

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MAY 23, 2023 – REGULAR BOARD MEETING MINUTES**

2305.1 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, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: Sandie Arnott.

Alternates: April DeCarsky and Nicole McKay.

Staff: Michael Coultrip, Lili Dames, Scott Hood, Jenny Lukan, JulieAnne Nagal, Doris Ng, Paul Okada, and Gladys Smith.

Consultants: Joe Abdou and John Nicolini (Verus); and Nick Collier and Craig Glyde (Milliman).

2305.1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Officers: Ms. O'Malley announced that she has appointed herself (Chair), Alma Salas, and Sandie Arnott to the nominating committee.

2305.2.1 Oral Communications from the Board: Ms. Salas informed the Board that she attended the memorial service for former SamCERA Board Member Paul Hackleman.

2305.2.2 Oral Communications from the Public: Ms. Smith introduced Jenny Lukan, SamCERA's new Executive Secretary.

2305.3.1 Approval of Board Meeting Minutes from April 25, 2023: Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on April 25, 2023. There were no changes, corrections, or objections presented.

Action: Ms. Salas moved to approve the minutes from the April 25, 2023 regular Board meeting. The motion was seconded by Mr. Raw and carried with a vote of 7-0, with trustees Battey, Hoefer, Marangu, O'Malley, Orr, Raw, and Salas all in favor; David abstained; none opposed.

2305.4.0 Approval of the Consent Agenda: Ms. O'Malley informed the Board that Victoria Galanter's application will be removed from the Consent Agenda as Ms. Galanter's attorney, Ms. Mendelson, indicated that she would like to address the Board in Closed Session. See Closed Session report under C1. No additional items were removed.

Ms. O'Malley ask for a motion on the remaining items on the Consent Agenda.

Action: Mr. Raw 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, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

2305.4.1 Disability Retirements:

- a) The Board found that Mark Cody (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (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 found that Robert Introcaso (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Correctional Officer, and (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.
- c) The Board found that Kyle McDevitt (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (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.
- d) The Board found that Robert Pronske (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.
- e) The Board terminated the disability retirement application submitted by the Coroner's Officer on behalf of Alina Revilla per Article VI, section 6.5 and 6.6 of the Board Regulation regarding Disability Retirement.
- f) The Board found that James Steaveson (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (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.
- g) The Board found that Leah Wesley (1) is permanently incapacitated from the performance of her usual and customary duties as Medical Surgical Nurse, (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.

2305.4.2 Survivor Death Benefits:

- a) The Board found that Greta Floresca would have been entitled to a non-service-connected disability but has died, and Charles Floresca, the surviving spouse, has elected to receive an optional death allowance pursuant to Government Code § 31781.3.

2305.4.3 Service Retirements:

Name	Effective Retirement Date	Department
Adcock, Joe	April 1, 2023	Def'd - San Mateo County Health
Aguilar, Ana	March 30, 2023	Sheriff's Office
Anderson, Marizela	April 1, 2023	San Mateo County Health
Anderson, Mark	March 18, 2023	Public Works
Aronson, Jacqueline	March 3, 2023	Probation
Bettencourt, Eric	April 1, 2023	Sheriff's Office
Bomgardner, Donna	April 1, 2023	Assessor Clerk Recorder Elections
Burke, Kathryn	April 1, 2023	Required Minimum Distribution
Bustos, Maria	March 11, 2023	Human Services Agency
Camposeco, Ana	March 25, 2023	Human Services Agency
Cerezo, Liberty	April 1, 2023	Environmental Health
Chandrasekaran, Ponnambalam	April 1, 2023	San Mateo County Health
Charles, Gregory	March 31, 2023	Probation
Chau, Jacqueline	April 1, 2023	San Mateo County Health

Chen-Lee, Jacqueline	March 4, 2023	Assessor Clerk Recorder Elections
Clark-Osby, Vickie	March 31, 2023	Human Services Agency
Cobb, Freda	April 1, 2023	Human Services Agency
Crisostomo, Juanchito	April 1, 2023	Behavioral Health
Daniele, Teresa	April 1, 2023	Human Services Agency
Dean, Roxanne	April 1, 2023	Behavioral Health
Dela Pena, Fe	April 1, 2023	San Mateo County Health
Delgado, Mary	March 24, 2023	Family Health
Evans, Susan	March 21, 2023	QDRO of Grado, Ronald
Fisher, Sandra	April 1, 2023	Probation
Fung, Doris	April 1, 2023	San Mateo County Health
Gallegos, Patricia	March 31, 2023	Family Health
Garcia, Carolina	March 31, 2023	Def'd - Human Services Agency
Hansen, Darlene	April 1, 2023	Probation
Hauschild, James	April 1, 2023	Human Services Agency
Into, Lorna	March 31, 2023	San Mateo County Health
Jensen, Margaret	April 1, 2023	County Executive Office
Kennealy, Nora	April 1, 2023	Sheriff's Office
Khan, Liaqat	March 18, 2023	Public Works
Lam, Sai-Hung	March 25, 2023	Human Services Agency
Livingston, Agnes	March 31, 2023	Deferred - Sheriff's Office
Luecke, Damon	March 3, 2023	Probation
Maharaj, Ravineeta	April 1, 2023	Human Services Agency
Marks, Sharon	April 1, 2023	Required Minimum Distribution
Martinson, Marisol	April 1, 2023	Human Services Agency
Meitz, Kenneth	April 1, 2023	Public Works
Navarrete, Maria	March 31, 2023	Sheriff's Office
Nguyen, Tran	April 1, 2023	Assessor Clerk Recorder Elections
Paniagua Esquivel, Irma	March 31, 2023	Family Health
Passmore, William	March 20, 2023	Sheriff's Office
Perrier, Stephanie	March 18, 2023	Human Services Agency
Platt, J Stephen	April 1, 2023	Sheriff's Office
Ramirez, Leticia	March 18, 2023	Human Services Agency
Reyes, Evelyn	March 3, 2023	Human Services Agency
Ricossa, Melinda	April 1, 2023	Mental Health
Robinson, Debra	April 1, 2023	Planning & Building
Rodriguez, Marcela	April 1, 2023	Human Services Agency
Romero, Claudia	April 1, 2023	Mental Health
Romero, Rolly	March 11, 2023	Deferred - Probation
Saulog, Nyllette	March 31, 2023	Def'd - San Mateo County Health
Scherman, Ana	March 25, 2023	Superior Court
Somebang, Isabelo	April 1, 2023	San Mateo County Health
Stauffer, Melanie	April 1, 2023	Probation
Strickland, Kathryn	March 29, 2023	San Mateo County Health
Sun, Wen	March 31, 2023	Deferred - Sheriff's Office
Telis, Laura	April 1, 2023	San Mateo County Health
Tom, Diane	April 1, 2023	Mental Health
Torres, Laura	March 30, 2023	Def'd - District Attorney's Office
Vraast-Thomsen, Paula	April 1, 2023	Building/Planning
Whisman, David	April 1, 2023	Public Safety Communications
Wiley, Maria	April 1, 2023	San Mateo County Health
Wong, Sharon	April 1, 2023	Assessor Clerk Recorder Elections

Wright, Tatyana
Young, Leslie

April 1, 2023
April 1, 2023

Def'd - San Mateo County Health
Assessor Clerk Recorder Elections

2305.4.4 **Continuances:**

Survivor's Name
Barlaan, Melanio
Haseleu, Rebecca
Souza, Judy

Beneficiary of:
Barlaan, Imelda
Hackleman, Paul
Souza, James

2305.4.5 **Deferred Retirements:**

Name
Gardner, Robert
Goodman, Anikka
Gonzalez, Bianca
Heiber, Darren
Londer, Rachel
Nosich, Matthew
Serbin, Brittany
Yaghoubi, Alen

Retirement Plan Type
G7, Vested – Auto Defer – Code 31700
G7, Non-Vested – Reciprocity
G4, Vested – Reciprocity
G7, Vested – Reciprocity
G7 – Vested – Auto Defer – Code 31700
G7 – Vested – Auto Defer – Code 31700
G7 – Non-Vested – Reciprocity
G7, Vested – Auto Defer – Code 31700

2305.4.6 **Member Account Refunds:**

Name
Del Rio, Camerina
Flesher, Gabriel
Gonzalez, Tanya
Picazo, Cristina
Russell, Carthel

Retirement Plan Type
G7, Non-vested
G7, Non-vested
G7, Non-vested
G4, Non-vested
G2, Vested

2305.4.7 **Member Account Rollovers:**

Name
Fernandez, Andre Paul
Marroletti, Dianne
Sladek, Victoria
St. Clair, Victoria

Retirement Plan Type
G7, Non-vested
G7, Non-vested
G7, Non-vested
G2, Non-vested

2305.4.8 **Member Account Redeposits:**

Name
Rosado, Clara

Retirement Plan Type
General 4

2305.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by Mr. Marangu, Ms. McKay, Ms. O'Malley, Ms. Orr and Mr. Raw.

2305.4.10 **Approval to Renew Fiduciary Liability Insurance Policy:** The Board authorized the County's Risk Manager to renew fiduciary liability insurance coverage with RLI Insurance Services through May 27, 2024.

2305.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

- 2305.5.2 **Review of Liability Dashboard:** Mr. Hood reported on the Quarterly Funding Progress Dashboard for the Period Ended March 31, 2023, which showed projected funded status and employer contribution rate. This item was informational and for discussion only, no action was taken.
- 2305.5.3 **Approval of Economic Assumptions to be used in the June 30, 2023 Actual Valuation:** Mr. Collier and Mr. Glyde from Milliman Inc. presented Milliman’s recommendation regarding economic assumptions to be used for SamCERA’s June 30, 2023 valuation to the Board.
- Action:** Mr. Hoefer moved to adopt the economic assumptions as follows: investment return 6.25%, local price inflation at 2.75%, wage at 3.25% and payroll growth at 3.25%. The motion was seconded by Mr. Marangu and carried with a vote of 6-2, with trustees Battey, David, Hoefer, Marangu, O’Malley, and Raw all in favor; Orr and Salas opposed.
- 2305.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended April 30, 2023:** Mr. Coultrip reported that SamCERA’s net preliminary return for April was 0.3% bringing the preliminary trailing twelve-month net return ending April 2023 to 0.3%, which is below both SamCERA’s benchmark return of 1.8% and assumed earnings rate of 6.25%. This item was informational and for discussion only, no action was taken.
- 2305.6.2 **Report on Quarterly Investment Performance for the Period Ended March 31, 2023:** Mr. Nicolini and Mr. Abdou reviewed the quarterly report with the Board. They reported that the 1st quarter net total return for the SamCERA portfolio was 2.9%, which was 1.6% lower than the 4.5% policy benchmark return. Alternatives, U.S. equity and private real assets were the main detractors to relative performance, while international equity and real estate contributed to performance. This item was informational and for discussion only, no action was taken.
- 2305.6.3 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA’s real estate managers PGIM and Harrison Street. The meeting took place on April 13th and included a firm/organizational update, investment process review, performance review and attribution and current positioning/market outlook. There were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.
- 2305.6.4 **Approval of Long Treasury Portfolio Implementation Plan:** Ms. Ng reviewed with the Board that in April 2023, the Board approved an implementation plan to leg into the long duration US Treasury allocation over time and to fund it from the FIAM core fixed income strategy. SamCERA staff and Verus reviewed an initial list of six managers and recommended to invest 3% of plan assets in NISA’s passive, long duration Treasury strategy for SamCERA’s defensive fixed income portfolio.
- Action:** Mr. Hoefer moved to approve staff’s recommendation. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Battey, David, Hoefer, Marangu, O’Malley, Orr, Raw, and Salas all in favor; none opposed.
- 2305.6.5 **Approval of Proposed Alternative Investment (to be heard in closed session, Confidential Under Gov. Codes §54956.81 and §7928.710, see item C2):** This item was heard in Closed Session at 12:14 p.m. after agenda item 6.4. The Board took a break at 12:42 p.m. and reconvened in Closed Session at 12:51 p.m. The Board reconvened in Open Session at 1:11 p.m. See Closed Session report under C2.
- 2305.7.1 **Approval to Change the October Board Meeting Date:** Mr. Hood asked for the Board’s approval to move the October Board meeting from October 24 to October 31 to allow for additional time to complete the Financial Audit and Annual Comprehensive Financial Report (ACFR) due to the additional workload required of staff caused by the triennial study and the audit by our auditing actuary.

Action: Mr. Battey moved to approve the change of the October Board Meeting from October 24th to October 31st. The motion was seconded by Mr. Hoefler and carried by a vote of 8-0, with trustees Battey, David, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

- 2305.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that after the last Board Meeting, he had the chance view the exterior of potential new office sites that were provided by the broker and had another discussion with SamCERA's existing landlord regarding a lease amendment. Mr. Hood also mentioned that there was a delay in the AV upgrade in the boardroom, and that he attended SACRS and was able to represent the Board's interests in the voting session. He also mentioned Wharton's upcoming Alternative Investment Strategies in July in San Francisco. Mr. Hood noted at the July meeting, the Board will elect its Officers and appoint committees for FY 2023-24 and that the annual investment fee disclosures will be reported at the July Board meeting. Finally, Nick Collier from Milliman will also be back to provide the Experience Study and get the Board's approval on demographic assumptions for the upcoming annual valuation.
- 2305.8.2 **Assistant Executive Officer's Report:** Ms. Smith reminded the Board members to please submit their \$25 non-recourse checks (or cash) to SamCERA. Ms. Lukan shared upcoming educational opportunities with Board.
- 2305.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that staff and Verus will hold the international equity annual manager reviews on Thursday, June 1. The first will be at 8:00 a.m. with Baillie Gifford and then at 9:30 a.m. will be Mondrian.
- 2305.8.4 **Chief Legal Counsel's Report:** Mr. Okada mentioned that he and Ms. Lukan will be working in the next couple of weeks to get a mid-year education hour update to all the Trustees.

- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** The Board met in closed session at 10:06 a.m. regarding the service-connected disability application of Victoria Galanter. The member's counsel, Ellen Mendelson, was present.

Following discussion, there was a motion and a second to refer this matter to a hearing officer.

The motion was approved by a vote of 8-0, with trustees Battey, David, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed. No other reportable action was taken. The Board reconvened in Open Session at 10:37 a.m.

- C2 **Approval of Proposed Alternative Investment (to be heard in closed session, Confidential Under Gov. Codes §54956.81 and §7928.710, see item C2):** The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a commitment of \$60 million to One William Street Capital Partners Fund, as part of SamCERA's opportunistic credit portfolio within the Growth category, there was a motion and second to approve such commitment.

Ayes: Battey, David, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas
Nos: None
Abstain: None
Motion carried 8-0-0

Regarding a commitment of \$20 million to MGG Structured Solutions Fund II L.P., as part of SamCERA's Debt-Related/Special Situations portfolio within Private Equity under the Growth category, there was a motion and second to approve such commitment.

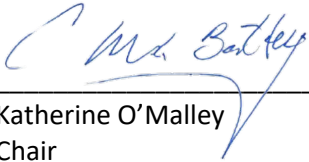
Ayes: Battey, David, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas
Nos: None
Abstain: None
Motion carried 8-0-0

No other reportable action was taken.

2305.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C1 and C2 above. No additional closed session items.

2305.10 **Adjournment:** Ms. O'Malley adjourned the meeting at 1:19 p.m. in memory of the deceased members listed below.

Williams, Velma	March 22, 2023	Social Services
Jackson, Ophelia	March 25, 2023	Hospital
Stulgis, John	March 25, 2023	Probation
Martin, Madelyn	March 26, 2023	Human Services
Ellis, Judith	April 2, 2023	Aging & Adult Services
Evans, Hallie	April 3, 2023	Social Services
Cohan, Iris	April 8, 2023	Mental Health
Bloomingtondale, Althea	April 18, 2023	Library
Schaumkel, Emma	April 19, 2023	Medical Center - Health Coverage Unit
Boyd, Joan	April 22, 2023	Fair Oaks Clinic
Fullmer, Ruth	April 22, 2023	Hospital
Kline, Geoffrey	April 22, 2023	Public Works
Blair, Randall	April 28, 2023	Environmental Health
Mackey, Carol	April 30, 2023	Courts
Visperas, Rebecca	April 30, 2023	Hospital
Booker, Anita	May 5, 2023	San Mateo County Health
Gurza, Roberto	May 6, 2023	Mental Health
Youngdahl, Raynor	May 11, 2023	Probation



(Mark Battey for Katherine O'Malley)
Katherine O'Malley
Chair