



San Joaquin County Employees Retirement Association

MINUTES

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, FEBRUARY 11, 2022 AT 9:00 AM

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

1.0 ROLL CALL

1.01 MEMBERS PRESENT: Phonxay Keokham, Emily Nicholas, Jennifer Goodman, Michael Duffy, Robert Rickman (out at 10:57 AM), Chanda Bassett, JC Weydert, Steve Moore, Raymond McCray, and Michael Restuccia presiding

MEMBERS ABSENT: None

STAFF PRESENT: Chief Executive Officer Johanna Shick, Assistant Chief Executive Officers Kathy Herman and Brian Mckelvey, Retirement Investment Officer Paris Ba (via Zoom), Management Analyst III Greg Frank, Department Information Systems Analyst II Lolo Garza, Information Systems Manager Adnan Khan, and Administrative Secretary Kendra Fenner

OTHERS PRESENT: Deputy County Counsel Jason Morrish, David Sancewich of Meketa Investment Group

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Michael Duffy

3.0 MEETING MINUTES

3.01 Minutes for the Board Meeting of January 21, 2022

3.02 The Board voted unanimously (9-0) to approve the Minutes of the Board Meeting of January 21, 2022. (Motion: Rickman; Second: Bassett)

4.0 PUBLIC COMMENT

4.01 Brenda Kiely of the County Administrator's Office (CAO) stated CAO Jay Wilverding would recommend not lowering the discount rate and the County would like to be provided further information from Consulting Actuary.

5.0 CONSENT ITEMS

5.01 Service Retirement (16)

5.02 General (2)

01 Retiree Cost-of-Living Adjustment (COLA) as of April 1, 2022

02 Spousal Notification Resolution Pursuant to Government Code Section 31760.3

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

01 **The Board voted unanimously (9-0) to approve Consent Items 5.01 and 5.02-01. (Motion: Duffy; Second: McCray)**

02 **The Board voted unanimously (9-0) to approve Consent Item 5.02-02. (Motion: Bassett; Second: Goodman)**

6.0 CONSULTANT REPORTS PRESENTED BY DAVID SANCEWICH OF MEKETA INVESTMENT GROUP

6.01 Monthly Investment Performance Updates

- 01 Manager Performance Flash Report - December 2021
- 02 Capital Markets Outlook and Risk Metrics - January 2022

6.02 2022 Capital Markets Expectations

6.03 Board accepted and filed reports.

7.0 DISCOUNT RATE REVIEW

7.01 Presentation by Graham Schmidt, Consulting Actuary

- 01 Cheiron presentation link below
<https://presentation.cheiron.us/presentation/view/SJCERA022021?token=MN01>

8.0 STAFF REPORTS

8.01 Legislative Summary Report - None; No changes since 11/2021

8.02 Trustee and Executive Staff Travel

- 01 Conferences and Events Schedule for 2022
- 02 Summary of Pending Trustee and Executive Staff Travel
- 03 Summary of Completed Trustee and Executive Staff Travel - None

8.03 CEO Report

In addition to the written report, CEO Shick made the following comments: (1) the Request for Proposal for the new Pension Administration System posted yesterday; (2) a new travel form for trustees in being developed and will be distributed shortly; and (3) the Declining Payroll Report in the materials indicated fluctuations, but nothing outside of normal trends. Assistant CEO McKelvey also commented that, after IRS 1099 forms were issued, 80 corrected forms would be issued in February in relation to the *Alameda* decision.

- 01 Declining Employer Payroll Report

8.04 Report from Committee(s)

- 01 Committee Chair and staff will provide a brief summary of the outcome of the:
 - a CEO Performance Review Committee - February 7, 2022
- 02 Trustee Bassett stated there was nothing to report at this time.

9.0 CORRESPONDENCE

9.01 Letters Received

9.02 Letters Sent

9.03 Market Commentary/Newsletters/Articles

- 01 Bridgewater The Evolution of Institutional Investors' Exposure to Cryptocurrencies and Blockchain Technologies January 2022
- 02 Milliman Public Pension Funding Index Q4 investment performance January 2022
- 03 Pensions & Investments Fresno County Employees ups private equity pacing to \$125 million per year January 2022

- 04 Reuters U.S. public pension funds seen turning to more aggressive investment January 2022
- 05 Investment Executive Canadian DB pensions returned 8.9% in 2021 January 2022
- 06 NCPERS Public Retirement Systems Study February 2022

10.0 COMMENTS

- 10.01 Trustee Moore asked for additional education on the Retiree COLA.
- 10.02 Trustee Nicholas stated after listening to the Consulting Actuary's presentation, it appears that lowering the discount rate would be prudent.

11.0 CLOSED SESSION

BEFORE THE CHAIR CONVENED CLOSED SESSION AT 10:45 A.M., COUNSEL STATED THAT THERE WERE NO DISABILITY APPLICATION MATTERS TO CONSIDER, SO THERE WOULD BE NO DISCUSSION ON ITEM 11.01. COUNSEL ALSO STATED THAT IDENTIFICATION OF THE PENDING LITIGATION MATTER LISTED ON THE AGENDA WOULD JEOPARDIZE SJCERA'S ABILITY TO EFFECTUATE SERVICE OR CONCLUDE EXISTING SETTLEMENT NEGOTIATIONS TO ITS ADVANTAGE, AND THAT THE MATTER WOULD BE DISCLOSED UPON INQUIRY WHEN APPROPRIATE. THE CHAIR ADJOURNED THE CLOSED SESSION AND RECONVENED THE OPEN SESSION AT 11:47 A.M.

- 11.01 Personnel Matters
California Government Code Section 54957
Employee Disability Retirement Application(s) (0)
- 11.02 Public Employee Performance Evaluation
California Government Code Section 54957
Title: Retirement Administrator/Chief Executive Officer
- 11.03 Conference with Legal Counsel - Pending Litigation
California Government Code Section 54956.9(d)(1)
1 Case
- 11.04 Counsel noted there was nothing to report out of closed session.

12.0 CALENDAR

- 12.01 Board Meeting March 11, 2022 at 9:00 AM

13.0 ADJOURNMENT

- 13.01 There being no further business the meeting was adjourned at 11:48 AM. The Board took a break from 10:34 AM until 10:45 AM.

Respectfully Submitted:


Michael Restuccia, Chair

Attest:


RAYMOND McCRAY, Secretary