



San Joaquin County Employees Retirement Association

MINUTES

**BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, MAY 17, 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 9:32 a.m.), Katherine Miller, 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, Financial Officer Lily Cherng, Management Analyst III Greg Frank, Department Information Systems Analyst II Lolo Garza, and Retirement Administrative Assistant Andrea Bonilla

OTHERS PRESENT: Deputy County Counsel Matt Dacey, David Sancewich of Meketa, Graham Schmidt of Cheiron, Gene Neely of Lathrop Manteca Fire District, and Linda Courtland and DeEtte Goni of SJC Superior Court

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Katherine Miller

3.0 APPROVAL OF MINUTES

3.01 Approval of the minutes for the Board Meeting of April 12, 2019

3.02 The Board voted unanimously (8-0) to approve the Minutes of the Board Meeting of April 12, 2019. (Motion: Goodman; Second: Bassett)

4.0 PUBLIC COMMENT

4.01 Gene Neely of Lathrop Manteca Fire District said the Economic Assumption Overview presentation was very enlightening and useful and added that he was glad to see the Board looking at alternatives.

5.0 CONSENT ITEMS

5.01 Service Retirement (88)

5.02 General (1)

01 Delegation of Subpoena Authority

a Proposed Resolution 2019-05-01 titled "Delegation of Subpoena Authority"

b Board to adopt Resolution 2019-05-01

5.03 The Board voted unanimously (8-0) to approve the Consent Items and adopt Resolution 2019-05-01. (Motion: Keokham; Second: Miller)

6.0 2019 ASSET LIABILITY STUDY

- 6.01 Discussion with David Sancewich of Meketa and Graham Schmidt of Cheiron on 2019 Asset Liability Study - Modeling of Proposed SJCERA Asset Allocation Models
- 6.02 **The Board identified and assigned constraints to risk-based classes and components to establish a customized asset allocation model, and directed consultant to proceed with proposed plan.**

7.0 2019 ECONOMIC ASSUMPTION OVERVIEW

- 7.01 Presentation by Graham Schmidt of Cheiron
- 7.02 **The Board thanked Graham for his great presentation and directed the Consulting Actuary to continue with the recommended assumption changes and bring analysis back to the Board in July.**

8.0 CONSULTANT REPORTS

8.01 Monthly Investment Performance Updates

- 01 Manager Performance Flash Report - March 2019 with a verbal update on April 2019 performance
- 02 Investment Market Risk Metrics - April 2019

8.02 Board accepted and filed reports

9.0 2019 ANNUAL INVESTMENT ROUNDTABLE

- 9.01 Update and overview of 2019 Roundtable
- 9.02 Draft Agenda for 2019 Annual SJCERA Investment Roundtable
- 9.03 **The Board discussed and suggested that County Administrator Monica Nino present at the Roundtable and discuss SJCERA's funding from the employer's viewpoint, and directed staff to extend the invitation to the San Joaquin County Board of Supervisors.**

10.0 STAFF REPORTS

10.01 Legislative Summary Report

10.02 Trustee and Executive Staff Travel

- 01 Conferences and Events Schedule for 2019
- 02 Summary of Pending Trustee and Executive Staff Travel
- 03 Summary of Completed Trustee and Executive Staff Travel

10.03 Board accepted and filed reports

10.04 CEO Report

In addition to the CEO Report, CEO Shick announced that Trustee Bassett ran unopposed in the recent Safety member election.

- 01 Pension System Enhancement Project

10.05 Report from Committee

- 01 Committee Chair and staff will provide a brief summary of the outcome of the:
 - a Ad Hoc Executive Management Review Committee - April 12, 2019

CEO Shick reported that the Ad Hoc Executive Management Review Committee completed its work and will make a recommendation to the Administrative Committee.

11.0 CORRESPONDENCE

11.01 Letters Received

11.02 Letters Sent

11.03 Market Commentary/Newsletters/Articles

01	NCPERS	2018 Public Retirement Systems Study	January 30, 2019
02	NCPERS	Research Series	April 2019
03	NCPERS	The Monitor	April 2019
04	Detroit Pension	Press Release re: Raven	April 30, 2019

12.0 COMMENTS

- 12.01** Trustee Weydert stated that the SACRS Conference was excellent and urged those who could not attend download the audio versions of Ashley Dunning's, Verus, and Robert Smith's presentations.
- 12.02** Trustee Praus requested that staff keep the Board informed of their progress with the disaster recovery procedure.
- 12.03** Trustee McCray commended CEO Shick on bringing down investment fees by four basis points.
- 12.04** Trustee Bassett discussed the outreach in the recent election. In the future all outreach related to elections will be handled by Registrar of Voters.

13.0 CLOSED SESSION

13.01 PERSONNEL MATTERS

CALIFORNIA GOVERNMENT CODE SECTION 54957 EMPLOYEE DISABILITY RETIREMENT APPLICATION (1)

01 Disability Retirement Consent (1)

The Chair convened a Closed Session at 11:28 a.m. The Chair adjourned the Closed Session and reconvened the Open Session at 11:29 a.m.

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

- a Food Service Worker I
Service-Connected Disability

The Board voted unanimously (9-0) to approve a 60-day extension of time. (Motion: McCray; Second: Weydert)

14.0 REPORT OF CLOSED SESSIONS

- 14.01** On January 11, 2019, the Board unanimously approved Resolution 2019-01-02 titled "BlackRock GEPIF III" and authorized the CEO to sign the necessary documents to invest \$50 million in the Fund.
- 14.02** At the March 8, 2019 meeting, the Board elected to redeem its allocation in the Stone Harbor Bank Loans fund. The Board approved reinvestment of the proceeds as follows: \$30 million in Neuberger Berman Opportunistic fund and \$29.98 million in Stone Harbor Absolute fund.

15.0 CALENDAR

- 15.01** Audit Committee Meeting, May 17, 2019 upon adjournment of the Board Meeting
- 15.02** Real Estate Committee Meeting, June 7, 2019 at 8:30 AM

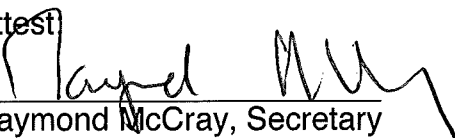
15.03 Board Meeting, June 7, 2019 at 9:30 AM

16.0 ADJOURNMENT

16.01 There being no further business the meeting was adjourned at 11:31 a.m.

Respectfully Submitted:


Michael Restuccia, Chair

Attest:

Raymond McCray, Secretary