

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

JUNE 2, 2020 – REGULAR BOARD MEETING MINUTES

**2006.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Hoefer, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m. via teleconference.

**Roll Call:**

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

Absent: Alma Salas and Eric Tashman.

Alternates present: Susan Lee.

Staff: Brenda Carlson, Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Doris Ng, Gladys Smith and Anne Trujillo.

Consultants and speakers: Nick Collier (Milliman, Inc.); Joe Abdou, Margaret Jadallah, John Nicolini and Faraz Shooshani (Verus).

**2006.1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Members:** Mr. Hoefer announced the appointment of Mark Battey, Robert Raw and Katherine O'Malley (Chair) to the Ad Hoc Nominating Committee for Board Officers.

**2006.2.1 Oral Communications from the Board:** None.

**2006.2.2 Oral Communications from the Public:** Ms. Trujillo reported that there were no public comments submitted by the public for today's meeting.

**2006.3.1 Approval of Regular Board Meeting Minutes from April 25, 2020:** Mr. Hoefer asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on April 25, 2020.

**Action:** Mr. Hackleman moved to approve the minutes from the Board meeting on April 25, 2020. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

**2006.4.0 Approval of the Consent Agenda:** Mr. Hoefer 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 Ms. Arnott. The motion carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, and Raw all in favor; none opposed.

**2006.4.1 Disability Retirements:** None.

**2006.4.2 Survivor Death Benefits:** None.

2006.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Aguilar, Liberty	March 21, 2020	Assessor, Clerk-Recorder
Anderson, Susan	March 27, 2020	Public Safety Communications
Anorico, Evelyn	March 31, 2020	San Mateo County Health
Aragaki, Brandee	April 1, 2020	Probation
Astesano, Margaret	March 3, 2020	Deferred - Superior Court
Baird, Catherine	April 1, 2020	Aging & Adult Services
Barron, Amy	April 1, 2020	Aging & Adult Services
Bassett-McConnell, Theresa	March 28, 2020	Behavioral Health & Recovery Services
Benitez, Irma	March 28, 2020	Public Health
Brodie, Barbara	March 28, 2020	Correctional Health
Brown, Dora	March 28, 2020	San Mateo County Health
Buchanan, Paul	March 21, 2020	Aging & Adult Services
Burch, Thomas	April 1, 2020	Human Resources Dept.
Buttram, Mary	April 1, 2020	Deferred – Behavioral Health & Recovery Services
Capovilla, Leo	March 28, 2020	Sheriff's Office
Carter, Georgia	March 28, 2020	Sheriff's Office
Catalon, Joel	March 14, 2020	San Mateo County Health
Chiang, William	April 1, 2020	Deferred - Board of Supervisors
Chilton, Gisele	March 28, 2020	Aging & Adult Services
Cody, Mark	March 22, 2020	Sheriff's Office
Costa, Julie	March 22, 2020	Sheriff's Office
Crowder, Fred	March 28, 2020	Agriculture, Weights & Measures
DeMarco, Toni	March 28, 2020	Behavioral Health & Recovery Services
DiMauro, Jody	March 28, 2020	Probation
Edwards, Larry	March 29, 2020	Sheriff's Office
Eggemeyer, James	April 1, 2020	Sustainability Office
Enrico, Virginia	March 28, 2020	Aging & Adult Services
Escobar, Leticia	March 29, 2020	San Mateo County Health
Farris, Lisa	March 14, 2020	Probation
Foucrault, Robin	April 1, 2020	Sheriff's Office
Fox, Aida	April 1, 2020	Family Health Services
Gandolfi, Phyllis	March 17, 2020	QDRO of Brendon Donegan
Gonzales, John	March 31, 2020	Sheriff's Office
Gorman, Linda	March 28, 2020	Probation
Guan, Jing	April 1, 2020	San Mateo County Health
Hansen, Marguerite	March 31, 2020	Def'd - San Mateo County Health
Haritakis, Sylvia	March 31, 2020	Sheriff's Office
Harris, Sandra	April 1, 2020	Superior Court
Herranz, Pamela	April 1, 2020	Superior Court
Huerta, Gabriel	April 1, 2020	Sheriff's Office
Joy, Stephen	April 1, 2020	Information Services Dept.
King, Scott	March 27, 2020	Sheriff's Office
Kresevich, Charlene	April 1, 2020	Superior Court
Kudszus, Alexander	April 1, 2020	San Mateo County Health
Labrenz, Karina	March 28, 2020	Library
Lino, Cristina	April 1, 2020	San Mateo County Health
LoCoco, Joseph	April 1, 2020	Public Works

Maciel, Maria	March 21, 2020	San Mateo County Health
Madlambayan, Gayla	March 31, 2020	San Mateo County Health
Maharaj, Amita	April 1, 2020	Probation
Makela, Linda	April 1, 2020	Superior Court
Manio, Melanie	April 1, 2020	Human Services Agency
Martin, Bradley	April 1, 2020	Sheriff's Office
Martin, Cheryl	March 7, 2019	Sheriff's Office
McCarthy, Vielka	March 21, 2020	Probation
McCulloh, Craig	April 1, 2020	Aging & Adult Services
McDuffie, Marvin	March 5, 2020	Sheriff's Office
Meren, Julieta	April 1, 2020	San Mateo County Health
Mitchell, Michael	March 21, 2020	Sheriff's Office
Morris, Thomas	March 4, 2020	Aging & Adult Services
Newby, June	March 28, 2020	Sheriff's Office
Nielsen, Donna	March 15, 2020	Sheriff's Office
Nita, Martha	March 28, 2020	San Mateo County Health
O'Shaugnessy, Sophie	April 1, 2020	San Mateo County Health
Parra, Victoria	March 27, 2020	San Mateo County Health
Paterson, James	April 1, 2020	Sheriff's Office
Portillo, Melby	March 20, 2020	San Mateo County Health
Powell-Cobb, Cynthia	March 14, 2020	Probation
Rangel, Robert	March 31, 2020	Sheriff's Office
Recio, Justa	March 28, 2020	San Mateo County Health
Reeves, Laura	March 14, 2020	Assessor Clerk Recorder
Reyes-Avila, Maria	April 1, 2020	Human Services Agency
Rosier, Marty	April 1, 2020	Family Health Services
Rushworth, Rose	April 1, 2020	Controller
Sanchez, Christopher	March 14, 2020	Probation
Santos-Herbert, Helen	March 28, 2020	San Mateo County Health
Scheff, Paul	March 28, 2020	Sheriff's Office
Schneider, Mark	March 31, 2020	Parks Dept.
Sheridan, Kellyann	March 21, 2020	Behavioral Health & Recovery Services
Sierra-Caronongan, Belle	March 20, 2020	Human Resources Dept
Silvestri Ellerhorst, Ann Marie	March 28, 2020	San Mateo County Health
Soosaipillai, Miruni	March 31, 2020	Deferred - County Counsel
Sosa, Jim	March 28, 2020	Behavioral Health & Recovery Services
Sparks, Marni	March 19, 2020	Deferred - Probation
Sugiyama, Glen	March 19, 2020	Probation
Sullivan, Connie	March 27, 2020	San Mateo County Health
Trabucco, Joseph	March 28, 2020	Aging & Adult Services
Trabucco, Norma	March 28, 2020	Behavioral Health & Recovery Services
Umali, Brenda	March 21, 2020	San Mateo County Health
Vazquez, Elizabeth	March 28, 2020	Public Works
Walsh, Gregory	March 10, 2020	Def'd - Assessor, Clerk-Recorder
Whelan, Carol	March 28, 2020	Assessor, Clerk-Recorder

2006.4.4 **Continuances:**

**Survivor's Name**

Finck, Phuong Le  
Wyman, Kay

**Beneficiary of:**

Finck, Peter  
Wyman, Donald

2006.4.5 **Deferred Retirements:**

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

**Name**

Anaya, Olga  
Bandoma, Danna  
Brandon, Clifford  
Flores, Felicia  
Joisha, Ahalya  
Kaye, Ana  
Lee, YickYee  
Liang, Laura  
Miller, Gregory  
Padua, Jessica  
Porras, Adrianna  
Tayama, Tricia

**Retirement Plan Type**

G4, Vested - Reciprocity  
G7, Vested  
G4, Vested - Auto Defer - Code 31700  
G7, Vested - Reciprocity  
G7, Vested  
G7, Vested - Reciprocity  
G5, Vested - Reciprocity  
G7, Non-vested - Reciprocity  
S4, Vested  
G4, Vested - Auto Defer - Code 31700  
P4, Vested - Auto Defer - Code 31700  
G4, Vested

2006.4.6 **Member Account Refunds:**

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

**Name**

Castronova, Brandon  
Guzman, Andrew  
Hernandez, Rodrigo  
Maldonado, David  
Martins, Eduardo  
Richardson, Isaac  
Romo Mendoza, Esther  
Stovall, Robert  
Thomas, Nancy (FBO: Thomas, Jennifer)  
Walters, Markus  
Walker, Alayna  
Wostenberg, Darren

**Retirement Plan Type**

G7, Non-vested  
G7, Non-vested  
G7, Non-vested  
G7, Non-vested  
G7, Non-vested  
G4, Non-vested  
G7, Non-vested  
G4, Non-vested  
G2, Vested  
G7, Non-vested  
G7, Non-vested  
G4, Non-vested

#### 2004.4.7 **Member Account Rollovers:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Alegria, Lilian	G4, Non-vested
Cabaj, Robert (FBO: Ferma, Bennie)	G2, Vested
Higley-Anderson, Brieana	G7, Non-vested
Jurow, John	G4, Vested
Kaur, Sareeda (FBO: Vednaigam, Sharon)	G2, Vested
Lee, Megan	G7, Non-vested
Menezes, Nicholas	S4, Non-vested
Navarro, Michael	G4, Vested
Reyes, Maria Celeste	G7, Non-vested
Scholl, Daniel	G7, Vested

2006.4.8 **Member Account Redeposits:** None.

2006.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted report for educational activity attended by Ms. Lee.

2006.5.2 **Approval of Economic Assumptions to be used in the June 30, 2020 Actuarial Valuation:** Mr. Collier discussed Milliman Inc.'s opinion to retain all the economic assumptions used from the June 30, 2019 annual valuation.

**Action:** Mr. David motioned to approve that the economic assumptions remain set at: Investment return at 6.5%, inflation at 2.50%, wage at 3.00% and payroll growth at 3.00% and COLA assumption for Plans 1 and 2 be set in accordance with the inflation assumption. The motion was seconded by Mr. Raw and carried a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O'Malley, and Raw all in favor; none opposed.

2006.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended April 30, 2020:** Mr. Coultrip reported that SamCERA's net preliminary return for April was 5.6% bringing the preliminary trailing twelve month return ending April 2020 to -1.1% net. This item was informational and for discussion only, no action was taken.

2006.6.2 **Report on Quarterly Investment Performance for the Period Ended March 31, 2020:** Mr. Coultrip and Ms. Jadallah reported that the 1<sup>st</sup> quarter net total return for the SamCERA portfolio was -12.6%, which was 150 bps lower than the -11.1% policy benchmark return. Absolute return and public real assets were the primary source of underperformance during the quarter. This item was informational and for discussion only, no action was taken.

2006.6.3 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's real estate managers, INVESCO and PGIM. Staff spoke with INVESCO and PGIM on April 2<sup>nd</sup> and April 16<sup>th</sup> via teleconference. The discussion included 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.

2006.6.4 **Report on the Core Equity and Passive Manager Annual Reviews:** Ms. Ng reported that staff held annual review meetings through teleconference on May 7<sup>th</sup>, with core equity manager, Quantitative Management Associates (QMA), and passive index strategies with Blackrock. The discussion included a firm/organizational update, investment process review, performance review and attribution, and

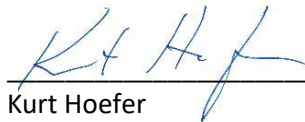
current positioning/market outlook. There were no significant concerns identified during the portfolio review. Ms. Ng also mentioned that the annual review for SamCERA's other core equity manager, D.E. Shaw, and low volatility equity managers, PanAgora and Acadian, took place on May 21st and will be reported at the next Board meeting. This item was informational and for discussion only, no action was taken.

- 2006.6.5 **Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2019:** Mr. Shooshani and Mr. Nicolini reviewed the performance reports and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2006.6.6 **Report on Status of Absolute Return Portfolio:** Ms. Jadallah discussed potential options for replacing the AQR DELTA allocation within absolute return. This item was informational and for discussion only, no action was taken.
- 2006.7.1 **Approval of SamCERA Fiscal Year 2020-21 Budget:** Ms. Chow reviewed the three components of SamCERA's budget (Professional Services, Administrative and Technology) and discussed the changes from last year within each category. SamCERA's FY 2020-21 budget totals \$38.7 million, which is a 5% increase from the prior fiscal year due to an increase in the professional services and administrative budget.
- Action:** Mr. David motioned to approve the budget as presented for FY 2020-21. The motion was seconded by Ms. O'Malley and carried by a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hofer, O'Malley and Raw and all in favor; none opposed.
- 2006.8.1 **Chief Executive Officer's Report:** Mr. Hood shared staff's updated remobilization plan with hopes to reopen on July 6, however, will readjust as necessary based on guidance from the County Health Officer and County Manager's Office. He also shared that staff continues to hold weekly check-ins. Mr. Hood reported that the doors to the office building have reopened and that a drop box is now available for mail delivery and any documents members would like to submit. Mr. Hood mentioned the format for the July 28<sup>th</sup> meeting is still uncertain but would keep the Board updated. Mr. Hood also mentioned a few agenda items for next month's Board meeting including the election of Board officers, appointment of committees, triennial experience report, approval of demographic assumptions for the 2020 valuation and reaffirmation of the Conflict of Interest Code.
- 2006.8.2 **Assistant Executive Officer's Report:** Ms. Smith reminded Board members and staff to mail in their \$25 non-recourse renewal check.
- 2006.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported staff will be holding the international equity annual manager reviews via teleconference on June 4<sup>th</sup> with Baillie Gifford at 8:00 a.m. and Mondrian at 9:30 a.m. Mr. Coultrip provided the Board with updates such as the addition of the TIPS allocation to the State Street public real asset portfolio and funding of the NISA Core Bonds Strategy with the proceeds from the risk parity allocation.
- 2006.8.4 **Chief Legal Counsel's Report:** Ms. Carlson updated the Board on a filing requirement in a litigation matter pending in *The High Court of Justice Claim Business and Property Courts of England And Wales Financial List* against Tesco PC, an English grocery store chain. SamCERA invested in Tesco and became a claimant in 2015. As the securities are held in the name of SamCERA, SamCERA is listed as the claimant. However, the Board of Retirement needs to be listed to confirm SamCERA's standing to bring the claim as an independent body. To do so, the Board Chair is to execute a document substituting the Board of Retirement as the claimant. The Board was asked if it had any questions or objection to submitting the form and none were raised. Ms. Carlson also updated the Board on the May 5<sup>th</sup> oral argument before California Supreme Court in the *Alameda County Deputy Sheriff's Assn.*

*v. Alameda County Employees' Retirement Assn.* She generally described the focus of the arguments and questions by the Court and noted that the Court's opinion will be issued within 90 days of May 5th.

2006.10 **Adjournment:** Mr. Hoefler adjourned the meeting at 11:41 a.m. in memory of the deceased members listed below.

Balisteri, Rosemary	April 1, 2020	Human Services
Hoover, Dorothy	April 20, 2020	Probation
Kai, Edward	April 14, 2020	Human Services
Reilly, Julie	April 8, 2020	Behavioral Health
Parkin-Holzman, Patricia	April 6, 2020	Aging and Adult Services
Friday, Robert	April 23, 2020	General Services
Richards-Reiss, Dianne	April 25, 2020	Health & Welfare
Rojas, Donald	April 24, 2020	DPW
Boyle, Gretchen	May 9, 2020	H.S.A.
McDonough, Vera	May 12, 2020	Library
Fonseca, Evelyn	May 11, 2020	General Services

  
Kurt Hoefler  
Board Chair