



San Joaquin County Employees Retirement Association

MINUTES

BOARD MEETING SAN JOAQUIN COUNTY EMPLOYEES RETIREMENT ASSOCIATION BOARD OF RETIREMENT FRIDAY, DECEMBER 8, 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, JC Weydert, Steve Moore, Michael Duffy (out at 11:16 a.m.), Raymond McCray and Michael Restuccia, presiding
MEMBERS ABSENT: Chanda Bassett, Jennifer Goodman, Steve Ding
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 Manager Adnan Khan, Information Systems Analyst II Lolo Garza, Administrative Secretary Elaina Petersen
OTHERS PRESENT: Ashley Dunning of Nossaman, David Sancewich and Paola Nealon of Meketa

2.0 PLEDGE OF ALLEGIANCE

- 2.01** Led by JC Weydert

3.0 MEETING MINUTES

- 3.01** Minutes for Board Meeting of November 3, 2023
3.02 Minutes for the Administrative Committee Meeting November 29, 2023
3.03 The Board voted unanimously (7-0) to approve the Minutes of the Board Meeting of November 3, 2023, and the Administrative Committee Meeting of November 29, 2023 (Motion: McCray; Second: Keokham)

4.0 PUBLIC COMMENT

- 4.01** There was no public comment

5.0 CONSENT ITEMS

- 5.01** Service Retirements (18)
5.02 Board Policies with Recommended Amendments
- 01 Staff Transportation and Travel Policy
 - a Staff Transportation and Travel Policy - Mark-up
 - b Staff Transportation and Travel Policy - Clean
 - 02 Conflict of Interest Policy
 - a Conflict of Interest Policy - Mark-up
 - b Conflict of Interest Policy - Clean
 - 03 Trustee and Executive Staff Travel Policy

- a Trustee and Executive Staff Travel Policy - Mark-up
- b Trustee and Executive Staff Travel Policy - Clean
- 04 Required Minimum Distributions - IRC 401(a)(9)
 - a Required Minimum Distributions - IRC 401(a)(9) - Mark-up
 - b Required Minimum Distributions - IRC 401(a)(9) - Clean

5.03 2024 Administrative Budget

- 01 2024 Administrative Budget Summary

5.04 The Board voted unanimously (7-0) to approve the consent items (Motion: Duffy; Second: Nicholas)

6.0 INVESTMENT CONSULTANT REPORTS

6.01 Presented by David Sancewich of Meketa Investment Group

- 01 Quarterly Reports from Investment Consultant for period ended September 30, 2023
 - a Quarterly Investment Performance Analysis
 - b Manager Certification Report
 - c Manager Review Schedule
- 02 Monthly Investment Performance updates
 - a Manager Performance Flash Report - October 2023
 - b Capital Markets Outlook and Risk Metrics - October 2023

6.02 The Board received and filed reports

7.0 STRATEGIC ASSET ALLOCATION IMPLEMENTATION UPDATE

7.01 The Board discussed and received and filed report

8.0 2024 STRATEGIC INVESTMENT PLAN

8.01 Presentation by David Sancewich of Meketa Investment Group

- 01 Memo from Meketa Investment Group

8.02 The Board discussed and received and filed report

9.0 GLOBAL EQUITY ASSET CLASS REVIEW

9.01 Presented by Paola Nealon of Meketa Investment Group

9.02 The Board discussed and received and filed report

10.0 RISK PARITY ASSET CLASS REVIEW

10.01 Presentation by David Sancewich of Meketa Investment Group

10.02 The Board received and filed report

11.0 CLOSED SESSION

The Chair called a break from 10:45 a.m. through 10:54 a.m. then convened Closed Session at 10:55 a.m. and adjourned Closed Session and reconvened Open Session at 11:21 a.m.

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

11.02 Personnel Matters
California Government Code Section 54957
Employee Disability Retirement Application(s) (4)

01 Heather Fontes
Service-Connected Disability Retirement
Probation Unit Supervisor
Probation

The Board voted unanimously (6-0) to grant the application for service connected disability retirement, effective 02/03/2023 (Motion: Keokham; Second: McCray)

02 Dave B. Konecny
Service-Connected Disability Retirement
Deputy Sheriff II
Sheriff - Stockton Unified Court

The Board voted unanimously (5-0) to grant the application for service connected disability retirement (Motion: Keokham; Second: McCray). Trustee Moore recused himself due to prior connection to this applicant.

03 Bryan Skinner
Service-Connected Disability Retirement
Food Service Worker I
Hospital Dietary

The Board voted unanimously (6-0) to grant the application for service connected disability retirement (Motion: Keokham; Second: McCray)

04 Stephen Whiteman
Service-Connected Disability Retirement
Equipment Operator I
Public Works - Road Main-East

The Board voted unanimously (6-0) to grant the application for service connected disability retirement (Motion: Keokham; Second: McCray)

11.03 Counsel noted that, other than 11.02-01-04 and what is reported in 12.01 there was nothing further to report out of Closed Session

12.0 REPORT OF CLOSED SESSION

12.01 On November 4, 2022, the Board voted unanimously to approve Resolution 2023-12-01 titled "Oaktree Special Situations Fund III" and to authorize the CEO to sign the necessary documents to invest \$40 million in the fund.

13.0 STAFF REPORTS

13.01 Trustee and Executive Staff Travel

01 Conference and Event Schedule 2024

02 Summary of Pending Trustee and Executive Staff Travel

03 Summary of Completed Trustee and Executive Staff Travel

13.02 Trustee Restuccia requested to attend IREI 2024 Visions, Insights & Perspectives (VIP) Americas January 22-24, 2024. The Board voted unanimously (6-0) to approve this request (Motion: Keokham; Second: Weydert)
Trustee Weydert requested to attend IREI 2024 Visions, Insights & Perspectives (VIP) Americas January 22-24, 2024. The Board voted unanimously (6-0) to approve this request (Motion: Keokham; Second: Nicholas)

13.03 Legislative Summary Report - None; No changes since 11/2023

13.04 CEO Report

In addition to the written report, CEO Shick: reported 1) the building permit for the new office has been issued, demolition is 80% done, and electrical, framing, and HVAC starts December 11, 2023; 2) staff is developing contingency plans if the new office is not approved for occupancy by February 29, 2024, including all staff working remotely and using a small office space in the San Joaquin County Administration Building to serve customers; 3) the CEO recruitment opens December 11, 2023 through January 12, 2024 and the Chief Counsel recruitment will open December 22, 2023 and continue through January 26, 2024; and 4) she thanked Trustees for their commitment, leadership and focus in 2023, wished them Happy Holidays, and noted she is looking forward to what the New Year holds.

13.05 The Board received and filed reports

14.0 CORRESPONDENCE

14.01 Letters Received (0)

14.02 Letters Sent (0)

14.03 Market Commentary/Newsletters/Articles

01 FUNDfire

CALSTRS' Fees Grew While Assets Shrank in 2022
November 6, 2023

02 Chief Investment Officer

Why a Slowdown Might Not Be Too Bad, CIO's Say
October 30, 2023

03 NCPERS

Monitor
November 2023

04 Neuberger Berman

Solving for 2024
November 2023

05 Cohen & Steers Real Assets Institute

Regime shift in private real estate opens opportunities
August 2023

06 Lazard Asset Management

Biden-Xi Summit and the Outlook for US-China Relations
November 10, 2023

07 Institutional Investor

Public Pensions Frequently Change Their Private Equity Benchmarks. Why It Matters.
November 13, 2023

15.0 COMMENTS

15.01 Trustee Restuccia thanked staff, counsel and the Board for how well everyone works together, and also requested staff distribute the executive recruitment brochures to trustees.

Trustee Duffy asked for information about how credit managers' analysis is changing given the changing interest rate environment, noting there could be losses, not just defaults.

Trustee Keokham thanked the team for their work in 2023 and encouraged everyone to keep up the good work. He also requested staff add the Wharton School's investment and portfolio management program to the list of conferences.

Trustee McCray requested additional analysis on SJCERA's returns given the portfolio's level of risk, and expressed interest in seeing 2-year returns, in addition to 3- and 5-year returns. He also noted that the SACRS conference was very good and he hopes for better attendance from SJCERA in the future.

Trustee Moore complimented ACEO Brian McKelvey for his assistance with a member concern regarding a breach of information related to PBI. Brian was able to verify the leak was unrelated to SJCERA.

Trustee Weydert thanked everyone for their support during this time and wished everyone a Merry Christmas. Chair Restuccia, dedicated the meeting to Mrs. Pam Weydert.

16.0 CALENDAR

16.01 Board Meeting January 12, 2024 at 9:00 a.m.

16.02 CEO Performance Review Committee, TBA

16.03 Board Meeting February 9, 2024 at 9:00 a.m.

16.04 Board Meeting March 8, 2024 at 9:00 a.m.


16.05 Audit Committee Meeting, March 8, 2024 immediately following Board meeting


16.06 Board Meeting April 12, 2024 at 9:00 a.m.

17.0 ADJOURNMENT

17.01 There being no further business the meeting was adjourned at 11:39 a.m.

Respectfully Submitted:


Michael Restuccia, Chair

Attest:

Raymond McCray, Secretary