

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**OCTOBER 26, 2021 – REGULAR BOARD MEETING MINUTES**

**2110.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, Chair, called the Regular Meeting of the Board of Retirement to order at 10:04 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Paul Hackleman, Kurt Hoefer (joined the meeting at 10:17 a.m.), Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Ben Bowler and Susan Lee.

Alternates: Alma Salas.

Staff: Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Ashley Green (Brown Armstrong); Nick Collier and Craig Glyde (Milliman, Inc.); and Joe Abdou, Margaret Jadallah, and John Nicolini (Verus).

**2110.2.1 Oral Communications from the Board:** None.

**2110.2.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2110.3.1 Approval of Regular Board Meeting Minutes from September 28, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on September 28, 2021. There were no changes, corrections, or objections presented.

**Action:** Ms. Arnott moved to approve the minutes from the Board meeting on September 28, 2021. The motion was seconded by Ms. O'Malley and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; none opposed.

**2110.4.0 Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hackleman moved to approve the items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; none opposed.

**2110.4.1 Disability Retirements:**

- a) The Board found that Stephen Pettit, Sr., (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Sergeant, (2) found that his disability was the result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.
- b) The Board referred Patrina Sudano's application for service-connected disability retirement to a hearing officer for proposed findings and recommendations.

**2110.4.2 Survivor Death Benefits:** None.

2110.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Aguilar, John	August 5, 2021	Deferred - Probation
Barradas, Raquel	August 18, 2021	County Manager's Office
Barrientos, Astrid	August 1, 2021	Deferred - Family Law
Bell, Gregory	September 1, 2021	Deferred - Probation
Bernales, Arnida	September 1, 2021	San Mateo County Health
Bradley, Rhea	August 3, 2021	Library
Caserza, Rosemarie	August 13, 2021	Human Services Agency
Castiglioni, Yvette	August 28, 2021	Superior Court
Elzey, Albert	August 21, 2021	Sheriff's Office
Ertola, Michael	August 7, 2021	Deferred - Probation
Escalante, Jacqueline	August 9, 2021	Deferred - Public Health
Eugenio, Angelo	August 10, 2021	Deferred – Superior Court
Johnson, Nancy	September 1, 2021	Probation
Jones, Teresa	September 1, 2021	Behavioral Health
Lopez, Julio	August 25, 2021	Information Services
Maddox, Carol	August 7, 2021	Deferred - Family Health Services
Roque, Solon	August 29, 2021	San Mateo County Health
Smith, Kelly	August 22, 2021	Sheriff's
Tang, Brandon	August 28, 2021	Public Works
Thakkar, Shailesh	August 7, 2021	Information Services
Vazquez, Benjamin	August 7, 2021	Public Works
Vogt, David	August 8, 2021	Public Safety Communications
Wilhelm, Anastasia	August 28, 2021	Family Health Services
Winters, Marsha	August 20, 2021	Assessor-County Clerk-Recorder
Wong, Sandy S	August 1, 2021	Deferred - Public Works

2110.4.4 **Continuances:** The Board ratified the granting of continuance to the following individuals:

<b>Survivor's Name</b>	<b>Beneficiary of</b>
Garrison, Karen	Garrison, David
Martin, Valerie	Martin, David
Nafey, Linda	Patla, Robert

2110.4.5 **Deferred Retirements:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Baldisseri, Astrid	G4, Vested - Auto Defer - Code 31700
Benitez, Scott	G7, Vested - Auto Defer - Code 31700
Coonrod, Anne	G4, Vested - Auto Defer - Code 31700
Crismon, Alexa	G7, Non-vested - Reciprocity
Giles, Jennifer	G7, Non-vested - Reciprocity
Houle, Samantha	G7, Non-vested - Reciprocity
Kazzaz, Kevin	G7, Non-vested - Reciprocity
Madha, Deshawn	G5, Vested - Auto Defer - Code 31700
Montejano Del Rio, Ulices	G7, Vested - Reciprocity

Numera, Lealoa	G7, Non-vested - Reciprocity
Quon, Herman	S5, Vested - Auto Defer - Code 31700
Rose, Kevin	G4, Vested - Auto Defer - Code 31700
Sisco, Melissa	G5, Vested - Reciprocity
Truong, Lawrence	G7, Non-vested - Reciprocity

2110.4.6 **Member Account Refunds:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Duvall, Christian	G7, Non-vested
Garcia, Veronica	G7, Vested
Nave, Michael (DRO)	G2, Non-vested
Price, Wesley	G7, Vested
Rogers, Tesha	G7, Non-vested
Shaver, Blake	G7, Non-vested

2110.4.7 **Member Account Rollovers:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Cook, Randall (FBO: Cook, Kenneth)	G7, Vested
Garcia, Veronica	G7, Vested
Raynsford, Jennifer	G4, Non-vested
Vu, Avery	G7, Non-vested

2110.4.8 **Member Account Redeposits:**

<b>Name</b>	<b>Retirement Plan Type</b>
Harrison, Lee	G4, Vested
Kiryczun, Rocio	G2, Vested

2110.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2110.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2110.5.2 **Annual Review of SamCERA's Actuarial Services Firm, Milliman, Inc.:** Ms. Smith shared the results of the annual review of Milliman, Inc. They have consistently received high marks from the Board and staff throughout the years and ratings this year were similar to those of the past. Ms. Smith and Mr. Hood thanked Mr. Collier and Mr. Glyde for their continued high quality of service and responsiveness. The Board also expressed their gratitude for all of Milliman Inc.'s diligent work. This item was informational and for discussion only, no action was taken.

2110.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended September 30, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for September was -1.5% bringing the preliminary trailing twelve month return ending September 2021 to 19.0% net, which is above

SamCERA's Plan Benchmark return of 17.8% and SamCERA's Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.

- 2110.6.2 **Report on Inflation Hedge Manager Annual Review:** Ms. Ng reported that staff held an annual review meeting on September 16, 2021 with SamCERA's public real assets manager, State Street Global Advisors (SSgA). The discussion included a firm/organizational update, investment process review, and a review of performance and attribution. Current positioning and market outlook were also discussed. This item was informational and for discussion only, no action was taken.
- 2110.6.3 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's opportunistic credit manager, Angelo Gordon, and private credit manager, White Oak Global Advisors, that took place on September 30<sup>th</sup>. Each meeting consisted of a firm/organizational update, investment process review, performance review and attribution, and a current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2110.6.4 **Report on Absolute Return Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual reviews of SamCERA's absolute return managers, Graham Capital Management and Aberdeen Standard Investments, that took place on September 16<sup>th</sup>. Ms. Ng also reported that SamCERA also held annual manager reviews for three other absolute return managers on October 7<sup>th</sup> and those meeting notes will be presented at the next Board meeting. This item was informational and for discussion only, no action was taken.
- 2110.6.5 **Report on Establishing Portfolio Liquidity Pool – Follow Up from Retreat:** Mr. Abdou provided a brief recap of previous discussions on plan maturation. Mr. Nicolini discussed the process of establishing a dedicated cash-flow matched liquidity pool and obtained feedback from the Board regarding their recommendations. Mr. Coultrip and Verus answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2110.7.1 **Presentation by Brown Armstrong of 2021 Financial Audit Management Reports:** Ms. Green presented the results of the independent financial audit for the fiscal year ended June 30, 2021. She reported that SamCERA received an unmodified (clean) opinion. Ms. O'Malley reported that the Audit Committee met and reviewed the financial audit report and recommended that the Board accept the report and findings. With no objection, the financial audit report was accepted by the Board.
- 2110.7.2 **Approval of SamCERA's 2021 Annual Comprehensive Financial Report (ACFR):** Ms. Chow discussed with the Board the operating results of the pension plan and funding status as of June 30, 2021. She reported that SamCERA's net position reached a high of \$5.98 billion and shared the prominent factors for the significant increase. Ms. Chow thanked Ms. Green and her entire audit team, Milliman, Inc., and SamCERA staff for their hard work and assistance in putting the ACFR together. Ms. O'Malley reported the Audit Committee met, reviewed the 2021 ACFR and recommended Board approval.
- Action:** Mr. Battey moved to approve SamCERA's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The motion was seconded by Mr. Hackleman and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefler, O'Malley, Orr, and Raw, all in favor; none opposed.
- 2110.7.3 **Approval of Voting Delegates and Direction to Delegates for Fall 2021 SACRS Business Meeting:** Mr. Hood discussed the upcoming SACRS Fall Conference and went over staff's recommendation to designate Ms. Arnott as Voting Delegates and himself as First Delegate alternate for the Fall 2021 SACRS Business Meeting. He also added that staff further recommends the Board provide direction to the Voting Delegate that is in the best interest of SamCERA.

**Action:** Mr. Battey moved to approve staff’s recommendation to designate Ms. Arnott as the Voting Delegate, Mr. Hood as the First Delegate Alternate to cast SamCERA’s votes at the Fall 2021 SACRS business meeting. The motion was seconded by Mr. Hoefer and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O’Malley, Orr, and Raw, all in favor; none opposed.

2110.7.4 **Approval of Resolution Setting the Board of Retirement Meeting Schedule for 2022:** Ms. Smith went over the highlights of the proposed Board meeting schedule for 2022. She also mentioned that in accordance with AB 361, special meetings will need be scheduled to allow the continuation of teleconferencing when there are more than 30 days between regular meetings.

**Action:** Mr. Hoefer moved to approve a resolution setting the Board of Retirement’s Regular Meeting Schedule for calendar year 2022. The motion was seconded by Ms. Orr and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O’Malley, Orr, and Raw, all in favor; none opposed.

2110.8.1 **Chief Executive Officer’s Report:** Mr. Hood thanked Ms. Chow and staff involved in putting together this year’s audit and ACFR. He shared that SACRS will be offering an Ethics and Prevention of Sexual Harassment training during the Fall Conference. Mr. Hood mentioned that a special meeting will be scheduled prior to the December regular meeting. He informed the Board of the following topics to be reviewed at the December meeting: Education Policy, Travel Reimbursement Policy, annual review of Brown Armstrong, topics for the Board/Staff Retreat, and annual CEO review.

2110.8.2 **Assistant Executive Officer’s Report:** Ms. Smith reported that under a new County policy, all employees must either submit proof of vaccination by November 16<sup>th</sup> or complete weekly testing for COVID-19. Ms. Trujillo reminded Board members about an upcoming educational opportunity.

2110.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip informed the Board that staff will be sending out the link to Verus’ annual review. He reported that staff and Verus will hold annual manager reviews on November 15<sup>th</sup> from 9:30 a.m. – 11:00 a.m. with private equity and private real asset managers. Mr. Coultrip informed the Board that he would like to discuss the Investment Beliefs section of the Investment Policy at a future meeting to provide them with an opportunity for discussion and feedback.

2110.8.4 **Chief Legal Counsel’s Report:** Mr. Okada reported that he has reached out to the Ad-hoc CEO Review Committee and will be sending the Board a survey link to complete the annual CEO review. He also reported that he will send individual emails to Trustees regarding their Ethics training hours.

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

2110.10 **Adjournment:** Mr. Raw adjourned the meeting at 11:38 a.m. in memory of the deceased members listed below.

Michel, Rosa	August 28, 2021	Probation
Mafi, Wanda	September 4, 2021	Human Resources
Fernandez, Federico	September 5, 2021	San Mateo County Health
Nakamura, George	September 10, 2021	Public Health
Burgess, Mamie	September 14, 2021	Hospital
Gibson, Carl	September 15, 2021	Probation
Simmons, Kendall	September 13, 2021	Parks
Mabardy, Bruce	September 17, 2021	Probation
Inouye, Kazui	September 23, 2021	Public Works

Duffy, James  
Thorsett, Ruth  
Seaton, Carolyn  
Rinde, Lloyd  
Rau, Carol

September 25, 2021  
October 3, 2021  
October 6, 2021  
October 14, 2021  
October 18, 2021

Probation  
Library  
San Mateo County Health  
Human Services  
Library



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Robert Raw  
Board Chair