

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FEBRUARY 27, 2024 – REGULAR BOARD MEETING MINUTES**

2402.1 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 (arrived at 10:10 a.m.), Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Robert Raw, and Alma Salas.

Absent: Nicole McKay and Elaine Orr.

Alternates: April DeCarsky.

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

Consultants: Joe Abdou, Kin Lam, and John Nicolini (Verus).

2402.2.1 Oral Communications from the Board: None.

2402.2.2 Oral Communications from the Public: None.

2402.3.1 Approval of Board Meeting Minutes from January 23, 2024: Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on January 23, 2024. There were no changes, corrections, or objections presented.

Action: Ms. Salas moved to approve the minutes from the January 23, 2024 regular Board meeting. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas all in favor; none abstained; none opposed.

2421.4.0 Approval of the Consent Agenda: Mr. Battey asked if there were any items to be removed for discussion from the Consent Agenda. Scott Grosso's disability application was removed from Item 4.1.

Action: Mr. Raw moved to approve the remaining items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas all in favor; none opposed.

2402.4.1 Disability Retirements:

- a) The Board found that **Marvin Aison** (1) is permanently incapacitated from the performance of his usual and customary duties as a Benefits Analyst 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 **Zack Azzari** (1) is permanently incapacitated from the performance of his usual and customary duties as a Senior Civil Engineer, (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 **Lorelei Bresler** (1) is permanently incapacitated from the performance of her usual and customary duties as a Community Program Analyst 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) See item C1.
- e) The Board found that **James Scott Johnson** (1) is permanently incapacitated from the performance of his usual and customary duties as a Human Resources Manager III/Deputy Director, (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 **Rachel Ridon** (1) is able to substantially perform her usual and customary duties as an Investment Services Specialist II and (2) denied her application for a service-connected disability retirement.

2402.4.2 **Survivor Death Benefits:** None.

2402.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
DeSmidt, Kristi	January 1, 2024	Def'd - San Mateo County Health
Hennes, Suzanne	December 30, 2023	Human Services Agency
Leone, Jason	December 24, 2023	Sheriff's Office
Marte, Nancy	December 30, 2023	Deferred - Sheriff's Office
Norris, Jeffrey	December 22, 2023	Emergency Management
Ortiz, Bernadette	December 30, 2023	Behavioral Health
Pena, Jose M	December 30, 2023	Def'd - San Mateo County Health
Rosado, Clara	December 30, 2023	Assessor's Office
Schaefer, Vicki	December 30, 2023	Deferred - Public Health
Tolmasoff, Juda	December 30, 2023	County Executive's Office
Wong, Connie	December 30, 2023	Deferred - Public Works
Yu, Jaslin	December 30, 2023	Deferred - Public Health

2402.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Bresler, Lucy	Bresler, Roland
Harris, Helen	Harris, Melvin
Horsley, Elaine	Horsley, Donald
Shockley, Richard	Shockley, Nancy
Smathers, Ronald	Smathers, Helen

2402.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Banning, Monica	G7, Vested Auto Defer – Code 31700
Beheshti, Kimberly	G7, Vested Auto Defer – Code 31700
Cheng, Chelsi	G5, Vested Auto Defer – Code 31700
Demasi, Amy	G4, Vested
Dughman, Cheryl	G7, Vested Auto Defer – Code 31700
Lee, Chee	G7, Vested
Mason, Katelyn	G7, Vested
Pineda, Rosalba	G7, Vested-Reciprocity

2402.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Henderson, Jasmine	G4, Vested
Hernandez, Araceli	G7, Vested
Vargo, Veronica	G7, Non-vested
Ward, Felicia	G7, Non-vested

2402.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Diaz, Maria Violeta	G5, Vested
Hernandez, Araceli	G7, Vested
Purcell, Jennifer	G7, Non-vested
Shrum, Linda	G4, Non-vested

2402.4.8 **Member Account Redeposits:** None.

2402.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2402.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2023:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of December 31, 2023.

2402.4.11 **Acceptance of Preliminary Semi-Annual Financial Report for Period Ended December 31, 2023 Financials:** The Board accepted the Preliminary Semi-Annual Financial Report for the Six-Months Ended December 31, 2023.

2402.4.12 **Acceptance of Preliminary Semi-Annual Budget Report for Period Ended December 31, 2023:** The Board accepted the Preliminary Semi-Annual Budget-to-Actual Report for the Six-Months Ended December 31, 2023.

2402.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** See Closed Session report under C1.

2402.5.2 **Presentation of the Funding Dashboard:** Mr. Hood reported on the Quarterly Funding Progress Dashboard for the Period Ended December 31, 2023, which showed projected funded status and employer contribution rate. This item was informational and for discussion only, no action was taken.

2402.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended January 31, 2024:** Mr. Coultrip reported that SamCERA's net preliminary return for January was -0.3%, bringing the preliminary trailing twelve-month net return ending January 2024 to 5.7%, which is below both our benchmark return of 7.0% and our assumed earnings rate of 6.25%. SamCERA's estimated market value as of January was \$6.26 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

2402.6.2 **Report on Quarterly Investment Performance for the Period Ended December 31, 2023:** Mr. Coultrip reported that the 4th quarter net total return for the SamCERA portfolio was 5.5%, which matched the policy benchmark return. Joe Abdou, Kin Lam, and John Nicolini from Verus presented the Verus Quarterly Performance Report Ending 12/31/23 to the Board. This item was informational and for discussion only, no action was taken.

- 2402.6.3 **Approval of Annual Asset Allocation Review Process:** Mr. Coultrip reviewed staff's proposed changes to the annual asset allocation process, which is consistent with the current Investment Policy Statement limits. Mr. Battey asked for a motion to approve the proposed updated asset allocation review process.
- Action:** Mr. David moved to approve the proposed asset allocation review process. The motion was seconded by Ms. Arnott and carried with a vote 8-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas all in favor; none opposed.
- 2402.6.4 **Approval of Resolution Amending SamCERA's Investment Policy Statement:** The Board discussed the proposed amendments to the Investment Policy Statement. This item was moved to the March Board Meeting Consent Agenda.
- 2402.6.5 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, see item C2):** This item was heard in Closed Session at 11:25 a.m. and Open Session was reconvened at 11:53 a.m. See Closed Session report under C2.
- 2402.7.1 **Report on March 26, 2024 Board-Staff Retreat Planning:** Mr. Hood reported on a change in title for one of the topics on the agenda for the March 25, 2024 Board-Staff Retreat. This item was informational and for discussion only, no action was taken.
- 2402.8.1 **Chief Executive Officer's Report:** Mr. Hood reported on a virtual Investment Meeting held on February 7, 2024, in accordance with Board Resolution 2023-11. Attendees to the meeting included Mr. Hood, Mr. Battey, Mr. Raw, Mr. Nicolini and Mr. Foppiano (Verus), Mr. Coultrip, Mr. Okada, Ms. Dames, and Ms. Ng. Mr. Hood reported that the topic of discussion was a potential private real asset opportunity. Following the meeting SamCERA made a \$25 million capital commitment to Tiger Infrastructure IV LP as part of SamCERA's value add infrastructure portfolio within private real asset under the inflation hedge category. Mr. Hood informed the Board that SamCERA is planning for its next staff retreat at the end of April. Mr. Hood also informed the Board that for the March Board Retreat, the meeting will start at 8:30 am. and anticipates a 15–20-minute regular Board meeting which will be followed by the retreat. Mr. Hood reported that the upcoming weekend was the CALAPRS General Assembly and he, Mr. Okada, Mr. Coultrip, and Mr. Raw will be in attendance. Lastly, Mr. Hood reported to the Board that it is Form 700 season.
- 2402.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that SamCERA is currently reviewing Actuarial RFPs as well as filling out the application for the Fiduciary Liability Renewal. An email will be sent out regarding the \$25 non-recourse check. Ms. Lukan reminded the Board of upcoming education opportunities including CALAPRS Advanced Principles of Pension Governance for Trustees in March, Pension Bridge in April, and SACRS Spring Conference and NCPERS both in May, and she will send an email with the information.
- 2402.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board of upcoming Manager Reviews on March 7, 2024, with Parametric and Record Currency Management. Mr. Coultrip also reported that SamCERA has received two responses to the Custodial RFP and presentations have been scheduled. Mr. Coultrip informed the Board that they have performed two rebalancing activities. Lastly, Mr. Coultrip informed the Board that Ms. Ng will be sending an email with an update regarding regional bank exposure.
- 2402.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported that that Form 700s are due April 2, 2024 and an email reminder should be sent out.

C1 Consideration of Disability Items, if any, removed from the Consent Agenda:

The Board met in Closed Session at 10:02 a.m. regarding the service-connected disability retirement application of Scott Grosso. The member's legal counsel, Alexander Hansen, appeared in person on the member's behalf. The member was not present.

The member's legal counsel presented arguments for the rejection of staff's recommendation which was followed by questions from the Board, and Board discussion. Board member Arnott joined the Closed Session at 10:10 a.m. Following discussion, there was a motion and a second to accept staff's recommendation to refer this matter to a hearing officer for proposed findings and recommendations. The motion was approved by a vote of 7-0-1:

Ayes: Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas
Nos: None
Abstain: Arnott
Absent: Orr
Motion carried 7-0-1

There were no other disability retirement matters heard in Closed Session and the Board reconvened to Open Session at 10:13 a.m.

C2

Approval of Proposed Alternative Investment (Confidential Under Gov. Code §54956.81 and §7928.710 – see also item 6.5):

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

Regarding commitment of \$45 million to Comvest Credit Partners VII, L.P., as part of SamCERA's Private Credit portfolio within under the Growth category, there was a motion and second to approve such commitment.

Ayes: Arnott, Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas
Nos: None
Abstain: None
Absent: Orr
Motion carried 8-0-0

Regarding a commitment of \$28 million to Peak Rock Capital Fund IV, L.P. as part of SamCERA's buyout portfolio within Private Equity under the Growth category, there was a motion and second to approve such commitment.

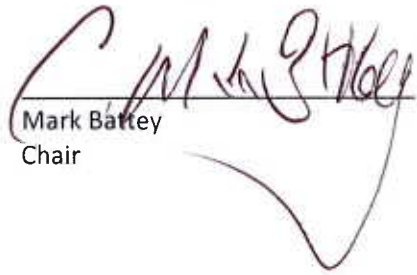
Ayes: Arnott, Battey, David, Hoefer, Marangu, O'Malley, Raw, and Salas
Nos: None
Abstain: None
Absent: Orr
Motion carried 8-0-0

No other matters were heard in Closed Session.

2402.9.0 Reports on Actions Taken in Closed Session: Mr. Okada reported on Items C1 and C2 above. There were no additional closed session items.

2402.10 **Adjournment:** Mr. Battey adjourned the meeting at 12:06 p.m. in memory of the deceased members listed below.

Stanton, Patricia	January 1, 2024	Human Services
Barriga, Batseba	January 2, 2024	San Mateo County Health
Landon, S Jeanene	January 7, 2024	Mental Health
Gill, Roberta	January 8, 2024	Health & Welfare
Wong-Bond, Meiling	January 15, 2024	Sheriff's Office
Maniscalco, Virginia	January 19, 2024	Human Services
Love, Corinne	January 23, 2024	Assessor's Office
Searson, Madelin	January 25, 2024	Hospital
Arredondo, Alicia	January 26, 2024	Sheriff's Office
Horan, Bruce	January 30, 2024	Sheriff's Office
Preisser, Jonelle	January 30, 2024	Treasurer's Office
Arao, Mary	February 1, 2024	Controller's Office
Evans, Lori	February 1, 2024	Medical Center
Darby, John	February 3, 2024	Behavioral Health
Alejo, Mary Ann	February 4, 2024	Controller's Office
Razak, Margaret	February 5, 2024	Sheriff's Office
Galvan, Ricarda	February 12, 2024	Courts



Mark Battey
Chair