

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SEPTEMBER 27, 2022 – REGULAR BOARD MEETING MINUTES

2209.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Battey, Acting 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, Kurt Hoefer, Kimathi Marangu, Elaine Orr, Robert Raw, and Alma Salas.

Absent: Katherine O'Malley.

Alternates: Nicole McKay.

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

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

2209.2.1 Oral Communications from the Board: None.

2209.2.2 Oral Communications from the Public: Mr. Battey asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

2209.3.1 Approval of Board Meeting Minutes from August 23, 2022: Mr. Battey asked if there were any changes or corrections, or objections, to the meeting minutes from the regular Board meeting held on August 23, 2022. There were no changes, corrections, or objections presented.

Action: Mr. Raw moved to approve the minutes from the regular Board meeting on August 23, 2022. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed.

2209.4.0 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. Hoefer moved to approve the items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed.

2209.4.1 Disability Retirements: None.

2209.4.2 Survivor Death Benefits: None.

2209.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Austin, Robert	July 30, 2022	Probation
Chao, Kathryn	July 9, 2022	Probation
Debbs, Josephine	July 28, 2022	San Mateo County Health
Dennis, Shelley	July 18, 2022	Deferred - Probation
Haberlach, Nicholas	July 21, 2022	Probation
Henry, Sharon	July 15, 2022	Def'd - District Attorney's Office
Kelleher, Susan	July 26, 2022	San Mateo County Health
Lee, Susan	July 6, 2022	Probation
Lew, Sheldon	July 30, 2022	San Mateo County Health
Maguire, Elizabeth	August 1, 2022	Def'd - District Attorney's Office
McDonald, Colleen	July 31, 2022	Deferred - San Mateo Co Health
Nicdao, Divina	July 6, 2022	Deferred - County Mgr's Office
Raman, Reenu	July 10, 2022	Sheriff's Office
Reyes, Estela	July 6, 2022	Family Health Services
Sarabia, Christopher	July 2, 2022	Deferred – Public Works
Settles, Jean	July 9, 2022	Information Services
Tafreshiha, Hadi (Shawn Nezami)	July 29, 2022	Information Services
Viola, John	July 9, 2022	Information Services

2209.4.4 **Continuances:**

Survivor's Name:	Beneficiary of:
Dames, Daniel	Dames, Elizabeth
Griswold, Candyce	Griswold, Barney
Keegan, Stephen	Keegan, Virginia
Mirosnkoff, Roseann	Mirosnkoff, Peter
Wilson, Suzanne	Wilson, Brent

2209.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Cervantes, Julia	G5, Vested - Reciprocity
Coit, Benjamin	G4, Vested - Auto Defer – Code 31700
Escalante, Hilda	G7, Vested - Auto Defer – Code 31700
Evans, Elizabeth	G7, Vested
Faulkner, Sharon	G7, Vested - Auto Defer – Code 31700
Garcia, Briana	G7, Vested - Auto Defer – Code 31700
Johnson, Dana	P4, Vested - Auto Defer – Code 31700
Kelkar, Aditi	G5, Vested - Auto Defer – Code 31700
Kwok, Christopher	G7, Vested - Auto Defer – Code 31700
Liang, Cindy	G4, Vested
McCoy, Joshua	G5, Vested
Peters, Christopher	S7, Vested - Auto Defer – Code 31700
Rahman, Nabeela	G4, Vested
Ruiz Rivas, Concepcion	G5, Vested - Auto Defer – Code 31700
Thunstedt, Bryan	G7, Vested - Auto Defer – Code 31700
Vo, Denise	G7, Vested

2209.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Ayers, Ryan	S7, Non-vested
Gonsalves Carpalino, Jericho	G7, Non-vested
Gonzalez Diaz, Alan	G7, Non-vested
Logia, Jenifer K	G7, Non-vested
Lopez, Guadalupe	G7, Non-vested
Shearer, Lesley	G7, Non-vested
Sheekha, Fnu	G7, Non-vested
Toroca, Caroline M	G4, Vested
Velasquez, Jose Manjarrez	S4, Vested

2209.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Alexander, Lauren Nicole	Alexander, Lauren Nicole
Cheung, Sam	Cheung, Sam
Van Donge, Christine Mary	Van Donge, Christine Mary
Viray, Ludivico	Viray, Ludivico

2209.4.8 **Member Account Redeposits:** None.

2209.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2209.4.10 **Approval of Questions for Annual Review of Brown Armstrong:** The Board approved the evaluation questions in the "Questions for Annual Auditor Consultant Evaluation."

2209.4.11 **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.

2209.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2209.5.2 **Presentation of the June 30, 2022 Annual Actuarial Valuation by Milliman, Inc.:** Mr. Collier and Mr. Glyde, of Milliman, Inc., presented the results and recommendations of SamCERA's Actuarial Valuation Report as of June 30, 2022. The results included: A decrease in the Employer Statutory Contribution rate from 38.33% to 26.19%, a slight increase in the member contribution rates for the County and Courts PEPRA Plans, and an increase in the funded ratio of the system from 88.1% to 90.7% as of June 30, 2022. The report was accepted without objection by the Board.

2209.5.3 **Approval of Resolution Accepting the Fiscal Year 2023-2024 Employer and Member Contribution Rates and Recommendations:** Mr. Battey called for a motion on the recommendations made for fiscal year 2023-2024 employer and member contribution rates.

Action: Mr. Marangu moved to approve the “Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2023-2024 Fiscal Year.” The motion was seconded by Mr. Hoefer and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed.

- 2209.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended August 31, 2022:** Mr. Coultrip reported that SamCERA’s net preliminary return for August was -2.0% bringing the preliminary trailing twelve month return ending August 2022 to -5.7% net, lower than both the policy benchmark return of -5.1% and assumed earnings rate of 6.25%. He reported most assets classes were lower in August as market participants reacted to Chairman Powell’s reinforcement of the Fed’s commitment to bring inflation down. Investor optimism plummeted as yields rose across the yield curve. Mr. Coultrip also answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2209.6.2 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with private credit managers, White Oak Global Advisors and Blackrock on August 11th. Ms. Ng provided the Board with a summary of each meeting and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2209.6.3 **Approval of Resolution Amending SamCERA’s Investment Policy Statement (Policy Benchmark Change):** Mr. Coultrip discussed staff’s recommendation to amend Sections 6.0 and 10.0 of the Investment Policy statement by including the County Cash Pool in the Cash Flow-Matched Liquidity sub-category as SamCERA uses this account to pay out benefit payments. He added that changing the policy benchmark for the Cash Flow-Matched Liquidity sub-category to the BC 1-3 Government/Credit Index from the BC 1-3 Year Credit Index is appropriate.
- Action:** Mr. David moved to amend SamCERA’s Investment Policy statement that was approved July 26, 2022, as recommended by staff. The motion was seconded by Mr. Raw and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed.
- 2209.7.1 **Approval of a Resolution Setting the Board of Retirement’s Regular Meeting Schedule for Calendar Year 2023:** Ms. Smith reviewed the proposed Board meeting schedule for 2023 with the Board.
- Action:** Mr. Hoefer moved to approve a resolution setting the Board of Retirement’s regular meeting schedule for calendar year 2023. The motion was seconded by Mr. Raw and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, Orr, Raw, and Salas all in favor; none opposed.
- 2209.8.1 **Chief Executive Officer’s Report:** Mr. Hood shared that he participated in an NCPERS webinar and spoke about the implementation of SamCERA’s mobile application with Digital Deployment. He also reported that Ms. O’Malley will be back for the Board’s next meeting and previewed a few items on the agenda which includes a presentation of the Annual Comprehensive Financial Reports, and approval of the SACRS voting delegate and business packet. Mr. Hood also answered questions from the Board regarding staff’s current telework operations and future plans to return to in-person Board meetings. He added that a survey will be sent out to obtain their feedback on in-person meetings.
- 2209.8.2 **Assistant Executive Officer’s Report:** Ms. Smith gave a friendly reminder to complete the actuary survey for Milliman, Inc. Ms. Trujillo shared upcoming educational opportunities with the Board.
- 2209.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip provided the Board with an update on the Aberdeen Standard Life portfolio. He reported that staff is in the process of reviewing three dynamic currency hedge managers and will bring additional information to the Board at a future meeting. He also


informed the Board that a Special Meeting may take place in October to discuss the funding of SamCERA's cash flow match portfolio.

2209.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported that the proposed legislative bill AB 2449, which was ultimately passed by the Legislature and signed by the Governor, was not the bill supported by various local government associations. He discussed the details of AB 2449, which will go into effect January 1, 2023, and which will provide an additional basis for Board members to participate remotely. Mr. Okada noted, however, that Board members participating remotely pursuant to AB 2449 may only do so for up to two meetings per calendar year and that "just cause" or "emergency circumstances" (as defined in the bill) must exist. Mr. Okada also informed the Board that he plans to send everyone an update on their ethics training hours for the two-year period ending in April 2023.

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

2209.10 **Adjournment:** Mr. Battey adjourned the meeting at 11:13 a.m. in memory of the deceased members listed below.

Letana, Karla	August 5, 2022	Human Services Agency
Dellamonica, Laura	August 15, 2022	San Mateo County Health
Lamotte, Guy	August 19, 2022	Assessor's Office
Franklin, Robert	August 19, 2022	Probation
Williams, Dannielle	August 19, 2022	Mental Health
Johnson, Vernon	August 19, 2022	Probation
Blum, Donald	August 22, 2022	General Services
Loring, Helen	August 25, 2022	Social Services
Esposito, Lorie	August 29, 2022	Child and Family Services
Carle, Elva	August 31, 2022	Mental Health
O'Shea, Mary	September 4, 2022	Probation
Masini, Louis	September 6, 2022	Environmental Management


Mark Battey
Acting Chair