

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DECEMBER 5, 2023 – REGULAR BOARD MEETING MINUTES**

2312.1 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 10:00 a.m.

Roll Call:

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

Absent: Katherine O'Malley and Alma Salas.

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

Consultants: Joe Abdou, John Nicolini, and Faraz Shooshani (Verus)

2312.2.1 Oral Communications from the Board: Mr. Battey informed the Board about the passing of Mr. Don Horsley, former County Supervisor.

2312.2.2 Oral Communications from the Public: None.

2312.3.1 Approval of Board Meeting Minutes from October 31, 2023: Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on October 31, 2023. There were no changes, corrections, or objections presented.

Action: Mr. David moved to approve the minutes from the October 31, 2023 regular Board meeting. The motion was seconded by Ms. DeCarsky and carried with a vote of 7-0, with trustees Battey, David DeCarsky, Hoefer, Marangu, McKay, and Raw all in favor; Arnott and Orr abstained; none opposed.

2312.3.2 Approval of Audit Committee Minutes from October 31, 2023: Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the Audit Committee meeting held on October 31, 2023. Mr. Okada presented one change to the Board regarding attendance.

Action: Mr. David moved to approve the corrected minutes from the October 31, 2023 Audit Committee meeting. The motion was seconded by Mr. Marangu and carried with a vote of 7-0, with trustees Battey, David DeCarsky, Hoefer, Marangu, McKay, and Raw all in favor; Arnott and Orr abstained; none opposed.

2312.4.0 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. Raw and carried with a vote of 9-0, with trustees Arnott, Battey, David, DeCarsky, Hoefer, Marangu, McKay, Orr, and Raw all in favor; none opposed.

2312.4.1 Disability Retirements:

- a) The Board found that **Roderick Arakaki-Barbanica** (1) is permanently incapacitated from the performance of his usual and customary duties as a Cook 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.

- b) The Board found that **Shao Mei Gan** (1) is permanently incapacitated from the performance of her usual and customary duties as a Library Assistant I, (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 **Nidia Gonzalez**, (1) is permanently incapacitated from the performance of her usual and customary duties as a Patient Services Supervisor, (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.
- d) The Board found that **Edgar Manilla** (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 illness 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 **Rosa M. Ramirez** (1) is able to substantially perform her usual and customary duties as a Patient Services Assistant II and (2) denied her application for a service-connected disability retirement.
- f) The Board finds that **Hadi Tafreshiha** (1) is permanently incapacitated from the performance of his usual and customary duties as an IS Client Systems Specialist 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.

2312.4.2 **Survivor Death Benefits:** None.

2312.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Cardoza, Manuel	September 13, 2023	San Mateo County Health
Dunbar, Michael	October 1, 2023	Deferred - Public Works
Escobar, Roberto	September 7, 2023	San Mateo County Health
Flannery, Kelly	September 8, 2023	Def'd - San Mateo County Health
Gathright, Marcus	September 28, 2023	Sheriff's Office
Healy, Diane	September 18, 2023	Deferred - Aging & Adult Services
Idarius, Kristine	September 2, 2023	San Mateo County Health
Jimenez, Joaquin	September 13, 2023	Deferred – Probation
Lewis, Brian	September 25, 2023	Deferred - Behavioral Health
Monheit, Juliette	September 30, 2023	Deferred - Behavioral Health
Muccia, Charles	July 12, 2023 (rescinded)	QDRO of Wright, Tamara
Perez, Antonio	September 12, 2023	San Mateo County Health
Rogers, Bryan	September 14, 2023	Deferred - Human Services
Salas, Heather	September 29, 2023	Family Health
Smyser, Michael	September 17, 2023	Sheriff's Office
Valdez, Robert	September 30, 2023	Deferred - Public Works
Villagracia, Marites	September 16, 2023	Probation
West, Karen	November 17, 2022	San Mateo County Health

2312.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Cardoza, Regina	Cardoza, Ronald

Coleman, Mary
Hickman, Maryanne
Holm, Carolyn

Coleman, Jerome
Hickman, Philip
Holm, Carl

2312.4.5 **Deferred Retirements:**

Name

Aison, Marvin
Brown, Mark
Ernst, Diana
Ford, Tracy
Forman, Emily
Hernandez, Alberto
Hurrell, Angelina
Kumar, Divya
Lee, I-Chieh
Llamas, Jennifer
Madrigal, Heriberto
Martinez Tostado, Lisvette
Masic, Mirsad
Medina, Jamie
Romero Davila, Gerardo
Ruybal, Kevin
Silva, Rosalinda
Tsang, Suzanne
Verber, Nicholas
Wang, Joshua
Wu, Winnie

Retirement Plan Type

G7, Vested Auto Defer – Code 31700
G4, Vested - Reciprocity
G7, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G4, Vested – Reciprocity
G7, Vested – Reciprocity
G7, Vested Auto Defer – Code 31700
G4, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G5, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
S7, Vested Auto Defer – Code 31700
G7, Vested Auto Defer – Code 31700
G7, Non-Vested – Reciprocity
G7, Non-Vested – Reciprocity
S7, Vested Auto Defer – Code 31700
S5, Vested - Reciprocity
G7, Vested Auto Defer – Code 31700

2312.4.6 **Member Account Refunds:**

Name

Aldanese, Michael John
Berlanga, Jr, Frank
Borghi, Gabriel (FBO: Borghi, Beverly)
Jackson, Raven
Lujan, Janneth
Mesele, Nigest Assefa
Myers, David
Nagrampa, Wencesa
Perdomo, Le'Russyan
Rodriguez, Hector
Trujillo, Isidro
Woods, Simone Kaitlyn

Retirement Plan Type

G7, Non-vested
G7, Vested
G2, Vested
G7, Non-vested
G5, Vested
G7, Non-vested
G4, Non-vested
G4, Non-vested
G7, Vested
G7, Non-vested
G7, Non-vested
G7, Vested

2312.4.7 **Member Account Rollovers:**

Name

Bell, Joanna
DeLipski, Paul
Hertz, Annabel
Huang, Annieyuhong

Retirement Plan Type

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

Muccia, Charles	G7, Vested
Quan, Daisy	G7, Non-vested
Tsang, Agnes	G7, Non-vested

2312.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Aenlle, Victor	G2

2312.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2312.4.10 **Affirm Procedure for Determination of Whether Compensation Was Paid to Enhance a Member's Pension:** The Board reaffirmed the "Board Procedures for Assessment and Determination of Whether an Element of Compensation Was Paid to Enhance a Member's Pension Benefit."

2312.4.11 **Affirm Procedure for Determination of Whether Compensation Was Paid to Enhance a Member's Pension:** The Board reaffirmed the "Board of Retirement Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Reportable Compensation, Enrollment in and Reinstatement to, the Retirement System."

2312.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2312.5.2 **Review of Funding Dashboard:** Mr. Hood reported on the Quarterly Funding Progress Dashboard for the Period Ended September 30, 2023, which showed projected funded status and employer contribution rate. This item was informational and for discussion only, no action was taken.

2312.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2023:** Mr. Coultrip reported that SamCERA's net preliminary return for October was -1.8%, bringing the preliminary trailing twelve-month net return ending October 2023 to 3.7%, which is below both our benchmark return of 5.4% and our assumed earnings rate of 6.25%. SamCERA's estimated market value as of October was \$5.81 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

2312.6.2 **Report on Quarterly Investment Performance for the Period Ended September 30, 2023:** Mr. Coultrip reported that the 3rd quarter net total return for the SamCERA portfolio was -1.6%, which was 50 bps lower than the -1.1% policy benchmark return. The growth category detracted from performance (private equity and international equity), while the diversifying category (core fixed income and absolute return) contributed to results. Mr. Nicolini and Mr. Abdou from Verus presented the Verus Quarterly Performance Report Ending September 30, 2023 to the Board.

2312.6.3 **Report on Report on Manager Reviews – Absolute Return:** Ms. Ng reviewed the meeting notes from the annual review meetings with SamCERA's absolute return managers, CFM, PIMCO, and Acadian Asset Management, on October 5th, 2023. Each meeting lasted approximately 1 hour, 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.

2312.6.4 **Report on Investment Consultant Annual Review:** Ms. Ng presented the results of Verus' annual review reporting that trustees and staff provided above average/high ratings. She also shared the Board's feedback on educational topics they would like Verus to cover next year. This item was informational and for discussion only, no action was taken.

2312.6.5 **Presentation on Private Asset Semi-Annual Performance Reports as of June 30, 2023:** Mr. Shooshani and Mr. Nicolini presented the private equity and private real assets reports. As of June 30, 2023,

SamCERA's private equity portfolio had a total market value of \$394.2 million (6.6% of SamCERA's total fund) while the private real assets portfolio had a total market value of \$324.3 million (5.4% of SamCERA's total fund). This item was informational and for discussion only, no action was taken.

- 2312.6.6 **Approval of Proposed Alternative Investments (Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2):** This item was heard in Closed Session at 12:12 p.m. and Open Session was reconvened at 12:24 p.m. See Closed Session report under C2.
- 2312.7.1 **Annual Review of SamCERA's Audit Firm, Brown Armstrong:** This item was taken out of order and heard after the Consent Agenda. Ms. Smith thanked those that completed the annual survey for Brown Armstrong. She shared that Board and staff provided Brown Armstrong with high ratings and that there were no issues reported. Mr. Hood and Ms. Smith thanked Ms. Green and the rest of the team for their service and partnership. Ms. Green appeared via telephone and thanked the Board and staff for the favorable ratings and was available for questions from the Board. This item was informational and for discussion only, no action was taken.
- 2312.7.2 **Discussion of Board Staff Retreat Topics:** Mr. Hood provided the Board with suggested topics for the March Board-Staff retreat such as a high-level look at the economy, a deep dive into the portfolio, energy security, inflation, cybersecurity, and artificial intelligence. He also gave the Board an opportunity to provide their feedback. This item was informational and for discussion only, no action was taken.
- 2312.7.3 **Review and Approval of Trustee Special Request to Attend an Educational Event:** Mr. Board discussed Ms. Orr's request to attend the Milken Institute Global Conference. Mr. Okada informed the Board that Ms. Orr's request to attend the Women in Private Equity Conference has been rescinded.
- Action:** Mr. David moved to approve Ms. Orr's Special Request to Attend the Milken Institute Global Conference. The motion was seconded by Ms. McKay and carried with a vote of 9-0, with trustees Arnott, Battey, David, DeCarsky, Hoefler, Marangu, McKay, Orr, and Raw all in favor; none opposed.
- 2312.7.4 **Review and Discussion of SamCERA's Education Policy:** The Board discussed the Education Policy and proposed improvements to the special request form. This item was information and for discussion only, no action was taken.
- 2312.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that there wasn't a real estate update but that the building owners will be touring the building. Mr. Hood also informed the Board that the year-at-a-glance calendar has been uploaded to Dropbox and mentioned that in 2024 there will be several RFPs. Mr. Hood notified the Board that SamCERA will be closed the week after Christmas for Winter Recess and will reopen January 2nd. Mr. Hood made a special announcement congratulating Ms. Dames on 20 years of service. Lastly, Mr. Hood informed the Board that the January meeting will include the CEO review, topics for the Board retreat, and the education policy.
- 2312.8.2 **Assistant Executive Officer's Report:** Ms. LeNguyen presented the Board with an update on disability numbers. Ms. LeNguyen reported that this time last year SamCERA was at 65 disability applications and now they are at 28 applications. Ms. Lukan informed the Board of the upcoming IFEBP education opportunity in February and will send an email with the information.
- 2312.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that SamCERA and Verus will be visiting Eaton Vance in Boston on Monday. Depending on how the visit goes, SamCERA will come back to the Board with a recommendation in January.

2312.8.4 **Chief Legal Counsel's Report:** Mr. Okada informed the Board that the surveys for the CEO review have been sent out, responses have been sent in, and the committee is still waiting on a few responses from staff. Mr. Okada informed the Board that trustee surveys will be sent out and they will include the responses from the employer and staff. Lastly, Mr. Okada informed the Board that SamCERA will be working on updates to trustee education hours and Ms. Lukan will be sending that out soon.

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

C2 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, see item 6.6):**

The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a commitment of \$10 million to DCVC BIO III, L.P., as part of SamCERA's Venture Capital portfolio within Private Equity under the Growth category, there was a motion and second to approve such commitment.

Ayes: Arnott, Battey, David, Decarsky (alt.), Hoefler, McKay (alt.), Orr, and Raw

Nos: None

Abstain: None

Absent: Marangu, O'Malley, and Salas

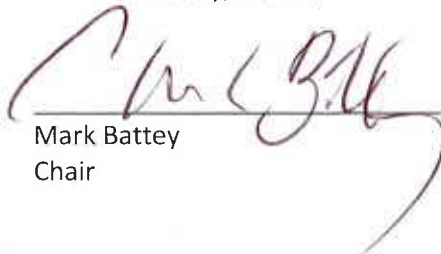
Motion carried 8-0-0

No other reportable action was taken.

2312.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C1 and C2 above. There were no additional closed session items.

2312.10 **Adjournment:** Mr. Battey adjourned the meeting at 12:32 p.m. in memory of the deceased members listed below.

Gordon, Mary L	September 5, 2023	Courts
McCreagh, Helen	October 13, 2023	Courts
Gonzales, Kathleen	October 28, 2023	Probation
Messier, Robert	October 31, 2023	Sheriff's Office
Jordan, Karel	October 31, 2023	Human Services
Oda, Wenonah	November 1, 2023	Probation
Nolan, Muriel	November 1, 2023	Social Services
Swanson, Bob	November 15, 2023	Weights & Measures
Bresler, Roland	November 16, 2023	County Manager's Office
Wish, Helen	November 24, 2023	Social Services
Horsley, Donald	November 24, 2023	Sheriff's Office


Mark Battey
Chair