



San Joaquin County Employees Retirement Association

MINUTES

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, JULY 14, 2023 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, JC Weydert, Steve Ding, Chanda Bassett, Michael Duffy, Steve Moore Raymond McCray (out at 10:53 a.m.) and Michael Restuccia presiding

MEMBERS ABSENT: None

STAFF PRESENT: Chief Executive Officer Johanna Shick, Assistant Chief Executive Officer Brian McKelvey, Retirement Investment Officer Paris Ba, Management Analyst III Greg Frank, Department Information Systems Manager Adnan Khan, Information Systems Analyst II Lolo Garza, Administrative Secretary Elaina Petersen, Accounting Technician II Marissa Smith

OTHERS PRESENT: Counsel Yuliya Oryol of Nossaman, David Sancewich, Ryan Lobdale (via Zoom) and Eric White of Meketa, Graham Schmidt of Cheiron

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Ray McCray

3.0 MEETING MINUTES

3.01 Minutes for the Board Meeting of June 2, 2023

3.02 Minutes for the Administrative Committee Meeting of June 22, 2023

3.03 The Board voted unanimously (9-0) to approve the Minutes of the Board Meeting of June 2, 2023 and the Administrative Committee Meeting of June 22, 2023 (Motion: Duffy; Second: Bassett)

4.0 PUBLIC COMMENT

4.01 There was no public comment

5.0 CONSENT ITEMS

5.01 Service Retirements (4)

5.02 Mid-Year Administrative Budget Update

5.03 Board Policies and Charters Not Requiring Amendments

01 CEO Performance Review Charter

02 CEO Performance Review Policy

5.04 Board Policies Requiring Amendments

01 Cash Management and Liquidity Policy

a Cash Management and Liquidity Policy - Mark-up

- b Cash Management and Liquidity Policy - Clean
- 02 Declining Employer Payroll Policy
 - a Declining Employer Payroll Policy - Mark-up
 - b Declining Employer Payroll Policy - Clean
- 03 Disability Retirement and Active Member Death Policy and Procedure
 - a Disability Retirement and Active Member Death Policy and Procedure - Mark-up
 - b Disability Retirement and Active Member Death Policy and Procedure - Clean
- 04 Investment Manager Monitoring and Communications Policy
 - a Investment Manager Monitoring and Communications Policy - Mark-up
 - b Investment Manager Monitoring and Communications Policy - Clean
- 05 Investment Roles and Responsibilities Policy
 - a Investment Roles and Responsibilities Policy - Mark-up
 - b Investment Roles and Responsibilities Policy - Clean
- 06 Placement Agent Information Disclosure Policy
 - a Placement Agent Information Disclosure Policy - Mark-up
 - b Placement Agent Information Disclosure Policy - Clean
- 07 Proxy Voting Policy
 - a Proxy Voting Policy - Mark-up
 - b Proxy Voting Policy - Clean

5.05 Resolution 2023-07-01 titled “Board Policy Amendments”

5.06 The Board voted unanimously (9-0) to approve the consent items and adopt Resolution 2023-07-01 (Motion: Keokham; Second: Goodman)

NOTE: Items number 14.0, 7.0, 8.0, 9.0 and 10.0 were taken next out of order.

6.0 ACTUARIAL REPORT AND 2024 RETIREMENT CONTRIBUTION RATES

6.01 Annual Actuarial Valuation Report as of January 1, 2023 prepared by Cheiron

6.02 The Board received and filed report

6.03 Resolution 2023-07-02 titled “Actuarial Report and 2024 Retirement Contribution Rates”

6.04 The Board voted unanimously (8-0) to accept the actuarial report, approve the retirement contribution rates for 2024 and adopt Resolution 2023-07-02 (Motion: Goodman; Second: Duffy)

7.0 REAL ESTATE MANAGER PRESENTATION

7.01 Presentation by Matt Novac and Erin Byrne Watson, of Berkeley Partners Fund VI

8.0 CLOSED SESSION

The Chair convened Closed Session at 9:57 a.m. and adjourned Closed Session and reconvened Open Session at 11:36 a.m.

8.01 Purchase or Sale of Pension Fund Investment
California Government Code Section 54956.81

- 8.02 Personnel Matters**
California Government Code Section 54957
Employee Disability Retirement Application(s) (1)

- 01 Thomas Wheelhouse
Accountant I
Behavioral Health Admin

The Board voted unanimously (9-0) to approve non-service disability claim for the applicant (Motion: Duffy: Second: Keokham) pending the outcome of a separate administrative hearing related to his service-connected disability retirement application.

- 8.03 Conference with Legal Counsel - Potential Initiation of Litigation**
California Government Code Section 54956.9(d)(1)
1 Case

- 8.04 Threat to Public Services or Facilities**
California Government Code Section 54957
Consultation with: Information Systems Manager Adnan Khan

- 8.05 Public Employee Performance Evaluation**
California Government Code Section 54957
Title: Retirement Administrator/Chief Executive Officer

- 8.06** Counsel noted that, other than what is reported under 8.02 above, there was nothing further to report out of Closed Session.

9.0 INVESTMENT CONSULTANT REPORTS

- 9.01 Presented by David Sancewich of Meketa Investment Group**

- 01 Monthly Investment Performance Updates
 - a Manager Performance Flash Report - May 2023
 - b Economic and Market Update - May 2023

- 02 Investment Fee Transparency Report

- 9.02** CRO search finalists memo

- 9.03** The Board received and filed reports, and indicated their support of Meketa's recommendation to interview three CRO managers sometime after the October meetings.

10.0 2023 ANNUAL INVESTMENT ROUNDTABLE

- 10.01** The Board listened to suggestions on format, topics and speakers and will discuss further when the draft agenda is presented at the August meeting.

11.0 STAFF REPORTS

- 11.01** Trustee and Executive Staff Travel

- 01 Conferences and Events Schedule 2023
- 02 Summary of Pending Trustee and Executive Staff Travel
 - a Travel requiring approval (2)
- 03 Summary of Completed Trustee and Executive Staff Travel

- 11.02** The Board voted unanimously (8-0) to approve an exception to the \$2,500 annual travel cap for Trustee Duffy and approved ACEO Brian McKelvey to attend the top 1000funds Fiduciary Investors Symposium September 19-21, 2023. (Motion: Weydert; Second: Nicholas)

11.03 Quarterly Operations Reports

- 01 Pending Member Accounts Receivable - Second Quarter 2023
- 02 Disability Quarterly Report - Statistics
- 03 Pension Administration System Update

11.04 Legislative Summary Report

11.05 CEO Report

In addition to the written report, CEO Shick: 1) Congratulated Trustee Michael Restuccia and Trustee Raymond McCray on their reappointment to the Board of Retirement; 2) Recognized the Superior Court for their additional \$1.5 million contribution (an additional payment of approximately 15% of their annual contribution amount); 3) Reminded the Board of the Special Board meeting on September 1, 2023 regarding ESG (location pending), and the Investment Roundtable dinner on Wednesday, October 11 at 5:00 p.m. at Wine and Roses, the night before the Investment Roundtable Special Board meeting.

11.06 The Board received and filed reports

12.0 CORRESPONDENCE

12.01 Letters Received (0)

12.02 Letters Sent (0)

12.03 Market Commentary/Newsletters/Articles

- 01 PitchBook
Are "ESG Investors" Underperforming?
June 6, 2023
- 02 Pensions & Investments
North Carolina Passes bill blocking ESG Investments
June 14, 2023
- 03 Top 1000 Funds
Utah Retirement Systems: Why ESG is a waste of time
January 26, 2023
- 04 Capital Group
Commercial Real Estate: The next shoe to drop for the banking sector?
June 2023
- 05 Chief Investment Officer
Goldman: Look for EMs to Overtake US in Stock Valuation by 2030
June 27, 2023
- 06 MEKETA - Whitepaper
Liability Driven Investing
June 2023
- 07 CALAPRS
Update
Summer 2023
- 08 NCPERS
Monitor
June 2023

13.0 COMMENTS

13.01 Chairperson Restuccia was joined by the Board and staff in congratulating Trustee Raymond McCray and his wife on their Fiftieth Wedding Anniversary. Trustee Keokham thanked the Board for moving the Roundtable meeting back one week so he would be able to attend each year.

14.0 ELECTION OF OFFICERS

14.01 Board to elect officers for 2023-2024

14.02 The Board voted unanimously (9-0) to re-elect Trustee Michael Restuccia as Chairperson, Trustee Michael Duffy as Vice Chairperson and Trustee Raymond McCray as Secretary. (Motion: Keokham; Second: Ding)

15.0 CALENDAR

15.01 Board Meeting August 11, 2023 at 9:00 a.m.

15.02 Special Meeting September 1, 2023 at 9:00 a.m.

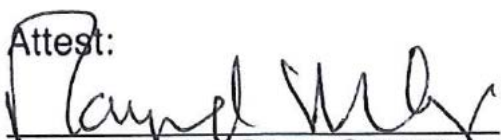
15.03 Board Meeting September 8, 2023 at 9:00 a.m.

16.0 ADJOURNMENT

16.01 There being no further business the meeting was adjourned at 12:30 p.m.

Respectfully Submitted:


Michael Restuccia, Chair

Attest:

Raymond McCray, Secretary