

**SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RETIREMENT BOARD MEETING MINUTES**

Thursday, July 20, 2023

9:02 a.m.

Presiding: Brian Williams, Chair

Present: Trustees Neil Baker (Alternate Retiree), Travis Balzarini, Chris Coursey, Amos Eaton, Greg Jahn, Erick Roeser, Joe Tambe, Tim Tuscany, and Bob Williamson (Vice Chair); Chief Executive Officer Julie Wyne, Assistant CEO/Chief Legal Counsel Cristina Hess, Member Services Manager Jackie Purter, Retirement Analyst Rebecca Gay, and Administrative Aide Julia Smith

Present via

Zoom: Andy Yeung and Paul Angelo (of Segal Consulting)

Public comments were solicited prior to the meeting by emailing Rebecca.Gay@sonoma-county.org. Members of the public that joined the Zoom meeting via the app or dial in were provided opportunity to submit live public comment for each agenda item after the Board and staff provided their comments.

I. CONSENT CALENDAR

A. Meeting Minutes – June 22, 2023, Retirement Board

Recommendation: Approve Consent Calendar item A.

A motion was made by Trustee Eaton, seconded by Trustee Williamson, to approve Consent Calendar item A. The motion carried 9-0-0-0 with voting as follows:

Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye
Mr. Tuscany	Aye
Mr. Williams	Aye
Mr. Williamson	Aye

The Board of Retirement moved into Executive Session and closed the meeting to all attendees that were not necessary for the determination of a disability retirement. While the meeting was closed, those attendees exited the Board room and/or were placed in the virtual Zoom lobby by the host and neither saw nor heard the meeting.

II. EXECUTIVE SESSION

- A. Executive Session. Meeting closed pursuant to Government Code Section 54957(b) to consider the employment status and evaluation of performance of a SCERA member or members as concerns eligibility for a disability retirement.

Disability Committee Chair will report on recommendations made by the Committee at the July 20, 2023, meeting:

1. JORDAN BOX, Correctional Deputy II filed 12/07/22 for a service connected disability retirement.

A motion was made by Trustee Williamson, seconded by Trustee Tambe, to grant the application of Jordan Box, Correctional Deputy II, for a service connected disability retirement. The motion carried 9-0-0-0 with voting as follows:

Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye
Mr. Tuscany	Aye
Mr. Williams	Aye
Mr. Williamson	Aye

2. MATTHEW MCMULLIN, Probation Officer III filed 12/14/22 for a service connected disability retirement.

A motion was made by Trustee Williamson, seconded by Trustee Balzarini, to grant the application of Matthew McMullin, Probation Officer III, for a service connected disability retirement. The motion carried 9-0-0-0 with voting as follows:

Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye
Mr. Tuscany	Aye
Mr. Williams	Aye
Mr. Williamson	Aye

3. MERIDITH STARRETT, Correctional Deputy II filed 12/28/22 for a service connected disability retirement.

A motion was made by Trustee Williamson, seconded by Trustee Balzarini, to grant the application of Meridith Starrett, Correctional Deputy II, for a service connected disability retirement. The motion carried 9-0-0-0 with voting as follows:

Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye
Mr. Tuscany	Aye
Mr. Williams	Aye
Mr. Williamson	Aye

The Board of Retirement moved out of Executive Session and reopened the meeting to all attendees that were placed in the actual and/or virtual Zoom lobby during the closed session period.

III. EXECUTIVE SESSION REPORT OUT

Chair Williams reported the Board unanimously approved the applications of Jordan Box, Correctional Deputy II, Matthew McMullin, Probation Officer III, and Meridith Starrett, Correctional Deputy II, for service connected disability retirements.

IV. REGULAR CALENDAR

A. Budget Adjustment Request

CEO Julie Wyne explained that equity adjustments negotiated in the collective bargaining that had just concluded resulted in unanticipated increases in personnel costs for the upcoming year, and additional cost studies requested of the Plan's actuary and potential speaker stipends for the Planning Session resulted in a Budget adjustment request of \$165,200. Ms. Wyne noted this did not impact the statutory limit calculation and that the total SCERA Budget for 2024 was still .12% of the Plan's actuarial accrued liability.

Recommendation: Approve the Budget Adjustment

A motion was made by Trustee Eaton, seconded by Trustee Williamson, to approve the Budget Adjustment as recommended by staff. The motion carried 9-0-0-0 with voting as follows:

Mr. Balzarini	Aye
Mr. Coursey	Aye
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Aye

Mr. Tuscany Aye
Mr. Williams Aye
Mr. Williamson Aye

B. Negative Contingency Reserve Discussion

Ms. Wyne provided a history of SCERA's policy decisions as they relate to the creation of the Negative Contingency Reserve, granting of ad hoc Cost of Living Adjustments and interest crediting on the Plan's reserves. She explained how the determination of available earnings for interest crediting is based on the Plan's 5-year smoothing policy and how we determine whether there are "excess" earnings available to fund ad hoc benefits. Trustees noted that using "excess" earnings as a funding source is taking the position that the Plan will consistently earn in excess of its actuarially assumed investment earnings rate and that may not be the best policy position to take. Trustees also noted that the ad hoc purchasing power COLA program in place should be analyzed separately from any potential ongoing COLA program. Ms. Wyne noted that there are several policy questions that are tied together starting with the interest crediting rate when the Plan earns less than its actuarially assumed investment earnings rate and continuing with the 3% Interest Fluctuation Reserve amount and treatment of the existing Negative Contingency Reserve, which will be addressed at the August 24, 2023, Board meeting.

C. Communications

1. Service Retirements
2. Member Interest Crediting Rate, June 30, 2023
3. SACRS July 2023 Legislative Update
4. Budget to Actual Report through June 30, 2023

V. Trustee/Staff Training & Conferences

Notify Julia Smith if you plan to attend any future event. Please note, if out of state travel to attend a conference is not approved in the Budget separate approval from the Board must be obtained prior to attending the conference.

- A. CALAPRS Principles of Pension Governance for Trustees, August 28 to August 31, 2023, Pepperdine University, Malibu, CA.
- B. Arrowstreet Capital 2023 Client Conference, October 3 to 4, 2023, The Mandarin Oriental Hotel, Boston, MA.
- C. Nossaman Fiduciary Forum, October 5, 2023, Nossaman LLP, 50 California Street, 34th Floor, San Francisco, CA.

- D. SACRS Fall Conference, November 7 to 10, 2023, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA.

VI. GENERAL DISCUSSION ITEMS

Opportunity was given to advise the Board of new matters and for Trustees to ask questions for clarification, provide information to staff, request staff to report back on a matter or direct staff to place a matter on a subsequent agenda.

Ms. Wyne informed the Board of an educational session scheduled for the August Board meeting, presented by Maytak Chin, on the topic of Fiduciary Responsibility.

VII. PUBLIC COMMENT

Opportunity was given for public comment on non-agenda items within the jurisdiction of the Retirement Board.

There were no public comments.

VIII. NOTICE OF NEXT MEETINGS

All meetings are held at SCERA in the Board Room at 433 Aviation Boulevard, Suite 100, Santa Rosa, CA, and broadcast via Zoom unless otherwise noted.

Investment Committee

July 27, 2023

8:30 a.m.

Disability Committee

August 24, 2023

8:30 a.m.

Board Meeting

August 24, 2023

9:00 a.m.

IX. ADJOURNMENT

With no further business to conduct, the meeting adjourned at 10:25 a.m.

X. APPROVAL

The above minutes from the July 20, 2023, Retirement Board meeting were approved at the Retirement Board meeting on August 24, 2023.

BRIAN WILLIAMS, CHAIR