

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
AUGUST 22, 2023 – REGULAR BOARD MEETING MINUTES**

**2308.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Battey, Chair, called the Regular Meeting of the Board of Retirement to order at 10:01 a.m.

**Roll Call:**

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

Absent: Kimathi Marangu and Katherine O'Malley.

Alternates: Nicole McKay.

Staff: Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada and Gladys Smith.

Consultants: Joe Abdou and John Nicolini.

**2308.1.1 Announcement of Appointment of Board Committees:** Mr. Hood announced that the Board Committees will remain the same.

**2308.2.1 Oral Communications from the Board:** None.

**2308.2.2 Oral Communications from the Public:** Ms. Smith informed the Board that Ms. O'Malley had a happy, healthy baby boy on August 6<sup>th</sup>, 2023.

**2308.3.1 Approval of Board Meeting Minutes from July 25, 2023:** Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on July 25, 2023. There were no changes, corrections, or objections presented.

**Action:** Mr. David moved to approve the minutes from the July 22, 2023 regular Board meeting. The motion was seconded by Mr. Hoefer and carried with a vote of 6-0, with trustees Battey, David, DeCarsky, Hoefer, Raw and Salas all in favor; Arnott and Orr abstained; none opposed.

**2308.4.0 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:** Ms. Salas moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hoefer and carried with a vote of 8-0, with trustees Arnott, Battey, David, DeCarsky, Hoefer, Orr, Raw and Salas all in favor; none opposed.

**2308.4.1 Disability Retirements:**

- a) The Board found that Susan Houser (1) is able to substantially perform her usual and customary duties as a Nurse Practitioner and a Sexual Assault Response Team (SART) Nurse and (2) denied her application for a service-connected disability retirement.
- b) The Board found that Lisa Linhares (1) is permanently incapacitated from the performance of her usual and customary duties as a Senior Electrograph Technician, (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.

- c) The Board found that Heinz Puschendorf (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.

**2308.4.2 Survivor Death Benefits:**

- a) The Board granted Elissa Vidal, widow of Jonathan Vidal, a non-service-connected disability death benefit pursuant to Government Code § 31781.3.

**2308.4.3 Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Amaya, Cecile	July 1, 2023	Aging & Adult Services
Arancibia, Maria Sara	June 29, 2023	Behavioral Health
Changtin, Glenn	July 1, 2023	Assessor Clerk Recorder Elections
De La Vega, Maria B	July 1, 2023	Assessor Clerk Recorder Elections
Galvan, Rick	June 10, 2023	Superior Court
Garcia, Neldy	July 1, 2023	Human Services Agency
Garcia, Reina	June 16, 2023	San Mateo County Health
Gonzalez, Alma	June 6, 2023	Deferred - Human Services Agency
Himenez, Tracy	July 1, 2023	QDRO of Carlos Smith
Moore, Dwight	June 2, 2023	Deferred - Probation
Pollack, Nicole	June 7, 2023	Deferred - Human Services Agency
Reed, Jason	June 25, 2023	Sheriff's Office
Smith, Carlos	March 25, 2022	Deferred - Probation
Solis, Rina	July 1, 2023	Assessor Clerk Recorder Elections
Watanabe, Anabel	July 1, 2023	Probation

**2308.4.4 Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Anderson-Potts, Rebecca	Potts, Ronald
Brown, Frank	Brown, Joann
Domerofski, Kathleen	Domerofski, Charles
Kim, Robert	Kim, Solomon
Rabusa, Diane	Rabusa, Dolores
Wight, Karen	Bradley, Diane

**2308.4.5 Deferred Retirements:**

<b>Name</b>	<b>Retirement Plan Type</b>
Bailey, Laura	G7, Vested - Auto Defer – Code 31700
Bleeker, Justine	S7/G7, Vested - Auto Defer – Code 31700
Caracheo Luna, Viridiana	G7, Vested
Cornejo, Madahi	G7, Vested - Auto Defer – Code 31700
Hagen, Michelle	P7, Vested - Auto Defer – Code 31700
Lange, Elizabeth	G7, Non-Vested - Reciprocity
Lolax, Molly	G4, Vested - Auto Defer – Code 31700
Mendoza, Ma Cherrie	G7, Vested - Auto Defer – Code 31700

Morales, Pamela	G7, Non-Vested – Reciprocity
Morgan, Shannon	G4, Vested - Reciprocity
Noryko, Jessica	G4, Vested

2308.4.6 **Member Account Refunds:**

<b>Name</b>	<b>Retirement Plan Type</b>
Booker, Anita (FBO Norris, Micah)	G4, Vested
Brown, Ashley	G7, Non-vested
Nordberg, Jeremy	G5, Non-Vested
Novelo, Yolanda	G4, Vested
Phillips, Thomas (FBO:Getz, Carol)	G4, Vested
Wong, Chi	G7, Non-vested
Zhu, Victor	G7, Non-vested

2308.4.7 **Member Account Rollovers:**

<b>Name</b>	<b>Retirement Plan Type</b>
Hurtado, Itzuri	G7, Vested
Phillips, Thomas (FBO:Getz, Carol)	G4, Vested
Williams, Edwina	G7, Non-vested

2308.4.8 **Member Account Redeposits:** None.

2308.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted report for educational activities attended by Ms. McKay.

2308.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2023:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA’s non-alternative investment managers as of June 30, 2023.

2308.4.11 **Report on SamCERA’s Securities Lending Program:** The Board accepted the report on SamCERA’s Securities Lending Program as of June 30, 2022.

2308.4.12 **Report on Preliminary Financial Statements for the Fiscal Year Ended June 30, 2023:** The Board accepted the Preliminary Financial Statements for the Fiscal Year Ended June 30, 2023.

2308.4.13 **Report on Budget-to-Actual for the Fiscal Year Ended June 30, 2023:** The Board accepted the Preliminary Report on Budget-to-Actual for the fiscal year ended June 30, 2023.

2308.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2308.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended July 31, 2023:** Ms. Ng reported that SamCERA’s net preliminary return for July was 1.5% bringing the preliminary trailing twelve-month net return ending July 2023 to 4%, which is below both SamCERA’s benchmark return of 5.2% and assumed earnings rate of 6.25%. She reported SamCERA’s estimated market value as of July was \$6.16 billion, while the actuarial funded ratio as of June 30, 2022, was 90.7%.

2308.6.2 **Report on Quarterly Investment Performance for the Period Ended June 30, 2023 (Amended):** Ms. Dames reported that the 2<sup>nd</sup> quarter net total return for the SamCERA portfolio was 2.1%, which was 80 bps lower than the 2.9% policy benchmark return. Mr. Nicolini and Mr. Abdou from Verus presented the Verus Quarterly Performance Report Ending June 30, 2023 to the Board.

2308.6.3 **Report on Defensive Fixed Income Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with defensive fixed income bond managers, FIAM, NISA Investment Advisors and DoubleLine LP, on June 21 and 22. Each meeting lasted approximately 1.5 hours, and consisted of 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 reviews. This item was informational and for discussion only, no action was taken.

2308.6.4 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reviewed the meeting notes from the annual reviews with opportunistic credit bond managers, Franklin Templeton (July 6), PIMCO, Beach Point, and Brigade Capital Management (July 13<sup>th</sup>). Each meeting lasted approximately 1.5-2 hours, and consisted of 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.

2308.7.1 **Approval of Amendment to Contract with Milliman:** Mr. Hood asked the Board to authorize him to negotiate and execute a one-year extension of the agreement with Milliman, Inc. for actuarial services through December 31, 2024 and increasing the not-to-exceed amount in accordance with the extension.

**Action:** Mr. Hoefer moved to approve the Resolution Authorizing the Chief Executive Officer to Execute an Amendment to the Agreement with Milliman, Inc. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, David, DeCarsky, Hoefer, Orr, Raw and Salas all in favor; none opposed.

2308.7.2 **Approval of Amendment to Contract with Managed Medical Review Organization, Inc (MMRO):** Mr. Hood asked the Board to authorize him to execute an amendment to the agreement with Managed Medical Review Organization to increase the not to exceed amount due to rise in applications processed and independent medical examinations.

**Action:** Ms. Arnott moved to approve the Resolution Authorizing the Chief Executive Officer to Execute an Amendment to the Agreement with Managed Medical Review Organization (MMRO). The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Arnott, Battey, David, DeCarsky, Hoefer, Orr, Raw and Salas all in favor; none opposed.

2308.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that he and Mr. Raw attended the SACRS Board of Director's Meeting and that he attended the NCPERS Funding Forum for the first time. Mr. Hood also informed the Board that SamCERA is doing their Staff Planning Retreat on August 29<sup>th</sup>. Mr. Hood announced congratulations to SamCERA staff member Julieanne Nagal, who is celebrating 10 years of County employment. Lastly, Mr. Hood informed the Board that next month SamCERA will be having their annual valuation and audit of the valuation.

2308.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board that SamCERA is getting ready to launch the upgraded member self-service portal, which will go live September 5<sup>th</sup>. Ms. Lukan informed the Board of a few upcoming conferences including NCPERS Fall Conference, CALPRS Trustees Virtual Roundtable and SACRS Fall Conference, and she will send out an email regarding these conferences.

2308.8.3 **Chief Investment Officer's Report:** Ms. Ng informed the Board that on September 7, SamCERA will be having an annual review of the Brookfield Supercore Infrastructure fund. Additionally, on September 14, SamCERA will be meeting with Graham Quantitative Macro to review the Absolute Return portfolio, SSgA Custom Real Asset to review the Public Real Asset strategy, and Angelo Gordon CSF to review the credit solutions strategy.

2308.8.4 **Chief Legal Counsel's Report:** None.

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

C2 **Conference with Real Property Negotiators (Gov. Code § 54956.8)**  
**Property:** 100 Marine Parkway, Suites 125 & 160, Redwood City, CA  
**Agency Negotiator:** Chief Executive Officer  
**Negotiating Parties:** SamCERA; 1 Twin Property Owner LLC  
**Under Negotiation:** Price and terms

The Board met in Closed Session in order to meet with its real property negotiator regarding the following:

Property: 100 Marine Parkway, Suites 125 & 160, Redwood City, CA  
Agency Negotiator: Chief Executive Officer  
Negotiating Parties: SamCERA; 1 Twin Property Owner LLC  
Under Negotiation: Price and terms

No reportable action was taken.

No other matters were heard in Closed Session.

2308.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2308.10 **Adjournment:** Mr. Battey adjourned the meeting at 10:49 a.m. in memory of the deceased members listed below, and also in the memory of Rex Arnott, the husband of fellow trustee Sandie Arnott.

Andrea, Rex	July 4, 2023	Human Services Agency
Hsu, Margaret	July 5, 2023	Public Health
Palamidessi, Flora	July 6, 2023	Library
Schauer, Donald	July 10, 2023	Human Services Agency
Perryman, Desmond	July 18, 2023	Human Services Agency
Ogata, Dennis	July 21, 2023	Information Services
Kawashima, Carolyn	July 26, 2023	Human Services Agency
Montalvo, Lilian	July 27, 2023	San Mateo County Health
Walker, Burton	July 29, 2023	Sheriff's Office

  
Mark Battey  
Chair