

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
JANUARY 23, 2018 – REGULAR BOARD MEETING MINUTES

1801.1 **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, Albert David, Paul Hackleman, Kurt Hoefer, Susan Lee (for David Spinello), Eric Tashman and Shirley Tourel.

Absent: Sandie Arnott, Ben Bowler and David Spinello.

Alternates present: Susan Lee, Alma Salas.

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

Consultants: Margaret Jadallah, Faraz Shooshani, John Nicolini and Paul Kreiselmaier (Verus).

1801.2.1 **Oral Communications from the Board:** None.

1801.2.2 **Oral Communications from the Public:** Ms. Smith informed the Board that Sue Thompson, SamCERA's Ret will be retiring and thanked Ms. Thompson for her service to SamCERA and its membership.

1801.3.0 **Approval of Board Meeting Minutes:** Mr. Battey asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on December 5, 2017 and the Special Board meeting on January 8, 2018.

1801.3.1 **Action:** Mr. Hackleman moved to approve the minutes from the Regular Meeting on December 5, 2017. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Battey, David, Hackleman, Hoefer, Lee (for Spinello) Tashman and Tourel all in favor; none opposed.

1801.3.2 **Action:** Mr. Hackleman moved to approve the minutes from the Special Meeting on January 8, 2018. The motion was seconded by Mr. Hoefer and carried with a vote of 6-0, with trustees Battey, David, Hackleman, Hoefer, Lee (for Spinello) and Tashman all in favor; Ms. Tourel abstained; none opposed.

1801.4.0 **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. Hackleman moved to approve the items on the Consent Agenda, and the motion was seconded by Mr. Hoefer. The motion carried with a vote of 7-0, with trustees Battey, David, Hackleman, Hoefer, Lee (for Spinello), Tashman, and Tourel, all in favor; none opposed.

1801.4.1 **Disability Retirements:**

a) The Board found that Richard Holman is (1) permanently incapacitated from the performance of his usual and customary duties as an Human Services Supervisor, (2) found that his disability was a 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 Denise Sorensen is (1) permanently incapacitated from the performance of her usual and customary duties as a Library Assistant II, (2) found that her disability was a 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.

1801.4.2 **Survivor Death Benefits:** The Board found that **Brian Kwong**, would have been entitled to a non-service-connected disability, but died. Sun Hee Kim, the surviving spouse, elected to receive an optional death allowance pursuant to Government Code § 31781.1.

1801.4.3 **Service Retirements:**

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

<u>Member Name</u>	<u>Effective Retirement Date</u>	<u>Department</u>
Brown, Gary T.	October 6, 2017	Sheriff's
Field, Peter	October 28, 2017	Behavioral Health
Figueroa, Cecilia	October 28, 2017	Probation
Hallett, Edward	October 28, 2017	Parks
Harrison, Vaughn	October 28, 2017	Library
Heath, Yvonne	October 14, 2017	Behavioral Health
Jovel, Anna	October 28, 2017	Human Services Agency
Kutzler, Joanne	October 1, 2017	Deferred from Assessor's
Newman, Mary	October 1, 2017	Mental Health
Roinestad, Joy	October 21, 2017	HOS Ob/Gyn
Saunders-Sui, Diane	October 24, 2017	Deferred
Villanis, Christine	October 4, 2017	Probation
Villanueva, Reynaldo	October 28, 2017	HOS Housekeeping
Aboud, James	November 5, 2017	Sheriff's
Buchalter, William	December 1, 2017	Sheriff's
Casanova, Divina	November 29, 2017	Medical Center
Erickson, Joan	November 24, 2017	Medical Center
Gallagher, Kelly	November 4, 2017	Probation
Huertas, Jessica	November 27, 2017	Aging & Adult Services
Lang, Kenneth	November 4, 2017	Deferred from Medical Center
McLaughlin, Joan	December 1, 2017	Environmental Health
Rivera, Silvana	December 1, 2017	HOS Daly City Clinic
Sousa, Deborah	November 15, 2017	HOS Fair Oaks Clinic
Taylor, Marney	November 17, 2017	Public Works
Weinberg, Samuel	December 1, 2017	Probation
Young, Jaime	November 25, 2017	Public Safety Communications

1801.4.4 **Continuances:**

The Board ratifies the actions as listed below for the following members regarding continues:

<u>Survivor's Name</u>	<u>Beneficiary of:</u>
Grinnell, Elisabeth	Grinnell, George
Kim, Sunhee	Kwong, Brian
Linaja, Rodolfo	Linaja, Violeta
Lundquist, Cheryl	Lundquist, John
Molinar, Vera	Molinar, Adolfo
Stanford, Mae	Stanford, William

1801.4.5 **Deferred Retirements:**

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

<u>Member Name</u>	<u>Retirement Plan Type</u>
Aragona, Sheryll	G4, Vested – Reciprocity
Au, Julia	G5, Vested
Balluom, Jumana	G4, Vested

Becerra, Eric	G4, Vested
Bravo, Stephanie	G7, Non-vested – Reciprocity
Chidester, Mathew	G4, Vested – Reciprocity
Cota, Alexis	G5, Vested
Cruse, Lourdes	G4, Vested – Auto Defer – Gov't Code 31700
Geranios, James	G4, Vested – Reciprocity
Lu, Wendy	G7, Non-vested – Reciprocity
Newton, Heidi	G4, Vested – Reciprocity
Orozco, Carmen	G3, Non-vested – Reciprocity
Ritchie, Jeannette	G4, Vested
Smith, Sarah	G4, Vested – Reciprocity
Teall, Billie	G4, Vested – Auto Defer – Gov't Code 31700
Tyrell, Jolly	G4, Vested
Vandrey, Christopher	G4, Vested

1801.4.6 **Member Account Refunds:**

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

<u>Member Name</u>	<u>Retirement Plan Type</u>
Alegria, Rocio	G7, Non-vested
Betanzo, Diana	S4, Vested
Caughey, Robert	S7, Non-veste
Dague, Stacey	P4, Vested
Gillenwater, Jason	G7, Non-vested
Sarate, Miriam	G7, Non-vested
Yang-Liang, Jimmy	G7, Non-vested

1801.4.7 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers: None.

1801.4.8 **Member Account Redeposits:**

<u>Member Name</u>	<u>Retirement Plan Type</u>
Stafford, Karrie	G4, Non-vested

1801.4.9 **Acceptance of Trustees' Reports of Educational Activities Through Outside Provider: None.**

1801.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2017:** The Board accepted the semi-annual Compliance Certification Statements for the Period Ended December 31, 2017 for its non-alternative investment managers and investment consultant.

1801.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda: None.**

1801.5.2 **Approval of a Resolution Adopting Cost of Living Adjustments (COLAs) for 2018:**

The Board approved the resolution adopting the cost of living adjustments for 2018, as recommended by Milliman, Inc.

1801.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ended December 31, 2017:**

Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for December 2017 was 1.1%, while the preliminary trailing twelve-month return ending December 2017 was 14.6% net. This item was informational and for discussion only, no action was taken.

1801.6.2 **Presentation of Private Asset Semi-Annual Performance Reports as of June 30, 2017:**
Mr. Shooshani and Mr. Nicolini, from Verus, reviewed the private equity and private real assets portfolios with the Board. Mr. Shooshani provided an overview of SamCERA's private equity portfolio, its performance, diversification strategy and target allocation. Mr. Nicolini reviewed with the Board real assets portfolio performance, various diversification strategy views and provided an update. This item was informational only, no action was taken.

The meeting was adjourned for a break at 11:11 a.m. and reconvened at 11:17 a.m.

1801.6.3 **Presentation on SamCERA's Absolute Return Portfolio:**
Mr. Paul Kreiselmaier and Ms. Jadallah, from Verus, provided an educational presentation on Absolute Return. They summarized and reviewed the different types of hedge fund strategies, SamCERA's current implementation of its absolute return portfolio and alternative beta strategies. This item was informational only, no action was taken.

(Mr. Hoefer left the meeting at 11:55 a.m.)

1801.7.1 **Report on April 25 and 26, 2018 Board-Staff Retreat Planning:**
Mr. Hood reviewed the proposed agenda on the upcoming Board-Staff Retreat in April. Staff is finalizing speakers and offsite location for Day 2 of the Board retreat. This item was informational and for discussion only, no action was taken.

1801.7.2 **Report on Upcoming Trustee Elections and Appointments:**
Ms. Smith reported that there are two elected and two appointed seats expiring at the end of June. She has been in contact with the Elections office while Mr. Hood has been in contact with the Board of Supervisors. An election schedule will be brought to the Board in February. This item was informational and for discussion only, no action was taken.

1801.7.3 **Report on Strategic Plan Implementation:**
Mr. Hood provided summary of completed strategic items and ones that have been rescheduled for completion in the latter part of the fiscal year.

1801.8.1 **Chief Executive Officer's Report:**
Mr. Hood informed the Board that in their Day of Folder, there is an election memo from SACRS for those interested on serving on their Board. He also informed the Board of upcoming CALAPRS conferences and training; Trustee Roundtable on February 2 in Glendale, General Assembly from March 4-6 in Palm Springs and the Advanced Principles for Trustees at UCLA from March 28-30. He reported his attendance at the Administrators Roundtable on January 19 and that he will be meeting with San Mateo County Mosquito & Vector Control District's finance committee and its board in early February. Mr. Hood informed the Board at next month's meeting, they will be provided with a draft Board-Retreat schedule and a budget report.

1801.8.2 **Assistant Executive Officer's Report:**
Ms. Smith reminded the Board to sign their education forms found in their Day of Folder. She informed the Board that the newsletters will be going out soon but was waiting for the Board to approve the cost of living adjustment. Ms. Smith also informed the Board that they will be receiving an email with instructions on accessing the online sexual harassment prevention training.

1801.8.3 **Chief Investment Officer's Report:**
None.

1801.8.4 **Chief Legal Counsel's Report:**

Ms. Carlson updated the Board on the recent published Court of Appeal decision in *Alameda County Sheriff's Association et al., v. Alameda County Employees' Retirement Association et al.* and discussed key parts of the Court's decision.

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

1801.9 **Report on Actions Taken in Closed Session:** None.

1801.10 **Adjournment:** Mr. Battey adjourned the meeting at 12:17 p.m. in memory of the deceased members listed below.

Bishop, Betty	November 4, 2017	Registrar
Errichetti, Anthony	November 12, 2017	Mental Health
Hicks, Margie	November 17, 2017	Crystal Springs Rehab
Lewis, Virt	November 18, 2017	Medical Center
Fasshauer, Nora	November 19, 2017	District Attorney's
Stanford, William	November 22, 2017	Courts
Ennen, Russell	December 1, 2017	General Hospital
Fields, Margie	December 2, 2017	Controller's
Serverian, Aram	December 5, 2017	Superior Courts
Rackham, Don	December 6, 2017	SMC General Hospital
Moore, Alida	December 9, 2017	Chope Hospital
Giovannini, Helen	December 13, 2017	Chope Hospital
Dawson, Else	December 26, 2017	Human Services Agency
Tarshes, Marvin	December 26, 2017	County Manager
Dillon, Rex	December 29, 2017	Probation
Cohn, Jerry	December 30, 2017	Sheriff
Hanley, Dennis	December 31, 2017	Parks
Legaspi, Carmen	January 3, 2018	Human Services Agency
Luke, Alfred	January 5, 2018	Behavioral Health
Clarke, Kathleen	January 14, 2018	Information Services



Scott Hood
Chief Executive Officer



Gladys Smith
Assistant Executive Officer