

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

Thursday, August 24, 2023

9:33 a.m.

Presiding: Brian Williams, Chair

Present: Trustees Neil Baker (Alternate Retiree), Travis Balzarini, Chris Coursey (left at 10:45 a.m), 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; Maytak Chin (of Reed Smith); Paul Angelo and Andy Yeung (of Segal Consulting)

Present via

Zoom: Trustee Amos Eaton; Jerry Allen, Bill Robotka, Andre Bercut, Lesli Daniel, and Steven Diverde (commenting members of the public)

Public comments were solicited prior to the meeting by emailing [Rebecca.Gay@sonoma-county.org](mailto: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.

Trustee Amos Eaton requested an emergency exception, under California Government Code section 54953(f)(2), to his in-person attendance at the August Board meeting and the notice requirements for appearance by teleconference. He indicated a medical emergency involving an immediate family member required his attention, resulting in out of state travel.

A motion was made by Trustee Tambe, seconded by Trustee Williamson, to grant Trustee Eaton's request to attend the August Board meeting via teleconference in accordance with Government Code section 54953(f)(2). The motion carried 8-0-1-0 with roll call voting as follows:

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

I. CONSENT CALENDAR

- A. Meeting Minutes – July 20, 2023, Retirement Board
- B. Active & Deferred Member Death Benefits

**Recommendation:** Approve Consent Calendar items A through B.

A motion was made by Trustee Williamson, seconded by Trustee Balzarini, to approve Consent Calendar items A and B. The motion carried 9-0-0-0 with roll call 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 blocked by the Zoom 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 reported on recommendations made by the Committee at the August 24, 2023, meeting:

1. JAIME RODRIGUEZ, Correctional Deputy II filed 11/01/22 for a service connected disability retirement.

A motion was made by Trustee Williamson, seconded by Trustee Tambe, to deny the application of Jaime Rodriguez, Correctional Deputy II, for a service connected disability retirement. The motion carried 8-1-0-0 with roll call voting as follows:

Mr. Balzarini	Nay
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. FRANCINE KELLER, Deputy Sheriff II filed 01/20/23 for a service connected disability retirement.

A motion was made by Trustee Williamson, seconded by Trustee Jahn, to grant the application of Francine Keller, Deputy Sheriff II, for a service connected disability retirement. The motion carried 9-0-0-0 with roll call 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. MICHAEL SKINNER, Correctional Deputy II filed 02/06/23 for a service connected disability retirement.

A motion was made by Trustee Tambe, seconded by Trustee Williamson, to grant the application of Michael Skinner, Correctional Deputy II, for a service connected disability retirement. The motion carried 9-0-0-0 with roll call 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 not in attendance during the closed session period.

### III. EXECUTIVE SESSION REPORT OUT

Chair Williams reported the Board denied the application of Jaime Rodriguez, Correctional Deputy II, with a vote count of 8 Ayes and 1 Nay. The Board unanimously approved the applications of Francine Keller, Deputy Sheriff II, and Michael Skinner, Correctional Deputy II, for service connected disability retirements.

IV. REGULAR CALENDAR

- A. Educational Presentation – Trustee Fiduciary Duties – Maytak Chin of Reed Smith presenting

Ms. Chin summarized a pension trustee’s fiduciary duty of loyalty to the members and beneficiaries of the trust which encompasses the obligation to always act in the best interest of plan members and their beneficiaries, including being prepared for meetings and acting as a co-fiduciary to other trustees. She explored the exclusive benefit rule that trust assets are only to be used to pay benefits and reasonable administrative expenses and the prudent expert rule that requires trustees to exercise the care and skill of a knowledgeable, prudent person faced with a similar situation when administering the trust, including the diversification of trust assets when investing to maximize returns and minimize risk. She concluded with the obligation to follow the law, policies, regulations and governing documents that constitute the Plan.

- B. Internal Revenue Code Section 401(a)(9) Minimum Distributions Regulation amendment

**Recommendation:** Approve amendments to IRC 401(a)(9) Minimum Distributions Regulation

Assistant CEO/Chief Legal Counsel Cristina Hess explained that federal law was amended and it impacted the age at which a member is required to begin receiving pension benefits which necessitated an amendment to this SCERA IRC regulation. She reminded trustees that the regulations are first adopted by the SCERA Board then approved by the Board of Supervisors before they become effective.

A motion was made by Trustee Tuscany, seconded by Trustee Williamson, to approve amendments to IRC 401(a)(9) Minimum Distributions Regulation. The motion carried 8-0-0-1 with roll call voting as follows:

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

- C. COLA and Reserve Policy Discussion

CEO Julie Wyne and actuaries Paul Angelo and Andy Yeung, of Segal Consulting, walked the Board through the legal issues and policy decisions that need to be considered as

SCERA moves towards the initial discussion with County representatives on the COLA program, set for November 2<sup>nd</sup>. At the outset and considering the large number of retired members attending via videoconference, Ms. Wyne reiterated that the policy discussions occurring at the SCERA Board would not change the fact that the current COLA was a purchasing power COLA funded with excess investment earnings and that there are currently no such earnings available. She further noted that the County Board of Supervisors was the entity responsible for granting a COLA, upon SCERA's recommendation, and the County is the only entity that can modify the COLA benefit.

Among the legal and policy issues discussed was considering a different funding source besides excess investment earnings, crediting interest when the plan does not earn its assumed investment earnings rate, the Negative Contingency Reserve and its usefulness as a tracking mechanism, and the level of contingency reserve to maintain. Public comments from retired SCERA members stressed the importance of a COLA, expressed concern at the pace of the Board discussions and urged the Board to make policy decisions to address the Negative Contingency Reserve and its perceived block to any future COLA recommendations.

D. Audit Committee Recommendations

Brown Armstrong Contract Expiration Discussion

Ms. Wyne informed the Board that the Audit Committee considered the December 2023 contract expiration of the Brown Armstrong financial statement audit services contract, the fact that the outside audit firm is a core service provider and the fact that SCERA last issued a Request for Proposals (RFP) in 2018 and voted to recommend an RFP be issued.

**Recommendation:** Take appropriate action

A motion was made by Trustee Tambe, seconded by Trustee Williamson, for staff to issue an RFP for financial auditing services. The motion carried 8-0-0-1 with roll call voting as follows:

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

E. Communications

1. Service Retirements
2. SACRS August 2023 Legislative Update
3. Insurance Renewal and Waiver of Recourse
4. NCPERS Accredited Fiduciary Program and FALL Conference Agenda

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. Arrowstreet Capital 2023 Client Conference, October 3 to 4, 2023, The Mandarin Oriental Hotel, Boston, MA.
- B. Nossaman Fiduciary Forum, October 5, 2023, Nossaman LLP, 50 California Street, 34<sup>th</sup> Floor, San Francisco, CA.
- C. SCERA Planning Session, October 11 and 12, 2023, DoubleTree by Hilton Hotel, Rohnert Park, CA.
- D. NCPERS Accredited Fiduciary (NAF) Program or Program for Advanced Trustee Studies (PATS), October 21 and 22, 2023, Paris Las Vegas Hotel, Las Vegas, NV.
- E. NCPERS FALL (Fiduciary, Actuarial, Legislative and Legal) Conference, October 22 to 25, 2023, Paris Las Vegas Hotel, Las Vegas, NV.
- F. SACRS Fall Conference, November 7 to 10, 2023, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA. Trustee Williams is attending.
- G. AON Wealth Insights Series Conference, "Complexity to Clarity, Making Better Investment Decisions", November 27 to 29, 2023, Turnberry Resort & Spa, Miami, FL.

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.

There were no general discussion items.

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

August 31, 2023

8:30 a.m.

Disability Committee

September 21, 2023

8:30 a.m.

Board Meeting

September 21, 2023

9:00 a.m.

IX. ADJOURNMENT

With no further business to conduct, the meeting adjourned at 12:21 p.m.

X. APPROVAL

The above minutes from the August 24, 2023, Retirement Board meeting were approved at the Retirement Board meeting on September 21, 2023.

BRIAN WILLIAMS, CHAIR