

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SEPTEMBER 24, 2019 – REGULAR BOARD MEETING MINUTES

1909.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Hoefer, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Mark Battey, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley and Robert Raw.

Absent: Sandie Arnott, Ben Bowler and Eric Tashman.

Alternates present: Susan Lee and Alma Salas.

Staff: Brenda Carlson, Michael Coultrip, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Gladys Smith and Anne Trujillo.

Consultants and speakers: Nick Collier, Craig Glyde (Milliman, Inc.) and Margaret Jadallah (Verus).

1909.1.1 Administration of Oath of Office to Elected and Reappointed Trustee: Reappointed trustee, Ben Bowler (Fifth Member) was not present so the Oath of Office was not administered.

1909.2.1 Oral Communications from the Board: None.

1909.2.2 Oral Communications from the Public: None.

1909.3.1 Approval of the Minutes: Mr. Hoefer asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on August 27, 2019.

Action: Mr. Hackleman moved to approve the minutes from the Board Meeting on August 27, 2019. The motion was seconded by Mr. David and carried with a vote of 5-0, with trustees David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed; and Battey abstained.

1909.4.0 Approval of the Consent Agenda: Mr. Hoefer asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Ms. O'Malley moved to approve the Consent Agenda, and the motion was seconded by Mr. Hackleman. The motion carried with a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

1909.4.1 Disability Retirements:

a) The Board found that **Michelle Gemmet** is (1) permanently incapacitated from the performance of her usual and customary duties as a Correctional Officer, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

1909.4.2 Survivor Death Benefits: None.

1909.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Aguirre, Leopoldo	July 26, 2019	Probation
Ashton, Neal	July 27, 2019	Deferred from Social Services
Carnock, Daniel	May 29, 2019	QDRO
Casanova, Irene	July 17, 2019	Deferred from Social Services Def'd from San Mateo Medical Center
Chung, Le	July 15, 2019	Sheriff's
Denton, Craig	July 20, 2019	District Attorney's Office
Gamber, Joyce	July 2, 2019	Library
Harris, Mildred	July 13, 2019	Office of Sustainability
Hayes, Russell	July 26, 2019	Dept of Public Works
Kalkbrenner, Robert	July 10, 2019	Sheriff's
Mahaley, Stephen	July 31, 2019	Probation
McGill, Ralph	July 5, 2019	Correctional Health
Molina, Ana J	August 1, 2019	Probation
Rogers, Erick	August 1, 2019	Deferred from H.S.A.
Sharp, Kathleen	July 15, 2019	Deferred from Health Services
Stone, Jennifer J	July 21, 2019	Deferred from Recorder's Office
Thain, Lauri	July 31, 2019	Agriculture
Toruno, Renald	July 12, 2019	

1909.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Ford, Eva	Ford, William
Panaligan, Narcisa	Panaligan, Ruben

1909.4.5 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

Name	Retirement Plan Type
Cavallero, Jennifer A.	G7, Non-vested- Reciprocity
De La Rosa, Alma	G4, Vested- Reciprocity
Delgado, Mirta	G4, Vested - Auto Defer - Code 31700
Hernandez-Pena, Ramiro	G7, Non-vested- Reciprocity
Lainez, Yazmin	G7, Vested - Auto Defer - Code 31700
Lam, Gloria	G7, Vested- Reciprocity
Lee, Yick Yee	G5, Vested - Auto Defer - Code 31700
Martinez, William	G7, Vested- Reciprocity
McClure, Michelle	G4, Vested
Moffatt, Barbara L.	G2, Vested - Reciprocity
O'Malley-Riley	G4, Vested
Parala, Albert	G4, Vested - Auto Defer - Code 31700
Pollack, Nicole	G5, Vested
Ramirez, Maria G.	G5, Vested- Reciprocity
Tong, Sunny	G7, Vested - Auto Defer - Code 31700
Trehan, Michelle	G4, Vested - Auto Defer - Code 31700
Zacarias, Veronica	G5, Vested - Auto Defer - Code 31700

1909.4.6 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

Name	Retirement Plan Type
Diallo, Demba	S7, Non-vested
Dizon, Paul Jorge	G7, Non-vested
Howard, Kimberley (QDRO)	G2, Non-vested
Lewis, Ivory	G7, Non-vested
Marquez, Javier	G7, Non-vested
Murillo, Daniel	G4, Non-vested
Naranjo, Natalie	G7, Non-vested
Szopa, Robert	G7, Non-vested

1909.4.7 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

Name	Retirement Plan Type
Muse, Sara	G7, Non-vested
Satterwhite, Beverly	G7, Non-vested

1909.4.8 **Member Account Redeposits:** None.

1909.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

1909.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** None.

1909.5.2 **Presentation of the June 30, 2019, Actuarial Valuation Report by Milliman, Inc.:** Nick Collier and Craig Glyde of Milliman, Inc. presented the results and recommendations of SamCERA's Actuarial Valuation Report as of June 30, 2019. The report was accepted without objection by the Board.

1909.5.3 **Approval of Resolution Accepting Recommendations to Be Made for Fiscal Year 2020-2021 Employer and Member Contribution Rates:** After Nick Collier and Craig Glyde's presentation, Mr. Hoefer called for a motion on the resolution accepting recommendations made for fiscal year 2020-2021 Employer and Member Contribution Rates.

Action: Mr. Hackleman motioned to approve the resolution accepting recommendations made for fiscal year 2020-2021 Employer and Member Contribution Rates. The motion was seconded by Mr. David and carried a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

1909.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended August 31, 2019:** Mr. Coultrip informed the Board that the preliminary monthly performance report could be found in the Board's Day of folder. Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for August was -1%, bringing the preliminary trailing twelve-month return ending August 2019 to 4% net. This item was informational and for discussion only, no action was taken.

1909.6.2 **Discussion and Approval of New Asset Allocation Policy Portfolio:** Ms. Jadallah presented the results of the refined asset mixes not containing risk parity and answered questions from the Board.

Action: Mr. David motioned to approve the new asset allocation policy portfolio not containing risk parity. The motion was seconded by Mr. Raw and carried a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

1909.7.1 **Discussion and Approval of Interest Crediting Policy:** After a review of the policy with the Board, Mr. Hood noted that there are no recommended changes to the current methodology but rather just amendments to the Policy's verbiage for ease of administration and to reflect the current account structure. Mr. Hood reviewed the proposed language changes with the Board.

Action: Mr. David motioned to approve the resolution amending the Interest Crediting Policy. The motion was seconded by Mr. Raw and carried a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

This item was taken out of order and heard after item 5.3.

1909.7.2 **Approval of SACRS Voting Delegate and Alternates for the SACRS Fall 2019 Business Meeting:** Mr. Hood and the Board discussed the upcoming SACRS Fall Conference taking place November 12-15 in Monterey, CA. Staff recommended the Board designate Al David as the Voting Delegate, Katherine O'Malley, as the First Delegate Alternate and Scott Hood, CEO as the Second Delegate Alternate to cast SamCERA's votes at the SACRS Fall Conference.

Action: Mr. Battey motioned to approve staff's recommendation to designate Al David as the Voting Delegate, Katherine O'Malley as the First Delegate Alternate and Scott Hood, CEO as the Second Delegate Alternate to cast SamCERA's votes at the SACRS Fall 2019 Conference. The motion was seconded by Mr. Raw and carried a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

1909.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that SamCERA's lease agreement had recently been signed and that construction may begin in October. Mr. Hood reported his attendance at the CALAPRS Administrator's Institute in Carmel, CA. He noted the items in the Day of folder including the Board of Retirement Workplan and draft copy of the 2020 Meeting Schedule. He noted that the Board of Supervisors had approved the amended Board of Retirement regulations. He also mentioned Mr. Paulden of Brown Armstrong, will attend next month's meeting to present the CAFR and Audit Management Report and that the Audit Committee would meet before the October Board Meeting.

1909.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board of the County's Employees Engagement Survey and reported that 100% of staff had completed it. Ms. Smith updated the Board on staff's visit with Santa Barbara and Los Angeles retirement systems regarding their processing of disability retirement applications.

1909.8.3 **Chief Investment Officer's Report:** Mr. Coultrip called to attention the June 2019 Performance Pulse in the Board's Day Of folder. Mr. Coultrip informed the Board that staff will be conducting manager reviews on October 3rd and October 10th.

1909.8.4 **Chief Legal Counsel's Report:** Ms. Carlson informed the Board that she plans to provide a legislative update on the chaptered bills at next month's Board meeting.


C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

1909.10 **Adjournment:** Mr. Hoefer adjourned the meeting at 11:28 a.m. in memory of the deceased members listed below.

Hansen, Carl
Gomes, Rita

September 2, 2019
August 4, 2019

Mental Health
Social Services



Kurt Hofer
Board Chair