

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
DECEMBER 7, 2021 – REGULAR BOARD MEETING MINUTES**

2112.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Raw, 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, Elaine Orr, and Robert Raw.

Absent: Susan Lee.

Alternates: Alma Salas.

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

Consultants and speakers: Ashley Green (Brown Armstrong); and Joe Abdou, Margaret Jadallah, and John Nicolini (Verus).

2112.2.1 Oral Communications from the Board: None.

2112.2.2 Oral Communications from the Public: Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

2112.3.1 Approval of Special Board Meeting Minutes from October 26, 2021: Mr. Raw asked if there were any changes or corrections, or objections, to the minutes from the special meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

Action: Mr. Hackleman moved to approve the minutes from the special meeting on October 26, 2021. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; Bowler and Hoefer abstained; none opposed.

2112.3.2 Approval of Audit Committee Minutes from October 26, 2021: Mr. Raw asked if there were any changes or corrections, or objections, to the minutes from the Audit Committee meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

Action: Mr. Hackleman moved to approve the minutes from the Audit Committee meeting on October 26, 2021. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Arnott, Battey, David, Hackleman, O'Malley, Orr, and Raw, all in favor; Bowler and Hoefer abstained; none opposed.

2112.3.3 Approval of Regular Board Meeting Minutes from October 26, 2021: Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the regular Board meeting held on October 26, 2021. There were no changes, corrections, or objections presented.

Action: Mr. Hackleman moved to approve the minutes from the regular Board meeting on October 26, 2021. The motion was seconded by Ms. Arnott and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley, Orr, and Raw, all in favor; Bowler abstained; none opposed.

2112.4.0 **Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Mr. Hoefler moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Battey and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O'Malley, Orr, and Raw, all in favor; none opposed.

2112.4.1 **Disability Retirements:** None.

2112.4.2 **Survivor Death Benefits:** None.

2112.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Alvarez, Frank	October 1, 2021	Deferred - Public Health
Bolster, David	September 19, 2021	Sheriff's Office
Bravo, Carlos	September 2, 2021	Human Services Agency
Cuyjet, Scott	September 24, 2021	San Mateo County Health
Daniels, Rhonda	September 10, 2021	Probation
Ernst, Heidimarie	July 31, 2021	Deferred - Behavioral Health
Ilustrisimo, Cynthia	September 30, 2021	San Mateo County Health
Kapadia, Mita	September 18, 2021	Deferred - Sheriff's Office
Kelly, Ann	October 1, 2021	San Mateo County Health
Kuykendall, Mark	September 5, 2021	Sheriff's Office
Langit, Renee	September 11, 2021	San Mateo County Health
Liberona, Patricia	September 11, 2021	Family Health Services
Madayag-Santos, Mariejane	September 25, 2021	San Mateo County Health
Manilla, Edgar	September 18, 2021	Sheriff's Office
McDuffie, LaShonda	October 1, 2021	Probation
Moher, James	October 1, 2021	Sheriff's Office
Osor, Michael	October 1, 2021	Deferred - San Mateo Co Health
Sanders, Michael	September 30, 2021	Sheriff's Office
Sayos Teruel, Maria	September 18, 2021	San Mateo County Health
Vaillancourt, Val	September 25, 2021	Public Works
Williams, Laura	September 18, 2021	County Manager

2112.4.4 **Continuances:** The Board ratified the granting of continuance to the following individuals:

Survivor's Name	Beneficiary of
Fernandez, Celia	Fernandez, Federico
Fontenn'a, Juanita	Fontenn'a, Regino
Mabardy, Maria	Mabardy, Bruce
Mafi, Toatele	Mafi, Wanda
Michel, Donaciano	Michel, Rosa
Moerman, Millie	Moerman, Matthew
Molinari, Andrew	Molinari, Shirley
Nakamura, Maxine	Nakamura, George

2112.4.5 **Deferred Retirements:**

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

Name	Retirement Plan Type
Alvarado, Gonzalo	G4, Vested
Barrett, Matthew	G7, Non-vested - Reciprocity
Bautista, John-Charles	S7, Vested - Auto Defer - Code 31700
Cardoza, Lydia	G4/S4, Vested
Chang, Karen	G5, Vested - Reciprocity
Charpentier, Sean	G5, Vested - Reciprocity
Deburr, Brian	G5, Vested - Reciprocity
Feyling-Soriano, Andrea	G4/S4/P4, Vested - Auto Defer - Code 31700
Gomez, Jonathan	G4, Vested
Hang, Johnson	G7, Non-vested - Reciprocity
Katz, Rosa	G4, Vested - Reciprocity
Kim, Su Yeon	G7, Non-vested - Reciprocity
Lui, Michael	G7, Vested
Maravilla, Claudia	G4, Vested - Auto Defer - Code 31700
McMillian, Diamond	G4, Vested
Michael, Janu	G7, Vested
Miramontes, Xelina	G7, Non-vested - Reciprocity
Murphy, Kelly	S4, Non-vested - Reciprocity
Myers, Nicole	G5, Vested - Auto Defer - Code 31700
Nimau, Kristin	G5, Vested - Auto Defer - Code 31700
Richstone, Laura	G7, Non-vested - Reciprocity
Toensing, Anne-Marie	G4, Vested - Reciprocity
Williams, Audyama	S7, Vested - Reciprocity

2112.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Bonilha, Christina	G7, Non-vested
De La Herran, Esmeralda	G7, Non-vested
Fernandez, Karla J	G4, Vested
Grimes, Gladys	G7, Non-vested
Harty, Zachary	S7, Non-vested
Lee, Michael	G7, Non-vested
Newman, Derek	G7, Non-vested
Newton, James (FBO: Newton, Jaymes)	G2, Vested
Omolafe, Abby	G7, Non-vested
Recio, Justa (FBO: Canas, Anna)	G4, Vested
Recio, Justa (FBO: Lazo, Adalberto)	G4, Vested
Recio, Justa (FBO: Lazo, Ricardo)	G4, Vested
Recio, Justa (FBO: Quintos, Adabelle)	G4, Vested
Reynoso, Wade	G7, Non-vested
Ruiz, Rachael	G7, Non-vested

Scott, Charles	G7, Non-vested
Singh, Ashley	G7, Non-vested
Zuniga, Maria	G7, Non-vested

2112.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Aran, Laura	G7, Non-vested
Brune, Dorreen	G7, Non-vested
Chagonjian, Beth	G7, Non-vested
Hernandez, Denahi	G4, Vested
Hogan, Matthew	G7, Non-vested
Maher, Miriam	G7, Non-vested
Maier, Nicholas	S7, Vested
McPherson, Amanda	G4, Non-vested
Molina, Bryan	S7, Non-vested
Munnich, Megan	G7, Non-vested
Singh, Jasbir	G7, Non-vested
Straten, Lammy	G7, Non-vested
Tucker, Franklin	G7, Non-vested
Zermeno, Elias	S4, Non-vested

2112.4.8 **Member Account Redeposits:** None.

2112.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by trustees Arnott and David.

2112.4.10 **Reaffirm Education Policy:** The Board reaffirmed the Board of Retirement's "Education Policy" in substantially the same form as the policy reaffirmed in December 2020 with minor modifications for readability.

2112.4.11 **Reaffirm Travel Reimbursement Policy:** The Board reaffirmed the Board of Retirement's "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" in substantially the same form as the policy approved in December 2018 with minor modifications for clarity and readability.

2112.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2112.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended October 31, 2021:** Mr. Coultrip informed the Board that the preliminary report for October was not available in time for the Board mailing and was added on Dropbox yesterday. He reported that SamCERA's net preliminary return for October was 2.0% bringing the preliminary trailing twelve month return ending October 2021 to 20.1% net, which is below SamCERA's Plan Benchmark return of 21.6% but above SamCERA's Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.

2112.6.2 **Report on Quarterly Investment Performance Report for the Period Ended September 30, 2021:** Mr. Coultrip reported that the 3rd quarter net total return for the SamCERA portfolio was +1.1%. Alternatives (private equity) and private real assets were the main contributors of performance, while public equity (both U.S. equity and international equity) was the main detractor. Ms. Jadallah and Mr.

Abdou presented the report and answered questions from the Board. This item was informational and for discussion only, no action was taken.

- 2112.6.3 **Report on Absolute Return Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual reviews of SamCERA's absolute return managers, CFM, PIMCO and Acadian Asset Management, that took place on October 7th. This item was informational and for discussion only, no action was taken.
- 2112.6.4 **Presentation of Private Asset Semi-Annual Performance Report as of June 30, 2021:** Ms. Dames reported that as of June 30, 2021, SamCERA's private equity portfolio had a total market value of \$461 million (7.8% of SamCERA's total fund). She also reported that as of fiscal year end, SamCERA's private real assets portfolio had a total market value of \$128 million (2.2% of SamCERA's total fund). Mr. Nicolini reviewed the performance reports with the Board. This item was informational and for discussion only, no action was taken.
- 2112.6.5 **Report on Investment Consultant Review:** Ms. Ng went over the results of Verus' annual performance evaluation. Both Board and staff generally marked the components of the evaluation as above average/high. Ms. Ng also shared a few educational topics suggested by the Board. This item was informational and for discussion only, no action was taken.
- 2112.6.6 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The Board met in Closed Session at 11:09 a.m. and reconvened in Open Session at 11:52 a.m. See Closed Session report under C2.

The Board adjourned for break at 11:53 a.m. Mr. Battey and Ms. Arnott left the meeting at this time. The Board reconvened at 12:01 p.m.

- 2112.7.1 **Annual Review of Brown Armstrong:** This item was taken out of order and heard after the Consent Agenda. Ms. Smith presented the results of Brown Armstrong's annual review. She reported that Brown Armstrong received high ratings overall from both Board and staff. Ms. Smith and Mr. Hood thanked Ms. Green, Mr. Lo and the Brown Armstrong team, for always providing SamCERA with great service throughout these years.
- 2112.7.2 **Discussion of Board-Staff Retreat Topics:** Mr. Hood presented the suggested topics for the 2022 Board-Staff Retreat. He gave the Board an opportunity to provide feedback and will present a draft agenda at the next meeting. This item was informational only, no action was taken.
- 2112.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that he has joined the CALAPRS General Assembly Planning Committee and shared that the event will be held in San Diego, CA from March 5th – 8th. He mentioned a few documents available in Dropbox. Mr. Hood also informed the Board that a special meeting will be scheduled prior to the January regular meeting for the purposes of determining whether the January regular meeting should occur via teleconference pursuant to AB 361. He previewed items on the January agenda including the COLA and continued discussion of topics for the Board-Staff Retreat.
- 2112.8.2 **Assistant Executive Officer's Report:** Ms. Smith provided the Board with an update on the recruitment status for the Senior Retirement Accountant position. She also reported recruitment for a Retirement Analyst will begin soon. Ms. Trujillo shared upcoming educational opportunities with the Board.
- 2112.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that staff recently sent out nine questionnaires for the cash flow matching portfolio and requested responses by December 20th.
- 2112.8.4 **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, see item 6.6):** Mr. Okada reported that the Board met in Closed Session regarding the approval of proposed alternative investments:

Regarding the “re-up” commitment to Great Hill Equity Partners VIII, LP, in the amount of \$25 million as part of SamCERA’s Buyout/Venture Capital portfolio within Private Equity, a motion was made by David, and seconded by Hoefer, and approved by a vote of 9-0-0.

Ayes: Arnott, Battey, Bowler, David, Hackleman, Hoefer, O’Malley, Orr, and Raw.
Nos: None
Abstain: None

Regarding the commitment to Tiger Infrastructure Partners Fund III, LP in the amount of \$25 million as part of SamCERA’s infrastructure portfolio within Private Real Assets, a motion was made by Battey, and seconded by Hackleman, and approved by a vote of 6-2-1.

Ayes: Battey, Bowler, Hackleman, Hoefer, O’Malley, and Raw.
Nos: Arnott, David
Abstain: Orr

No other reportable action was taken.

C3 **Public Employee Performance Evaluation, in accordance with Gov. Code § 54957, Title: Chief Executive Officer (to be heard in Closed Session Confidential Under Gov. Code §54957):** The Board met in Closed Session at 12:27 p.m. and reconvened in Open Session at 12:39 p.m.

Mr. David reported that there was no reportable action taken.

2112.10 **Adjournment:** Mr. Raw adjourned the meeting at 12:40 p.m. in memory of the deceased members listed below.

Jeong, Grace	October 1, 2021	Mental Health
Rapley, Jack	October 1, 2021	Fire Warden
Hammarstrom, John	October 3, 2021	Sheriff's
Miramontes, Annette	October 10, 2021	Fiscal Services
Foster, Ellis	October 19, 2021	Public Works
Chaves, Lawrence	October 20, 2021	Sheriff's
Gill, Harrison	October 21, 2021	Hospital
Cheyrias, MaryJo	October 25, 2021	Human Services
Chackel, Betty	October 27, 2021	Courts
Frakes, Janet	November 1, 2021	EPS
Melghem, Marta	November 2, 2021	Hospital
Wetteland, Donald	November 16, 2021	Public Works



Robert Raw
Board Chair