

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

JANUARY 26, 2021 – REGULAR BOARD MEETING MINUTES

**2101.1 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, Kurt Hoefer, Katherine O'Malley, Robert Raw, Alma Salas (for Paul Hackleman) and Eric Tashman.

Absent: Paul Hackleman and Susan Lee.

Alternates: None.

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

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

**2101.2.1 Oral Communications from the Board:** None.

**2101.2.2 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. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2101.3.1 Approval of Regular Board Meeting Minutes from December 8, 2020:** Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on December 8, 2020. Ms. Arnott noted a typo on agenda item 6.7 which should be corrected to "Approval of Proposed Alternative Investments".

**Action:** Mr. Battey moved to approve the minutes as noted from the Board meeting on December 8, 2020. The motion was seconded by Mr. Hoefer and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

**2101.4.0 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. Hoefer moved to approve the items on the Consent Agenda. The motion was seconded by Ms. Arnott and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

**2101.4.1 Disability Retirements:** None.

**2101.4.2 Survivor Death Benefits:** None.

2101.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Akiyama, Kathleen	October 22, 2020	Behavioral Health & Recovery Srvs
Alfassa, Helen	October 3, 2020	Superior Court
Arellano, Jessica	November 25, 2020	Deferred - Probation
Chen, Eric	November 14, 2020	Dept. of Public Works
Cornist Dhati, Rodney	October 6, 2020	Deferred - Human Services Agency
DeJesus, Mario	October 7, 2020	Deferred - Human Services Agency
DeTar, Jean	November 25, 2020	Health Services
Fernyak, Susan	October 17, 2020	San Mateo County Health
Fritzsching, Martin	December 1, 2020	Deferred - Probation
Garibaldi, Jeffrey	October 4, 2020	Agriculture - Weights & Measures
Holliday, Justin	November 5, 2020	Deferred - Sheriff's Office
Homman, Tonya	October 8, 2020	Deferred - Sheriff's Office
Leon, Lourdes	November 5, 2020	Deferred - Courts
LeVack, Cathy	October 3, 2020	Assessor's Office
McCavitt, Thomas	October 2, 2020	Deferred - San Mateo County Health
Meyers, William	October 16, 2020	San Mateo County Health
Mihos, David	October 17, 2020	Probation
Miller, Gregory	November 1, 2020	Deferred - Sheriff's Office
Munsey, John	November 15, 2020	Sheriff's Office
Narag, Perla	October 31, 2020	Health Services
Pacia, Michael	October 2, 2020	Human Services Agency
Peavey, Chindi	November 1, 2020	Mosquito District
Perkins, Brian	October 19, 2020	Deferred - Board of Supervisors
Reed, Robert	November 23, 2020	Health Services
Reyes, Jeremy	November 4, 2020	Controller's Office
Rothaus, Gregory	November 2, 2020	Sheriff's Office
Schalch, Pamela	November 29, 2020	San Mateo County Health
Shuttleworth, La Donna	October 5, 2020	Sheriff's Office
Simpson, Judy	October 31, 2020	Aging & Adult Service
Velez, Gerardo	October 18, 2020	Human Services Agency
Wettstein, Sandra	November 28, 2020	Health Services
Witt, Charles	October 1, 2020	Deferred - Sheriff's Office
Yuson, Maria Teresa	October 31, 2020	Human Services Agency

2101.4.4 **Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Brinkman, Laurel	Brinkman, John
Daw, Michael	Daw, Margaret
Hassell, Chris	Hassell, Mark
Marich, Paul	Rinonos, Maria
Monto, Marian	Monto, Alexander
Ruiz, Martha	Maggy, Bradley
Tillotson, James	Tillotson, Christina
Wong, Judy	Wong, Donald

2101.4.5 **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>
Bonilla, Barbara	G5, Vested - Auto Defer - Code 31700
Bui, Jennifer	G5, Vested - Auto Defer - Code 31700
Chen, Cindy	G7, Non-vested - Reciprocity
Chu, Chiu Ming	G7, Non-vested - Reciprocity
Cleofas, Richard	G7, Non-vested - Reciprocity
Contreras, Daniel	S7, Non-vested - Reciprocity
Glynn, Gretchen	G4, Vested - Reciprocity
Haskell, Deanna	G4, Vested
Hoang, John C	G4, Vested - Reciprocity
Joya, Emrick	S7, Non-vested - Reciprocity
Mihos, Elizabeth	P4, Vested
Nguyen, Linda	G7, Vested - Auto Defer - Code 31700
Oh, Brian	G7, Vested - Reciprocity
Slaughter, Matthew	G5, Vested - Auto Defer - Code 31700

2101.4.6 **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>
Corzantes, Juan	S7, Non-vested
Glutz, James	S7, Non-vested

2101.4.7 **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>
Hawkins, Christopher	G4, Non-vested

2101.4.8 **Member Account Redeposits:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Castaneda, Rogelio	G4, Vested

2101.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2101.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2020:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers and investment consultant, as of December 31, 2020.

2101.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2101.5.2 **Approval of a Resolution Adopting Cost of Living Adjustments (COLAs) for 2021:** Mr. Hood discussed Milliman's recommendation for cost of living adjustments (COLAs) for 2021. COLAs were recommended for each retiree and beneficiary recipient, who retire on or before April 1, 2021, as follows: 1.5% for all Plan 1, 2, 4, 5, 6 and 7 members and between 1.5% and 3% depending on retirement date and COLA Bank for Probation Plan 1 members.

**Action:** Ms. Salas motioned to approve a resolution adopting the Cost of Living Adjustments as recommended by Milliman, Inc. The motion was seconded by Ms. O'Malley and carried by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

2101.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended December 31, 2020:** Mr. Coultrip reported that SamCERA's net preliminary return for December was 2.2% bringing the preliminary trailing twelve month return ending December 2020 to 9.6% net, which is above SamCERA's Plan Benchmark return of 9.0% and above SamCERA's Actuarial Assumed Earnings Rate of 6.5%. This item was informational and for discussion only, no action was taken.

2101.6.2 **Approval of Updated Asset Allocation Policy Portfolio:** Mr. Coultrip discussed the proposed policy tweaks to the current portfolio by reducing core fixed by 3% (by removing SamCERA's intermediate Treasury portfolio), and adding 2% to the growth bucket (1% each to domestic and international equity), while keeping 1% in Diversifying by adding to absolute return. The allocation to inflation Hedge remains the same, however a 1% increase to private real assets is funded by a 1% reduction to real estate. Ms. Jadallah and Mr. Gesell of Verus, presented their capital market assumption and asset allocation report to the Board.

**Action:** Mr. Raw motioned to approve the proposed updated asset allocation policy portfolio. The motion was seconded by Ms. Salas and carried by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

2101.7.1 **Report on March 23, 2021 Virtual Board-Staff Retreat Planning:** Mr. Hood discussed the list of suggested retreat topics for the upcoming Board-Staff Retreat. He mentioned that in speaking with Nick Collier (Milliman, Inc.) last week, it was recommended to include a discussion regarding actuarial funding options. He also mentioned potentially having Associate Economist, Luiz Oliveira speak at the retreat. Mr. Hood offered the Board with another opportunity to suggest additional topics. This item was informational only, no action was taken.

2101.7.2 **Approval to Fill the Chief Legal Counsel Position:** Mr. Hood noted that Ms. Carlson will be retiring on April 1, 2021. He discussed staff's search in finding her replacement and requested authority to directly appoint Paul Okada to fill the Chief Legal Counsel position. Mr. Hood discussed Paul's private and public sector experience and noted staff does not believe there can be a better candidate for the position.

**Action:** Mr. Tashman motioned to authorize the Chief Executive Officer to hire Paul Okada to fill the position of Retirement Chief Legal Counsel. The motion was seconded by Mr. Raw and carried by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

2101.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board that Vitech recently presented plans to change platforms to operate its pension administration software. Staff is reviewing the information and will request additional information from Vitech. Mr. Hood shared a few items that may be on next month's agenda in addition to the retreat agenda.

Paul Okada joined the meeting and introduced himself to the Board. He expressed his gratitude for the opportunity and looks forward to working with them.

2101.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that all 1099's have been mailed out. She shared that a recruitment is in progress to fill the current Retirement Senior Accountant vacancy. Ms. Smith reviewed the upcoming term expirations of 3 seats on the Board of Retirement, which will expire on June 30, 2021: 2<sup>nd</sup> Member (Katherine O'Malley), 7<sup>th</sup> Member (Robert Raw) and 9<sup>th</sup> Member Safety Alternate (Susan Lee). Ms. Smith had an initial call with the Elections Office and plans to provide the election schedule at next month's meeting. Ms. Trujillo informed Board members about upcoming educational events.

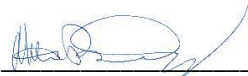
2101.8.3 **Chief Investment Officer's Report:** None.

2101.8.4 **Chief Legal Counsel's Report:** Ms. Carlson expressed her happiness that Mr. Okada will be the next Chief Legal Counsel and looks forward to working with him for a seamless transition at the end of March.

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

2101.10 **Adjournment:** Mr. David adjourned the meeting at 11:54 a.m. in memory of the deceased members listed below.

Maggy, Bradley	November 12, 2020	Personnel
Taylor, Lois	November 15, 2020	Chope Hospital
Burns, Dorothy	November 19, 2020	Children's Services
Tillotson, Christina	November 21, 2020	Mental Health
Hekker, Janice	November 22, 2020	Chope Hospital
Sanfelice, Caterina	November 23, 2020	Hospital
Durchslag, Joanne	November 27, 2020	Mental Health
West, Dorothy	December 2, 2020	Library
Evans, Laura	December 4, 2020	Chope Hospital
Zahradnik, David	December 12, 2020	Sheriff's
Kamiya, Stanley	December 12, 2020	Mosquito & Vector Control
McManners, Jeanne	December 12, 2020	Chope Hospital
Barela, Frank	December 18, 2020	Courts
Barretta, Steven	December 21, 2020	Sheriff's
Kong, Georgette	December 26, 2020	Library
Yakushi, Chiyo	December 28, 2020	Courts
Kuhn, Jack	December 29, 2020	Parks Dept
Emmerich, Joann	January 1, 2021	General Services



Al David  
Board Chair