

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SEPTEMBER 26, 2017 – REGULAR BOARD MEETING MINUTES

1709.1 **Call to Order, Roll Call and Miscellaneous Business**

Call to Order: Mr. Mark Battey, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Mark Battey, Ben Bowler, Susan Lee (for Shirley Tourel), Alma Salas (for Paul Hackleman), and David Spinello.

Excused: Sandie Arnott, Albert David, Paul Hackleman, Kurt Hoefler, Eric Tashman and Shirley Tourel.

Alternates present: Susan Lee, Alma Salas.

Staff: Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Elizabeth LeNguyen, Barbara Edwards, Lili Dames, and Kristina Perez.

Consultants: Margaret Jadallah (*Verus*).

1709.2.1 **Oral Communications from the Public:** None.

1709.2.2 **Oral Communications from the Board:** None.

1709.3.0 **Approval of Board Meeting Minutes:** Approval of minutes was continued to the October 31, 2017, Regular Board Meeting.

1709.4.0 **Approval of the Consent Agenda:** Mr. Battey asked if there were any items to be removed from the Consent Agenda. No items were requested to be removed.

Action: Mr. Bowler moved to approve the Consent Agenda, and the motion was seconded by Ms. Salas. The motion carried with a vote of 5-0, with trustees Battey, Bowler, Lee (for Tourel), Salas (for Hackleman) and Spinello, all in favor; none opposed.

1709.4.1 **Disability Retirements:**

- a) The Board found that Adriane Beckman is (1) permanently incapacitated for the performance of her usual and customary duties as a Probation Officer 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 Gabriela Breton is (1) not permanently incapacitated for the performance of her usual and customary duties as a Marriage and Family Therapist II, and (2) denied her application for a service-connected disability retirement.
- c) The Board found that that Gloria Camacho is (1) permanently incapacitated from the performance of her usual and customary duties as a Food Service Worker II, (2) found that her disability was the result of an illness arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.
- d) The Board found that Elvira Cruz is (1) permanently incapacitated for the performance of her usual and customary duties as a Hospital Unit Coordinator, (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.
- e) The Board found that Sonja White is (1) permanently incapacitated from the performance of her usual and customary duties as a Group Supervisor III, (2) found that her disability was not the result of an illness arising out of and in the course of her employment and (3) granted her application for a non-service-connected disability retirement.

1709.4.2 **Survivor Death Benefits:** The Board find that Thomas Ball, would have been entitled to a non-service-connected disability but has died, and Wendy Ball, the surviving spouse, has elected to receive an optional death allowance pursuant to Government Code § 31781.1.

1709.4.3 **Service Retirements:**

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

Member Name	Effective Retirement Date	Department
Adams, Anthony	July 6, 2017	Sheriff's
Burris, Larry	July 25, 2017	Probation
Clancy, Carol	July 22, 2017	Correctional Health
Dabich, Sandra	July 15, 2017	Deferred from Courts
Elie, Dolores	July 28, 2017	Health
Escamilla, Mercedes	August 1, 2017	H.S.A.
Gutierrez-Gil, Gloria	July 11, 2017	H.S.A.
Justice, Misti	July 11, 2017	QDRO
Land, Yolanda	July 6, 2017	Deferred
Lew-White, Lorraine	July 29, 2017	Environmental Health
Marengo, Edward	July 8, 2017	Deferred Social Services
Nicholson, Shelly	July 29, 2017	Human Services
Reyes, Lesbya	July 29, 2017	Probation
Rodriguez, Fidel	August 1, 2017	Probation
Storme, Gregory	July 6, 2017	Sheriff

1709.4.4 **Continuances:**

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

Survivor's Name	Beneficiary of:
Parry, Richard	Parry, Cheryl
Thompson, Shirlee	Thompson, Charles

1709.4.5 **Deferred Retirements:**

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

Member Name	Retirement Plan Type
Albertson, Jason	G5, Vested – Reciprocity
Bishop, Colin	G4, Vested – Reciprocity
Cooper, Angela	G7, Non-vested – Reciprocity
Dubroff, Melinda	G4, Vested – Reciprocity
Gonzales, Richard	S5, Non-vested – Reciprocity
He, Jie	G4, Vested - Reciprocity
Leong, Ligi	G4, Vested
Levy, Glenn	G4, Vested – Reciprocity
Madalena, Thomas	G4, Vested – Auto Defer – Code 31700
Martinez, Patricia	G4, Vested – Reciprocity
Moran, Maria Carmel	G4, Vested
Mughannam, Rita	G4, Vested – Reciprocity
Parada, Christine	G7, Vested – Reciprocity
Price, Jessica	G5, Vested – Auto Defer – code 31700
Ruiz, Jessie	G4, Vested – Auto Defer – code 31700
Sotel-Malaga, Lorena	G7, Non-vested – Reciprocity
Stavinskaya-Velasquez, Olga	G7, Non-vested – Reciprocity
Taylor, Stephanie	S5, Vested

Deferred Retirements (cont):

Tercero, Roberto Jose	G4, Vested -- Reciprocity
Thompson, Jenell	G4, Vested
Tia, Queena	G7, Non-vested - Reciprocity
Tseng, Margaret	G5, Non-vested - Reciprocity
Widdel, Koren	G4, Vested - Reciprocity
Wiltron, Christopher	S5, Non-vested – Reciprocity

1709.4.6 **Member Account Refunds:**

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

Member Name	Retirement Plan Type
Castillo, Victor	P4, Vested
Cooper, Dontice	G7, Non-vested
Hall, Andrew	G7, Non-vested
Kishan, Rosena	G4, Vested
Manchia, Beverly (QDRO)	G2, Vested
Mascarenas, Malinda	G7, Non-vested
McLemore, DeFrance	S5, Non-vested
Williams, Rita	G7, Non-vested
Wray, Martin	G5, Non-vested

1709.4.7 **Member Account Rollovers:**

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

Member Name	Retirement Plan Type
Mednikov, Marianna	G4, Non-vested
Williams, Davin	P4, Vested

1709.4.8 **Member Account Redeposit:** None.

1709.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted report for the educational activity attended by trustee Susan Lee.

1709.4.10 **Reaffirmation of Board Procedures for Assessment and Determination of Whether an Element of Compensation Was Paid to Enhance a Member's Pension Benefit:** The Board reaffirmed the "Board Procedures for Assessment and Determination of Whether an Element of Compensation Was Paid to Enhance a Member's Pension Benefit."

1709.4.11 **Reaffirmation of Board of Retirement Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Reportable Compensation, Enrollment in and Reinstatement to, the Retirement System:** The Board reaffirmed the "Board of Retirement Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Reportable Compensation, Enrollment in and Reinstatement to the Retirement System."

1709.4.12 **Approval of Resolution Authorizing CEO to Amend Agreement with Vitech:** The Board approved a resolution authorizing the Chief Executive Officer to execute a seventh amendment to the agreement with Vitech Systems Group, Inc., and to execute any subsequent amendments and minor modifications in an amount not to exceed \$100,000 in aggregate.

1709.4.13 **Approval of Resolution Authorizing the CEO to Enter into an Agreement for Investment Consultant services with Verus Advisory, Inc.:** The Board approved a resolution authorizing the Chief Executive Officer to execute an agreement with Verus Advisory, Inc. for investment consulting services.

- 1709.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** None.
- 1709.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ended August 31, 2017:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for August 2017 was 0.65%, while the preliminary trailing twelve-month return ending August 2017 was 11.8% net, effectively matching the return of the benchmark. The twelve-month net return is higher than SamCERA's Actuarial Assumed Earnings Rate of 6.75%. This item was informational and for discussion only, no action was taken.
- 1709.6.2 **Report on the Opportunist Credit Manager Reviews:** Ms. Dames reviewed the meeting notes from the annual reviews of SamCERA's Opportunistic Credit managers. Staff and consultant met at SamCERA's offices with Angelo Gordon on August 30, 2017; and with Beach Point Capital Management and Tennenbaum Capital Partners on August 31, 2017. Ms. Dames reported there were no significant concerns identified during the portfolio reviews. This item was informational and for discussion only, no action was taken.
- 1709.6.3 **Approval of Resolution Amending the Investment Policy Statement:** Mr. Coultrip reviewed the proposed changes to the Investment Policy Statement with the Board. The proposed changes memorialize discussions held by the Board at previous meetings.
Action: Ms. Salas moved to approve the resolution amending the Investment Policy Statement and the motion was seconded by Mr. Bowler. The motion carried with a vote of 5-0, with trustees Battey, Bowler, Lee (for Tourel), Salas (for Hackleman) and Spinello, all in favor; none opposed.
- 1709.7.1 **Approval of Resolution Authorizing CEO to Amend the Agreement with Milliman, Inc. to Extend the Term for One Additional Year:** Mr. Hood stated that the current contract with Milliman, Inc. expires at the end of 2017. Staff has proposed to extend the contract one additional year, through the valuation in 2018.
Action: Mr. Bowler moved to approve a resolution authorizing the CEO to amend and extend the agreement with Milliman, Inc.; the motion was seconded by Ms. Salas. The motion carried with a vote of 5-0, with trustees Battey, Bowler, Lee (for Tourel), Salas (for Hackleman) and Spinello, all in favor; none opposed.
- 1709.8.1 **Chief Executive Officer's Report:** Mr. Hood discussed the need for a special meeting in October. He intends to schedule a date that works for a majority of the Board. He stated he would be attending the CALAPRS Administrators Institute, September 27-29, 2017 in Carmel. Mr. Hood also stated next month's meeting agenda would include consideration of the 2018 schedule of Board meetings.
- 1709.8.2 **Assistant Executive Officer's Report:** Ms. Smith stated that Board members had received a survey via email evaluating the services Milliman, Inc. She will review the results of the survey at the October meeting.

Ms. Perez reminded Board members about upcoming educational events.
- 1709.8.3 **Chief Investment Officer's Report:** Mr. Coultrip invited interested trustees to attend the upcoming annual manager reviews. State Street will have their review on October 5; and Panagora and AQR on October 12, 2017.
- 1709.8.4 **Chief Legal Counsel's Report:** Ms. Carlson gave an update on a trial court ruling in Orange County related to pension forfeiture.
- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

1709.9 **Report on Actions Taken in Closed Session:** None.

1709.10 **Adjournment:** Mr. Battey adjourned the meeting at 10:28 a.m. in memory of the deceased members listed below.

Aldrich, Mary	August 4, 2017	Chope Hospital
Haken, Dinah	August 5, 2017	Chope Hospital
Breitner, Marcelle	August 9, 2017	Mental Health
Robelet, Flora	August 21, 2017	District Attorney's
Florea, Lois	August 23, 2017	Crystal Springs Rehab Center
Simpson, Ramona	August 29, 2017	Chope Hospital
Ginilo, George	September 3, 2017	Agriculture
Wenneberg, Greg	September 5, 2017	Behavioral Health & Recovery



Scott Hood
Chief Executive Officer



Kristina Perez
Retirement Executive Secretary