

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

MAY 25, 2021 – REGULAR BOARD MEETING MINUTES

2105.1 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: Susan Lee and Alma Salas.

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

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

2105.1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Officers: Mr. David informed the Board that he will be reaching out to Board members within the next few days regarding appointments to the Ad-Hoc Nominating Committee.

2105.2.1 Oral Communications from the Board: Mr. Hood read a resolution honoring and thanking Mr. Tashman for his service to the Board of Retirement and SamCERA. Several Board members personally shared their gratitude and well wishes to Mr. Tashman. There were no other oral communications from the Board.

2105.2.2 Oral Communications from the Public: None.

2105.3.1 Approval of Regular Board Meeting Minutes from April 27, 2021: Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on April 27, 2021. Ms. Arnott requested to amend Agenda Item 2104.5.2 by removing Mr. Hackleman and Mr. Tashman's arrival time as it was already stated in the Roll Call. Ms. O'Malley also requested a change to the vote on Agenda Item 2104.7.1. The vote should include O'Malley instead of Lee.

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

2105.4.0 Approval of the Consent Agenda: Mr. David asked if there were any items to be removed for discussion from the Consent Agenda. Ms. Smith informed the Board that Patrino Sudano's disability application will be continued to the July Board meeting. No additional items were removed.

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

2105.4.1 **Disability Retirements:**

- a) The Board found that **Norman Aleman** (1) is permanently incapacitated from the performance of his usual and customary duties as a Veterans Services Officer, (2) found that his disability arose out of and in the course of his employment and such employment contributed substantially to his disability and (3) granted his application for a service-connected disability retirement.

- b) The Board found that **Eyal Graif** (1) is permanently incapacitated from the performance of his usual and customary duties as an IS Application Support Analyst III, (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.

2105.4.2 **Survivor Death Benefits:** None.

2105.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Andres, Joshua	March 31, 2021	San Mateo County Health
Bernstein, Michele	April 1, 2021	Public Works
Bohnet, Juliene	April 1, 2021	San Mateo County Health
Bow, Catherine	March 31, 2021	Sheriff's Office
Carey, Sarah	April 1, 2021	Child Support Services
Carlson, Brenda	April 1, 2021	SamCERA
Cassidy-White, Nichol	March 21, 2021	Deferred - Library
Cepello, Dennis A	April 1, 2021	Information Services
Chong-Jeung, Aileen	April 1, 2021	Deferred - Environmental Health
Cuevas, Victor	April 1, 2021	San Mateo County Health
De Gabe, Herminia (DOB verified by citizenship docs)	March 31, 2021	Public Health
DeiRossi, Robert	April 1, 2021	Behavioral Health
Ebora, Julie	April 1, 2021	San Mateo County Health
Estrin, Sandra	March 27, 2021	Environmental Health
Feeley, Duane	March 27, 2021	Behavioral Health
Feirman, Nina	March 20, 2021	San Mateo County Health
Firenze, Harrilyn	March 20, 2021	Probation
Fitch, Dina	March 20, 2021	Human Services Agency
Fong, Wallace	March 28, 2021	Sheriff's Office
Gillespie, Helen	April 1, 2021	Superior Court
Graffe, Steve	March 20, 2021	Public Works
Grgich, Laura	March 28, 2021	San Mateo County Health
Griffiths, Julie	April 1, 2021	San Mateo County Health
Gutter, LaSaundra	March 27, 2021	Probation
Hancock, Lois	April 1, 2021	QDRO
Hancock, Miles	April 1, 2021	Deferred – Planning & Building
Higareda, Robert	April 1, 2021	Sheriff's Office
Horgan, Timothy	April 1, 2021	Mental Health
Ibarrientos, Glenn	April 1, 2021	Family Health Services
Karagianes, Alex	March 27, 2021	Sheriff's Office
Kingore-Huffman, Kyra	March 31, 2021	Deferred from Agriculture
Kirik, Inna	March 27, 2021	San Mateo County Health
Kirkpatrick, Scott	March 26, 2021	Sheriff's Office

Kueffner, Jamie	March 31, 2021	Deferred - Information Services
LaClair, Joseph	March 31, 2021	Planning & Building
Laurent, Jenifer	March 27, 2021	Health IT
Laya, Ruth	March 31, 2021	Probation
Lopez, Guillermo	April 1, 2021	Behavioral Health
Lopez, Victor	March 21, 2021	Sheriff's Office
Maragoulas, Theresa	April 1, 2021	Superior Court
Marin, Isagani	March 27, 2021	San Mateo County Health
Martinez, Moises	March 7, 2021	Deferred - Social Services
McKague, Brian	April 1, 2021	Sheriff's Office
Mendoza, Rita	March 12, 2021	Children's Health Services
Merat, Shiva	March 14, 2021	San Mateo County Health
O'Connell, Michael	March 31, 2021	Planning & Building
Peterson, Patrick	March 27, 2021	Tax Collection
Phillips, Thomas	April 1, 2021	Superior Court
Pratap, Robin	March 27, 2021	Probation
Pronske, Robert	March 20, 2021	Sheriff's Office
Rodgers, Karen	April 1, 2021	County Manager's Office
Romero, Manuel	April 1, 2021	Public Works
Rumbaua, Lorda	April 10, 2018	San Mateo County Health
Schwartz, Jennifer	March 6, 2021	Sheriff's Office
Solorzano, Maria	March 13, 2021	San Mateo County Health
Sommer, Torsten	March 31, 2021	Sheriff's Office
Soto, Mario	March 6, 2021	Deferred - Sheriff's Office
Stein, Nelly	March 6, 2021	Human Services Agency
Tang, Kwok-Leung	April 1, 2021	Public Works
Tatola, Pelelina	April 1, 2021	Sheriff's Office
Turner, Aaron	March 31, 2021	Probation
Vasquez, Vincent	March 21, 2021	Sheriff's Office
Ventura, Ana	April 1, 2021	San Mateo County Health
Warren, John	March 31, 2021	District Attorney's Office
Willett, Robert	March 31, 2021	Sheriff's Office

2105.4.4 **Continuances:**

Survivor's Name

Batara, Laura
Emmerich, Alfred
Goodwin, Sandra

Beneficiary of:

Hudson, Byron
Emmerich, Jo Ann
Goodwin, Earl

2105.4.5 **Deferred Retirements:**

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

Name	Retirement Plan Type
Cameron, Jaclyn	G7, Vested
Fung, Nga Yew Lucy	G4, Vested - Auto Defer - Code 31700
Kahn, Hannah	P4, Vested - Auto Defer - Code 31700
Nunez, Jacqueline	G7, Non-vested - Reciprocity
Vielman-Reeves, Paula	G7, Vested - Auto Defer - Code 31700

2105.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Anderson, Marc	G7, Non-vested
Meadows, Donovan	G7, Non-vested
Thomas, Donald	G4, Non-vested

2105.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Ananda, Renee	G7, Non-vested
Chen, Jian	G7, Non-vested
Hutchings, James	S7, Non-vested
Irby, Daniel	G7, Non-vested

2105.4.8 **Member Account Redeposits:** None.

2105.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2105.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2105.5.2 **Approval of Economic Assumptions to be used in the June 30, 2021 Actuarial Valuation:** Mr. Collier and Mr. Glyde discussed Milliman Inc.'s recommended actuarial assumptions with the Board. They suggested it would be reasonable to lower SamCERA's assumed earnings rate to 6.25%, retain the remaining economic assumptions used in the June 30, 2020 annual valuation and phase in the employer rates over a three-year period to minimize the short-term impact to the employer contribution expense.

Action: Mr. Battey moved to approve the economic assumptions as follows: Investment return at 6.25%, inflation at 2.5%, wage at 3%, and payroll growth at 3%; the COLA assumption for Plans 1 and 2 be set in accordance with the inflation assumption; and the employer contribution rates be phased in over a three-year period. The motion was seconded by Mr. Hackleman and carried with a vote of 8-1, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O'Malley and Tashman all in favor; Mr. Raw opposed.

- 2105.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended April 30, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for April was 2.6% bringing the preliminary trailing twelve month return ending April 2021 to 24.5% net, which is above SamCERA's Plan Benchmark return of 22.3% and above SamCERA's Actuarial Assumed Earnings Rate of 6.5%. This item was informational and for discussion only, no action was taken.
- 2105.6.2 **Report on Quarterly Investment Performance for the Period Ended March 31, 2021:** Ms. Jadallah and Mr. Abdou reviewed the quarterly performance report with the Board. The 1st quarter net total return for the SamCERA portfolio was +2.6%, which was 100 bps lower than the +3.6% policy benchmark return. Alternatives were the main detractor to performance, while fixed income was the main contributor. This item was informational and for discussion only, no action was taken.
- 2105.6.3 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's real estate manager, PGIM. The meeting was held virtually on April 15th and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. There were no significant concerns identified during the review. This item was informational and for discussion only, no action was taken.
- 2105.6.4 **Report on Core Equity and Passive Manager Annual Reviews:** Ms. Ng reviewed meeting notes from the May 6th annual review of SamCERA's index manager, Blackrock, and small-cap core equity manager, Quantitative Management Associates. There were no major concerns identified during the reviews. Ms. Ng also reported that additional annual reviews took place on May 13th with SamCERA's other core equity manager, D.E. Shaw, and low volatility equity managers, PanAgora and Acadian, and that report will be given at the next Board meeting. This item was informational and for discussion only, no action was taken.

The Board adjourned for a short break at 11:19 a.m. and reconvened at 11:25 a.m. in Closed Session with Agenda Item 6.5.

- 2105.6.5 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** See Closed Session report under C2.
- 2105.8.1 **Chief Executive Officer's Report:** On behalf of staff, Mr. Hood congratulated Mr. Tashman for completing his 4th term and thanked him for his service on the Board. Mr. Hood provided an update on SamCERA's June 15th office reopening and stated that as the State's reopening progresses, SamCERA will continue to reassess and will also keep the Board updated. Mr. Hood turned it over to Mr. Okada to provide the Board with an update on the Governor's Executive Order N-29-20. Mr. Okada reported that local agency associations have reached out to the Governor regarding the Executive Order, requesting reasonable notice and clarification as to whether the Brown Act restrictions would be lifted upon the state's reopening date of June 15th. He suggested that the Governor's recent announcement that social distancing requirements would be lifted on June 15th has made the continuation of the Executive Order unclear and staff will continue to gather information, keep the Board updated, and plan the July Board meeting accordingly. Mr. Hood previewed a few items on the July agenda including the swearing in of Trustees, the election of Board Officers, appointment of committees and review of the Code of Conduct and Records Retention Policy.
- 2105.8.2 **Assistant Executive Officer's Report:** Ms. Smith provided an update on the Board seats set to expire at the end of June, as well the recruitment for a Senior Retirement Accountant. Ms. Smith also shared that staff is close to launching the SamCERA mobile application and a soft launch is planned among staff to do a final test run. Ms. Trujillo informed Board members about upcoming educational opportunities and reported there were no public comments received before the meeting.

2105.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported on rebalancing activities during the month.

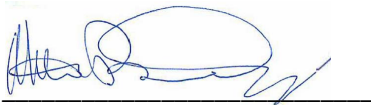
2105.8.4 **Chief Legal Counsel's Report:** None.

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 6.5):** Mr. Okada reported that the Board approved the recommendation for a "re-up" commitment to ABRY Senior Equity VI, LP in the amount of \$15 million. The motion was approved by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O'Malley, Raw, and Tashman all in favor; none opposed. No other reportable action was taken.

2105.10 **Adjournment:** Mr. David adjourned the meeting at 11:49 a.m. in memory of the deceased members listed below.

Barton, James	April 8, 2021	Sheriff's
Van Pelt, James	April 20, 2021	Information Services
Miller, Abbie	April 20, 2021	Aging & Adult Services
Snowden, Shirley	April 21, 2021	Probation
Luft, John	April 22, 2021	District Attorney's Office
Hernandez, Simon	April 23, 2021	Hospital
Larson, Mary Lou	April 24, 2021	Sheriff's
Stuart, Bette	April 28, 2021	Treasurer's/Retirement Services
Yuki, Dorothy	May 1, 2021	Assessor's
Wong, Edmund	May 9, 2021	Probation



Al David
Board Chair