



AGENDA  
ADMINISTRATIVE COMMITTEE  
SAN BERNARDINO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
July 15, 2014  
1:00 PM  
Board Room  
348 West Hospitality Lane, First Floor  
San Bernardino, California

**PUBLIC NOTICE**

Items of interest to the public that are within the subject matter jurisdiction of the Committee may be addressed by the public during the meeting. Persons wishing to address items on the agenda should provide notice to the Secretary of the Board prior to Committee's discussion of the item. Members of the public may also comment during the Public Comment period at the end of the meeting. Speakers are limited to three minutes.

1. Call meeting to order.
2. Action: Approve minutes of Administrative Committee meeting of June 17, 2014.
3. Action: Recommend that the Board of Retirement approve General Board Policy No. 016 -- Solicitation Policy.
4. Action: Recommend that the Board of Retirement approve a budget modification in the amount of \$19,000.00 to cover costs for the Board of Retirement Election on December 2, 2014.

**PUBLIC COMMENT**

At this time, the Committee will provide an opportunity for the public to address any subject, within the jurisdiction of the Committee, which is not already scheduled on this agenda. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chairman, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to three minutes.

**ADJOURN**

**NOTES**

The term "Action" in the wording of any Agenda item contained herein serves as notice that the Committee may, in its discretion, dispose of any item by any action in the following non-exclusive list: approve, disapprove, modify, defer, table, take no action, and receive and file.

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The Board of Retirement meeting facility is accessible to persons with disabilities. If assistive listening devices or other auxiliary aids or services are needed in order to participate in the public meeting, requests should be made through the Executive Assistant at least three (3) business days prior to the meeting. The Executive Assistant's telephone number is (909) 885-7980, and the office is located at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA.



**MINUTES  
ADMINISTRATIVE COMMITTEE  
June 17, 2014  
BOARD ROOM  
348 WEST HOSPITALITY LANE, FIRST FLOOR  
SAN BERNARDINO, CA**

Trustees Present:

DAWN STAFFORD, Committee Chairman  
BRENDAN BRANDT, Committee Member  
LOUIS FIORINO, Committee Member  
HARRY HATCH, Committee Member

Others Present:

GARY AMELIO, Chief Executive Officer  
MICHAEL CALABRESE, Chief Counsel  
CHRISTIE PORTER, Chief of Member Services  
JOSEPH MICHAEL, Chief of Information Services  
CAROL FENN, Recorder

1. Call meeting to order.

Committee Chairman Stafford called the meeting to order at 2:01 p.m.

2. Action: Approve minutes of Administrative Committee meeting of April 15, 2014.

Brandt moved, Fiorino seconded, to Approve minutes of Administrative Committee meeting of April 15, 2014.

Ayes: Stafford, Brandt, Fiorino  
Abstain: Hatch  
Motion Passed.

3. Discuss revisions to General Board Policy No. 016 -- Solicitation Policy.

Amelio and Calabrese reviewed General Board Policy No. 016 - Solicitation Policy. The Committee recommended various revisions. Calabrese will revise and bring back for additional review of the Administrative Committee.

4. Action: Review Terms of Temporary Assignment pursuant to Agreement for Temporary Staffing Services between SBCERA and AppleOne Employment Services and recommend to the Board of Retirement approval of a budget modification in the amount of \$17,000.00.

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Porter reviewed the terms of Temporary Assignment pursuant to Agreement for Temporary Staffing Services between SBCERA and AppleOne Employment Services and requested a budget modification in the amount of \$17,000.00 for the period June 2, 2014 through December 31, 2014.

Hatch moved, Brandt seconded, to Approve a recommendation to the Board of Retirement to approve a budget modification in the amount of \$17,000.00 for the Temporary Assignment pursuant to Agreement for Temporary Staffing Services between SBCERA and AppleOne Employment Services.

Ayes: Stafford, Brandt, Fiorino, Hatch

Motion Passed.

5. Presentation of the Pension Administration System Project Wrap-Up.

Joseph Michael presented.

### **PUBLIC COMMENT**

No Public Comment was provided.

### **ADJOURN**

The meeting adjourned at 2:39 p.m.

Respectfully submitted,

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DAWN STAFFORD, Chairman

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GARY A. AMELIO, Secretary

DATED \_\_\_\_\_

**REPORT/RECOMMENDATION TO THE ADMINISTRATIVE COMMITTEE  
OF SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**July 15, 2014**

**FROM:** MICHAEL CALABRESE  
Chief Counsel

**SUBJECT:** Solicitation Policy

**RECOMMENDATION:**

Action: Recommend that the Board of Retirement approve General Board Policy No. 016 -- Solicitation Policy.

**BACKGROUND INFORMATION:**

During the vacancy in the CEO's office from November of 2013 to May of 2014, the Managing Trustee, Larry Walker, undertook with the senior staff a review of SBCERA's existing policies and determined that some new policies were needed. One of the new policies that staff has drafted under the Managing Trustee's direction would address the circumstances under which SBCERA officials (Trustees and senior staff) may engage in any solicitation of those with whom SBCERA does or may do business. The policy as drafted would restrict such solicitations, allowing it only with Board approval, and in cases of requests to support community benefit organizations, where the request is not targeted to persons with whom SBCERA does or may do business, but as part of a broader public outreach. As a general rule, SBCERA officials would be prohibited from using "the prestige, relationships, or influence of SBCERA, directly or indirectly, for private gain or advantage, or for the private gain or advantage of another." The policy is explicitly intended to be stricter than the gift limitations imposed by the Political Reform Act.

This item was presented to the Board at its meeting held on June 5, 2014. The Board has referred this matter to the Administrative Committee for further review. The proposed policy had been revised to add an exception for lawful campaign contributions.

On June 17, 2014, this item was presented to the Administrative Committee for review. The Committee reviewed and requested additional revisions to the policy. The policy has been revised as directed, and is submitted for further review.

**ADMINISTRATIVE BUDGET IMPACT:** None

**ATTACHMENTS:** Draft Policy

**PRESENTER:** Michael Calabrese, Chief Counsel  
57274





**POLICY NO.** 016  
**Committee:** Admin Committee

**Issue No.** 1.0  
**Effective Date:**

**Policy Category:** General  
**Approved**

**Page(s)** ~~23~~

By: \_\_\_\_\_  
 Chairman of the Board

**Subject: SOLICITATION POLICY**

## SOLICITATION POLICY

### Introduction

The San Bernardino County Employees' Retirement Association (SBCERA) is a public retirement fund system charged with administering a pension trust. trust, and administration of this retirement system is ~~The Trustees and key key staff members of the system are~~ subject to strict fiduciary responsibilities under the law regarding trusts and public agencies. The protocols set forth in this document are intended to ensure that SBCERA's Board of Retirement members (Trustees) and staff adhere to the highest ethical standards, avoiding not only any actual undue influence or conflict of interest, but also the possibility and the appearance thereof.

~~In fields that involve the investment of substantial sums of money, such as the administration of a public pension system like SBCERA's, people commonly come into contact with other Government, public fund and institutional investment entities necessitate that public officials and fiduciaries interact, on a regular and personal basis, with private sector individuals and organizations with of substantial wealth, with the latter not subject to the same ethical and conflicts requirements as public officials.~~ Such interactions can sometimes lend themselves to solicitation from professional acquaintances of favors, in the form of and in particular to requests for charitable donations to a person's favored causes or organizations. While this may be common and widely accepted in the private sector or in other places and organizations, the Board of Retirement (Board) believes that the integrity of SBCERA's trust requires strict rules limiting such solicitation.

This policy is intended to be consistent with, and complimentary to, the Board's existing policy on Ethics, and with the Political Reform Act and the regulations thereunder addressing these same topics, but is intended to pose stricter limitations with respect to the specific subject matter hereof.

### Operating Criteria

Other than in the performance of their official duties, no member of the SBCERA Board or staff who is required to file FPPC Form 700 (collectively "SBCERA officials") shall use

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the prestige, relationships, or influence of SBCERA, directly or indirectly, for private gain or advantage, or for the private gain or advantage of another. If an SBCERA official has been informed that SBCERA does business or may be reasonably expected to do business with an entity, the ~~No~~ SBCERA official shall not communicate with ~~any that~~ entity or any officer, agent, or employee thereof with whom SBCERA does business or may be reasonably expected to do business, to discuss, propose, solicit, arrange, or cooperate in the proposal or arrangement of any transaction, payment, donation, or solicitation other than those arising from the SBCERA official's duties on behalf of SBCERA, and relating to SBCERA's business or prospective business with the person or entity.

The prohibitions of this policy include but are not limited to contacts regarding any gift, donation, contribution or other support to any, person, organization or entity with whom the SBCERA official, or their spouse or dependent child (California Code of Regulations section 18229.1), a member of the SBCERA official's immediate family (spouse, child or step-child, sibling or step-sibling, parent or step-parent) has any substantial formal or informal relationship, including membership or similar affiliation. The prohibitions in this policy apply even if the gift, donation, transaction, or contribution would not be a reportable "gift" under the California Political Reform Act.

### Charitable Nonprofit Organization:

Notwithstanding the foregoing, ~~a Trustee, or a staff member~~ an SBCERA Official with the approval of the Chief Executive Officer (CEO), may request the Board's approval to allow the SBCERA official to set up, facilitate, or otherwise provide support to a program designed to facilitate contributions to a charitable nonprofit organization which is tax-exempt under section 501 of the Internal Revenue Code, or any similar entity. ~~philanthropic organization which provides specific benefits to the San Bernardino County community generally, or to a specific community or communities within San Bernardino County. The organization to be benefited shall not be one with which the proposing Trustee or staff member~~ SBCERA official, or their spouse or dependent child, ~~a member of their immediate family, has a substantial formal or informal relationship, including but not limited to being a member, officer, board member, or employee of the organization. The requesting official shall disclose to the Board any substantial relationship that the official or the official's spouse or dependent child may have with the organization to be benefited.~~ Any solicitations for contributions to such a program shall be broadly distributed, and shall not be targeted to entities or persons with whom that official has been informed that SBCERA does business or may reasonably expected do business. The ~~Trustee or staff member~~ SBCERA official shall not take the actions authorized by this paragraph unless the Board approves such actions as consistent with the goals of this policy.

**Campaign Contributions:**

The Board recognizes that extensive federal, state, and local law applies to govern political contributions and the conduct of public officials with respect to such contributions and the officials' relationships with those who give such contributions, and is designed to prevent conflicts of interest and the possibility or appearance thereof. Because such solicitations and contributions are already heavily regulated by statute and other law, the provisions of this policy shall not apply to, or in any way restrict or prohibit, the solicitation or receipt of campaign contributions by an SBCERA Official who is a holder or candidate for public office.

Any ~~Trustee or staff member~~SBCERA official who becomes aware that a violation of this policy may have occurred shall immediately report that fact to the CEO and/or the Chief Counsel, who shall immediately inform the Board Chairman of the possible violation and then, after consultation, take further appropriate action consistent with this policy and any applicable law.

Any staff member who knowingly violates this policy shall be subject to discipline in the discretion of the employee's appointing authority, after consultation with the CEO and Chief Counsel, and a report on the same shall be given to the Board at the next available regular Board meeting.

In the event that a Trustee knowingly violates this policy, the Board shall consider, at the next available regular Board meeting after such facts become known, such corrective action as may be authorized by law and by SBCERA's By-Laws and Policies.

On ~~an annual~~ at least a ~~quarterly~~ semi-annual basis, staff shall provide to Trustees a list of current vendors with whom SBCERA does business, or may reasonably be expected to do business in the foreseeable future. Such list shall include but not be limited to: custodial funds, investment consultants, investment managers, law firms, audit firms, actuarial firms and information technology firms. An SBCERA official who solicits a benefit from such a firm shall not be found to have violated this policy if the firm was not listed pursuant to this paragraph and the official did not have specific knowledge that SBCERA was doing business with, or in discussions to do business with, the firm.





**POLICY NO.** 016  
**Committee:** Admin Committee

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**Effective Date:**

**Policy Category:** General

**Page(s)** 3

**Approved**

By: \_\_\_\_\_  
Chairman of the Board

**Subject: SOLICITATION POLICY**

## SOLICITATION POLICY

### **Introduction**

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Government, public fund and institutional investment entities necessitate that public officials and fiduciaries interact, on a regular and personal basis, with private sector individuals and organizations of substantial wealth, with the latter not subject to the same ethical and conflicts requirements as public officials. Such interactions can sometimes lend themselves to solicitation from professional acquaintances of favors, and in particular to requests for charitable donations to a person's favored causes or organizations. While this may be common and widely accepted in the private sector or in other places and organizations, the Board of Retirement (Board) believes that the integrity of SBCERA's trust requires strict rules limiting such solicitation.

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### **Operating Criteria**

Other than in the performance of their official duties, no member of the SBCERA Board or staff who is required to file FPPC Form 700 (collectively "SBCERA officials") shall use the prestige, relationships, or influence of SBCERA, directly or indirectly, for private gain or advantage, or for the private gain or advantage of another. If an SBCERA official has been informed that SBCERA does business or may be reasonably expected to do business with an entity, the SBCERA official shall not communicate with that entity or any officer, agent, or employee thereof, to discuss, propose, solicit, arrange, or

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cooperate in the proposal or arrangement of any transaction, payment, donation, or solicitation other than those arising from the SBCERA official's duties on behalf of SBCERA, and relating to SBCERA's business or prospective business with the person or entity.

The prohibitions of this policy include but are not limited to contacts regarding any gift, donation, contribution or other support to any person, organization or entity with whom the SBCERA official, or their spouse or dependent child (California Code of Regulations section 18229.1), has any substantial formal or informal relationship, including membership or similar affiliation. The prohibitions in this policy apply even if the gift, donation, transaction, or contribution would not be a reportable "gift" under the California Political Reform Act.

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consultation, take further appropriate action consistent with this policy and any applicable law.

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**REPORT/RECOMMENDATION TO THE ADMINISTRATIVE COMMITTEE  
OF SAN BERNARDINO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**July 15, 2014**

**FROM:** CHRISTIE PORTER  
Chief of Member Services

**SUBJECT:** Board of Retirement Election

**RECOMMENDATION:** Action: Recommend that the Board of Retirement approve a budget modification in the amount of \$19,000.00 to cover costs for the Board of Retirement Election on December 2, 2014.

**BACKGROUND INFORMATION:** An election will be held on December 2, 2014 to elect one General Member and one Safety Member to the Board of Retirement, pursuant to Government Code sections §31520.1 and §31523. The General Member seat was vacated by trustee Donald Neely upon his retirement effective June 14, 2014. The Safety Member seat will become vacant on December 1, 2014 due to Dave Williams' announced resignation from the Board. The newly elected General and Safety Members will serve partial terms of one year, each commencing January 1, 2015 and expiring on December 31, 2015.

**ADMINISTRATIVE BUDGET IMPACT:** The estimated cost of this election is \$43,100.00. The cost for a General Member election in the amount of \$25,000.00 was included in the FY 2014/2015 administrative expenditure budget. Contingency funds in the amount of \$19,000.00 will be required to fully fund this item.

**ATTACHMENTS:** None

**PRESENTER:** Christie Porter, Chief of Member Services

