect that Ms. Danner is not capable of gainful employment; therefore, grant a Supplemental Disability Retirement Allowance. The motion carried by the following vote:

**Ayes:** 6 - Waner, Bracco, Fiorino, Kennedy, Mason, and Stafford

**Nays:** 2 - Rutherford, and Williams

**Absent:** 3 - Flynn, Johnson, and Newcomer

Trustee Fiorino recused himself from Item 36 and left the meeting at 12:50 PM.

36. Review and determine the disability retirement application of Ramona Valdez - County of San Bernardino - Child Support Services. [19-543](#)

A motion was made by Waner, seconded by Williams, that this agenda item be Continued to the December 5, 2019 Board meeting. The motion carried by the following vote:

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

**Absent:** 3 - Flynn, Johnson, and Newcomer

**Recused:** 1 - Fiorino

Trustee Fiorino returned to the meeting at 12:57 PM

Other Closed Session Matters:

37. Conference with Legal Counsel - Anticipated Litigation Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: One (1) case. [19-622](#)

No reportable action was taken.

**OPEN SESSION**

38. Report by Counsel on actions taken in Closed Session. [19-607](#)

Counsel reported on actions taken in Closed Session.

**EXECUTIVE REPORTS**

39. Chief Executive Officer. [19-604](#)

Cherney, staff, reported.

**TRUSTEE ATTENDANCE REPORTS**

40. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-605](#)

Trustees Bracco, Fiorino, Michaelson, Stafford and Williams reported on their attendance.

**SUGGESTIONS FOR FUTURE AGENDA ITEMS**

Trustee Williams suggested Board education on ESG and Internal Audit. Trustee Stafford suggested Fossil Fuels in terms of ESG.

**ADJOURN**

Board Chair Rutherford adjourned the meeting at 1:33 PM.

Respectfully submitted,

\_\_\_\_\_  
JANICE RUTHERFORD, Board Chair      \_\_\_\_\_  
DEBBY CHERNEY, Board Secretary

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