



San Joaquin County Employees Retirement Association

MINUTES

**BOARD MEETING
SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
FRIDAY, JULY 9, 2021
AT 9:00 AM
Location: Via Zoom**

1.0 ROLL CALL

1.01 MEMBERS PRESENT: Phonxay Keokham (out at 12:32 p.m.), Emily Nicholas, Jennifer Goodman, Katherine Miller (in at 9:04 a.m., returned from break at 11:28 a.m.), Chanda Bassett (out at 12:01 p.m.), JC Weydert (returned from closed session at 12:36 p.m.), Raymond McCray, and Michael Restuccia presiding

MEMBERS ABSENT: Michael Duffy

STAFF PRESENT: Chief Executive Officer Johanna Shick, Retirement Investment Officer Paris Ba, Financial Officer Carmen Murillo, Investment Accountant Eve Cavender, Management Analyst III Greg Frank, Department Information Systems Analyst II Lolo Garza, Information Systems Analyst II Jordan Regevig, and Administrative Secretary Kendra Fenner

OTHERS PRESENT: Deputy County Counsel Jason Morrish, David Sancewich of Meketa Investment Group, Sean Byrne of Rimon Law and Thomas Dover, Nossaman, LLC.

2.0 PLEDGE OF ALLEGIANCE

2.01 Led by Michael Restuccia

3.0 APPROVAL OF MINUTES

3.01 Approval of the minutes for the Board Meeting of June 4, 2021

3.02 Approval of the minutes for the Administrative Committee Meeting of June 9, 2021

3.03 Approval of the Amended Minutes for the Board Meeting of May 7, 2021

3.04 The Board voted (5-0) to approve the Minutes of the Board Meeting of June 4, 2021, the Minutes of the Administrative Committee meeting of June 9, 2021 and the amended Minutes of the Board Meeting of May 7, 2021. (Motion: Bassett; Second: Goodman; Abstain: Nicholas and Weydert)

4.0 PUBLIC COMMENT

4.01 Retired Public Employees of San Joaquin Board President, William Mitchell, explained their process for selection of the nominee for the Alternate Retired Member.

5.0 STRATEGIC PLANNING OVERVIEW

5.01 Presentation by Amy McDuffee, Founder and CEO and Catherine Jackson, Consulting Co-Lead of Mosaic Governance Advisors, LLC.

6.0 CONSENT ITEMS

6.01 Service Retirement (22)

6.02 Mid-Year Administrative Budget Update

6.03 Board Administration Policies Not Requiring Amendments

- 01 Normal Retirement Age - IRC 401(a)
- 02 Retiree Medical Benefits Accounts - IRC 401(h)
- 03 Retirement Eligible Compensation

6.04 Board Administration Policies Requiring Amendments

- 01 Annual Additions Limit - IRC 415(c) Policy
 - a Proposed revisions to Annual Additions Limit - IRC 415(c) Policy - Mark-up
 - b Proposed revisions to Annual Additions Limit - IRC 415(c) Policy - Clean
- 02 Annual Benefits Limit - IRC 415(b) policy
 - a Proposed revisions to Annual Benefit Limit - IRC 415(b) Policy - Mark-up
 - b Proposed revisions to Annual Benefit Limit - IRC 415(b) Policy - Clean
- 03 Compensation Earnable Annual Limit - IRC 401(a)(17) Policy
 - a Proposed revisions to Compensation Earnable Annual Limit Policy - IRC 401(a)(17) Policy - Mark-up
 - b Proposed revisions to Compensation Earnable Annual Limit Policy - IRC 401(a)(17) Policy - Clean
- 04 Document and Data Retention Policy
 - a Proposed revisions to Document and Data Retention Policy - Mark-up
 - b Proposed revisions to Document and Data Retention Policy - Clean
- 05 Final Compensation Review Policy
 - a Proposed revisions to Final Compensation Review Policy - Mark-up
 - b Proposed revisions to Final Compensation Review Policy - Clean
- 06 Required Minimum Distributions - IRC 401(a)(9) Policy
 - a Proposed revisions to Required Minimum Distributions - IRC 401(a)(9) Policy - Mark-up
 - b Proposed revisions to Required Minimum Distributions - IRC 401(a)(9) Policy - Clean
- 07 Return to Work and Bona Fide Separation from Service - IRC 401(a) Policy
 - a Proposed revisions to Return to Work and Bona Fide Separation from Service - IRC 401(a) Policy - Mark-up
 - b Proposed revisions to Return to Work and Bona Fide Separation from Service - IRC 401(a) Policy - Clean
- 08 Rollovers - IRC 401(a)(31) and 402(c) Policy
 - a Proposed revisions to Rollovers - IRC 401(a)(31) and 402(c) Policy - Mark-up
 - b Proposed revisions to Rollovers - IRC 401(a)(31) and 402(c) Policy - Clean

6.05 Committee Charter Amendments

- 01 Audit Committee Charter
 - a Proposed revisions to Audit Committee Charter - Mark-up

b Proposed revisions to Audit Committee Charter - Clean

02 Administrative Committee Charter

a Proposed revisions to Administrative Committee Charter - Mark-up

b Proposed revisions to Administrative Committee Charter - Clean

6.06 Resolution 2021-07-01 titled “Board Administration Policies and Committee Charter Amendments”

6.07 The Board voted unanimously (8-0) to approve consent calendar items, with one verbal requested revision by CEO Shick to 6.04-05: section II.A.1.b. The statement should read, “Frequent use of special pay elements over time which appear to be random.” (Motion: Bassett; Second: Keokham)

7.0 BLOCKCHAIN TECHNOLOGY EDUCATION SESSION

7.01 Presentation by Mark Yusko, CEO and CIO of Morgan Creek Capital

7.02 Presentation by Katherine Molnar, CIO of Fairfax County Police Officers Retirement System

8.0 ALTERNATE RETIRED MEMBER OF THE BOARD

8.01 RPESJC letter dated 6/28/2021, regarding Appointment of Alternate Retired Member of the Board of Retirement

8.02 Board to consider and appoint an Alternate Retired Member of the Board

8.03 Trustee McCray made a motion to postpone appointment of the Alternate Retired Member; motion withdrawn after RPESJC representative William Mitchell explained nomination process. Trustee Weydert made a motion to postpone appointment of the Alternate Retired Member; motion not seconded. The Board voted (7-1) to accept and approve RPESJC’s nomination of Steven Moore for the Alternate Retired Member. (Motion: Miller; Second: McCray; Ayes: Keokham, Nicholas, Goodman, Restuccia, Miller, Bassett, McCray; Nays: Weydert)

9.0 SELECTION OF VENDOR TO WRITE PENSION ADMINISTRATION SYSTEM RFP

9.01 The Board voted unanimously (7-0) to approve staff’s recommendation

10.0 CONSULTANT REPORTS PRESENTED BY DAVID SANCEWICH OF MEKETA INVESTMENT GROUP

10.01 Monthly Investment Performance Updates

01 Manager Performance Flash Report - May 2021

02 Economic and Market Update - May 2021

10.02 Investment Fee Transparency Report

10.03 Fixed Income Manager Search Update

10.04 Board to receive and file reports

11.0 2021 ANNUAL INVESTMENT ROUNDTABLE

11.01 Board to review and discuss proposed topics and give direction to staff as necessary

12.0 STAFF REPORTS

12.01 Pending Retiree Accounts Receivable - Second Quarter 2021

12.02 Disability Quarterly Report - Statistics

12.03 Legislative Summary Report

12.04 Trustee and Executive Staff Travel

01 Conferences and Events Schedule for 2021

a CALAPRS Principles for Trustees 2021

02 Summary of Pending Trustee and Executive Staff Travel

03 Summary of Completed Trustee and Executive Staff Travel

12.05 CEO Report

In addition to the written report, CEO Shick recapped the following topics: 1) San Joaquin County Superior Court made a substantial contribution with the goal of decreasing their portion of the unfunded actuarial liability. The contribution was about 11 percent of their total contribution from 2020; 2) The Cyber-security audit is underway; 3) Congratulations to Marissa Smith on her promotion to Accounting Tech II

12.06 Board received and filed reports, and voted unanimously (8-0) to approve CEO Shick's verbal travel request to attend the NCPERS Pension Funding Forum, August 22-24, 2021. (Motion: Weydert; Second: McCray)

13.0 CORRESPONDENCE

13.01 Letters Received

13.02 Letters Sent

13.03 Market Commentary/Newsletters/Articles

14.0 COMMENTS

14.01 Trustee Restuccia welcomed back Trustee Weydert to the Board.

14.02 Trustee McCray recommended soliciting employer feedback as part of the strategic planning process.

14.03 Trustee McCray stated it was nice to see the 75 year timeline. He thanked SJCERA staff for sharing.

14.04 Trustee Miller thanked the Board officers for being willing to serve another term.

14.05 Trustee Goodman asked to be added to the list of attendees for the SACRS Fall Conference and the CALAPRS Virtual Principles of Pension Governance for Trustees.

14.06 Trustee Goodman asked staff to calculate the Courts extra contributions as a percentage of their share of the unfunded liability.

15.0 CLOSED SESSION

THE CHAIR CONVENED CLOSED SESSION AT 11:55 A.M. AND ADJOURNED THE CLOSED SESSION AND RECONVENED THE OPEN SESSION AT 12:34 P.M.

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

15.02 PERSONNEL MATTERS CALIFORNIA GOVERNMENT CODE SECTION 54957 EMPLOYEE DISABILITY RETIREMENT APPLICATION(S) (0)

15.03 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
CALIFORNIA GOVERNMENT CODE SECTION 54956.9(d)(4)
Initiation of Litigation - 1 Case

16.0 ELECTIONS OF OFFICERS

16.01 Board to elect officers for 2021-2022

16.02 The Board voted unanimously (6-0) to re-elect Michael Restuccia as Chairperson, Michael Duffy as Vice Chairperson and Raymond McCray as Secretary. (Motion: McCray; Second: Miller)

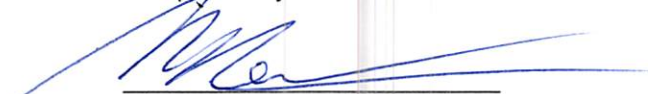
17.0 CALENDAR

17.01 Board Meeting August 13, 2021, at 9:00 AM

18.0 ADJOURNMENT


18.01 There being no further business the meeting was adjourned at 12:37 p.m. The Board took a break from 11:17 a.m. until 11:22 a.m.

Respectfully Submitted:



Michael Restuccia, Chair

Attest:



RAYMOND McCRAY, Secretary