

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
JANUARY 29, 2019 – REGULAR BOARD MEETING MINUTES

**1901.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Ms. Sandie Arnott, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Kurt Hoefer, Katherine O'Malley, Robert Raw and Alma Salas (for Paul Hackleman).

Absent: Paul Hackleman and Eric Tashman.

Alternates present: Susan Lee and Alma Salas.

Staff: Scott Hood, Gladys Smith, Michael Coultrip, Elizabeth LeNguyen, Brenda Carlson, Doris Ng and Anne Trujillo.

Consultants and speakers: Max Giolitti, Jeff Maclean and John Nicolini (Verus).

**1901.2.1 Oral Communications from the Board:** None.

**1901.2.2 Oral Communications from the Public:** Ms. LeNguyen informed the Board that JulieAnne Nagal has been promoted to Senior Retirement Analyst.

**1901.3.1 Approval of the Minutes:** Ms. Arnott asked if there were any changes, corrections, or objections, to the meeting minutes from the Board meeting held on December 4, 2018.

**Action:** Mr. David moved to approve the minutes from the Board Meeting on December 4, 2018. The motion was seconded by Mr. Hoefer and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hoefer, O'Malley, Raw and Salas all in favor; Bowler abstained; none opposed.

**1901.4.0 Approval of the Consent Agenda:** Ms. Arnott asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hoefer moved to approve the Consent Agenda, and the motion was seconded by Ms. Salas. The motion carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, O'Malley, Raw and Salas all in favor; none opposed.

**1901.4.1 Disability Retirements:**

a) The Board found that Christina Giusti is (1) permanently incapacitated from the performance of her usual and customary duties as a Patient Services Specialist, (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: (1) Terminated the disability retirement application submitted by Paquito Lim per Article Vi, section 6.5 and 6.6 of the Board Regulation regarding Disability Retirement.

c) The Board found that Babette Pruessner is (1) permanently incapacitated from the performance of her usual and customary duties as a Benefits Analyst 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.

**1901.4.2 Survivor Death Benefits:** None.

1901.4.3 **Service Retirements:**

<b>Member Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Adams, David	December 1, 2018	Deferred from HOS
Aguilar-Terrazas, Norma	October 5, 2018	Behavioral Health
Antrea, George	November 27, 2018	Courts
Arnaudo, Robert	October 28, 2018	Sheriff's
Ashe, Rebecca	October 20, 2018	HOS - Coastside Clinic
Bazan, Deborah	December 1, 2018	County Manager
Campos, Marco	December 1, 2018	Sheriff's
Carnock, Maryann	March 28, 2018	Deferred from Medical Center
Castillon, Monica	December 1, 2018	D.A.O.
Catalano, Rodina	October 20, 2018	Courts
Darrow, Andrew	October 30, 2018	Deferred from DPW
Drake, Ronald	October 4, 2018	Deferred from Sheriff's
Edwards, Barbara	October 5, 2018	SamCERA
Evans, Robert	November 29, 2018	Deferred from Mental Health
Ferez, Brian	November 3, 2018	Environmental Health
Garcia, Maria J.	November 1, 2018	Juvenile Probation
Gatt, Mariavictoria	November 1, 2018	Deferred from HOS
Guidotti, Karen	November 3, 2018	D.A.O.
Johnson, Joyce	October 29, 2018	Deferred from Probation
Kon, Cyrus	December 1, 2018	Courts
Konstantinidis, Manuel	October 28, 2018	Deferred from General Services
Lee, Lorraine	November 22, 2018	Deferred from HOS - Pharmacy
Maltbie, John	November 3, 2018	County Manager
Marcello, Rosa	September 29, 2018	Child Support Services
Miller, Marie	November 10, 2018	Probation
Pascual, Marilyn	November 1, 2018	HOS - Outpatient Bus Services
Pellizzer, John	December 1, 2018	Deferred from DPW
Robinson, Elonda	October 17, 2018	HOS - Acute Medical Surgery
Stevens, Barbara	October 20, 2018	Deferred from Library
Walsh, Patricia	October 6, 2018	Family Health
Williams, Nanette	October 31, 2018	D.A.O.
Wong, Mabel	October 5, 2018	SamCERA
Yu, Josephine	October 3, 2018	H.S.A.

1901.4.4 **Continuances:**

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

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Brahy, John	Brahy, Gayle
Ware, Frederica	Dobson-Ware, Gary

The Board denies the request for a continuance by the following individual:

<b>Beneficiary's Name</b>	<b>Beneficiary of:</b>
Robert Del Bianco	Nilda Del Bianco

1901.4.5 **Deferred Retirements:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Carvajal, Cecilia A.	G4, Vested - Reciprocity
Perez, Kristina M.	G5, Vested - Reciprocity
Santiago, Ana M.	G2, Vested - Reciprocity
Moore, Nyischa M.	G7, Non-vested - Reciprocity
Tatar, Greg	G7, Non-vested - Reciprocity
Compton, Louise M.	G7, Non-vested - Reciprocity
Mahar, Adrienne	G7, Non-vested - Reciprocity
Cardenas, Hector	G4, Vested - Reciprocity
Arrighi, Jason D.	G7, Non-vested - Reciprocity

1901.4.6 **Member Account Refunds:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Acosta, Maria	G7, Non-vested
Ibarra, Jose	G7, Non-vested
Izaguirre, Diana	G7, Non-vested
Malta, Luis	G4, Vested
Panduro, Maria	G7, Non-vested
Renteria, Oscar	G7, Non-vested
Thayer, Irene	G5, Non-vested

1901.4.7 **Member Account Rollovers:**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Dub, Ana	G7, Non-vested
Turcios, Margoth	G7, Non-vested

1901.4.8 **Member Account Redeposits:** None.

1901.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

1901.4.10 **Semi-Annual Compliance Certification Statements for SamCERA's non-alternative investment managers and investment consultant, as of December 31, 2018:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers and investment consultant, as of December 31, 2018.

1901.4.11 **Approval of Resolution Authorizing Contract for Legal Counsel for Disability Cases:** The Board approved a resolution authorizing the CEO to execute an agreement with Byers/Richardson for disability retirement counsel services.

1901.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** None.

1901.5.2 **Approval of a Resolution Adopting Cost of Living Adjustments (COLAs) for 2019:** Mr. Hood discussed Milliman's recommendation for cost of living adjustments (COLAs) for 2019. COLAs were recommended for each retiree and beneficiary recipient, who retire on or before April 1, 2019, as follows: 4% for Plan 1 General and Safety members; 3% COLA for Plan 1 Probation and Plan 2 members; and 2% COLA for Plan 4, 5, 6 and 7.

**Action:** Mr. David moved to approve the resolution adopting the 2019 cost of living adjustments as recommended. The motion was seconded by Mr. Bowler and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw and Salas all in favor; none opposed.

1901.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended December 31, 2018:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for December 2018 was -3.1%, while the preliminary trailing twelve-month return ending December 2018 was -4.4% net. This item was informational and for discussion only, no action was taken.

1901.6.2 **Educational Presentation on Timberland:** Mr. Nicolini provided an educational presentation on timberland. He provided an overview, discussed historical timberland performance, ESG impacts and provided a summary of the current market opportunity. This item was informational only, no action was taken.

1901.6.3 **Approval to Transition TIPs Separate Account to Commingled Fund:** Mr. Nicolini discussed Brown Brothers Herriman's (BBH) recommendation to transition SamCERA's TIPs separate account into a commingled fund to be more efficient and cost effective.

**Action:** Mr. Battey moved to approve the transition from SamCERA's current TIPs separate account managed by Brown Brothers Herriman to a commingled fund structure managed by BBH. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw and Salas all in favor; none opposed.

1901.6.4 **Presentation on SamCERA Risk Dashboard:** Mr. Giolitti and Mr. MacLean introduced to the Board SamCERA's new risk dashboard using index level holdings to better highlight various risk exposures of the plan. This item was informational only, no action was taken.

The meeting was adjourned for lunch at 11:47 a.m. and reconvened at 12:18 p.m.

1901.7.1 **Report on April 24 and 25, 2019 Board-Staff Retreat Planning:** Mr. Hood reviewed the proposed agenda for the upcoming Board-Staff Retreat and received feedback from Board members. This item was informational only, no action was taken.

1901.7.2 **Report on Upcoming Trustee Elections and Appointments:** Ms. Smith reported that there are three elected and two appointed seats expiring at the end of June. Ms. Smith met with the Elections Office last week 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.

1901.7.3 **Report on Staff's Strategic Plan Implementation:** Mr. Hood provided a summary of completed strategic items and ones for completion in the latter part of the fiscal year. This item was informational and for discussion only, no action was taken.

1901.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that in their Day of Folder, was a copy of the SamCERA Workplan detailing action and informational items as well as educational opportunities for the year ahead. The workplan is available on Dropbox and will be updated quarterly. He also called to attention that a copy of the SACRS Election Memo can be found in their Day of Folder. Mr. Hood reported to the Board regarding his attendance at the SACRS Administrator's Roundtable last week and that he will be meeting with the San Mateo County Mosquito and Vector Control District next week. Mr. Hood informed the Board that at next month's meeting, they will be provided with another draft of the Board-Staff schedule, as well as a budget report.

1901.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board that staff has recently hired Kammy Vong for the position of Retirement Senior Accountant. She also informed the Board that the fiduciary insurance will soon be expiring and that a \$25 non-recourse renewal check will be needed in the near future. Ms. Smith also mentioned that staff is in the midst of the RFP process for auditing services.

Ms. Trujillo shared the upcoming educational events with the Board.

1901.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that an asset liability study will be conducted this year. Staff will likely be sending a questionnaire for the risk tolerance in May. He also informed the Board that the overlay program rebalanced at the end of last year, resulting in \$50 million of equity being purchased and \$50 million in bonds being sold. Mr. Coultrip also reported that the low volatility equity implementation was completed this past December. Lastly, Mr. Coultrip reported that staff and Verus will be working on a liquidity analysis of the plan and will be presenting it to the Board for review in the near future.

1901.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reviewed an excerpt from the Trustees Manual which illustrates and describes the steps in the Board's process for determining disability applications, as well as the hearing officer review. She encouraged Board members to reach out to her with any questions. Ms. Carlson also reported on two recent court decisions addressing funding issues raised in cases involving the Orange County Employees' Retirement Association and Stanislaus County Employees' Retirement Association.

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

1901.10 **Adjournment:** Ms. Arnott adjourned the meeting at 12:42 p.m. in memory of the deceased members listed below.

Coulman, Mary	November 7, 2018	Mental Health
Sain, Grace	November 10, 2018	Library
Velasquez, Emma	November 24, 2018	District Attorney's Office
Willson, Lewis	November 30, 2018	Human Resources
Del Bianco, Nilda	December 5, 2018	Courts
Lubke, Alan	December 7, 2018	Clerk-Recorder
Mills, Moses	December 7, 2018	Health Services
Andre, Edward	December 17, 2018	Probation
Duval, Kenneth	December 23, 2018	Public Works
Schweizer, Marc	December 26, 2018	Sheriff
Orcutt, John	January 3, 2019	Sheriff



Scott Hood  
Chief Executive Officer



Anne Trujillo  
Retirement Executive Secretary