



# San Joaquin County Employees Retirement Association

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## MINUTES

### BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, FEBRUARY 8, 2019 AT 9:30 AM

Location: SJCERA Board Room  
6 S. El Dorado Street, Suite 400, Stockton, California

#### 1.0 ROLL CALL

**1.01 MEMBERS PRESENT:** Phonxay Keokham, J.C. Weydert, Jennifer Goodman, Michael Duffy (in at 11:34 a.m.), Katherine Miller (out at 11:00 a.m.), Chanda Bassett, Adrian Van Houten, Margo Praus, Raymond McCray, and Michael Restuccia presiding

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Chief Executive Officer Johanna Shick, Assistant Chief Executive Officer Kathy Herman, Chief Investment Officer Nancy Calkins, Management Analyst III Greg Frank, Department Information Systems Analyst II Lolo Garza, and Retirement Administrative Assistant Andrea Bonilla

**OTHERS PRESENT:** Deputy County Counsel Jason Morrish, David Sancewich and Ryan Lobdell of PCA, and Ashley Dunning of Nossaman LLP

#### 2.0 PLEDGE OF ALLEGIANCE

**2.01** Led by Phonxay Keokham

#### 3.0 APPROVAL OF MINUTES

**3.01** Approval of the minutes for the Board Meeting of January 11, 2019

**3.02** The Board voted unanimously (8-0) to approve the Minutes of the Board Meeting of January 11, 2019. (Motion: Van Houten; Second: Goodman)

#### 4.0 PUBLIC COMMENT

**4.01** Retired Member Rudy Rodriguez shared a chart summarizing SJCERA's reserve balances from 2000 to 2015. Mr. Rodriguez stated that money was not put in the Post '82 account when it was in the reserves.

**4.02** Retired Member Pauline Toy asked the Board why they are fighting the retirees. She stated that many others could not be in attendance because since the suspension of the Post '82 benefit, they lack transportation or funds to pay for transportation, cannot afford bills, and some have had to scale back on medications. She requested the Board do the right thing and reinstate the Post '82 benefit.

**4.03** Retired Member Priscilla Ong asked the Board why there has been a \$3 million surplus in the Administrative Budget every year since 2001 to current. She stated that this account was not required and should be used to fund the Post '82 benefit.

**4.04** San Joaquin County Retiree Rose Benitez commented that there are only 1,400 retirees left that receive the Post '82 benefit. She added that the average benefit is \$170 and takes around \$2.5 million to fund each year. She requested the Board reinstate the Post '82 benefit to the loyal and hardworking retirees and feels the Board should be looking out for them.

- 4.05 Retired Member Robert Oneto commented that stopping the Post 82 benefit has hurt several retirees and their families and asked the Board to reinstate the benefit.
- 4.06 Retired Member Judith Hong read a statement on behalf of an anonymous retiree who can no longer afford food since the suspension of the Post '82 benefit.

## 5.0 CONSENT ITEMS

### 5.01 Service Retirement (23)

### 5.02 General (2)

01 Retiree Cost-of-Living Adjustment (COLA) as of April 1, 2019

02 PCA-Meketa Investment Group Merger

a PCA Solicitation of Consent

b PCA Organizational Update

c Press Release dated January 16, 2019

5.03 After discussion, the Board approved the Consent Items in two separate motions as follows:

01 **The Board voted unanimously (8-0) to approve Consent Items 5.01 thru 5.02 -01. (Motion: Weydert; Second: Van Houten)**

02 **After discussion, the Board voted unanimously (8-0) to approve Consent Item 5.02-02. (Motion: McCray; Second: Miller)**

## 6.0 CONSULTANT REPORTS

### 6.01 Monthly Investment Performance Updates

01 Manager Performance Flash Report - December 2018 with a verbal update on January 2019 performance

02 PCA Investment Market Risk Metrics - January 2019

03 **Board accepted and filed reports.**

### 6.02 Asset Liability Study Update

01 Informational item

### 6.03 2019 Annual Investment Roundtable

01 Memo from PCA regarding 2019 Roundtable Overview

02 **Board discussed and gave direction to staff and consultant on proposed Agenda topics and attendees.**

## 7.0 STAFF REPORTS

### 7.01 Legislative Summary Report - No Changes Since 01/2019

### 7.02 Trustee and Executive Staff Travel

01 Conferences and Events Schedule for 2019

a BlackRock Innovating for Alpha

b CALAPRS General Assembly

02 Summary of Pending Trustee and Executive Staff Travel

03 Summary of Completed Trustee and Executive Staff Travel and Travel Reports (1)

a IREI 2019 Visions, Insights and Perspectives

**7.03 The Board accepted and filed reports and approved Trustee Weydert as a traveler for the 2019 IREI Spring Editorial Advisory Board meeting. (Motion: McCray; Second: Van Houten)**

**7.04 CEO Report**

01 Pension System Enhancement Project

**ACEO Kathy Herman reported that she is seeing progress and that she viewed the new functionality of the system. She stated several steps for processing active, incoming County payroll have been automated.**

**7.05 CIO Report**

01 CIO Calkins reported on Bridgewater's recent performance and stated the Board redeemed assets from Pure Alpha at a good time. She also informed the Board that Tom Lee will be the sole CIO of Parametric.

**8.0 CORRESPONDENCE**

**8.01 Letters Received**

01 November 16, 2018 SACRS SACRS Board of Director Elections

**8.02 Letters Sent**

**8.03 Market Commentary/Newsletters/Articles**

01 NCPERS The Monitor January 2019

02 SACRS Magazine Winter 2019

**9.0 COMMENTS**

**9.01 Comments from the Board of Retirement**

01 Chair Restuccia stated he was glad to see that there will be no changes to the consultants assigned to SJCERA during the PCA-Meketa Investment Group merger.

02 Trustee McCray urged the Board and staff to make hotel accommodations for the SACRS Spring Conference if they have not already done so.

03 Trustee Praus stated that the new Disability Retirement Process fact sheet is a beautiful publication.

**10.0 CLOSED SESSION**

**THE CHAIR CONVENED A CLOSED SESSION AT 10:37 A.M. THE CHAIR ADJOURNED THE CLOSED SESSION AND RECONVENED THE OPEN SESSION AT 12:27 P.M.**

**10.01 PURCHASE OR SALE OF PENSION FUND INVESTMENTS  
CALIFORNIA GOVERNMENT CODE SECTION 54956.81**

**10.02 PERSONNEL MATTERS  
CALIFORNIA GOVERNMENT CODE SECTION 54957  
EMPLOYEE DISABILITY RETIREMENT APPLICATIONS (3)**

01 Disability Retirement Consent (3)

Counsel reported that in Closed Session the Board took the following action on personnel matters:

- a Accounting Technician I  
Service-Connected Disability

**The Board voted unanimously (8-0) to approve a 60-day extension of time. (Motion: McCray; Second: Bassett)**

- b Child Support Officer II  
Nonservice-Connected Disability

**The Board voted unanimously (8-0) to approve a 60-day extension of time. (Motion: McCray; Second: Bassett)**

- c Maintenance Worker  
Service-Connected Disability

**The Board voted unanimously (8-0) to dismiss the disability retirement application for applicant's failure to pursue the application. (Motion: McCray; Second: Bassett)**

### **10.03 PERSONNEL MATTERS CALIFORNIA GOVERNMENT CODE SECTION 54957(b)**

- 01 Public Employment  
Title: Chief Investment Officer

### **10.04 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION CALIFORNIA GOVERNMENT CODE SECTION 94956.9(d)(1)**

- 01 *Allum, et al. v. San Joaquin County Employees' Retirement Association et al.*  
San Joaquin County Superior Court Case No. STK-CV-UBC-2017-10696
- 02 *San Joaquin County Employees' Retirement Association v. Travelers Casualty and Surety Company of America*  
United States District Court, Eastern District of California, Case No. 2:18-CV-02042-JAM-CKD
- 03 **Due to a conflict of interest, Trustee Van Houten recused himself for these items and re-entered the Board Chambers after the Board's discussion.**

### **11.0 REPORT OF CLOSED SESSIONS**

- 11.01 On December 14, 2018, the Board unanimously approved Resolution 2018-12-03 titled "Lombard Odier" and authorized the CEO to sign the necessary documents to invest \$80 million in the Fund.
- 11.02 On December 14, 2018, the Board unanimously approved Resolution 2018-12-04 titled "Neuberger Berman" and authorized the CEO to sign the necessary documents to invest \$50 million in the Fund.

### **12.0 CALENDAR**

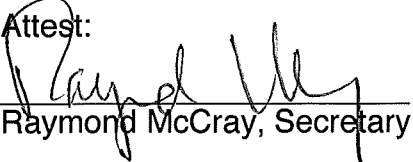
- 12.01 Real Estate Committee Quarterly Meeting, March 8, 2019 at 8:30 AM
- 12.02 Board Meeting, March 8, 2019 at 9:30 AM
- 12.03 Audit Committee Meeting, March 8, 2019 upon adjournment of the Board Meeting

### **13.0 ADJOURNMENT**

13.01 There being no further business the meeting was adjourned at 12:29 p.m.

Respectfully Submitted:

  
Michael Restuccia, Chair

Attest:  
  
Raymond McCray, Secretary