

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**APRIL 25, 2023 – REGULAR BOARD MEETING MINUTES**

**2304.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Ms. O'Malley, Chair, called the Regular Meeting of the Board of Retirement to order at 10:04 a.m.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, April Decarsky (for Al David), Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: Al David.

Alternates: Nicole McKay.

Staff: Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada and Gladys Smith.

Consultants: Joe Abdou, Matt Foppian and John Nicolini.

**2304.2.1 Oral Communications from the Board:** None.

**2304.2.2 Oral Communications from the Public:** The following was read by Mr. Okada during the Chief Legal Counsel Report due to the timing of when notified about a public comment email.

*"Good morning, my name is K Agbebiyi, and I am with the Private Equity Stakeholder Project, a nonprofit organization that is a watchdog for the private equity industry. I'm here in support of African Communities Together, a nonprofit for the empowerment of African immigrants. ACT, has been organizing with tenants around serious issues at the Southern Towers apartment complex, which is located in Alexandria Virginia. The five-building apartment complex has been a long-time home to thousands of hardworking, blue-collar families, many of whom are African immigrants. However once the private equity firm the CIM group-which you are invested in- acquired the building, things began to change.*

*Tenants there have reported mass eviction filings, unaddressed repair issues, hostile treatment, and significant rent increases. ACT has filed a complaint with the Federal Housing Finance Agency and Freddie Mac, which provided financing for CIM's purchase of the apartment complex. CIM's predatory practices run contrary to Freddie Mac's purpose of providing and preserving affordable workforce housing. ACT's complaint states that CIM's eviction practices have violated the federal CARES Act, which requires landlords of properties financed by Freddie Mac to provide tenants a 30-day notice to vacate. Instead, CIM has given tenants just a 5-day notice.*

*ACT has asked the FHFA and Freddie Mac to conduct a full investigation into CIM's practices, and if the agency finds that CIM has violated federal law, ACT has asked that Freddie Mac make CIM's loan immediately payable and to refuse to fund any future CIM projects.*

*The situation at Southern Towers is unfortunately not unique, and CIM has a history of making headline with its controversial practices. In the interest of saving time, I encourage you all to review the articles and report that my colleague, Sosseh Prom, will send to your staff for more context. With all this in mind, it is now astounding to see that you have decided that CIM is dedicated to ESG, when their actions against vulnerable communities show the complete opposite.*

*According to our research, your pension fund has invested \$25 million into CIM since 2012. We are asking you conduct a proper investigation into CIM's commitment to ESG to talking directly with impacted communities, halt future investments until CIM addresses these issues, and call on CIM to stop evictions and pricing practices that are displacing vulnerable communities at Southern Towers."*

Mr. Coultrip commented that SamCERA's investment with CIM is with infrastructure and not real estate.

2304.3.1 **Approval of Board Meeting Minutes from March 28, 2023:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on March 28, 2023. There were no changes, corrections, or objections presented.

**Action:** Mr. Hoefler moved to approve the minutes from the March 28, 2023 regular Board meeting. The motion was seconded by Ms. Arnott and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas all in favor; none opposed.

2304.4.0 **Approval of the Consent Agenda:** Ms. O'Malley informed the Board that there will be three separate votes for the Consent Agenda with separate votes for Craig Cullen and Richard Daly, and that Victoria Galantar's application will be continued. In addition, LaDonna Shuttleworth's application will be heard in closed session. Ms. O'Malley asked if there were any additional items to be removed for discussion from the Consent Agenda. No additional items were removed.

Ms. O'Malley ask for a motion on the remaining items on the Consent Agenda.

**Action:** Mr. Hoefler moved to approve the remaining items on the Consent Agenda. The motion was seconded by Ms. Arnott and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

Ms. O'Malley asked for a motion with regards to Craig Cullen's disability application.

**Action:** Mr. Battey moved to approve staff's recommendation. The motion was seconded by Ms. Salas and carried with a vote of 8-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr and Salas all in favor; trustee Raw recused himself; none opposed.

Ms. O'Malley asked for a motion with regards to Richard Daly's disability application.

**Action:** Mr. Hoefler moved to approve staff's recommendation. The motion was seconded by Mr. Marangu and carried with a vote of 7-0, with trustees Arnott, Battey, Hoefler, Marangu, O'Malley, Orr and Salas all in favor; trustees DeCarsky and Raw recused themselves; none opposed.

2304.4.1 **Disability Retirements:**

- a) The Board found that Louise Alioto-Perez (1) is permanently incapacitated from the performance of her usual and customary duties as a Hospital Unit Coordinator, (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 referred Janine Brewer’s application for a service-connected disability retirement to a hearing officer for proposed findings and recommendations.
- c) The Board found that Craig Cullen (1) is able to substantially perform his duties as a Deputy Sheriff and (2) denied his application for a service-connected disability retirement.
- d) The Board found that Richard Daly (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) found that his disability was the 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.
- e) The Board found that Bradley Martin (1) is permanently incapacitated from the performance of his usual and customary duties as a Correctional Officer, (2) found that his disability was the 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.
- f) The Board found that Mark Perez (1) is permanently incapacitated from the performance of his usual and customary duties as a Stationary Engineer II, (2) found that his disability was the 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.
- g) The Board found that Jason Pfarr (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) found that his disability was the 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.

2304.4.2 **Survivor Death Benefits:** None.

2304.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Avalos, Emma	February 23, 2023	Probation
Bautista, Marianella	February 3, 2023	Child Support Services
Bokura, Jeffrey	February 4, 2023	Assessor Clerk Recorder Elections
Cabrera, Leticia	December 14, 2022	Def’ d - San Mateo County Health
DeMartini, Matthew	February 20, 2023	Sheriff’s Office
Desselle, Susan	March 1, 2023	Child Support Services
Feeney, Edward	February 19, 2023	Sheriff’s Office
Howton, Nana	February 21, 2023	Def’ d - San Mateo County Health
Johnson, Jane	February 4, 2023	Sheriff’s Office
Kellie, Alicia	February 26, 2023	Deferred - Human Resources
Ken, Matthew	February 2, 2023	Deferred - Sheriff’s Office
Kinsella, Michael	February 16, 2023	Sheriff’s Office
Moody, John	February 19, 2023	Sheriff’s Office
Moore, Britt	February 3, 2023	Deferred - Human Services Agency
Parra, Claudia	January 6, 2023	San Mateo County Health
Perez, Delfino	February 25, 2023	Public Works

Radisch, Matthew	February 28, 2023	Human Services Agency
Spiller-Crenshaw, Roena	February 19, 2023	Sheriff's Office
Sullivan, Elisa	February 18, 2023	Deferred - Controller's

2304.4.4 **Continuances:**

None.

2304.4.5 **Deferred Retirements:**

<b>Name</b>	<b>Retirement Plan Type</b>
Bissell, Elizabeth	G7, Vested
Canales, David	G7, Vested– Auto Defer – Code 31700
Cromosini, Eric	S7, Non-Vested - Reciprocity
Dimen, Dennis	G7, Vested
Guan, Harry	G7, Non-Vested - Reciprocity
Hill, Diana	G4, Vested - Auto Defer – Code 31700
Kenway, Jennie	G7, Vested - Auto Defer – Code 31700
Nunez, Jackie	G4, Vested - Auto Defer – Code 31700
Purtle, Allison	S7, Vested - Reciprocity
Rodriguez, Melissa	G7, Vested - Auto Defer – Code 31700
Trujillo, LadyAnne	G5, Vested - Reciprocity
Vujicevich, Michael	G4, Vested - Auto Defer – Code 31700
Wong, Kristine	G5, Vested - Reciprocity

2304.4.6 **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>
Benavides, Benjamin (FBO: Benavides Quesada, Ayla)	G4, Vested
Diaz, Daniel B	S7, Vested
Oey, Tony S	G4, Non-vested
Watt, Kevin	G7, Non-vested

2304.4.7 **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>
Mork, Clifford	G7, Non-vested
Peermohamed, Zulfikar	G7, Non-vested
Schaff, Tina Marie	G7, Non-vested

2304.4.8 **Member Account Redeposits:** None.

2304.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted report for educational activity attended by Ms. Arnott.

2304.4.10 **Reaffirm CEO Authority to Take Action in a Declared Emergency:** The Board reaffirmed the CEO Authority to Take Action in a Declared Emergency Policy.

- 2304.4.11 **Reaffirm CEO Authority to Execute Investment Documentation:** The Board reaffirmed the CEO Authority to Execute Investment Documentation Policy.
- 2304.4.12 **Reaffirm Placement Agent Policy:** The Board reaffirmed the Placement Agent Policy.
- 2304.4.13 **Trustee Special Request to Attend an Educational Event:** The Board approved trustee Elaine Orr's request to attend the Milken Institute Global Conference.
- 2304.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2304.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2023:** Mr. Coultrip reported that SamCERA's net preliminary return for March was 1.3% bringing the preliminary trailing twelve month return ending March 2023 to -2.6% net, which is below SamCERA's assumed earnings rate of 6.25%. He reported turmoil in the banking sector resulted in extreme market volatility in both equity and fixed income markets. The Fed increased rates despite the tighter financial conditions brought about by the banking crisis. Despite all this, risk assets rallied into month-end based on the expectation that we are near (or at) peak interest rates and posted mostly positive returns for the month.
- 2304.6.2 **Approval of Asset Allocation Policy Implementation Plan:** The Board approved the implementation plan for the new asset allocation policy, which consists of two stages (interim and final). The interim policy will include all changes approved by the Board, except the 1% increase to private equity, which is expected to take multiple years to complete. Staff recommended taking the 1% and temporarily adding it to the domestic equity policy until the actual private equity allocation approaches the new 8% target. The final policy will have a 1% reduction to domestic equity and the corresponding 1% increase to private equity.
- Ms. O'Malley asked for a motion to approve the Asset Allocation Policy Implementation Plan.
- Action:** Mr. Battey moved to approve the Asset Allocation Policy Implementation Plan. The motion was seconded by Mr. Marangu and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas all in favor; none opposed.
- 2304.6.3 **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 2<sup>nd</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.
- 2304.6.4 **Report on Custodian (Northern Trust) Annual Review:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's Global Custodian, Northern Trust. The hybrid meeting took place on March 2<sup>nd</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.
- 2304.6.5 **Approval of Proposed Alternative Investment (to be heard in closed session, Confidential Under Gov. Codes §54956.81 and §7928.710, see item C2):** This item was heard in Closed Session at 10:54 a.m. after agenda item 6.4. The Board reconvened in Open Session at 11:11 a.m. See Closed Session report under C2.

2304.7.1 **Approval of SamCERA's Fiscal Year 2023-24 Budget:** Ms. Chow presented SamCERA's proposed budget for fiscal year 2023-24, totaling \$46.8 million, which is 2% higher than the current year's adopted budget. Ms. Chow discussed the professional services, administrative, and information technology budgets in further detail with the Board.

Ms. O'Malley asked for a motion to approve SamCERA's Fiscal Year 2023-24 Budget.

**Action:** Mr. Hoefler moved to approve SamCERA's proposed budget for fiscal year 2023-24 totaling \$46.8 million. The motion was seconded by Ms. Arnott and carried by a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas, all in favor; none opposed.

2304.7.2 **Approval of Amendments to the Felony Forfeiture Policy:** Mr. Hood stated the changes to the Felony Forfeiture Policy were clarification on employee's actual job duties by the employer; clarification of the calculations performed by SamCERA to determine the correct amount of pension benefits, possible overpayment of benefits or offset of contributions to be returned; and certain verbiage changes to be inline with the statutory language with PEPRA.

Ms. O'Malley asked for a motion to approve the Amendments to the Felony Forfeiture Policy.

**Action:** Mr. Raw moved to approve the Amendments to the Felony Forfeiture Policy. The motion was seconded by Ms. Salas and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas all in favor; none opposed.

2304.7.3 **Approval of SamCERA's Strategic Plan:** Mr. Hood asked for the Board's approval after presenting the Board's Strategic Plan for 2023-2028 after incorporating the adjustments and updates to the Mission, Vision, Goals and Focus Priorities as directed by the Board.

Ms. O'Malley asked for a motion to approve SamCERA's Strategic Plan.

**Action:** Mr. Raw moved to approve SamCERA's Strategic Plan. The motion was seconded by Ms. DeCarsky and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas all in favor; none opposed.

2304.7.4 **Selection of and Direction for SamCERA Voting 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.

Ms. O'Malley asked for a motion to approve the Selection of and Direction for SamCERA Voting Delegates at the SACRS Spring Business Meeting.

**Action:** Mr. Battey moved to approve the Asset Allocation Policy Implementation Plan. The motion was seconded by Ms. Salas and carried with a vote of 9-0, with trustees Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas all in favor; none opposed.

2304.7.5 **Presentation on the SamCERA Disability Process:** Ms. LeNguyen, Retirement Benefits Manager, provided the Board with a high overview of SamCERA's disability process and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2304.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board of plans by property owners to demolish Twin Dolphin 1 and 3 buildings and build a Life Science facility. He and Ms. Smith had an

initial conversation with the owners and will have a follow-up meeting with them regarding construction and lease options. Mr. Hood also reminded the Board about Paul Hackleman's Celebration of Life on Saturday, May 13 at 11:30 a.m. at Coyote Point Golf Club and the upcoming SACRS Spring Conference in San Diego. He also mentioned Wharton's upcoming Alternative Investment Strategies in July in San Francisco and previewed a few items on the May agenda which include Milliman discussing assumptions for the valuation, a look at SamCERA's liability dashboard and the appointment of an ad hoc nominating committee.

- 2304.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board that Jenny Lukan has been hired as SamCERA's Executive Secretary and will start on May 1<sup>st</sup>.
- 2304.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reminded the Board that staff will be bringing a manager recommendation to manage the passive, long treasury mandate. He also informed the Board that staff and Verus will hold annual manager reviews on Thursday, May 4 with the two real estate managers. The first will be at 8:00 a.m. with Invesco and the second is with Stockbridge, which will be at 10:00 a.m.
- 2304.8.4 **Chief Legal Counsel's Report:** Mr. Okada directed the Board to their "Day Of" folder, which contained an updated contracts chart with the additional information previously requested by the Board at its March retreat. He also read a public comment, which can be found under Item 2.2.

- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** The Board met in closed session at 10:07 a.m. regarding the service-connected disability application of LaDonna Shuttleworth. The member was present.

There was a motion and a second to accept staff's recommendation and the Board: (1) found that LaDonna Shuttleworth is permanently incapacitated from the performance of her usual and customary duties as a Legal Office Specialist; (2) found that her disability was not a result of an injury/illness arising out of and in the course of her employment; (3) denied her application for a service-connected disability retirement; and (4) granted her a non-service-connected disability retirement.

The motion was approved by a vote of 8-0-1 with trustees Arnott, Battey, DeCarsky, Hoefler, O'Malley, Orr, Raw and Salas voting to approve the motion; none opposed; and trustee Marangu abstaining. The Board reconvened in Open Session at 10:32 a.m.

- C2 **Approval of Proposed Alternative Investment (to be heard in closed session, Confidential Under Gov. Codes §54956.81 and §7928.710, see item C2):** The Board met in Closed Session for the approval of proposed alternative investments:

Regarding the re-up commitment of \$25 million to LS Power Equity Partners V, L.P., as part of SamCERA's infrastructure portfolio within Private Real Assets, there was a motion by Marangu, seconded by Battey to approve such commitment.

Ayes: Arnott, Battey, DeCarsky, Hoefler, Marangu, O'Malley, Orr, Raw and Salas.

Nos: None

Abstain: None

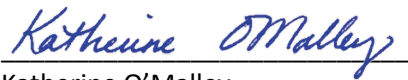
Motion carried 9-0-0

No other reportable action was taken.

- 2304.9.0 **Reports on Actions Taken in Closed Session:** No additional closed session items.

2304.10 **Adjournment:** Ms. O'Malley adjourned the meeting at 12:09 p.m. in memory of the deceased members listed below.

Souza, James	March 12, 2023	General Services
White, William	March 14, 2023	Library
Edmonds, Isabel	March 19, 2023	Social Services
Caceres, Elizabeth	March 23, 2023	Social Services
Charan, Daya	March 26, 2023	Hospital
Speierer, Beatrix	March 26, 2023	Public Health
Boklund, Eugene	March 27, 2023	Sheriff's
Witzel, Lynda	March 28, 2023	Health
Aquino, Amelia	March 31, 2023	Courts
Kofoed, Reese	April 1, 2023	Sheriff's
Gonzales, John	April 5, 2023	Probation
Kelly Parker	April 5, 2023	District Attorney's Office
Myers, Brenda Jo	April 11, 2023	Human Services



Katherine O'Malley  
Chair