



San Bernardino County Employees'
Retirement Association

BOARD OF RETIREMENT

Zoom: <https://tinyurl.com/sbceraseptboard>

OR

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

Meeting ID: 977 1825 8055 Password: 818072

Meeting Minutes

Thursday, September 3, 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
ENSEN MASON, Treasurer
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
DAVID LANTZER, Senior Staff Counsel
AMY MCINERNY, Chief Financial Officer
DONALD PIERCE, Chief Investment Officer
CHRISTA JAMES, Recorder
JAKE ABBOTT, Investment Officer
BILL ABERNATHIE, Public
OLIVIA APPLGATE, Communications & Stakeholder Relations Manager
KEITH ASHTON, Public
STACEY BARNIER, Director of Human Resources and Risk Management
PHIL BARROCA, Public
KATHLEEN BRENNAN, Teamsters 1932
SETH BRUFSKY, Ares
BILLIE BURCH, ARMC
ERIN CALICCHIO, Sr. Executive Secretary
TARESE CASTO, Public
XIN CHEN, Public

EYDIE COX, Senior Investment Analyst
KATHLEEN CROOK, Retirement Benefits Officer
MARK DEBOER, Public
HEMANG DESAI, Public
KASH DOLL, Public
ASHLEY DUNNING, Nossaman
JAYSON EATON, Senior Accountant
MATTHEW ERICKSON, County of San Bernardino
ANTHONY ESPARZA, Disability Retirement Specialist
SHELLA GREER, Accounting Technician
LUCILLE HANKTON, Public
NANCY HARMON, Retiree
BRIAN HEADLEY, Public
BRUCE HECTOR, M.D.
SYLVIA HUBBARD, Disability Retirement Specialist
JACOB KALINSK, Public
J KAMPA (no first name provided), Public
SAAD KARAM, Public
STEVE KESSLER, Public
KELLY KESLER, Public
THOMAS KIM, Investment Officer
GREG MARGOLIES, Ares
CHRISTI MARNATI, Public
MARY MARANATI, Public
DAVID MEDDLES, Public
ROGER MEYER, Public
SCOTT MCCONNELL, Public
COUTNEY MCDONALD, Public
COLIN MCKENZIE, Public
ANNETTE MCKENZIE, Public
JOSEPH MALENDREZ, Public
ROGER MEYER, Public
JOSEPH MICHAEL, Chief Information Officer
JODI MILLER, Public
MIKE MILLER, Public
SAMANTHA MILNER, Public
LANCE MOHR, MD
EMELY MORENO, Investment Analyst
CARINA MURPHY, Public
SHOAIB NAQVI, M.D.
SARA NYDAM, Disability Retirement Specialist
JANE OATMAN, FSO
SHERI ORELLANA, Public
TRAVIS PEDERSON, Public
DAWN PETERSON, Disability Retirement Supervisor
BILL RICHARDS, Public
WILLIAMS RICHARDS, Public
GARY ROTH, Public

RAMON RUBALCAVA, SEIU Local 721
DIANE RUNDLES, Public
MARK TAYLOR, County of San Bernardino
AMIT THANKI, Senior Investment Officer
LAUREN THOMAS, Public
DIANE TIMM, Public
ILIANA TORRES, Human Resources Specialist
JESSICA TRILLO, Public
DEBRA RAMIREZ, Public
RAMON RUBALCOVA, SEIU Local 721
ISABEL SAFIE, Public
MELISSA STEPHENS, Public
RICHARD WAITCHIES, Public
GRANT WARD, SEBA
SHERRI WIDLUND, Public
CASEY WILKERSON, Office Specialist
EDNA ZALINSKI, Public

Absent:

JOHN JOHNSON, Alternate Ex-Officio Member

CALL TO ORDER & PLEDGE OF ALLEGIANCE

Board Chair Rutherford called the meeting to order at 9:01 AM, and led the Pledge of Allegiance. Board Chair Rutherford announced protocol for Public Comment and stated that Item No. 11 would be pulled from the Consent Calendar and heard after Item No. 14 in Open Session.

PUBLIC COMMENT

The following individuals provided Public Comment:

Bill Abernathie
David Meddles
Richard Waitchies
Colin McKenzie
Tarese Casto
Bill Richards
Roger Meyer
Phil Barroca

CONSENT

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

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

Absent: 1 - Bracco

1. Approve minutes of regular meeting of August 6, 2020. [19-1055](#)
2. Approve Service Retirements and Change Effective Date. [19-1043](#)
3. Approve and adopt the proposed findings and the recommendations of the referee regarding the Supplemental Retirement Allowance of Erin McKinney - County of San Bernardino - Probation. [19-735.1](#)
4. Approve the Service-Connected Disability Retirement application of Brad S. Toms - County of San Bernardino - Sheriff. [19-1038](#)
5. Approve and adopt updates to Investment Policy No. 006 (Manager Termination Criteria). [19-1014.1](#)

This item was pulled from the Consent Calendar.

A motion was made by Waner, seconded by Kennedy, to approve Item #'s 5, 6, 7, and 9. The motion carried by the following vote:

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

Absent: 1 - Bracco

6. Rescind Investment Policy No. 011 (Commission Recapture Policy). [19-1015.1](#)

This item was pulled from Consent Calendar. Please see action details above, under Item # 5.

7. Approve and adopt updates to Investment Policy No. 012 (Asset Transition Policy). [19-1016.1](#)

This item was pulled from Consent Calendar. Please see the action details above, under Item # 5.

8. Approve and adopt updates to Investment Policy No. 015 (Transactions with Former Board Members and Officers of SBCERA). [19-1017.1](#)

Trustee Williams pulled this item from the Consent Calendar and motioned to amend the policy to state "SBCERA will not contract with any new or existing investment manager, general partner, or investment advisor, which has employed any SBCERA officer, **Investment** staff member, or Board member, within the preceding 12 months." The motion failed for a lack of second.

The Board voted to approve the policy as presented. Mr. Williams stated that he will vote no on this item, as he thinks the language should be limited to investment staff.

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

Ayes: 7 - Rutherford, Waner, Basle, Fiorino, Kennedy, Mason, and Stafford

Nays: 1 - Williams

Absent: 1 - Bracco

9. Approve and adopt updates to Investment Policy No. 016 (Disclosure of Placement Agent Fees, Gifts and Campaign Contributions). [19-1018.1](#)

This item was pulled from Consent Calendar. Please see the action details above, under Item # 5.

10. Approve Special Assignment Compensation in the amount of 7.5% of base salary for two Retirement Benefits Technicians in the Member Services Department, effective September 12, 2020 through November 6, 2020 or such sooner date as the CEO determines SAC pay is no longer appropriate. [19-1065](#)

11. Adopt SBCERA Resolution No. 2020-7 - Employer Pay Codes of Employee Compensation. [19-1069](#)

This item was pulled from Consent Calendar and heard in Open Session, after Item No. 14.

McInerney, staff, reviewed and requested that three (3) additional pay codes from Labtech, as well as canine pay be added to the other PEPRA exclusions.

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

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

Nays: 2 - Fiorino, and Williams

ACTION ITEMS

12. Action on Deferred Items from Consent, if any. [19-1056](#)

Item No. 11 was pulled from the Consent Calendar and heard after Item No. 14. Please see action details above.

13. Approve and authorize the Chief Executive Officer to execute agreements for: [19-1036.1](#)
(1) the engagement of Dialpad for a phone system replacement, call-center services, implementation and support in the amount of \$68,611;
(2) the procurement of telephone hardware from Sotel Systems in the amount of \$26,050;
(3) authorization to engage Dialpad to build and integrate a custom line-of-business application in an amount not to exceed \$20,000;
(4) an extension to the current service agreement with ICMI, for phone system and call-center consulting services, in an amount not to exceed \$18,000; and
(5) authorization of a project contingency in an amount not to exceed \$10,000.

Bishop, staff, reviewed.

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

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

Absent: 2 - Bracco, and Mason

14. Adopt SBCERA Resolution No. 2020-6 regarding the implementation of exclusions required by the Alameda decision. [19-1067](#)

Trustee Bracco arrived at the meeting at 10:42 AM.

Cherney, staff, reviewed and Ashley Dunning with Nossaman presented.

Bill Richards, Phil Barroca, and David Meddles provided comment.

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

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

Nays: 3 - Bracco, Fiorino, and Williams

15. Approve and adopt the Proposed Findings of Fact, Proposed Conclusions of Law, and Proposed Disposition to deny Omar Palaciosreal's request to have his non-service connected disability retirement benefit calculated with a 3% at 50 formula and in accordance with Government Code section 31897.6 deduct the advance disability pension payments from Mr. Palaciosreal's non-service connected disability for reimbursement to the County of San Bernardino for such payments he received. [19-1049](#)

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

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

INFORMATION ITEMS

16. Ares Manager Update. [19-1023.1](#)

Cherney, staff, announced that this item will be heard at the October 1, 2020 Board of Retirement meeting.

RECEIVE AND FILE

17. Report on the Investment Committee meeting conducted August 11, 2020. [19-1047](#)

Received and filed.

18. Report on the Administrative Committee meeting conducted August 20, 2020. [19-1061](#)

Received and filed.

19. Receive and file the summary of change orders for August 2020 on tenant improvements project at 348 W. Hospitality Lane. [19-1064](#)

Received and filed.

CLOSED SESSION

20. Review and determine the Service-Connected Disability Retirement application of Thomas H. Boyles - County of San Bernardino - District Attorney. [19-1000](#)

A motion was made by Bracco, seconded by Stafford, to reject Staff Recommendation and find that Mr. Boyles is permanently incapacitated for the performance of duties and grant a service-connected disability retirement, 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: 1 - Mason

21. Review and determine the disability retirement application of Brad Davies - County of San Bernardino - Probation. [19-650.1](#)

A motion was made by Waner, seconded by Kennedy, to Approve Staff Recommendation finding that Mr. Davies is permanently incapacitated for the performance of duties and a non-service connected disability be granted. Staff shall initiate disability benefit payments with an effective date of July 24, 2018, date of application. The motion carried by the following vote:

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

Nays: 1 - Basle

Absent: 1 - Mason

22. Review and determine the disability retirement application of Edna Zelinski - County of San Bernardino - Sheriff. [19-1004.1](#)

A motion was made by Bracco, seconded by Williams, to Approve Staff Recommendation finding that Ms. Zelinski is permanently incapacitated for the performance of duties and granting a service-connected disability. Staff shall initiate disability benefit payments with an effective date of the day after the last day of regular compensation as determined by staff. The motion carried by the following vote:

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

23. Review and determine the Service-Connected Disability Retirement with Supplemental Retirement Allowance of Lucille P. Hankton - County of San Bernardino - Human Services. [19-1035](#)

A motion was made by Stafford, seconded by Basle, to Amend Staff Recommendation to find that Ms. Hankton is permanently incapacitated for the performance of duties, to grant a non-service connected disability retirement and to determine that Ms. Hankton is not capable of gainful employment; therefore grant the supplemental disability retirement allowance. Staff shall initiate disability benefit payments with an effective date of December 8, 2018, 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

Nays: 1 - Mason

24. Review and determine the Service-Connected Disability Retirement with Supplemental Retirement Allowance of Dianne Timm - County of San Bernardino - Behavioral Health. [19-679.1](#)

A motion was made by Kennedy, seconded by Stafford, to Approve Staff Recommendation finding that Ms. Timm is permanently incapacitated for the performance of duties and granting a non-service connected disability benefit. Ms. Timm is not capable of gainful employment; therefore, grant the supplemental disability retirement allowance. Staff shall initiate disability benefit payments with an effective date of March 31, 2018, the day after the last day of regular compensation. The motion carried by the following vote:

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

Nays: 1 - Fiorino

Other Closed Session Matters:

25. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION [19-1057](#)
Significant Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: One (1) case.

No reportable action was taken.

26. Public Employee Performance Evaluation: Chief Investment Officer. **19-1039**

No reportable action was taken.

OPEN SESSION

27. Report by Counsel on actions taken in Closed Session. [19-1058](#)

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

ACTION ITEMS

28. Determine the Board discretionary portion of the Investment Incentive Award for the Chief Investment Officer for the fiscal year ended June 30, 2020, up to 5% of base salary. [19-1068](#)

A motion was made by Fiorino, seconded by Williams, to not grant the Board's discretionary portion of the investment incentive award for the fiscal year ended June 30, 2020. The motion carried by the following vote:

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

Nays: 2 - Waner, and Bracco

Absent: 1 - Mason

EXECUTIVE REPORTS

29. Chief Executive Officer. [19-1059](#)
Cherney, staff, reported.
30. Chief Counsel. [19-1066](#)
Hannah, staff, reported.
31. Chief Investment Officer. [19-1050](#)
Pierce, staff, reported.

TRUSTEE ATTENDANCE REPORTS

32. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-1060](#)
- Trustees Basle, Fiorino and Williams reported on their attendance.

SUGGESTIONS FOR FUTURE AGENDA ITEMS

Trustee Basle suggested a future agenda item regarding the investment overlay program.

ADJOURN

Board Chair Rutherford adjourned the meeting at 4:00 PM.

Respectfully submitted,

JANICE RUTHERFORD, Board Chair

DEBBY CHERNEY, Board Secretary

DATED: _____