



San Bernardino County Employees'  
Retirement Association

## BOARD OF RETIREMENT

Zoom: <https://zoom.us/j/97718258055?pwd=WWNKRWkxWIRaQk1zV0o1bnErZk8xUT09>

OR

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

Meeting ID: 977 1825 8055 Password: 818072

### Meeting Minutes

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Thursday, December 3, 2020

9:00 AM

Zoom/Telephonic

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#### 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

COLIN BISHOP, Chief of Member Services

DAVID LANTZER, Senior Staff Counsel

AMY MCINERNY, Chief Financial Officer

JOSEPH MICHAEL, Chief Information Officer

DONALD PIERCE, Chief Investment Officer

AMIT THANKI, Senior Investment Officer

CHRISTA JAMES, Recorder

JAKE ABBOTT, Investment Officer

PAUL ANGELO, Segal Consulting

OLIVIA APPLGATE, Communications & Stakeholder Relations Manager

DEBORAH BARMACK, RESBC

STACEY BARNIER, Director of Human Resources and Risk Management

MAJA BEN, Fund map

KATHLEEN BRENNAN, Teamsters 1932

JIM CHAMBLISS, Pathway

EYDIE COX, Senior Investment Analyst

KATHY CONVERY, LRS  
MOLLY CALCAGNO, Segal Consulting  
ERIN CALICCHIO, Sr. Executive Secretary  
EDEN CASARENO, Public  
JIM CHAMBLISS, Pathway  
KATHY CROOK, Retirement Benefits Officer  
TODD CROUTHAMEL, Kreischer Miller  
DAWN DUROCHER, Paralegal  
MATTHEW ERICKSON, County of San Bernardino  
ANTHONY ESPARZA, Disability Retirement Specialist  
SONYA HOLMES, Disability Retirement Benefits Technician  
SYLVIA HUBBARD, Disability Retirement Specialist  
NICOLE LAVELLE, Attorney  
ALLAN MARTIN, NEPC  
GARY MCBRIDE, County of San Bernardino  
JOHN MICHAELSON, Public  
JOHN MONROE, Segal Consulting  
EMELY MORENO, Investment Analyst  
NICOLE NADDY, Linea  
SARA NYDAM, Disability Retirement Specialist  
SHERI ORELLANA, Teamsters Local 1932  
GERARD PAPPA, Linea  
THOMAS PETERS, Kreischer Miller  
DAWN PETERSON, Disability Retirement Supervisor  
DONNA PETERSON, Public  
MELISSA PRATT, Public  
JIM REINHARDT, Pathway  
TORI ROBERTS, County of San Bernardino  
RAMON RUBALCAVA, SEIU Local 721  
TODD SEAVER, Attorney  
JACLYN SHANKEL, Public  
MARK TAYLOR, County of San Bernardino  
ILIANA TORRES, Human Resources Specialist  
JESSICA TRILLO, Public  
CASEY WILKERSON, Office Specialist  
LUCILLE YOUNG, Linea

**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.

**PUBLIC COMMENT**

No Public Comment was provided.

**RECOGNITIONS**

1. Recognize achievement of the Fiscal Services team for receiving the following GFOA Awards: [19-1198](#)
  - a. Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report; and
  - b. Award for Outstanding Achievement in Popular Annual Financial Reporting for the Popular Annual Financial Report.

Debby Cherney, CEO, recognized achievements of the Fiscal Services team.

2. Recognize the Communications Team for the Public Relations Society of America Polaris Award for excellence in SBCERA's website redesign project. [19-1201](#)

Debby Cherney, CEO, recognized achievements of the Communications team.

**INFORMATION ITEMS**

3. Pathway Capital Management Manager Update. [19-1126.1](#)

Thanki, staff, introduced the presenters, Jim Reinhardt and Jim Chambliss with Pathway presented.

Trustee Kennedy arrived at the meeting at 9:12 AM.

4. Review Operational Due Diligence Program for 2020 by Kreischer Miller. [19-1166.1](#)

Pierce, staff, introduced the presenters, Thomas Peters and Todd Crouthamel with Kreischer Miller presented.

**CONSENT**

Trustee Fiorino pulled Item No's. 12, 13 & 15 from the Consent Calendar.

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

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

5. Approve minutes of regular meeting of November 5, 2020. [19-1174](#)
6. Approve Service Retirements. [19-1190](#)
7. Approve the Service-Connected Disability Retirement application of Jason A. Frey - County of San Bernardino - Sheriff. [19-1193](#)
8. Approve the Service-Connected Disability Retirement application (Optional Death Allowance - \$31787) of Cameron Pratt - County of San Bernardino - Sheriff. [19-1195](#)
9. Approve the 2021 Board of Retirement and Committee Meeting [19-1161](#)

Dates.

10. Approve the 2021 Medical Advisor Panel and Hearing Officer Panel; approve the Board adjusting the hearing officer's hourly rate to \$200 per hour. [19-1156.1](#)
11. Adopt updated Conflict of Interest Code with current position identifications, and submit to the Board of Supervisors for approval. [19-1162](#)
12. Approve the engagement of Brown Armstrong in the sum of \$30,195 for two agreed upon procedures reports, and approve the engagement of Davis Farr in the sum of \$6,500 for one agreed upon procedures report. [19-1165.1](#)

McInerny, staff, reviewed.

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

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

**Nays:** 1 - Fiorino

**Absent:** 1 - Bracco

**Abstain:** 1 - Newcomer

13. Approve Special Assignment Compensation in the amount of 7.5% of base salary for the Office Specialist and Disability Retirement Benefits Technician in the Disability Retirement Unit, effective May 9, 2020 through October 23, 2020 or such sooner date as the CEO determines SAC pay is no longer appropriate. [19-1191](#)

Cherney, staff, stated that the agenda inadvertently reflected an incorrect effective date. The correct effective date should be October 24, 2020 through December 18, 2020 or such sooner date as the CEO determines SAC pay is no longer appropriate.

Barnier, staff, reviewed.

A motion was made by Kennedy, seconded by Waner, 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

14. Approve an extension of time to March 5, 2021 for SEBA to submit its appeal on retirement benefit payments determinations. [19-1189](#)
15. Ratify the Chief Executive Officer's determination to grant an additional 30-day extension of time for Ruben Navarro to submit additional information regarding his appeal on his retirement benefit payments determination. [19-1182](#)

Trustee Fiorino requested that Mr. Navarro's extension be amended to a 90-day

extension of time.

A motion was made by Kennedy, seconded by Williams, 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

16. Approve the CY 2021 Investment Manager Due Diligence Schedule and Exception List. [19-1123.1](#)
17. Approve and adopt updates to Investment Policy No. 018 (International Swap Dealer Association Agreements and Prime Broker Agreements). [19-1151.1](#)
18. Approve and adopt updates to Investment Policy No. 019 (Counterparty Risk Policy). [19-1152.1](#)

### **ACTION ITEMS**

Trustee Bracco left the meeting at 10:25 AM.

19. Action on Deferred Items from Consent, if any. [19-1175](#)

Trustee Fiorino pulled Item No's. 12, 13 & 15 from the Consent Calendar. Please see the entries above.

20. Amend Resolution No. 2020-8 re Appeals Process for Benefits Determinations Arising out of the Alameda Supreme Court Decision. [19-1211](#)

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

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

21. Approve Segal Consulting's Actuarial Valuation and Review, and related reports, as of June 30, 2020. [19-1157](#)

Paul Angelo with Segal Consulting presented.

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

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

**Absent:** 1 - Bracco

22. Approve and authorize the Chief Executive Officer to execute an agreement with Levi, Ray & Shoup, Inc., for work on the PensionGold Refresh Project, in an amount not to exceed \$2,280,000; approve the use of contingency funds in the amount of \$2,280,000. [19-1164.1](#)

Bishop and Michael, staff, reviewed.

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

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

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

**Absent:** 1 - Bracco

23. Approve the Audited Basic Financial Statements, Independent Auditor's Report, and other Required Communications for the years ended June 30, 2020 and 2019. [19-1167.1](#)

McInerney, staff, reviewed.

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

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

**Absent:** 1 - Bracco

### **RECEIVE AND FILE**

A motion was made by Waner, seconded by Basle, to receive and file Item No's. 24-28. The motion carried by the following vote:

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

**Absent:** 1 - Bracco

24. Report on the Investment Committee meeting conducted November 17, 2020. [19-1187](#)
25. Report on the Administrative Committee meeting conducted November 19, 2020. [19-1172](#)
26. Report on the Audit Committee meeting conducted November 19, 2020. [19-1173](#)
27. 2020 Comprehensive Annual Financial Report (CAFR) and Popular Annual Financial Report (PAFR). [19-1160](#)
28. Summary of change orders for October 2020 on tenant improvements project at 348 W. Hospitality Lane. [19-1188](#)

### **CLOSED SESSION**

29. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATION OF LITIGATION [19-1194](#)  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: One (1) case.  
A motion was made by Basle, seconded by Williams, to Authorize San Bernardino County Employees' Retirement Association to initiate litigation as a plaintiff in a pending action. In addition, authorize Chief Counsel and Chief

Executive Officer to engage the services of Berman Tabacco to represent SBCERA in this pending matter. The motion carried by the following vote:

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

**Absent:** 1 - Bracco

**OPEN SESSION**

30. Report by Counsel on actions taken in Closed Session. [19-1176](#)

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

**EXECUTIVE REPORTS**

31. Chief Executive Officer. [19-1177](#)

Received and filed.

32. Chief Counsel. [19-1196](#)

Received and filed.

33. Chief Investment Officer. [19-1158](#)

Received and filed.

**TRUSTEE ATTENDANCE REPORTS**

34. Report by the Trustees concerning conferences and other meetings attended (as specified by Education & Training Policy No. 003 - "Trustee Travel and Expense Policy"). [19-1197](#)

Trustees reported on their attendance.

**SUGGESTIONS FOR FUTURE AGENDA ITEMS**

No suggestions for future agenda items.

**ADJOURN**

Board Chair Rutherford adjourned the meeting at 1:52 PM.

Respectfully submitted,

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JANICE RUTHERFORD, Board Chair      DEBBY CHERNEY, Board Secretary

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