

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DECEMBER 3, 2024 – REGULAR BOARD MEETING MINUTES**

2412.1 Call to Order, Roll Call and Miscellaneous Business

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

Roll Call:

Present: April DeCarsky, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine, Orr, Rachel Perkel, Robert Raw, and Alma Salas.

Absent: Sandie Arnott.

Alternates: Nicole McKay.

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

Consultants and speakers: Joe Abdou and John Nicolini (Verus); Ashley Green (Brown Armstrong) via conference call.

2412.2.1 Oral Communications from the Board: None.

2412.2.2 Oral Communications from the Public: None.

2412.3.1 Approval of Board Meeting Minutes from September 24, 2024: Due to the shortage of necessary voting members who attended the September meeting in attendance today, this item was moved to the January 2025 Regular Meeting.

2412.3.2 Approval of Board Meeting Minutes from November 5, 2024: Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on November 5, 2024. There were no changes, corrections, or objections presented.

Action: Mr. Hoefer moved to approve the minutes from the November 5, 2024, regular Board meeting. The motion was seconded by Mr. Marangu and carried with a vote of 7-0-1, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; Orr abstained.

2412.4.0 Approval of the Consent Agenda: Ms. Salas asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Mr. Raw moved to approve the items on the Consent Agenda. The motion was seconded by Ms. DeCarsky and carried with a vote of 8-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2412.4.1 Disability Retirements:

a) The Board found that **Joseph Cang** (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.

b) The Board found that **Timothy Giltz** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) found that the heart presumption contained in Government Code section 31720.5 applies and 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.

2412.4.2 **Survivor Death Benefits:** None.

2412.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Benitez, Sara	September 28, 2024	Probation
Bustichi, Robert	September 27, 2024	Public Safety Communications
Coate, Stephanie	September 7, 2024	Mental Health
Dixon, Rochelle	September 4, 2024	Def'd - San Mateo County Health
Duran, Cara	October 1, 2024	Human Services Agency
Galan, Lisa	September 5, 2024	Deferred - Mental Health
Koch, Anna	September 27, 2024	Library
Larson, Erik	September 4, 2024	Information Services Department
Lin, Yunghui	September 28, 2024	San Mateo County Health
Marcussen, Tami	September 17, 2024	QDRO of Derron Sisneros
Mayberry, Harold	October 1, 2024	Probation
Powleson, Kimberly	October 1, 2024	Deferred - Environmental Planning
Ramirez, Silvia	September 3, 2024	Deferred - Mental Health
Sanchez, Patricia	September 28, 2024	Child Support Services

2412.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Analla, Pamela	Analla, Gregg
Johnson, Christine	Benedict, Kathleen
Moore, Ruth	Moore, Clifford

2412.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Anguelouch, Amanda	G7, Vested
Boyd, Penny	G5, Vested - Reciprocity
Hefner, Kevin	G7, Vested – Reciprocity
Javed, Ramla	G7, Non-Vested - Reciprocity
Liang, Ya Cong	G7, Vested - Reciprocity
Ngo, Khathy	G7, Vested – Reciprocity
Thomas, Erin	G7, Vested - Reciprocity
Vallecillo, Saradilia	G7, Vested

2412.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Antonio, Monika E	G7, Non-vested
Bailey, Richard	G7, Non-vested
Buzo Marin, Ricardo D	G7, Non-vested
Day, Thomas	G7, Non-vested
Espinoza, Rudy	G7, Non-vested
Fajardo, Armando	S7, Non-vested

Gomez, Christina	G7, Non-vested
Madave, Foley	S7, Non-vested
Malik, Ganna	G7, Non-vested
Matta, George	G7, Non-vested
Moopnar, Neil	S7, Non-vested
Nardello, Theresa	G7, Non-vested
Perdomo, Emilio	G4, Vested
Tsolakis, Theofane	G5, Non-vested
Ueda, Stuart	G7, Non-vested

2412.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Buttolph, Rachael	G7, Non-vested
Day, Thomas	G7, Non-vested
Dean, Stephen	G7, Non-vested
Luo, Jenny	G7, Non-vested
Neblett, Ashlee	G7, Non-vested
Price, Tomika	G7, Non-vested

2412.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Biehler, Marie	G4

2412.4.9 **Approval to Issue Retirement Check:**

Name	Effective Date
Franco Lizardo	December 1, 2024

2412.4.10 **Acceptance of Trustees' Reports of Education Activities:** The Board accepted the submitted reports for educational activities attended by Ms. McKay, Ms. O'Malley, Mr. Raw, and Ms. Salas.

2412.4.11 **Reaffirm Education Policy:** The Board reaffirmed the Board of Retirement Education Policy.

2412.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2412.5.2 **Review of Funding Dashboard:** Mr. Hood reported on the Quarterly Funding Progress Dashboard for the Period Ended September 30, 2024, which showed the projected funded status and employer contribution rate. This item was informational and for discussion only, no action was taken.

2412.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended October 31, 2024:** Mr. Coultrip reported that SamCERA's preliminary return for October was -1.5%, bringing the preliminary trailing twelve-month net return ending October to 16.2%. SamCERA's estimated market value as of October was \$6.69 billion, while the actuarial funded ratio as of June 30, 2024, was 87.6%.

2412.6.2 **Report on Quarterly Investment Performance for the Period Ended September 30, 2024:** Mr. Coultrip reported that the 3rd quarter net total return for the SamCERA portfolio was 4.4%, which was 10 bps lower than the 4.5% policy benchmark return. The diversifying portfolio (absolute return) was the main detractor to relative performance, while the growth portfolio (U.S. equity) contributed. Mr. Nicolini and Mr. Abdou from Verus presented the Verus Quarterly Performance Report ending September 30, 2024, to the Board. This item was informational and for discussion only, no action was taken.

2412.6.3 **Report on Manager Review – Cash Flow Match:** Ms. Ng reported that SamCERA staff and consultant held an annual review meeting with cash-flow matched liquidity manager, Insight Investment on October 15, 2024. The meeting lasted approximately 1 hour and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meeting, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2412.6.4 **Approval of Asset Allocation Policy Implementation:** Mr. Nicolini and Mr. Abdou presented the public equity implementation plan. Mr. Coultrip reviewed staff's recommendation to approve the public equity implementation for the new asset allocation policy. Ms. Salas called for a motion to approve the public equity implementation for the new asset allocation policy.

Action: Mr. Marangu moved to approve the public equity implementation for the new asset allocation policy. The motion was seconded by Ms. Perkel and carried with a vote of 8-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2412.6.5 **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. Ms. Ng also shared the Board's feedback on educational topics they would like Verus to cover next year. This item was information and for discussion only, no action was taken.

2412.7.1 **Annual Review of SamCERA's Audit Firm, Brown Armstrong:** Ms. Smith thanked those that completed the annual survey for Brown Armstrong. Ms. Smith reported that the Board and staff provided Brown Armstrong with high ratings and that there were no issues reported. Mr. Hood, Ms. Smith, Ms. Salas, Mr. Hoefer, Mr. Marangu, and Ms. Orr all expressed thanks to Ms. Green and the rest of her team for their service and partnership. Ms. Green appeared via telephone and thanked the Board and staff for the favorable rating and was available for questions from the Board. This item was informational and for discussion only, no action was taken.

This item was taken out of order and heard after Item 5.1.

2412.7.2 **Discussion of Board Staff Retreat Topics:** Mr. Hood provided the Board with suggested topics for the March Board-Staff retreat such as artificial intelligence (AI) in investing, peer portfolio comparisons, inflation, and cybersecurity. Mr. Hood also gave the Board an opportunity to provide their feedback. This item was informational and for discussion only, no action was taken.

2412.7.3 **Approval of Amendments to Travel Policy:** Mr. Hood discussed staff's recommendation to amend the Board's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" (the "Travel Expense Policy"). Ms. Salas called for a motion to approve a resolution amending amend the Board's "Travel Expense Policy".

Action: Mr. Hoefer moved to approve a resolution amending amend the Board's "Travel Expense Policy". The motion was seconded by Mr. Marangu and carried with a vote of 8-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2412.7.4 **Approval of Resolution Moving the September 23, 2025, Board Meeting to September 30, 2025:** Mr. Hood discussed staff's recommendation to change the Board's regular meeting schedule, moving the September 23, 2025, meeting to September 30, 2025 so that the actuary can use the additional time to

prepare the annual valuation. Ms. Salas called for a motion to approve a resolution changing the Board's regular meeting schedule, moving the September 23, 2025, meeting to September 30, 2025.

Action: Ms. Orr moved to approve a resolution changing the Board's regular meeting schedule, moving the September 23, 2025, meeting to September 30, 2025. The motion was seconded by Ms. Perkel and carried with a vote of 8-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2024.12.7.5 **Approval of Resolution Authorizing the CEO to Negotiate and Execute a Memorandum of Understanding with the County of San Mateo for Supplemental Contributions:** Mr. Hood discussed staff's recommendation to authorize the Chief Executive Officer to negotiate and execute a Memorandum of Understanding (MOU) with the County of San Mateo (the County) for supplemental contributions. Ms. Salas called for a motion to approve a resolution authorizing the Chief Executive Officer to negotiate and execute a MOU with the County for supplemental contributions.

Action: Ms. DeCarsky moved to approve a resolution authorizing the Chief Executive Officer to negotiate and execute a MOU with the County for supplemental contributions. The motion was seconded by Mr. Raw and carried with a vote of 8-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Orr, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2412.8.1 **Chief Executive Officer's Report:** Mr. Hood reported to the Board that SamCERA has started its due diligence process regarding the Vitech's contract, which expire at the end of 2027, and has commenced the process of looking into available options, and will come back to the Board with recommendations later. Mr. Hood notified the Board that the SamCERA offices will be closed December 25th through January 1st, for Christmas, the negotiated Winter Recess and New Year's Day. Mr. Hood reported to the Board that January Board Meeting items will include the CEO Review, the approval of the COLA, and the continued Board-Staff Retreat topics item. Lastly, Mr. Hood gave a building update, reporting that he communicated with the landlord, and he was notified that the construction on the building next door will not be going forward.

2412.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that she will be on-call during Winter Recess. Ms. Smith also reported to the Board that she was notified by the Elections Office that there will be no special election for the vacant 3rd member as there was only one candidate that successfully obtained enough nominations to qualify. The candidate to fill the seat is Laurel Finnegan, and she is the daughter of former Board Trustee, Paul Hackleman. She also informed the Board that there has been no update on the building water testing results.

Ms. Lukan reported to the Board that she will be sending out the mid-year education updates, which would include today's ethics training, which is being held after the Board meeting. Ms. Lukan reported on upcoming education opportunities including NCPERS Legislative free webinar in December, NCPERS Legislative Conference & Policy Day in January, IFEBP in Orlando in February, and CALAPRS General Assembly in Napa in March. She will send an email with all the information mentioned. Ms. Lukan also reported to the Board that the pre-registrations for the IFEBP Conference in November 2025 have been successfully submitted.

This section of Item 8.2 was taken out of order and heard after Items 8.3 and 8.4:

Ms. LeNguyen presented the Board with an update on the current disability numbers and process. There was Board and staff discussion regarding procedures, constraints, resources, and processing time.

2412.8.3 **Chief Investment Officer's Report:** None.

2412.8.4 **Chief Legal Counsel’s Report:** Mr. Okada reported to the Board that the CEO evaluation surveys have been sent out to employers (the County, the Superior Court, and the Mosquito District) and staff. Surveys will be sent to Trustees later this week and they will be sent with the results of the employer and staff surveys so they can be looked at together. Mr. Okada noted that if SamCERA receives the results from the Trustee surveys within a couple weeks, that will allow for plenty of time to compile everything for the closed session review in January.

Ms. Salas asked Mr. Okada about the windfall elimination. Mr. Okada responded that there was some discussion at SACRS in the Attorney roundtable, but he will have to look more into it. Ms. Smith reported that it does have some affect with some of our members’ social security, however with SamCERA as a whole, it does not affect anyone’s pension benefits.

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

C2 **Conference with Legal Counsel – Anticipated Litigation**

Initiation of Litigation pursuant to California Government Code Section 54956.9(d)(4)

Two Cases:

The Board met in Closed Session regarding the potential initiation of litigation with respect to two matters:

In Closed Session, the Board authorized SamCERA’s Chief Legal Counsel to join and/or file, on behalf of SamCERA, an Amicus Curiae brief in the California Supreme Court in the matter of *County of Los Angeles v. LACERA*, Supreme Court Case No. S286264.

The Motion was approved 8 ayes - 0 nos - 0 absentions

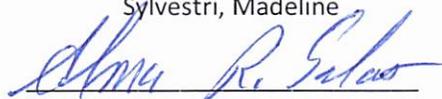
Ayes: DeCarsky, Hoefler, Marangu, O’Malley, Orr, Perkel, Raw, and Salas
Nos: None
Abstain: None
Motion carried 8-0-0

No other reportable action was taken.

2412.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2412.10 **Adjournment:** Ms. Salas adjourned the meeting at 12:56 p.m. in memory of the deceased members listed below.

Davis, Irma	October 10, 2024	Human Services
Salas, Andrew	October 28, 2024	Recorder's Office
Navas, Carlos	October 27, 2024	Public Works
Vondoepp, Christian	October 30, 2024	Mental Health
Escoffier, Barbara	November 3, 2024	Library
Sylvestri, Madeline	November 4, 2024	Courts


Alma R. Salas
Board Chair