

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
JANUARY 23, 2024 – REGULAR BOARD MEETING MINUTES**

**2401.1 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: Sandie Arnott, Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: None.

Alternates: April DeCarsky and Nicole McKay

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

Consultants: Joe Abdou and John Nicolini (Verus).

**2401.2.1 Oral Communications from the Board:** Mr. Battey congratulated Ms. O'Malley on the birth of her child.

**2401.2.2 Oral Communications from the Public:** None.

**2401.3.1 Approval of Board Meeting Minutes from December 5, 2023:** Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on December 5, 2023. Mr. Hood presented one change to the Board regarding attendance in which Ms. McKay sat in place of Ms. Salas.

**Action:** Mr. David moved to approve the corrected minutes from the December 5, 2023 regular Board meeting. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, and Raw all in favor; none opposed; O'Malley and Salas abstained.

**2401.4.0 Approval of the Consent Agenda:** Mr. Battey asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed

**Action:** Mr. Raw moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hoefer and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed; no abstentions.

**2401.4.1 Disability Retirements:**

- a) The Board found that **Janae Esmond** (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.
- b) The Board found that **Anna Stock** (1) is permanently incapacitated from the performance of her usual and customary duties as a Clinical Lab Scientist 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.

2401.4.2 **Survivor Death Benefits:**

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

2401.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Baker, Dee	November 12, 2023	QDRO of Henry, Daniel
Baker, Vaughn	August 31, 2021	Behavioral Health
Barcenas, Maria	November 14, 2023	San Mateo County Health
Bayer, Ross	October 28, 2023	Deferred - Public Works
Chow, Christine	November 1, 2023	San Mateo County Health
Concepcion, Bonifacio	November 30, 2023	San Mateo County Health
Frangos, Maria	November 1, 2023	Human Services Agency
Galera, Chadie	October 11, 2023	Probation
Guzman, Evelyn	October 14, 2023	Probation
Hoffman, Andrew	November 2, 2023	QDRO of Erwin, Patricia
Horace, Romel	November 22, 2023	Family Health
Johnson, James S	November 29, 2023	Deferred - Human Resources
Martinez de Vargas, Jean-Pierre	October 22, 2023	Sheriff's Office
Martinez, Brian	November 3, 2023	Deferred - Environmental Health
Martinez, Monica	November 3, 2023	Probation
Miyazaki, Ayana	December 1, 2023	San Mateo County Health
Moody, Stacey	October 27, 2023	Sheriff's Office - Plan 3 Only
Padilla, David	October 27, 2023	Sheriff's Office
Ramirez, Guillermo	October 21, 2023	San Mateo County Health
Ruiz, Nicole	November 1, 2023	Probation
Sievert, Ann	October 15, 2023	Deferred - Courts
Zuno, Salvador	November 18, 2023	Sheriff's Office

2401.4.4 **Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Gonzales, William	Gonzales, Kathleen
Lem, Donna	Yee, Warren
Melica, Aurelia	Melica, George
Messier, Marion	Messier, Robert
Oda, Robert	Oda, Wenonah
Radojevich, Bonnie	Radojevich, Milan
Swanson, Michele	Swanson, Bob

2401.4.5 **Deferred Retirements:**

<b>Name</b>	<b>Retirement Plan Type</b>
Abbott, Lisa	G7, Non-Vested - Reciprocity
Aguilar, Jill	G7, Vested Auto Defer – Code 31700
Ansari, Tamiem	G7, Vested
Caracheo Luna, Viridiana	G7, Vested - Reciprocity
Del Prado	G7, Vested Auto Defer – Code 31700

Dela Pena, Mohini	G7, Vested Auto Defer – Code 31700
Fuller, Darrin	G7, Non-Vested - Reciprocity
Gonzalez, Nohely	G7, Non-Vested - Reciprocity
Haupt, Jacquelyn	G7, Vested - Reciprocity
Hayes, Aaron	G4, Vested Auto Defer – Code 31700
Halperin, Ernst	G7, Vested - Reciprocity
Kallusch, Charlene	G7, Vested Auto Defer – Code 31700
Kunkel, Mark	G7, Vested
Kuramoto, Garrett	G5, Vested - Reciprocity
Leong, King	G7, Vested - Reciprocity
Mayorga, Zulma	G5, Vested Auto Defer – Code 31700
McMahon, Breana	G7, Non-Vested - Reciprocity
Moniot, Andre	S5, Vested Auto Defer – Code 31700
Parsons-Barillas	G7, Vested Auto Defer – Code 31700
Patino, Colin	S5, Vested
Patino, Lilia	G7, Vested
Ramirez, Karla	G7, Vested Auto Defer – Code 31700
Scherer, Alison	G7, Vested - Reciprocity
Shandilya, Swati	G7, Vested Auto Defer – Code 31700
Sztenderowicz, Michael	G7, Non-Vested - Reciprocity
Wang, Peng	G7, Vested - Reciprocity

**2401.4.6 Member Account Refunds:**

<b>Name</b>	<b>Retirement Plan Type</b>
Alcantara, Brittany	G7, Non-vested
Cortez Trujillo, Maria de Jesus	G7, Non-vested
Garcia, Francisco	G7, Non-vested
Gilman, Nicolette	G7, Non-vested

**2401.4.7 Member Account Rollovers:**

<b>Name</b>	<b>Retirement Plan Type</b>
Clark, Cheree	G7, Vested
Kim, Su Yeon	G7, Non-vested

**2401.4.8 Member Account Redeposits:** None.

**2401.4.9 Acceptance of Trustees’ Reports of Educational Activities:** None.

**2401.4.10 Approval of Resolutions that define Compensation Earnable and Pensionable Compensation:** The Board approved amendments to (1) the Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34 and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34

**2401.4.11 Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2023:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA’s non-alternative investment managers, as of December 31, 2023.

**2401.5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2401.5.2 **Approval of Cost of Living Allowance (COLA):** Mr. Hood reviewed Millman’s recommendations for Cost of Living Adjustments for 2024. It was recommended that General and Safety Plan 1 members who retire on, or before, April 1, 2024, receive a COLA adjustment of 4%; Probation Plan 1 and all Plan 2 members receive a 3%; and Plan 4, 5, 6 and 7 receive 2%, all as set forth in the accompanying resolutions. Mr. Battey asked for a motion to approve the Resolution Adopting the Cost of Living Adjustments Effective April 1, 2024 as recommended by Milliman, Inc.

**Action:** Mr. Marangu moved to approve the Resolution Adopting the Cost of Living Adjustments Effective April 1, 2024 as recommended by Milliman, Inc. The motion was seconded by Mr. David and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O’Malley, Orr, Raw, and Salas all in favor; none opposed; no abstentions.

2401.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended December 31, 2023:** Mr. Coultrip reported that SamCERA’s net preliminary return for December was 3.1%, bringing the preliminary trailing twelve-month net return ending December 2023 to 9.6%, which is below our benchmark return of 12.6% but above our assumed earnings rate of 6.25%. SamCERA’s estimated market value as of December was \$6.22 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

2401.6.2 **Report on Cash-Flow Matching Manager Annual Review:** Ms. Ng reviewed the meeting notes from the annual review meeting with SamCERA’s cash-flow matched liquidity manager, Insight Investment, on October 19<sup>th</sup>, 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.

2401.6.3 **Approval of Opportunistic Credit Manager Recommendation:** Ms. Ng discussed SamCERA’s due diligence process and its ultimate recommendation of Eaton Vance. Mr. Abdou provided Verus’ perspective for the recommendation. Mr. Battey asked for a motion to approve the recommendation to invest approximately 1% of plan assets (\$60 million) in the Eaton Vance Emerging Markets Debt Opportunities strategy.

**Action:** Mr. David moved to approve the recommendation to invest approximately 1% of plan assets (\$60 million) in the Eaton Vance Emerging Markets Debt Opportunities strategy in a private fund vehicle. The motion was seconded by Mr. Hoefer and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O’Malley, Orr, Raw, and Salas all in favor; none opposed; no abstentions.

2401.7.1 **Discussion of Board-Staff Retreat Topics:** Mr. Hood reviewed the proposed agenda of the 2024 Board-Staff Retreat and received feedback from the Board. This item was informational and for discussion only, no action was taken.

2401.7.2 **Approval of Resolution Amending Board Education Policy:** Mr. Hood reviewed the proposed revisions to the education policy which were discussed at the December meeting. Mr. Battey asked for a motion to approve the Resolution Amending the Board’s Education Policy.

**Action:** Mr. Raw moved to approve the Resolution Amending the Board’s Education Policy. The motion was seconded by Ms. Orr and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O’Malley, Orr, Raw, and Salas all in favor; none opposed; no abstentions.

2401.7.3 **Approval of Amendment of the Policy for the Procurement and Contracting for Certain Goods and Services:** Mr. Hood reviewed the updates to SamCERA’s procurement policy. Mr. Battey asked for a motion to approve the Resolution Amending the Board’s “Policy for Procurement and Contracting for Certain Goods and Services.”

Action: Mr. Hoefer moved to approve the Resolution Amending the Board’s Education Policy. The motion was seconded by Mr. David and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O’Malley, Orr, Raw, and Salas all in favor; none opposed; no abstentions.

2401.8.1 **Chief Executive Officer’s Report:** Mr. Hood provided the Board with a memo from SACRS regarding the upcoming SACRS election. Mr. Hood informed the Board that at the March Board Meeting the final ballot will be reported out prior to the elections at the SACRS Spring Conference in May. Mr. Hood also informed the Board that by the end of this week, SamCERA will have three live RFPs – custodian, actuary, and auditor. Lastly, Mr. Hood reported that items that will be presented at the February Board Meeting will include the Funding Dashboard update, the budget report, and the Board-Staff Retreat schedule will be finalized.

2401.8.2 **Assistant Executive Officer’s Report:** Ms. Smith reported that SamCERA will be working with HR on the recruitment for the position of Chief Technology Officer. Ms. Smith reported that in the meantime, SamCERA has moved forward with some projects in IT including the website refresh project, adding extra layer of security to the member self-serve portal and member app, upgrades to the office’s Wi-Fi and a redundancy line for internet connection. Ms. Smith acknowledged Mr. Ick and Mr. Nagal for stepping up in the interim. Ms. Lukan informed the Board of upcoming education opportunities, including the SACRS Spring Conference and NCPERS both in May, and will send an email with the information.

2401.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip informed the Board that SamCERA kicked off the custodial RFP earlier this month. Mr. Coultrip reported that at the February Board Meeting staff intends to bring to the Board changes to the Investment Policy Statement, a session on the Asset Allocation Annual Review, including updated capital market assumptions, and private market recommendations.

2401.8.4 **Chief Legal Counsel’s Report:** Mr. Okada reported that a one-hour Ethics Training session will be held at the Board’s March retreat. The focus of the March training will be gifts, with another one-hour session covering the remaining mandatory topics to be scheduled later in the year in satisfaction of the trustees’ two-hour ethics training requirement which has a deadline of December 31, 2024. If Trustees attend both Ethics Trainings given by Mr. Okada, they will not need to attend the training at SACRS or CALAPRS. However, if a Trustee attends the Ethics Training at CALAPRS or SACRS, they will need to attend the full two-hour session to ensure that all topics are covered.

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 to discuss the Public Employee Performance Evaluation of the Chief Executive Office. No reportable action was taken.

2401.9.0 **Reports on Actions Taken in Closed Session:** Ms. Orr reported on Item C2 above. There were no additional closed session items.

2401.10 **Adjournment:** Mr. Battey adjourned the meeting at 11:40 a.m. in memory of the deceased members listed below.

Smathers, Helen	October 14, 2023	Behavioral Health
Powell, Letha	November 15, 2023	Probation
Regos, Agnes	November 20, 2023	Health Services
Jacobs, Vicki	November 20, 2023	Environmental Services
Camarena, Blanca	November 28, 2023	Health
Shockley, Nancy	November 30, 2023	Human Resources
Ahern, William	December 2, 2023	Sheriff's Office
Sisk, John	December 8, 2023	Mental Health
Bickel, Olive	December 16, 2023	County Clerk's
O'Toole, Diane	December 16, 2023	Probation
Galicia, Marcelo	December 16, 2023	Public Health
Dragich, Colleen	December 20, 2023	Human Services
Castell, Lorraine	December 21, 2023	District Attorney's Office
Harris, Melvin	December 23, 2023	Sheriff's Office
Metoyer, Charles	December 25, 2023	Courts
Lipp, Sharon	December 26, 2023	Hospital
Hughes, Dorothy	December 30, 2023	Hospital



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Mark Battey  
Chair