

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DECEMBER 6, 2022 – REGULAR BOARD MEETING MINUTES**

2212.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. O'Malley, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Nicole McKay (for Alma Salas), Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Sandie Arnott and Alma Salas.

Alternates: None.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Andy Paulden (Brown Armstrong); and Joe Abdou, Margaret Jadallah, John Nicolini, and Faraz Shooshani (Verus).

2212.2.1 Oral Communications from the Board: None.

2212.2.2 Oral Communications from the Public: Ms. O'Malley asked if there was any public comment from those individuals participating on the telephone or via Zoom. Ms. Jadallah shared this will be her last meeting before retirement and wished everyone well and happy holidays. The Board thanked Ms. Jadallah for her service and wished her well. Ms. Trujillo reported there were no written comments received ahead of the meeting.

2212.3.1 Approval of Audit Committee Minutes from November 1, 2022: Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the Audit Committee meeting held on November 1, 2022. There were no changes, corrections, or objections presented.

Action: Ms. Orr moved to approve the minutes from the Audit Committee meeting on November 1, 2022. The motion was seconded by Mr. Hoefer and carried with a vote of 6-0, with trustees Battey, Hoefer, Marangu, O'Malley, Orr, and Raw all in favor; David and McKay abstained; none opposed.

2212.3.2 Approval of Board Meeting Minutes from November 1, 2022: Ms. O'Malley asked if there were any changes or corrections, or objections, to the meeting minutes from the regular meeting held on November 1, 2022. There were no changes, corrections, or objections presented.

Action: Mr. Raw moved to approve the minutes from the regular Board meeting on November 1, 2022. The motion was seconded by Mr. Battey and carried with a vote of 7-0, with trustees Battey, Hoefer, Marangu, McKay, O'Malley, Orr, and Raw all in favor; David abstained; none opposed.

2212.4.0 Approval of the Consent Agenda: Ms. O'Malley asked if there were any items to be removed for discussion from the Consent Agenda or if there were any recusals. Mr. David requested to recuse himself from the Anne Coonrod disability vote. Ms. O'Malley then called for a motion on the remaining Consent Agenda items.

Action: Mr. Battey moved to approve the remaining items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Battey, David, Hoefer, Marangu, McKay, O'Malley, Orr, and Raw all in favor; none opposed.

Ms. O'Malley then called for a motion on the disability retirement of Anne Coonrod.

Action: Mr. Hoefer moved to approve the disability retirement of Anne Coonrod. The motion was seconded by Mr. Battey and carried with a vote of 7-0, with trustees Battey, Hoefer, Marangu, McKay, O'Malley, Orr, and Raw all in favor; David recused.

2212.4.1 Disability Retirements:

- a) The Board found that **Anne Coonrod** (1) is permanently incapacitated from the performance of her usual and customary duties as a Benefits Analyst II, (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.
- b) The Board found that **Harriet Fox** (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff's 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.

2212.4.2 Survivor Death Benefits: None.

2212.4.3 Service Retirements:

Name	Effective Retirement Date	Department
Aficial, Teresita	September 22, 2022	San Mateo County Health
Albagli, Minna	October 3, 2022	Library
Carlson, Vera	October 29, 2022	Public Works
Chavarria, Sabamaria	October 29, 2022	San Mateo County Health
De Paula, Cynthia	October 29, 2022	Human Services Agency
Donovan, Rosemarie	October 26, 2022	Sheriff's Office
Duri, Mark	September 24, 2022	Sheriff's Office
Eckstein, Mitchell	October 15, 2022	Family Health Services
Green, Kelly	September 5, 2022	Deferred - Human Services Agency
Khelawan, Praveen	October 4, 2022	Deferred - San Mateo Co Health
Kilgore, Elizabeth	September 14, 2022	Deferred - Health Services
Kness, Cara	October 1, 2022	Deferred – Superior Court
Kong, Sherry	September 17, 2022	Aging & Adult Services
Lin, David	October 22, 2022	Deferred - San Mateo Co Health
Montoya, Mayra	October 1, 2022	Probation
Moore, Iveta	October 12, 2022	Deferred - Public Works
Munson, Steven	October 29, 2022	Behavioral Health
Nielepko, Wiktor	October 1, 2022	Information Services
Otterman, Glenn	October 1, 2022	San Mateo County Health
Press, Michael	October 15, 2022	Information Services
Reddy, Savitri	September 15, 2022	Deferred - San Mateo Co Health
Shelton, Michael	October 1, 2022	Deferred - Probation
Sugars, Manuela	October 31, 2022	Human Services Agency
Tachis, Gerard	October 22, 2022	Superior Court
Watanabe, Diana	September 23, 2022	Def'd - District Attorney's Office
Wilcox, Andrea	October 1, 2022	San Mateo County Health

2212.4.4 **Continuances:**

Survivor's Name:

Barton, Utahana
Blankenship, Angelina
Goodier, Wanda
Johnson, Margaret
Masini, Mary
Nielson, Ann

Beneficiary of:

Barton, James
Blankenship, James
Goodier, Benjamin
Johnson, Vernon
Masini, Louis
Nielson, Phil

2212.4.5 **Deferred Retirements:**

Name

Au, Tina
Choi, Tracy
Dominguez, Isela
Leonardo, Christopher
Leung, Henry
Liang, Can
Mendez, Giselle
Ng, Michelle
Raymundo Cordoba, Marisol
Ruiz, Lidia
Silverio, Paul
Torres Hernandez, Eric
Yu, Jackie

Retirement Plan Type

G5, Vested
G7, Vested - Auto Defer – Code 31700
G7, Reciprocity
S7, Vested - Auto Defer – Code 31700
G7, Vested - Auto Defer – Code 31700
G7, Vested
G7, Vested
G7, Vested - Auto Defer – Code 31700
G7, Vested - Auto Defer – Code 31700
G7, Vested - Auto Defer – Code 31700
G7, Vested - Auto Defer – Code 31700
G7, Vested
G7, Vested

2212.4.6 **Member Account Refunds:**

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

Name

Byczkowski, Hedwiga (FBO:Byczkowski, Nora)
Chacon, Armando
Finau, Atilua
Guerrero, Jose
Jacobso-Evans, Monique
Johnson, Lauren (FBO:Johnson, Stephen)
Lee, Jin Joo
Lua, Sergio
Mancilla, Daniel
Marquez, Carla
Pineda, Adriana
Recinos Lopez, Maricriz
Reynoso, Erica
Robinson, John
Urbieta, Janice

Retirement Plan Type

G4, Vested
S7, Non-vested
G4, Vested
G7, Non-vested
G7, Non-vested
S4, Vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested
G7, Non-vested

2212.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Byczkowski, Hedwiga (FBO: Byczkowski, Nora)	G4, Vested
Sheth, Monali	G7, Vested

2212.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Foley, Rebeca	G2, Vested

2212.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activity attended by Mr. David, Mr. Marangu, Ms. Orr, and Mr. Raw.

2212.4.10 **Reaffirm Education Policy:** The Board reaffirmed the Board's Education Policy with minor modifications for clarity and readability.

2212.4.11 **Approval of Resolution Extending the Contract for Investment Consulting Services:** The Board approved a resolution authorizing the Chief Executive Officer to execute an amendment to the agreement with Verus Advisory, Inc. for investment consulting services.

2212.4.12 **Amendment of Resolutions that Define Compensation Earnable and Pensionable Compensation:** The Board approved amendments to (1) the Resolutions defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34; and (2) the Resolutions defining Pensionable Compensation for members who are subject to Government Code §7522.34 in order to include in such resolutions certain pay codes which were inadvertently removed in connection with prior revisions.

2212.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2212.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2022:** Mr. Coultrip reported that SamCERA's net preliminary return for October was 2.3% bringing the preliminary trailing twelve month return ending October 2022 to -8.6% net, higher than the policy benchmark return of -8.8% but below our assumed earnings rate of 6.25%. He reported most asset classes were higher in October as investor sentiment was helped by better-than-expected earnings growth announcements. Mr. Coultrip answered questions from the Board. This item was informational and for discussion only, no action was taken.

2212.6.2 **Report on Quarterly Investment Performance Report for the Period Ended September 30, 2022:** Mr. Coultrip reported that the 3rd quarter net total return was -4.0%, which was higher than the policy benchmark return of -4.6%. Alternatives (private equity and absolute return) and private real assets were the main contributors of performance, while public equity (international equity) was the main detractor. Mr. Nicolini and Mr. Abdou presented the report in detail and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2212.6.3 **Report on Phase One of ALM Study – Enterprise Risk Tolerance Results and Review of Current Policy Characteristics:** Mr. Nicolini presented the results and trends of the Enterprise Risk Tolerance interviews to the Board. Mr. Abdou presented the asset liability study by sharing historical plan data,

deterministic and stochastic projections, and reviews of the current policy characteristics. This item was informational and for discussion only, no action was taken.

- 2212.6.4 **Presentation of Private Asset Semi-Annual Performance Reports as of June 30, 2022:** Mr. Shooshani and Mr. Nicolini presented the private equity and private real assets reports. As of June 30, 2022, SamCERA's private equity portfolio had a total market value of \$375 million (6.5% of SamCERA's total fund) while the private real assets portfolio had a total market value of \$219 million (3% of SamCERA's total fund). This item was informational and for discussion only, no action was taken.
- 2212.6.5 **Report on Investment Consultant Annual Review:** Ms. Ng presented the results of Verus' annual review reporting that trustees and staff provided above average/high ratings. She also shared the Board's feedback on educational topics they would like Verus to cover next year. This item was informational and for discussion only, no action was taken.
- 2212.7.1 **Annual Review of Brown Armstrong:** This item was taken out of order and heard after the Consent Agenda. Ms. Smith thanked those that completed the annual survey for Brown Armstrong. She shared that Board and staff provided Brown Armstrong with high ratings and that there were no issues reported. Mr. Hood and Ms. Smith thanked Ms. Green and the rest of the team for their service and partnership. On behalf of Ms. Green, Mr. Paulden, thanked the Board and staff for the favorable ratings and was available for questions from the Board. This item was informational and for discussion only, no action was taken.
- 2212.7.2 **Review of Funding Dashboard:** Mr. Hood presented the quarterly funding dashboard showing the projected funded status and employer contribution rate for the coming fiscal year utilizing the data from Q1 FY 22-23. He also shared the ten-year projection utilizing the same data. This item was informational and for discussion only, no action was taken.
- 2212.7.3 **Discussion of Board-Staff Retreat Topics:** Mr. Hood provided the Board with suggested topics for the March Board-Staff retreat such as a deep dive into the portfolio, further discussion on plan maturity, and economic trends. He also gave the Board an opportunity to provide their feedback. This item was informational and for discussion only, no action was taken.
- 2212.8.1 **Chief Executive Officer's Report:** Mr. Hood shared that the "Year at a Glance" calendar is available in Dropbox and that there will be a special meeting prior to the regular board meeting in January. He informed the Board that the link to the strategic plan survey will be sent after the meeting. Mr. Hood shared a card from the Nielsen family. He also thanked Ms. Jadallah for her service as a long-time consultant and previous Board member and wished her well on her upcoming retirement. Mr. Hood informed the Board that the SamCERA office will be closed for Winter Recess during the last week of December, but he will be available if needed. He previewed a few items on the January agenda including the COLA, a presentation on funding options from Milliman, Inc., a review of the survey results from the strategic plan, and further discussion of the Board-Staff retreat.
- 2212.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed that Board that she will also be on-call during the Winter Recess if anything is needed. She reported that there will be a special election held on March 6, 2023 for the Alternate Safety Member seat and that the Notice of Election will be emailed to Probation members as they are the only ones eligible to run for the alternate seat. Ms. Trujillo shared upcoming educational opportunities with the Board. Ms. Smith wished the Board happy holidays and also wished Ms. Jadallah a happy retirement.
- 2212.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported on rebalancing activities during the month. He shared that staff plans to bring the dynamic currency hedging recommendation to the Board during the next meeting. He also congratulated Ms. Jadallah on her retirement.

2212.8.4 **Chief Legal Counsel's Report:** Mr. Okada informed the Board that staff will be sending out an email to each Board member providing them with their current education hours. He also shared that he plans to hold an ethics training during the March retreat for those that still need to fulfill their requirement. He also wished the Board happy holidays and also wished a happy retirement to Ms. Jadallah.

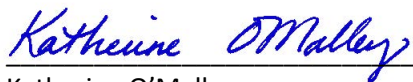
C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

C2 **Public Employee Performance Evaluation, in accordance with Gov. Code § 54957, Title: Chief Executive Officer (to be heard in Closed Session Confidential Under Gov. Code §54957):** The Board met in Closed Session at 12:35 p.m. and reconvened in Open Session at 12:46 p.m.

Ms. McKay reported that there was no reportable action taken.

2212.10 **Adjournment:** Ms. O'Malley adjourned the meeting at 12:47 p.m. in memory of the deceased members listed below.

Toomer, Melvin	October 2, 2022	Courts
Carter, Beverly	October 14, 2022	Probation
McCreadie, Donald	October 18, 2022	Probation
Kucich, Mario	October 21, 2022	General Services
Corpus, Teodoro	October 25, 2022	Controller's
Buckley, Eileen	October 26, 2022	Sheriff's
Doman, Jane	October 26, 2022	Controller's
Walker, Edith	October 26, 2022	Hospital
Gan, Margaret	October 28, 2022	Human Services
Wood, Kenneth	November 4, 2022	Courts
Makhlouf, Eleanor	November 7, 2022	Aging and Adult Services
Yee, Warren	November 11, 2022	Sheriff's
Iorio, Michael	November 17, 2022	Sheriff's
Neufeld, Albert	November 17, 2022	Public Works



Katherine O'Malley
Chair