

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
AUGUST 25, 2020 – REGULAR BOARD MEETING MINUTES

**2008.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. David, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, and Robert Raw.

Absent: Ben Bowler and Eric Tashman.

Alternates present: Susan Lee and Alma Salas.

Staff: Brenda Carlson, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Gladys Smith and Anne Trujillo.

Consultants and speakers: Joe Abdou, Marc Gesell, Margaret Jadallah, John Nicolini and John Wasnock (Verus).

**2008.1.1 Announcement of Appointment of Board Committees:** Mr. David announced the following appointments to Board Committees for FY 2020-2021:

Standing Committees:

Audit Committee: Kurt Hoefer, Robert Raw and Alma Salas, Chair.

Investment Committee: Ben Bowler, Susan Lee, Katherine O'Malley and Mark Battey, Chair.

Ad Hoc Committee:

CEO Evaluation Committee: Kurt Hoefer, Katherine O'Malley and Sandie Arnott, Chair.

**2008.2.1 Oral Communications from the Board:** None.

**2008.2.2 Oral Communications from the Public:** Mr. David asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments and no written comments received ahead of the meeting.

**2008.3.1 Approval of Regular Board Meeting Minutes from July 28, 2020:** Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on July 28, 2020.

**Action:** Ms. Arnott moved to approve the minutes from the Board meeting on July 28, 2020. The motion was seconded by Mr. Hackleman and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

**2008.4.0 Approval of the Consent Agenda:** Mr. David asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

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

**2008.4.1 Disability Retirements:**

- a) The Board found that Rosa Marcello (1) is permanently incapacitated from the performance of her usual and customary duties as a Child Support Supervisor, (2) found that her disability was not the result of an injury/illness arising out of and in the course of her employment, (3) denied her application for a service-connected disability and (4) granted her a non-service-connected disability retirement.

2008.4.2 **Survivor Death Benefits:** None.

2008.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Buchanan, Susan	June 13, 2020	Superior Court
Buscher, Karin	June 27, 2020	San Mateo County Health
Compton, Louise	June 20, 2020	Deferred - Behavioral Health
Gantert, Lance	June 14, 2020	San Mateo County Health
Gouig, Christine	June 23, 2020	Deferred - Dept of Housing
Meola, Kathryn	June 6, 2020	Deferred – County Counsel*
Mercader, Adoracion	July 1, 2020	Aging & Adult Services
Rivers, Dorie	June 20, 2020	Def'd - San Mateo County Health
Rocha, Edmundo	June 11, 2020	Deferred - Sheriff's Office
Tealer, Dennis	June 26, 2020	Sheriff's Office
Toussaint, Annette	June 27, 2020	Deferred - Superior Court

\*corrected

2008.4.4 **Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Skalisky, Lloyd	Skalisky, Beverly

2008.4.5 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

<b>Name</b>	<b>Retirement Plan Type</b>
Arellano, Jessica	P4, Vested - Auto Defer - Code 31700
Bonilla-Bolanos, Jannet	G7, Non-vested - Reciprocity
Duvall, Stephen	S4, Vested
Eusebio, Mary Grace	G5, Vested - Reciprocity
Goethals, Joseph	G5, Vested
Herzberg, Samuel	G2, Vested
Hoang, Jennifer	G7, Non-vested - Reciprocity
Holt, Rachel	G4, Vested - Reciprocity
Lui, Chun	G7, Non-vested - Reciprocity
Maddux, Stormy	G4, Vested - Reciprocity
Shimmers, Lexington	G5, Vested - Auto Defer - Code 31700
Stiving, Nicole	G7, Vested
Swigart, Michael	G7, Non-vested - Reciprocity
Tramble, Jermond	S7, Non-vested - Reciprocity
Vargas, Luis	G5, Vested - Reciprocity
Westrick, Kimberly	G7, Non-vested - Reciprocity

2008.4.6 **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>
Hartman, Maureen (FBO: Fernandez, Elizabeth)	G1, Vested
Hartman, Maureen (FBO: Hartman, Kristine)	G1, Vested
Hartman, Maureen (FBO: Quadt, Alyce)	G1, Vested
Kantamani, Shashi	G7, Non-vested
Ogunnupe, Ayesha	G7, Non-vested

2008.4.7 **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>
Bonhagen, Anna	G7, Non-vested
Moran, Sonia	G7, Non-vested

2008.4.8 **Member Account Redeposits:** None.

2008.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2008.4.10 **Approval of Resolutions that Define Comp Earnable and Pensionable Comp:** The Board approved an amendment to the (1) Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34 and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34 to include Mandatory Time Off Unpaid (042) as a non-pensionable earning code.

2008.4.11 **Approval of Resolution Amending Regulations of Board of Retirement:** The Board approved the resolution amending Regulation Sections 8.4 (E)(5)(b), 8.4(F)(1)(a), 8.4(G)(4), and 8.4 (H)(4) regarding Required Minimum Distributions and Sections 8.10 (A) and 8.10 (B) Regarding Normal Retirement Ages in Article VIII Internal Revenue Compliance.

2008.4.12 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2020:** The Board accepted the semi-annual Compliance Certification Statement for SamCERA's non-alternative investment managers, as of June 30, 2020.

2008.4.13 **Report on Preliminary Financial Statements for the Fiscal Year Ended June 30, 2020:** The Board accepted the preliminary financial statements for the fiscal year ended June 30, 2020.

2008.4.14 **Report on Budget-to-Actual for the Fiscal Year Ended June 30, 2020:** The Board accepted the preliminary report on budget-to-actual for the fiscal year ended June 30, 2020.

2008.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2008.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended July 31, 2020:** Mr. Coultrip reported that SamCERA's net preliminary return for July was 3.7% bringing the preliminary trailing twelve month return ending July 2020 to 2.7% net. This item was informational and for discussion only, no action was taken.

- 2008.6.2 **Report on Quarterly Investment Performance Report for the Period Ended June 30, 2020:** Ms. Jadallah discussed the quarterly performance report for the period ended June 30, 2020 and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2008.6.3 **Report on Fixed Income Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's opportunistic credit bond managers, PIMCO and Beach Point held on August 6<sup>th</sup> via teleconference. There were no significant concerns identified during the portfolio reviews. This item was informational and for discussion only, no action was taken.
- 2008.6.4 **Report on SamCERA's Securities Lending Program:** Ms. Dames reported on SamCERA's securities lending program with the Board. She reported the program earned \$35,079, which is a 47% increase from last fiscal year's earnings and that the majority of the earnings are mostly attributable to a few specific securities. This item was informational and for discussion only, no action was taken.
- 2008.6.5 **Report on SamCERA's Risk Dashboard as of June 30, 2020:** Mr. Gesell presented SamCERA's risk dashboard and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2008.6.6 **Approved of Proposed Alternative Investment (to be heard in Closed Session):** The Board adjourned into Closed Session at 10:53 a.m. to hear item 6.6 then reconvened in Open Session at 11:16 a.m. See Closed Session report under C2.
- 2008.6.7 **Report on Absolute Return Search:** Ms. Jadallah provided the Board with an update on the absolute return search. She and Mr. Coultrip also commented that they plan to have a recommendation by the September meeting. This item was informational and for discussion only, no action was taken.

This item was taken out of order and heard after Agenda Item 6.5.

- 2008.7.1 **Approval to Reschedule the Regular September Meeting of the Board of Retirement:** Mr. Hood discussed staff's recommendation to formally change the date of the September Board meeting from September 22, 2020 to September 29, 2020 to provide staff and consultants additional time to complete the Actual Valuation Report.

**Action:** Mr. Hackleman motioned to approve the change to date of the September Board meeting from September 22, 2020 to September 29, 2020. The motion was seconded by Mr. Battey and carried by a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefler, O'Malley and Raw all in favor; none opposed.

- 2008.7.2 **Designation of and Directions for Voting by SamCERA Delegate for the SACRS Board of Directors (BOD) Election:** Mr. Hood informed the Board that due to the uncertainty of the SACRS Fall Conference occurring, SACRS plans to conduct the Board of Directors election remotely and that submission of the Board's ballot will be an administrative task. Mr. Hood discussed staff's recommendation to designate the CEO as the delegate to transmit the Board's vote and accept the SACRS Nominating Committee's recommended slate of officers for FY 20-21.

**Action:** Mr. Hoefler motioned to approve the CEO be designated as SamCERA's voting delegate and accept the SACRS Nominating Committee's recommended slate of officers for FY 2020-21. The motion was seconded by Ms. Arnott and carried by a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefler, O'Malley and Raw all in favor; none opposed.

2008.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that staff is continuing to work remotely due to COVID-19. He also reported that he completed the online SACRS UC Berkeley course. Mr. Hood mentioned that staff plans to incorporate topics initially scheduled for the spring 2020 Board/Staff retreat into the remaining Board meetings this year. He noted that next month's Board meeting will include the Actual Valuation and Audit report, employee contribution rates and an update to the policy authorizing the CEO to execute investment documents and delegating authority for certain alternative investments. Mr. Hood reported that the County is updating their authorization for department heads to enter into contracts to up to \$200,000 and that staff will recommend this authority for the CEO in the near future.

2008.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that she will be sending out the annual actuary survey for Milliman, Inc. via SurveyMonkey. Ms. Trujillo informed Board members about upcoming educational events.

2008.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported staff will be holding annual manager reviews for opportunistic credit via Zoom on Thursday, September 3rd with White Oak at 8:00 a.m., TCP/Blackrock at 9:30 a.m. and Brigade Capital and 11:00 a.m.

The meeting was adjourned for break at 11:26 a.m. and reconvened at 11:31 a.m.

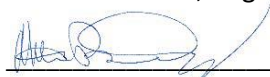
2008.8.4 **Chief Legal Counsel's Report:** Ms. Carlson presented an overview of the California Supreme Court decision in *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Assn., et al.* and answered questions from the Board.

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

C2 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26):** Ms. Carlson reported that the Board approved a motion to invest \$30 million in the Stockbridge Value Fund IV as part of SamCERA's real estate portfolio. The motion passed a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed. No other reportable action was taken.

2008.10 **Adjournment:** Mr. David adjourned the meeting at 12:07 p.m. in memory of the deceased members listed below.

Giusto, Gerald	July 8, 2020	SMMC
Sternberg, Irvin	July 16, 2020	Probation
Tan, Lourdes	July 20, 2020	Children's Protective Services
Ekhardt, Jeffrey	July 23, 2020	Sheriff's
Daw, Margaret	July 28, 2020	Social Services
Bottimore, Karlene	July 29, 2020	Library
McHenry, Caroline	August 2, 2020	Human Resources
Allee, Andrew	August 3, 2020	Child Support Services
Brinkman, John	August 6, 2020	Probation
Lenci, Alfredina	August 7, 2020	Crystal Springs Rehab Center
Collado, Dora	August 7, 2020	Human Services
Bergman, William	August 8, 2020	Controller's
Goad, Roger	August 9, 2020	Sheriff's

  
 Al David  
 Board Chair