

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**MARCH 28, 2023 – REGULAR BOARD MEETING MINUTES**

**2303.1 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 8:34 a.m.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Robert Raw, and Alma Salas.

Absent: Elaine Orr.

Alternates: April Decarsky and Nicole McKay.

Staff: Tariq Ali, Michael Coultrip, Lili Dames, Scott Hood, JulieAnne Nagal, Doris Ng, Paul Okada and Gladys Smith.

Consultants and speakers: Joe Abdou, Jeff MacLean, John Nicolini and Ian Toner (Verus), and Nick Collier (Milliman, Inc.).

**2303.2.1 Oral Communications from the Board:** None.

**2303.2.2 Oral Communications from the Public:** Ms. Smith congratulated Ms. O'Malley on the news of her expectant second child.

**2303.3.1 Approval of Special Board Meeting Minutes from February 28, 2023:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the special meeting held on February 28, 2023. There were no changes, corrections, or objections presented.

**Action:** Mr. David moved to approve the minutes from the special meeting on February 28, 2023. The motion was seconded by Mr. Raw and carried with a vote of 7-0, with trustees Arnott, Battey, David, Marangu, O'Malley, Raw and Salas all in favor; trustee Hoefer abstained; none opposed.

**2303.3.2 Approval of Board Meeting Minutes from February 28, 2023:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on February 28, 2023. There were no changes, corrections, or objections presented.

**Action:** Mr. Battey moved to approve the minutes from the February 28, 2023 regular Board meeting. The motion was seconded by Ms. Salas and carried with a vote of 7-0, with trustees Arnott, Battey, David, Marangu, O'Malley, Raw and Salas all in favor; trustee Hoefer; none opposed.

**2303.4.0 Approval of the Consent Agenda:** Ms. O'Malley asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Marangu moved to approve the remaining 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, O'Malley, Raw, and Salas all in favor; none opposed.

**2303.4.1 Disability Retirements:**

- a) The Board found that **Gregory Barth** (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.

- b) The Board found that **John Gonzales** (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Sergeant, (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.
- c) The Board found that **Mohini Sharma** (1) is permanently incapacitated from the performance of her usual and customary duties as a Patient Services Assistant II, (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 **Han Yun** (1) is permanently incapacitated from the performance of her usual and customary duties as a Community Worker II, (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.

2303.4.2 **Survivor Death Benefits:** None.

2303.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alvarez, Joann	January 19, 2023	Human Services Agency
Bolanos, Carlos	January 3, 2023	Sheriff's Office
Deal, Pamela	January 26, 2023	Sheriff's Office
Faumuina, Jennifer	January 10, 2023	Probation
Flores, Guadalupe	January 19, 2023	Probation
Forrester, Helen	January 9, 2023	QDRO of Forrester, Eric
Green-Drayton, Monika	February 1, 2023	San Mateo County Health
Groom, Carole	January 3, 2023	Board of Supervisors
Gruber, Eleanor	December 20, 2022	Def'd - San Mateo County Health
Guiney, Daniel	January 7, 2023	Sheriff's Office
Hall, Celia	December 16, 2022	Deferred- Library
Howard, Eric	January 17, 2023	Probation
Hunter, William C	January 3, 2023	Board of Supervisors
Javier, Renee-Cindy	January 23, 2023	Deferred - Probation
Koenigsberg, Max	February 1, 2022	Human Services Agency
Manuel, Judy	January 17, 2023	San Mateo County Health
Morales, Carl E	January 21, 2023	Correctional Health
Morrow, Scott	January 28, 2023	San Mateo County Health
Patton, Verdon	January 7, 2023	Probation
Puschendorf, Heinz	January 30, 2023	Sheriff's Office
Rabusa, Dolores	January 10, 2023	Human Services Agency
Ramos, Maria E	January 18, 2023	Human Services Agency
Ranganathan, Shantha	January 7, 2023	County Attorney's Office
Ridon, Rachel	January 14, 2023	Treasurer's Office
Robbins, Mark	January 3, 2023	Sheriff's Office
Sazo, Edwin	January 28, 2023	Public Works
Starr, Anne Marie	December 31, 2022	Deferred - Public Works
Suzuki, Eric	January 13, 2023	District Attorney's Office

Wood, Edward	January 10, 2023	Sheriff's Office
Zamora, Delfina	January 10, 2023	Sheriff's Office

2303.4.4 **Continuances:**

<b>Survivor's Name:</b>	<b>Beneficiary of:</b>
Golda, Elizabeth	Golda, Voytek
Poblete, Elisa	Poblete, Pepito

2303.4.5 **Deferred Retirements:**

<b>Name</b>	<b>Retirement Plan Type</b>
Bor, Valerie	G4, Vested– Auto Defer – Code 31700
Burruto, David	G5, Vested - Reciprocity
Cabada, Mona	G7, Vested– Auto Defer – Code 31700
Cho, Sharon	G4, Vested - Reciprocity
Hermosilla, Estefania	G5, Vested - Reciprocity
Houshmandi, Hanieh	G4, Vested - Reciprocity
Martin, Erica	G4, Vested - Reciprocity
Malmo-Laycock, Julia	G7, Non-Vested - Reciprocity
Panisi, Longo	G7, Vested– Auto Defer – Code 31700
Porras, Ralna	G4, Vested - Reciprocity
Sanford, Michael	G7, Vested– Auto Defer – Code 31700
Santos, Shawnte	G7, Vested– Auto Defer – Code 31700
Sporer, Kevin	G5, Vested– Auto Defer – Code 31700
Tabel, Brittney	G7, Non-Vested - Reciprocity
Wang, Raziya	G5, Vested– Auto Defer – Code 31700
Xiao, Zhiqin	G7, Non-Vested - Reciprocity

2303.4.6 **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>
Bernardo, Bonita	G4, Non-vested
Brennan, John (FBO: Brennan, Ann)	G2, Vested
Brennan, John (FBO: Oliver, William)	G2, Vested
Chong, Karen	G4, Non-vested
Fattorini-Ocampo, Giovanna	G7, Vested
Guzman Lopez, Yarely	G7, Non-vested
Madrigal, Katherine	G7, Non-vested
Nguyen, Duoc	G7, Non-vested
Pedrini, Carla	G4, Non-vested
Timberlake, Nathaniel (FBO: Timberlake, Braxton)	G7, Non-vested
Vinson, Ulysses	G7, Non-vested

2303.4.7 **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>
Broderick, Katherine F	G7, Non-vested
Lucas, Shantelle	G7, Non-vested
Selvidge, Delaney	G7, Non-vested
Trehan, Michelle	G4, Vested

2303.4.8 **Member Account Redeposits:** None.

2303.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activity attended by Mr. Battey and Mr. Raw.

2303.4.10 **Report on the County's Prepayment of Employer Contributions:** The Board accepted the report on the County's prepayment of employer pension contributions totaling \$174,503,324 for fiscal year 2023-24.

2303.4.11 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2022:** The Board accepted the semi-annual certification statements for alternative investment managers and investment consultants, as of December 31, 2022.

2303.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2303.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended February 28, 2023:** Mr. Coultrip reported that SamCERA's net preliminary return for February was -1.5% bringing the preliminary trailing twelve month return ending February 2023 to -2.9% net. He reported financial conditions tightened in February due in part to hawkish statements by the Fed, resulting in risk assets being down during the month. Mr. Coultrip then answered questions from the Board. This item was informational and for discussion only, no action was taken.

2303.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that, on March 14<sup>th</sup>, in accordance with Resolution 20-17 and SamCERA's Investment Policy, a virtual meeting was held with Ms. O'Malley, Mr. Raw, Mr. Shooshani (Verus), Mr. Coultrip, Mr. Okada, Ms. Dames, Ms. Ng and himself to discuss a potential private equity opportunity. Following that meeting, SamCERA made a \$20 million capital commitment to Genstar Fund XI, L.P., as part of SamCERA's buyout portfolio within Private Equity.

Mr. Hood reported that the employee and employer contribution rates for FY 2023-24 will be brought for the Board of Supervisor's approval at their April 11 meeting. He mentioned the Pension Bridge annual conference will be held at the Fairmont Hotel from April 17-19 and the SACRS Spring Conference will be in San Diego from May 9-12. He also provided the Board with the following items that will be on next month's agenda: Fiscal Year 2023-24 budget, SACRS voting delegate/business meeting packet, Placement Agent Policy, Portable Electronic Device policy, CEO Authority to take certain action in a declared emergency and the Board's Strategic Plan.

Mr. Hood informed the Board that there will be a Celebration of Life for Paul Hackleman on May 13<sup>th</sup> at 11:30 am at Poplar Creek Golf Course.

2303.8.2 **Assistant Executive Officer's Report:** Ms. Smith updated the Board on the Retirement Executive Secretary recruitment and if there are any upcoming seminars or conferences, they would like to attend to please contact her.

- 2303.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that staff and Verus will hold annual manager reviews on Thursday, April 13<sup>th</sup> with PGIM and Harrison Street.
- 2303.8.4 **Chief Legal Counsel's Report:** Mr. Okada reminded the Board that the deadline for submitting their Form 700 is Monday, April 3.

The Board proceeded into closed session.

- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.
- C2 **Conference with Legal Counsel:** Existing Litigation (Gov't Code Section 54956.9(d)(1) *SamCERA v. Kerry Adams, Ivy Rose Gomez-Greenfeather, Natalie Isaacs, and Does 1 to 20, inclusive*, San Mateo County Superior Court No. 23-CIV-01309.

- 2303.9.0 **Reports on Actions Taken in Closed Session:** The Board met in closed session regarding the existing litigation listed on the agenda. There were no reportable actions.

### 2303.2.3 **Retreat Presentations and Discussions:**

#### **Economic Outlook**

Mr. Toner, Chief Investment Officer of Verus, discussed his thoughts for 2023 with regards to the economy and interest rates, alternative asset classes, traditional asset classes and a broad portfolio with the Board. Mr. Toner commented that restrictive conditions have changed the environment; the borrower's market has turned into a lender's market.

Board took a break at 9:45 a.m. and reconvened at 10:06 a.m.

#### **Higher Interest Rates, Implications, and Opportunities**

Mr. MacLean, Chief Executive Officer of Verus, discussed with the Board the impact interest rates have on expected returns, and the effects of investing in a new environment will have on fixed income, public equity, private equity and real estate.

#### **High Level Portfolio Review & Plan Metrics**

Mr. Coultrip, SamCERA's Chief Investment Officer, provided an annual assessment of SamCERA's Portfolio to the Board. He covered the total portfolio absolute, relative, composite relative and historical performance, introduced a two-stage portfolio assessment structure, a summary of individual manager performance, a strategy matrix and summarized rebalancing activities.

Board took a break for lunch at 11:55 a.m. and reconvened at 1:00 p.m.

#### **Further Discussion of Funding Scenarios**

Mr. Collier, Consulting Actuary with Milliman, Inc., provided a follow-up to a previous discussion with the Board on amortization and addressed post-cliff volatility. He compared options under different scenarios, recognized trade-offs and compared benchmark probabilities.

Mr. Hoefer left the meeting at 1:15 p.m. and returned at 2:47 p.m.

#### **Disability Process Overview**

Ms. LeNguyen was unavailable to present but will provide her presentation at the Board's April meeting.

#### **SamCERA Network Topography Overview**

Mr. Ali, SamCERA's Chief Technology Officer, provided to the Board a high overview of SamCERA's technology infrastructure.

**Overview of SamCERA Contracting Process**

Mr. Okada, SamCERA’s Chief Legal Counsel, provided to the Board an overview of SamCERA’s contracting process including Board authority, Board policy, current high-value contracts and current practices.

2303.10 **Adjournment:** Ms. O’Malley adjourned the meeting at 3:08 p.m. in memory of the deceased members listed below.

Fennell, Evelyn	December 6, 2022	Courts
Metling, Arleta	January 10, 2023	Courts
Anderson, Marlys	February 3, 2023	Crystal Springs Rehab Center
Koch, Monica	February 8, 2023	Health Services
Farris, Lillian	February 22, 2023	Mental Health
Porter, Willie	February 23, 2023	Hospital
Barlaan, Imelda	February 26, 2023	San Mateo County Health
Hackleman, Paul	March 1, 2023	Human Resources
Gutierrez, Indiana	January 26, 2023	Courts
Koch, Monica	February 8, 2023	Health Services

  
Katherine O’Malley  
Chair