

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**APRIL 26, 2022 – REGULAR BOARD MEETING MINUTES**

**2204.1 Call to Order, Roll Call and Miscellaneous Business**

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

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Paul Hackleman, Kurt Hoefer, Elaine Orr, and Robert Raw.

Absent: Ben Bowler, Susan Lee, and Katherine O'Malley.

Alternates: Alma Salas.

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

Consultants and speakers: Joe Abdou, Margaret Jadallah, Garrett Dinsmore, John Nicolini, and Faraz Shooshani (Verus).

**2204.2.1 Oral Communications from the Board:** None.

**2204.2.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. Ms. Smith introduced Lizbeth Valdez, SamCERA's new Retirement Support Specialist, to the Board. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2204.3.2 Approval of Regular Board Meeting Minutes from March 22, 2022:** Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the regular Board meeting held on March 22, 2022. There were no changes, corrections, or objections presented.

**Action:** Mr. Hackleman moved to approve the minutes from the regular Board meeting on March 22, 2022. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, Orr, and Raw, all in favor; none opposed.

**2204.4.0 Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. David moved to approve the items on the Consent Agenda. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, Orr, and Raw, all in favor; none opposed.

**2204.4.1 Disability Retirements:** None.

**2204.4.2 Survivor Death Benefits:** None.

2204.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Balatbat, Alejandra	March 1, 2022	San Mateo County Health
Barillas, Ines	February 4, 2022	San Mateo County Health
Bratcher, Rodney	February 14, 2022	Deferred - Behavioral Health
Chatterjee, Cynthia	February 26, 2022	Behavioral Health
Council, Justin	February 27, 2022	Sheriff's Office
Cross, Carrie	February 4, 2022	Probation
Crutison, Aaron	February 4, 2022	Deferred - Health & Social Services
Dogan, Ayse	February 5, 2022	Human Services
Doherty, Geraldine	February 19, 2022	Aging & Adult Services
Drach, Paul	February 27, 2022	Sheriff's Office
Georgakas, Brad	February 19, 2022	Assessor's Office
Guidos, Oristela	February 9, 2022	Public Works
Gustavson, Andy	January 4, 2022	Deferred - Planning
Hosfeldt, Julie	February 26, 2022	Family Health
Jones, Christopher L	February 26, 2022	Public Health
Kelley, Janine	February 2, 2022	Deferred - Probation
Lucy, Patrick	February 22, 2022	Sheriff's Office
Mangrum, Selma	February 26, 2022	Behavioral Health
Mapa, Selu	February 26, 2022	Human Services Agency
Pardella, Gregory	December 30, 2021	Deferred - Sheriff's Office
Parks, Shawn	March 1, 2022	Sheriff's Office
Pilgrim, Steven	February 8, 2022	San Mateo County Health
Valera-Gomez, Bernardita	February 19, 2022	Aging & Adult Services

2204.4.4 **Continuances:**

<b>Survivor's Name:</b>	<b>Beneficiary of:</b>
Buttram, John	Buttram, Mary
Duma, Reynaldo	Duma, Nida
Lazaro, Suzanne	Lazaro, Lee
Pulvers, Martin	Alamar Pulvers, Joy
Turner, Rachel	Turner, Cleveland

2204.4.5 **Deferred Retirements:**

<b>Name</b>	<b>Retirement Plan Type</b>
Chan, Allan	G4, Vested - Reciprocity
Chavez, Regina	G4, Vested
Espinoza, Sylvia	G4, Vested
Le-Christensen, Jenny	G5, Vested - Reciprocity
Lee, Danielle	G4, Vested - Reciprocity
Marlowe, Mia	G4, Vested
Pacino, Katy	G7, Non-Vested - Reciprocity
Pickney, Jay	G7, Non-Vested – Reciprocity
Reyna, Renee	G4, Vested - Reciprocity
Sekhon, Amrinder	G4, Vested
Wredberg, Nicole	G7, Non-Vested - Reciprocity

#### 2204.4.6 **Member Account Refunds:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Aguilar, Joaquin	G7, Non-vested
Aaron, Marshall	G7, Non-vested
Arango, Erica	G4, Vested
Garcia, Delia	G7, Non-vested
Ikegayi, Maeri	G7, Non-vested
Jones, David G	G7, Non-vested
Lam, Elenalani	G5, Non-vested
Lopez Plancarte, Manuel (FBO: Lopez, Oscar)	S7, Non-vested
Martin, Vernon	G7, Non-vested
Nash, Paul (FBO: Nash, Cathy)	G2, Vested
Padua, Jessica	G4, Vested
Sloan, Ivan	G7, Non-vested
Sosa Rios, Enissa	G7, Non-vested
Wilson, Matt	G7, Non-vested

#### 2204.4.7 **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>
Chavez, Roseanne	G7, Non-vested
Collins, Natasha	G7, Vested
Velleman, David	G7, Non-vested
Wemple, Jesse (FBO: Martin, Carolyn)	G4, Vested
Zabarte, Joie	G7, Non-vested

2204.4.8 **Member Account Redeposits:** None.

2204.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted report for educational activity attended by Mr. Hoefer.

2204.4.10 **Approval of a Resolution Authorizing the Chief Executive Officer to Execute an Agreement for Tax Counsel Services:** The Board approved a resolution authorizing the Chief Executive Officer to execute an agreement with Wellington Gregory LLP, for tax counsel services.

2204.4.11 **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.

2204.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2204.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2022:** Mr. Coultrip reported that SamCERA's net preliminary return for March was 1.0% bringing the preliminary trailing twelve month return ending March 2022 to 6.9% net, which is below SamCERA's

Plan Benchmark return of 7.1% but above SamCERA's Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.

- 2204.6.2 **Report on Cash Overlay (Parametric) Annual Review:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's overlay manager, Parametric. The meeting took place on March 3<sup>rd</sup> and included a firm/organizational update, investment process review, and performance review and attribution. Ms. Ng shared that the overlay program results were in line with long-term expectations and there were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.
- 2204.6.3 **Report on Global Custodian (Northern Trust) Annual Review:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's Global Custodian, Northern Trust. The meeting was held virtually on March 3<sup>rd</sup> and consisted of a firm/organizational update, global custody overview, securities lending review, and a service performance review. Northern Trust continues to provide consistent and reliable levels of service to staff. There were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.
- 2204.6.4 **Approval of Cash Flow-Matched Manager Recommendation:** This item was taken out of order and heard after agenda item 6.1. Mr. Abdou provided the Board with an overview of the manager search process and shared the three final candidates. Ms. Ng presented the cashflow matching mandate manager search recommendation in further detail to the Board.

**Action:** Ms. Arnott moved to approve an initial investment of 1.5% of plan assets (or approximately \$90 million) to a cashflow matching investment mandate with Insight Investment to be placed in the Diversifying risk category (Fixed Income/Liquidity asset class composite). The motion was seconded by Mr. Hoefer and carried by a vote of 7-0 with trustees Arnott, Battey, David, Hackleman, Hoefer, Orr, and Raw, all in favor; none opposed.

- 2204.6.5 **Approval of Proposed Purchase and Sale of Alternative Investments (to be heard in closed session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** This item was taken out of order and heard in Closed Session at 10:32 a.m. after agenda item 6.4. The Board reconvened in Open Session at 11:04 a.m. See Closed Session report under C2. Ms. Orr left the meeting at 11:05 a.m.

- 2204.7.1 **Approval of SamCERA Fiscal Year 2022-23 Budget:** Ms. Chow presented SamCERA's proposed budget for fiscal year 2022-23, totaling \$45.7 million, which is 4% higher than the current year's adopted budget. Ms. Chow discussed the professional services, administrative, and informational technology budgets in further detail with the Board.

**Action:** Mr. David moved to approve SamCERA's proposed budget for fiscal year 2022-23 totaling \$45.7 million. The motion was seconded by Ms. Arnott and carried by a vote of 6-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, and Raw, all in favor; none opposed.

- 2204.7.2 **Selection of and Direction for Voting by SamCERA Delegates at the SACRS Spring Business Meeting:** Mr. Hood discussed the upcoming SACRS Spring Conference and shared that there were no Board members planning to attend the conference, therefore the CEO should be selected as the SamCERA Voting Delegate.

**Action:** Mr. Battey moved to approve staff's recommendation to designate Scott Hood, CEO as the Voting Delegate to cast SamCERA's votes at the SACRS Spring 2022 Conference. The motion was seconded by Mr. Hoefer and carried by a vote of 6-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, and Raw, all in favor; none opposed.

- 2204.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that the May meeting will take place virtually. He shared that the Board of Supervisors plan to transition into a hybrid style meeting next week and would like to survey the Board to obtain their meeting preference for future Board of Retirement meetings until the Governor's Orders expire. He also informed the Board that a Special Meeting will take place next week and a survey will be sent out to determine the date and time. He previewed a few items on the May agenda which include the formation of the Ad Hoc Nominating Committee and a presentation from Milliman, Inc. regarding the assumptions for the upcoming valuation, funding mechanisms, and funding liability status.
- 2204.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board that SamCERA has entered into an agreement with Managed Medical Review Organization, Inc. (MMRO) to conduct the medical reviews of disability applications received by SamCERA. She also provided an update on the Request for Proposal (RFP) for a financial education provider and shared that staff has decided to continue its relationship with Financial Knowledge Network to provide these services. Ms. Trujillo shared upcoming educational opportunities with the Board. In recognition of Administrative Professionals Day, on behalf of staff and the Board, Ms. Smith thanked Ms. Trujillo for her hard work.
- 2204.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that staff and Verus will hold annual manager reviews on Thursday, April 28<sup>th</sup> with real estate managers, Invesco at 8:00 a.m. and Stockbridge at 10:00 a.m.; Thursday, May 5<sup>th</sup> with equity managers, Blackrock at 8:00 a.m. and QMA at 9:30 a.m.; and Thursday, May 19<sup>th</sup> with domestic equity managers, D.E. Shaw at 8:00 a.m., Panagora at 9:30 a.m., and Acadian at 11:00 a.m.
- 2204.8.4 **Chief Legal Counsel's Report:** Mr. Okada provided the Board with an update on the legislative bills proposing revisions to the Brown Act. He also informed the Board that he plans to hold the Ethics training during the summer due to the possible addition of new Board members.

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

C2 **Approval of Proposed Purchase and Sale of Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The Board met in Closed Session regarding the approval of proposed alternative investments:

Regarding the commitment of \$60 million to KKR Diversified Core Infrastructure Fund, LP, as part of SamCERA's Infrastructure portfolio within Private Real Assets, a motion was made by Hackleman, seconded by David, and approved by a vote of 7-0-0.

Ayes: Arnott, Battey, David, Hackleman, Hoefer, Orr, and Raw (Chair)

Nos: None

Abstain: None

Absent: Bowler, O'Malley, and Lee (alt.)

No other reportable action was taken.

2204.10 **Adjournment:** Mr. Raw adjourned the meeting at 11:25 a.m. in memory of the deceased members listed below.

Lopez Plancarte, Manuel	December 27, 2021	Sheriff's
Carter, Michael	March 8, 2022	Probation
Pugliese, Michael	March 9, 2022	Sheriff's
Hernandez, Roger	March 24, 2022	Probation
Ludy, Treva	March 25, 2022	Hospital
Howard, Edna	March 25, 2022	Library
Kruger, Suzanne	March 28, 2022	Health Services
Laurence, Annette	April 1, 2022	Health & Welfare
Pestano, Judith	April 1, 2022	Social Services
Vers, Joseph	April 5, 2022	Sheriff's
Alvarez, Juan	April 10, 2022	Courts
Lund, Ruth	April 15, 2022	County Clerk



Robert Raw  
Board Chair