

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
OCTOBER 31, 2023 – REGULAR BOARD MEETING MINUTES**

2310.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Battey, Chair, called the Regular Meeting of the Board of Retirement to order at 9:59 a.m.

Roll Call:

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

Absent: Sandie Arnott, Katherine O'Malley, and Elaine Orr.

Alternates: Nicole McKay.

Staff: Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, Doris Ng, Paul Okada, and Gladys Smith.

Consultants: Joe Abdou and John Nicolini (Verus); Chris Philips (Zeno AN Solutions); Patrick Richardson (Byers/Richardson), and Ashley Green (Brown Armstrong).

Mr. Battey noted that, due to scheduling concerns, Items 7.1 and 7.2 would be considered immediately after the Series 4 consent items and prior to Item 5.1.

2310.2.1 Oral Communications from the Board: Mr. Battey informed the Board about the passing of Ms. Arnott's father earlier in the month and the passing of her brother last Thursday and offered condolences.

2310.2.2 Oral Communications from the Public: None.

2310.3.1 Approval of Board Meeting Minutes from September 26, 2023: Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on September 26, 2023. There were no changes, corrections, or objections presented.

Action: Mr. Raw moved to approve the minutes from the September 26, 2023 regular Board meeting. The motion was seconded by Ms. DeCarsky and carried with a vote of 6-0-1, with trustees Battey, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; David abstained.

2310.4.0 Approval of the Consent Agenda: Mr. Battey asked if there were any items to be removed for discussion from the Consent Agenda. Baker, Catherine was removed from Item 4.1.

Action: Mr. Hoefer moved to approve the remaining items on the Consent Agenda. The motion was seconded by Mr. Raw and carried with a vote of 7-0-0, with trustees Battey, David, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2310.4.1 Disability Retirements:

a) The Board found that **Tanganyika Adams** (1) is permanently incapacitated from the performance of her usual and customary duties as a Group Supervisor III, (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 **Michael Arguel** (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.

c) The Board, regarding **Catherine Baker**, (1) accepted the proposed decision of the Hearing Officer, John Shupe, and (2) confirmed the Service-Connected Disability retirement date of January 22, 2016.

d) The Board found that **Saul Lopez** (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Captain, (2) found that his disability was the result of an illness arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.

2310.4.2 **Survivor Death Benefits:** None.

2310.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Baquirin, Pedro	August 3, 2023	Sheriff's Office
Caceres-Chu, Evelyn	August 5, 2023	Deferred - Behavioral Health
Davis, Rawlen	August 26, 2023	Human Resources
De Alba, Claudia	September 1, 2023	San Mateo County Health
Dominguez, Melida	August 16, 2023	San Mateo County Health
Hood, Eileen	August 5, 2023	Sheriff's Office
Lynch, Damon	August 18, 2023	Probation
Modha, Ritu	August 5, 2023	Behavioral Health
Nolte, Mark	August 12, 2023	Deferred - Child Support Services
Ruiz, Patricia	July 18, 2023	San Mateo County Health
Schiantarelli, Jennifer	August 11, 2023	Deferred - Sheriff's Office
Thompson, Laura	August 7, 2023	Deferred – Planning and Building
Velez, Luis	August 6, 2023	Sheriff's Office

2310.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Robinson, Debra	Robinson, Ronald R.
Walker, Ruth	Walker, Burton
Youngdahl, Kathleen	Youngdahl, Raynor

2310.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Brewster, Brianna	G7, Non-Vested - Reciprocity
Cohen, Sara	G7, Vested
Constantino, Amanda	G7/S7, Vested - Auto Defer – Code 31700
Gee, Erica	G7, Vested - Reciprocity
Hart, Kristopher	S7, Vested
Laperruque, Kenneth	S7, Vested – Reciprocity
Morales, Pamela	G7, Non-Vested Reciprocity
Noble, Ederlyn	G4, Vested - Reciprocity
Pineda, Zuleyma	G4, Vested Auto Defer – Code 31700
Ramirez, Lester	G4, Vested - Reciprocity
Rodriguez, Crispin	G4, Vested Auto Defer – Code 31700

Taylor, Connor

G7, Non-Vested – Reciprocity

2310.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Conway, Terese (FBO: Conway, James)	G4, Vested
Estrada, Mathew	G7, Non-vested
Fischer, Keith	G7, Non-vested
Hoke, Christopher	G7, Non-vested
Marasigan, Arnold	G7, Non-vested
Netane, Siupeli	G7, Non-vested
Perryman, Desmon (FBO: Perryman, Jessica)	G7, Non-vested
Phillips, Thomas (FBO: Phillips, Bruce)	G4, Vested
Robertson, Frances	G7, Non-vested
Taufou, Priscilla	G7, Non-vested
Wilke, Tyler Jacob	G7, Non-vested

2310.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Conway, Terese (FBO: Conway, James)	G4, Vested
Phillips, Thomas (FBO: Phillips, Bruce)	G4, Vested
Wilson, David I	G7, Non-vested

2310.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Aenlle, Victor	G4
Pene, Garrett	G5

2310.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted report for educational activities attended by Mr. David, Ms. McKay, Mr. Raw, and Ms. Salas.

2310.4.10 **Trustee Special Request to Attend an Educational Event:** The Board discussed continuing this request to the December Regular Board Meeting to allow for Ms. Orr to be present to answer any questions.

Action: Mr. David moved to continue Ms. Orr’s Special Request to Attend an Educational Event to the December Regular Board Meeting. The motion was seconded by Ms. Salas and carried with a vote of 7-0-0, with trustees Battey, David, DeCarsky, Hoefler, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2310.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** See Item C1.

2310.5.2 **Annual Review of SamCERA’s Actuarial Services Firm, Milliman, Inc.:** Ms. Smith shared the results of Milliman, Inc.’s annual review which included high ratings from Board and staff. She and Mr. Hood thanked Mr. Collier and Mr. Glyde for their knowledge, professionalism and partnership all these years. This item was informational and for discussion only, no action was taken.

2310.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended September 30, 2023:** Mr. Coultrip reported that SamCERA’s net preliminary return for September was -1.9%, bringing the preliminary trailing twelve-month net return ending September 2023 to 8.1%, which is below our benchmark return of 10.6% but above our assumed earnings rate of 6.25%. He reported SamCERA’s

estimated market value as of September was \$5.94 billion, while the actuarial funded ratio as of June 30, 2023, was 88.3%.

- 2310.6.2 **Report on Inflation Hedge Manager Annual Review:** Ms. Ng reviewed the meeting notes from the annual review meetings with SamCERA's real assets investment managers, Brookfield Asset Management on September 7, 2023 and State Street Global Advisors (SSgA) on September 14th, 2023. Each meeting lasted approximately 1 hour and consisted of a firm/organizational update, an investment process review, performance review and attribution, and current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2310.6.3 **Report on Opportunistic Credit Manager Annual Review:** Ms. Ng reviewed the meeting notes from the annual review meeting with one of SamCERA's opportunistic credit managers, Angelo Gordon, on September 14, 2023. The meeting lasted approximately one hour, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2310.6.4 **Report on Absolute Return Manager Annual Review:** Ms. Ng reviewed the meeting notes from the annual review meeting with one of SamCERA's absolute return managers, Graham Capital Management, on September 14, 2023. The meeting lasted approximately 1 hour, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2310.6.5 **Presentation on Trade Cost Analysis for 2022:** Chris Phillips of Zeno AN Solutions presented an analysis of SamCERA's trading costs for the calendar year of 2022 and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2310.6.6 **Report on Emerging Market Debt Manager Search:** Ms. Ng reported that SamCERA sent a request for information (RFI) to an initial list of eight investment managers and received responses back from seven managers. After reviewing the responses and information provided, SamCERA plans to conduct further due diligence with a short list of two investment managers. Mr. Abdou of Verus provided an update on the emerging market debt manager search process with the Board. This item was informational and for discussion only, no action was taken.
- 2310.6.7 **Approval of Cash Flow-Matching Replenishment Recommendation:** Mr. Coultrip discussed staff's recommendation to replenish the cash flow match pool to include fiscal year 2026's net cash flows while also adding an additional year's worth (fiscal year 2027), resulting in pre-funding the next four years' worth of expected net benefit payments (for fiscal years 2024, 2025, 2026, and 2027). No additional new money is expected to be needed to be added to the Insight cash flow-match account.

Action: Mr. Hoefer moved to approve SamCERA's cash flow-matching replenishment recommendation. The motion was seconded by Mr. David and carried with a vote of 7-0-0, with trustees Battey, David, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

- 2310.7.1 **Presentation by Brown Armstrong of 2023 Financial Audit Management Reports:** Ms. Green presented the results of the independent financial audit for fiscal year ended June 30, 2023. She reported that SamCERA received an unmodified (clean) opinion. Mr. David reported that the Audit Committee met and reviewed the financial audit report and recommended that the Board accept the report and findings.

2310.7.2 **Approval of SamCERA’s 2023 Annual Comprehensive Financial Report (ACFR):** Ms. Chow provided a summary of the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. She discussed SamCERA’s net position at fiscal year-end, the operating results for the fiscal year then ended, and the funding status as of June 30, 2023. Ms. Chow thanked Ms. Green and her audit team, Milliman, Inc., as well as SamCERA staff for their contributions in putting the ACFR together.

Action: Mr. Hoefer moved to approve SamCERA’s 2023 Annual Comprehensive Financial Report. The motion was seconded by Ms. Salas and carried with a vote of 7-0-0, with trustees Battey, David, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2310.7.3 **Approval of Voting Delegates and direction to delegates for Fall 2023 SACRS Business Meeting:** Mr. Hood discussed staff’s recommendation to designate him as the Voting Delegate to cast SamCERA’s votes at the SACRS business meeting on November 10, 2023.

Action: Mr. David moved to approve staff’s recommendation to designate Scott Hood, CEO as the Voting Delegate to cast SamCERA’s votes at the SACRS Fall 2023 Conference. The motion was seconded by Ms. Salas and carried with a vote of 7-0-0, with trustees Battey, David, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2310.8.1 **Chief Executive Officer’s Report:** Mr. Hood thanked Ms. Chow’s team for their work on the audit and the ACFR. Mr. Hood gave the Board a real estate market update and a packet will be provided next meeting. Mr. Hood informed the Board that he will be at SACRS next week and mentioned the CALAPRS General Assembly in March 2024. Lastly, Mr. Hood also informed the Board that agenda items for the December Board Meeting will include policy updates, the funding dashboard and staff retreat topics.

2310.8.2 **Assistant Executive Officer’s Report:** Ms. Smith informed the Board that the survey for the annual Brown Armstrong review will be sent next week. Ms. Smith also mentioned that next year, SamCERA will be conducting several RFPs. Ms. Lukan informed the Board of upcoming education opportunities in 2024.

2310.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip informed the Board that SamCERA will be sending out the Verus annual review survey soon, with results planned to be presented in December. Mr. Coultrip also informed the Board that the date and time were changed for the private equity and private real asset annual review to Monday, November 27th at 11:00 am via Teams.

2310.8.4 **Chief Legal Counsel’s Report:** Mr. Okada informed the Board he will be working with Ms. Orr and the rest of the CEO ad hoc evaluation committee to schedule some dates, likely in the second week in November, to meet. The evaluation responses will be discussed in closed session in January.

C1 Consideration of Disability Items, if any, removed from the Consent Agenda: The Board met in Closed Session regarding the service-connected disability retirement application of Catherine Baker. The member’s counsel, Martin Glickfield, and SamCERA’s counsel, Patrick Richardson, were present.

Following presentations by both counsel, questions from the Board, and Board discussion, there was a motion and a second to (1) accept the proposed decision of the Hearing Officer, John Shupe, and (2) confirm the service-connected disability retirement date of January 22, 2016.

The motion was approved unanimously by Battey, David, Decarsky, Hoefer, Marangu, Raw, and Salas. Board members Arnott and Orr were absent. There were no “nay” votes and no abstentions.

No other reported action was taken and there were no other disability retirement matters heard in Closed Session.


**C2 Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation (Govt. Code section 54956.9(d)(2)) - One Case:**

The Board met in Closed Session to confer with legal counsel regarding anticipated litigation/significant exposure to litigation (one case) (Govt Code section 54956.9(d)(2)). No reportable action was taken. No other matters were discussed in Closed Session.

2310.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C1 and C2 above. There were no additional closed session items.

2310.10 **Adjournment:** Mr. Battey adjourned the meeting at 1:11 p.m. in memory of the deceased members listed below.

Travers, Elizabeth	September 9, 2023	Health Services
Perkins, Agnes	September 24, 2023	Social Services
Bradley, Jean	September 26, 2023	Hospital
Allen, Rosemary	September 27, 2023	Aging & Adult Services
Compton, Irma	September 30, 2023	Planning & Building
Gooden, Quillie	October 4, 2023	Public Works
Evans, Randolph	October 5, 2023	San Mateo County Health
Botti, Lou	October 6, 2023	Human Services Agency
Radojevich, Milan	October 9, 2023	Sheriff's
Niapas, Deborah	October 11, 2023	Probation


Mark Battey
Chair