



# San Joaquin County Employees Retirement Association

---

## MINUTES

### BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, MARCH 10, 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:** Emily Nicholas, Chanda Bassett, Jennifer Goodman, Steven Ding, JC Weydert, Steve Moore (in at 9:03), Michael Duffy, Raymond McCray and Michael Restuccia presiding
- MEMBERS ABSENT:** Phonxay Keokham
- STAFF PRESENT:** Chief Executive Officer Johanna Shick, Assistant Chief Executive Officer Brian McKelvey, Retirement Investment Officer Paris Ba, Management Analyst III Greg Frank, Information Systems Analyst II Lolo Garza, Information Technology Systems Specialist II Jordan Regevig, Administrative Secretary Elaina Petersen
- OTHERS PRESENT:** Deputy County Counsel Jason Morrish, David Sancewich and Ryan Lobdell (via Zoom) of Meketa

#### 2.0 PLEDGE OF ALLEGIANCE

- 2.01** Led by Michael Duffy

#### 3.0 MEETING MINUTES

- 3.01** Minutes for the Board Meeting of February 10, 2023
- 3.02** The Board voted unanimously (8-0) to approve the Minutes of the Board Meeting of February 10, 2023 (Motion: McCray; Second: Bassett)

#### 4.0 PUBLIC COMMENT

- 4.01** There was no public comment

#### 5.0 CONSENT ITEMS

- 5.01** Service Retirement (13)
- 5.02** General (1)
- 01 Retirement Administrator/Chief Executive Officer Compensation
- 5.03** Following an oral report from counsel summarizing the recommendation in Item 5.02 -01, the Board voted unanimously (8-0) to approve the Consent Calendar items (Motion: Duffy; Second: Weydert)

#### 6.0 INVESTMENT CONSULTANT REPORTS

- 6.01** Presentation by David Sancewich of Meketa Investment Group
- 01 Quarterly Reports from Investment Consultant for period ended December 31, 2022
- a Quarterly Investment Performance Analysis

- b Manager Certification Report
- c Manager Review Schedule
- 02 Manager Performance Flash Report
- 03 Economic and Market Update

NOTE: Item number 7.0 was taken next out of order.

**6.02** 2023 Capital Market Assumptions

**6.03** Total Portfolio Expected Return Update - 2023 Assumptions

**6.04** The Board received and filed reports

## **7.0 CRISIS RISK OFFSET EDUCATION**

**7.01** Presentation by Ryan Lobdell of Meketa Investment Group

**7.02** The Board voted unanimously (8-0) to approve the staff recommendation to update the current naming structure within the Crisis Risk Offset: Long Duration U.S. Treasury, Systemic Trend Following and Alternative Risk Premia to First Responders, Second Responders and Diversifiers. (Motion: Duffy; Second: Goodman)

## **8.0 STAFF REPORTS**

**8.01** Trustee and Executive Staff Travel

01 Conferences and Events Schedule 2023

a Travel requiring approval (1)

02 Summary of Pending Trustee and Executive Staff Travel

03 Summary of Completed Trustee and Executive Staff Travel

**8.02** The Board unanimously (8-0) to approve the travel request (Motion: Duffy; Second: Weydert)

**8.03** Legislative Summary Report

**8.04** CEO Report

In addition to the written report, CEO Shick noted: 1) the new Pension Administration System has been given a name, congratulations to Retirement Services Associate Ron Banez for his winning entry "PRIME": Pension Related Information for Members and Employers; 2) all Form 700s are due to Management Analyst III Greg Frank by March 22, 2023; 3) there are four ESG articles this month in Market Commentary in preparation for discussions later this year to define the Board's environmental, social, and governance philosophy, including diversity, equity, and inclusion for both the organization and the investment portfolio; 4) all employers were notified of the Bylaws change regarding Optional Membership Exclusion due within 30 days of hire.

**8.05** The Board received and filed reports

## **9.0 CORRESPONDENCE**

**9.01** Letters Received (0)

**9.02** Letters Sent (0)

**9.03** Market Commentary/ Newsletters/Articles

01 Research Affiliates

How "Transitory" is Inflation? Presentation  
January 2023

- 02 Research Affiliates  
History Lessons: How “Transitory” is Inflation?  
November 2022
- 03 Institutional Investor  
This One Trick Could Improve Funded Status  
for Almost All State Pensions  
February 8, 2023
- 04 Route Fifty  
The Politics of ESG Investing  
February 10, 2023
- 05 Board Smart  
ESG is Dead - Long Live ESG:  
Guidance for US Pension Fiduciaries  
February 2023
- 06 PLANSPONSOR  
Exploring ESG Investing  
February 2023
- 07 PLANSPONSOR  
The Department of Labor OK’s ESG  
February 2023
- 08 Fidelity Investor  
2023 Outlook  
The top five trends to monitor in the year ahead  
February 2023
- 09 The NCPERS Monitor  
February 2023

## **10.0 COMMENTS**

### **10.01** Comments from the Board of Retirement

- 10.02** Trustee Weydert advised that the CALAPRS General Assembly was excellent this year.  
Trustee Duffy thanked Meketa for providing information three to six months ahead of other information outlets and commented that the information was great.  
Trustee Restuccia asked Meketa to provide the Board with the percentage of the portfolio invested in banks, noting some banks may struggle in the current environment.  
Trustee McCray requested Liability-Driven Education for the Board.  
Trustee McCray noted that Crisis Risk Offset tends to have a longer term duration and suggested in periods of rising rates we consider shorter (two - three year) duration.

## **11.0 CLOSED SESSION**

The Chair convened Closed Session at 11:15 a.m. and adjourned Closed Session and reconvened Open Session at 11:37 a.m.

- 11.01** Purchase or Sale of Pension Fund Investments  
California Government Code Section 54956.81
- 11.02** Personnel Matters  
California Government Code Section 54957  
Employee Disability Retirement Application(s) (0)

Counsel noted there was nothing to report out of closed session.

## **12.0 REPORT OUT OF CLOSED SESSION**

**12.01** At the February 10, 2023, meeting, the Board voted unanimously to redeem its alternative risk premia allocation of approximately \$57.2 million in Lombard Odier and retain the funds in SJCERA's cash overlay program.

### **13.0 CALENDAR**

**13.01** Audit Committee Meeting immediately following the March 10, 2023 Board of Retirement Meeting

**13.02** Board Meeting April 14, 2023 at 9:00 a.m.

**13.03** Board Meeting May 5, 2023 at 9:00 a.m.

**13.04** Board Meeting June 2, 2023 at 9:00 a.m.

### **14.0 ADJOURNMENT**


**14.01** There being no further business the meeting was adjourned at 11:38 a.m.

Respectfully Submitted:



Michael Restuccia, Chair

Attest:

  
Raymond McCray, Secretary