

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
SEPTEMBER 29, 2020 – REGULAR BOARD MEETING MINUTES

2009.1 **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, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, Robert Raw and Eric Tashman.

Absent: None.

Alternates present: Susan Lee and Alma Salas.

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

Consultants and speakers: Joe Abdou, Margaret Jadallah, Jeff MacLean and Faraz Shooshani (Verus); Nick Collier and Craig Glyde (Milliman, Inc.); and Graham Schmidt (Cheiron).

2009.2.1 **Oral Communications from the Board:** None.

2009.2.2 **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 oral comments and no written comments received ahead of the meeting.

2009.3.1 **Approval of Regular Board Meeting Minutes from August 25, 2020:** Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on August 25, 2020.

**Action:** Mr. Hackleman moved to approve the minutes from the Board meeting on August 25, 2020. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley and Raw all in favor; Bowler abstained; none opposed.

2009.4.0 **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:** Mr. Raw moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hackleman and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley and Raw all in favor; none opposed.

Mr. Tashman joined the Zoom conference at 10:05 a.m.

2009.4.1 **Disability Retirements:** None.

2009.4.2 **Survivor Death Benefits:** None.

2009.4.3 **Service Retirements:**

| <b>Name</b>                    | <b>Effective Retirement Date</b> | <b>Department</b>                 |
|--------------------------------|----------------------------------|-----------------------------------|
| Alvarez-Javonillo,<br>Veronica | August 1, 2020                   | San Mateo County Health           |
| Chun, Denise                   | July 13, 2020                    | Def'd - San Mateo County Health   |
| Gutschick, Pernille            | August 1, 2020                   | Mental Health                     |
| Haug, Donald                   | July 7, 2020                     | Deferred – Public Works           |
| Leonor, Joseph                 | July 16, 2020                    | Probation                         |
| Reyes, Cydney                  | July 22, 2020                    | Mental Health                     |
| Santillan, Margarita           | July 18, 2020                    | San Mateo County Health           |
| Zilahi, Patrizia               | July 18, 2020                    | Behavioral Health & Recovery Svcs |

2009.4.4 **Continuances:**

| <b>Survivor's Name</b> | <b>Beneficiary of:</b> |
|------------------------|------------------------|
| Hernandez, Guadalupe   | Hernandez, Frank       |
| Pagmanua, Cynthia      | Pagmanua, Roberto      |
| Seager, Donald         | Seager, Linda          |
| Tan, Jauw              | Tan, Lourdes           |

2009.4.5 **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>          |
|------------------------|--------------------------------------|
| Abdulmajeed, Zaid Raad | G7, Vested - Reciprocity             |
| Alejandrino, Enrique   | G4, Non-vested - Reciprocity         |
| Barberini, Jacqueline  | G2, Vested - Reciprocity             |
| Cochrane, Jacquelyn    | G7, Non-vested - Reciprocity         |
| Doan, David            | G4, Vested - Reciprocity             |
| Elsley, Katherine      | G4, Vested                           |
| Jacobson, Bradley      | G4, Vested                           |
| Johnston, Maeve        | G7, Vested - Auto Defer - Code 31700 |
| Lopez, Rubi            | G4, Vested - Auto Defer - Code 31700 |
| Peters, Heather        | G7, Non-vested - Reciprocity         |
| Tauscher, Emily        | G4, Vested - Reciprocity             |

2009.4.6 **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> |
|--------------------|-----------------------------|
| Cook, Tarah        | G7, Non-vested              |
| Diploudis, Maria   | G7, Non-vested              |
| Gomez, Joey        | G7, Non-vested              |
| Hu, Peiyu          | G7, Non-vested              |
| Lambright, Tiffany | G7, Non-vested              |
| Murray, Julia      | G7, Non-vested              |

Sentman, Bradley

G7, Non-vested

2009.4.7 **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> |
|------------------|-----------------------------|
| Diploudis, Maria | G7, Non-vested              |
| Grasty, Bobbette | S4, Vested                  |

2009.4.8 **Member Account Redeposits:**

| <b>Name</b>        | <b>Retirement Plan Type</b> |
|--------------------|-----------------------------|
| Biggs, Arter       | G7                          |
| Castaneda, Rogelio | G4                          |

2009.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2009.4.10 **Approval of Questions for Annual Review of Brown Armstrong Accountancy:** The Board approved the evaluation questions in the "Questions for Annual Auditor Consultant Evaluation."

2009.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2009.5.2 **Presentation of the June 30, 2020 Annual Actuarial Valuation by Milliman, Inc.:** Nick Collier and Craig Glyde, of Milliman, Inc., discussed the results of the Actuarial Valuation Report and answered questions from the Board. The report was accepted without objection by the Board.

2009.5.3 **Presentation of the June 30, 2020 Annual Actuarial Valuation Audit by Cheiron, Inc.:** Graham Schmidt, of Cheiron, presented their findings and recommendations of the June 30, 2020 Actuarial Valuation. This item was informational and for discussion only, no action was taken.

2009.5.4 **Approval of Resolution Accepting the Fiscal Year 2021-2022 Employer and Member Contribution Rates and Recommendations:** After Milliman and Cheiron's presentations, Mr. David called for a motion to approve the "Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for Fiscal Year 2021-22."

**Action:** Mr. Hoefer motioned to approve the "Resolution Accepting Contribution Rates to Recommend to the Board of Supervisors for the 2021-2022 Fiscal Year." The motion was seconded by Ms. Arnott and carried by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; none opposed.

The Board was adjourned for break at 10:44 a.m. and reconvened at 10:50 a.m. with Agenda Item 6.4.

2009.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended August 31, 2020:** Mr. Coultrip reported that SamCERA's net preliminary return for August was 3.0% bringing the preliminary trailing twelve month return ending August 2020 to 6.6% net. This item was informational and for discussion only, no action was taken.

2009.6.2 **Report on Fixed Income Manager Annual Reviews:** Ms. Ng reported that staff held annual review meetings through teleconference on August 11th with SamCERA's opportunistic credit bond managers, Franklin Templeton, and two core bond managers, FIAM and Western Asset Management.

The discussion included a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. There were no significant concerns identified during the portfolio reviews. This item was informational and for discussion only, no action was taken.

2009.6.3 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual review of SamCERA's private credit managers, White Oak and Blackrock, as well as opportunistic credit manager, Brigade Capital Management. The discussion included a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. There were no significant concerns identified during the portfolio reviews. This item was informational and for discussion only, no action was taken.

2009.6.4 **Educational Presentation on Cash Flow Analysis:** Jeff MacLean, of Verus, provided an educational presentation on how SamCERA can manage its cash flow needs by potentially establishing a liquidity buffer and also answered questions from the Board. This item was informational and for discussion only, no action was taken.

The Board was adjourned for break at 12:00 p.m. and reconvened at 12:15 p.m. with Agenda Item 6.1.

2009.6.5 **Approved of Proposed Alternative Investment (to be heard in Closed Session):** The Board adjourned into Closed Session at 12:25 p.m. to hear item 6.5 then reconvened in Open Session at 1:20 p.m. See Closed Session report under C2.

2009.7.1 **Approval of Resolution Authorizing the Chief Executive Officer to Execute Documentation for Investments as Required:** Mr. Hood discussed staff's recommendation to increase dollar-limit authority for Alternative Investments up to \$35 million as the size of the fund and the respective amounts invested in Alternative Investments has increased. Mr. Hood also mentioned the remainder of the authorization is unchanged.

**Action:** Mr. Battey motioned to approve a new resolution authorizing for the Chief Executive Officer to execute documentation for investments as required. The motion was seconded by Mr. Bowler and carried by a vote of 8-0, with trustees Battey, Bowler, David, Hackleman, Hoefler, O'Malley, Raw and Tashman all in favor; none opposed. Ms. Arnott left at 1:15 p.m. prior to the vote and did not return to the meeting.

2009.7.2 **Approval of Resolution Amending Policy for Procurement and Contracting Services for Certain Goods and Services:** Mr. Hood discussed the terms of the current policy, authorizing the CEO to enter into agreements for \$100,000 and below. He informed the Board that the limit has recently increased to \$200,000 and the proposed amended policy reflects this change.

**Action:** Mr. Raw motioned to approve the resolution amending the Board's "Policy for Procurement and Contracting for Certain Goods and Services". The motion was seconded by Ms. O'Malley and carried by a vote of 8-0, with trustees Battey, Bowler, David, Hackleman, Hoefler, O'Malley, Raw and Tashman all in favor; none opposed.

2009.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that staff is continuing to work remotely due to COVID-19 and guidance from the County Manager's Office. He reported his attendance to the CALAPRS Administrator's Institute recently held online. Mr. Hood informed the Board that Liz Lederman, from the Federal Reserve Bank of SF, will likely present to the Board in February or March of next year. Mr. Hood also informed the Board that the SACRS Fall Conference will be held virtually from November 10<sup>th</sup> - 13<sup>th</sup> and will be offering a 2-hour Ethics Training course. He mentioned a few

agenda items for next month's Board meeting including the annual Audit Report, CAFR and Board Schedule for 2021.

2008.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that she will be sending out the annual Actuarial survey for Milliman, Inc. within the next day or two and plans to share the results at the next Board meeting. She informed the Board that she will be sending out the link to the mandated Sexual Harassment Training. Ms. Smith provided the Board with an update on staff's search for a Medical Advisor and plans for the interim. Ms. Trujillo informed Board members about upcoming educational events.

2009.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported staff will be holding the following annual manager reviews: State Street Public Real Assets on October 1<sup>st</sup> at 8 a.m., Angelo Gordon Credit Solutions Fund on October 6<sup>th</sup> at 9 a.m. and Standard Life Gars on October 8<sup>th</sup> at 8 a.m.

2009.8.4 **Chief Legal Counsel's Report:** None.

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 out that the Board approved:

A commitment of \$30 million to Clayton, Dubilier & Rice (CD&R) Fund XI, LP. The motion passed a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; none opposed.

A re-up commitment of \$35 million to White Oak Yield Spectrum Fund V. The motion passed a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; none opposed.

An initial investment of \$30 million (with a \$75 million total investment within a nine-month timeframe) in the CFM Systematic Global Macro strategy. The motion passed a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; none opposed.

An initial investment of \$45 million in the Acadian Multi-Asset Absolute Return Strategy. The motion passed a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; none opposed.

C3 **Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (One case.):** Ms. Carlson reported that no reportable action was taken.

2009.10 **Adjournment:** Mr. David adjourned the meeting at 2:34 p.m. in memory of the deceased members listed below.

Lambert, Thomas  
Simmons, Kevin  
Leed, Donald  
Wilson, Brent

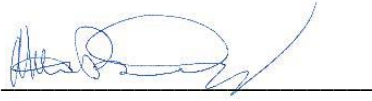
March 16, 2020  
August 9, 2020  
August 13, 2020  
August 14, 2020

General Services  
Sheriff's  
Sheriff's  
DPW

Burns, Mary  
Monto, Alexander  
Beber Vanzo, Barbara  
Gerhardt, Jack  
Lesui, Clark

August 22, 2020  
August 29, 2020  
August 31, 2020  
September 3, 2020  
September 4, 2020

Parks  
Health Dept.  
Mental Health  
Sheriff's  
H.S.A.



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Al David  
Board Chair