

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
MAY 24, 2022 – REGULAR BOARD MEETING MINUTES

2205.1 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.

Roll Call:

Present: Sandie Arnott, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Elaine Orr, and Robert Raw.

Absent: Mark Battey, Susan Lee, and Katherine O'Malley.

Alternates: Alma Salas.

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

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

2205.1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Officers: Mr. Raw announced that he and the remaining members of the Ad Hoc Nominating Committee, Mr. David and Mr. Battey, would meet in June and present a slate of officers at the July meeting for the Board's approval. He also shared that Ms. Arnott has agreed to help the Audit Committee and serve as Vice Chair.

2205.2.1 Oral Communications from the Board: Mr. Raw shared an honorary resolution for Mr. Bowler and thanked him for his service to the Board of Retirement. Ms. Salas also shared an honorary resolution for Mr. Hackleman and expressed her gratitude for his service on behalf of the Board.

2205.2.2 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.

2205.3.1 Approval of Special Board Meeting Minutes from April 26, 2022: Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the special Board meeting on April 26, 2022. There were no changes, corrections, or objections presented.

Action: Mr. David moved to approve the minutes from the special Board meeting on April 26, 2022. The motion was seconded by Mr. Hackleman and carried with a vote of 7-0, with trustees Arnott, Bowler, David, Hackleman, Hoefer, Orr, and Raw all in favor; none opposed.

2205.3.2 Approval of Regular Board Meeting Minutes from April 26, 2022: Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the regular Board meeting held on April 26, 2022. There were no changes, corrections, or objections presented.

Action: Mr. Hackleman moved to approve the minutes from the regular Board meeting on April 26, 2022. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Bowler, David, Hackleman, Hoefer, Orr, and Raw all in favor; none opposed.

2205.3.3 Approval of Special Board Meeting Minutes from April 28, 2022: Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the special Board meeting held on April 28, 2022. There were no changes, corrections, or objections presented.

Action: Mr. Hoefler moved to approve the minutes from the special Board meeting on April 28, 2022. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Bowler, David, Hackleman, Hoefler, Orr, and Raw all in favor; none opposed.

2205.4.0 **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. Hackleman moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hoefler and carried with a vote of 7-0, with trustees Arnott, Bowler, David, Hackleman, Hoefler, Orr, and Raw all in favor; none opposed.

2205.4.1 **Disability Retirements:** None.

2205.4.2 **Survivor Death Benefits:** Based on the review of the application and the death certificate, the Board: (1) found the heart presumption contained in Government Code section 31720.5 applies (2) found that there is not sufficient evidence to rebut the presumption; (3) found that Roger Hernandez's condition arose out of and in the course of his employment; and (4) granted the application for a service-connected death benefits to his surviving spouse, Ediltrudis Suero.

2205.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Alioto-Perez, Louise	April 1, 2022	Public Health
Alvarado, James	April 1, 2022	Public Works
Amaya, Francisco	April 1, 2022	Human Services Agency
Ang, Teddy	March 31, 2022	Information Services
Araniva, Rolando	April 1, 2022	Sheriff's
Bayless, Roy	March 31, 2022	Information Services
Beasley, Gary	March 18, 2022	Human Services Agency
Bedolla, Vincent	March 14, 2022	Sheriff's Office
Beiers, John	April 1, 2022	County Counsel
Belville, Daniel	March 31, 2022	Emergency Management
Besson, Tamar	March 20, 2022	San Mateo County Health
Blake, Omar	March 25, 2022	Deferred - Mental Health
Brennan, John	March 31, 2022	Planning & Building
Burbridge, Michael	March 8, 2022	San Mateo County Health
Byczkowski, Hedwiga	March 31, 2022	Behavioral Health
Cabezas, Mariaelena	April 1, 2022	San Mateo County Health
Cameron, Marlise	April 1, 2022	Sheriff's Office
Carignan, Michael	March 19, 2022	Human Resources
Carpentier, Christine	April 1, 2022	Probation
Carrasco, Joseph	April 1, 2022	Superior Court
Castillo, Eduardo	April 1, 2022	Controller's
Cerelli, Robert	March 22, 2022	Assessor Clerk Recorder Elections
Chen, Maria	April 1, 2022	San Mateo County Health
Chicks, Michelle	March 31, 2022	Human Services Agency
Chow, Patti	April 1, 2022	Assessor Clerk Recorder Elections
Chu, Hwai-Ming	March 31, 2022	San Mateo County Health
Consani, Robert	April 1, 2022	Public Safety Communications
Cooney, Robert	March 31, 2022	Def'd - Assessor Clerk Recorder Elections
Cruz, Maria Luisa	April 1, 2022	San Mateo County Health
De Silva, Raymundo	March 31, 2022	San Mateo County Health

Di Gualco, Regina	March 19, 2022	Controller's
Dorian Kern, Ilana	April 1, 2022	Behavioral Health
Dudum-Herrera, Hilda	March 3, 2022	San Mateo County Health
Evangelista, Violeta	March 20, 2022	San Mateo County Health
Finato, Todd	March 20, 2022	Sheriff's Office
Freeman-Jackson, Eileen	March 31, 2022	Probation
Gallardo, Victor	April 1, 2022	Public Works
Giguere, Gregory	March 31, 2022	District Attorney's
Goulart, James	March 19, 2022	Sheriff's Office
Grady, Donald	April 1, 2022	County Manager's Office
Gulli, Anthony	March 22, 2022	Public Works
Herbert, John	March 31, 2022	Behavioral Health
Holmes, Irene	March 5, 2022	Def'd - District Attorney's Office
Howard, Katherine	March 31, 2022	Aging & Adult Services
Hunter, Eula	April 1, 2022	Sheriff's Office
Hynson, Ramon	March 31, 2022	San Mateo County Health
Ilano-Manuel, Alma	April 1, 2022	San Mateo County Health
Irvine, Kathleen	April 1, 2022	Sheriff's Office
Jackson, Emmett	April 1, 2022	Public Works
Janif, Mohammed	April 1, 2022	San Mateo County Health
Jimenez, Maribel	March 18, 2022	Probation
Kusaba, John	April 1, 2022	Human Services Agency
Lawrence,Jr, Robert	March 8, 2022	Sheriff's Office
Lee, Adriane	April 1, 2022	Probation
Lin, Jessie	March 20, 2022	Human Services Agency
Linhares, Lisa	March 19, 2022	San Mateo County Health
Lomax, Yolanda	April 1, 2022	San Mateo County Health
Macleod, Paul	April 1, 2022	Probation
Mak, Po	April 1, 2022	Child Support Services
McDevitt, Kyle	March 12, 2022	Sheriff's Office
McMaster, Jean	March 12, 2022	Behavioral Health
Mean, Joicy	April 1, 2022	Behavioral Health
Mejia, Maria Victoria	March 31, 2022	Planning & Building
Miramontes, Jose	April 1, 2022	Public Works
Mosely, Mark	February 16, 2022	Behavioral Health
Orth, Carol	March 31, 2022	Controller's
Owen, Kenneth	March 31, 2022	Sheriff's Office
Ponce, Fernando	March 5, 2022	Public Works
Porter, Paul	April 1, 2022	Public Works
Romero, Jesus	April 1, 2022	Probation
Romero, Roy	April 1, 2022	Probation
Ruybal, Shannon	March 9, 2022	QDRO
Sanchez, John	March 31, 2022	Deferred
Sato, Kathy	March 27, 2022	Deferred - San Mateo Co Health
Schirle, Gregory	April 1, 2022	Environmental Health
Selvy, Vernon	March 26, 2022	Deferred - Parks
Shwan, Tracy	April 1, 2022	Probation
Skorinis, Dimitre	April 1, 2022	Sheriff's Office
Smalley, Nicole	March 31, 2022	Superior Court
Smith, Victoria	March 5, 2022	Human Services Agency
Solis, Eloy	April 1, 2022	Sheriff's Office
Spicer, Joan	April 1, 2022	San Mateo County Health

Steaveson, James	March 16, 2022	Sheriff's Office
Stillman, Ronald	April 1, 2022	Public Works
Talley, Leslie	March 5, 2022	Sheriff's Office
Tam, Eliza	April 1, 2022	Public Works
Tingin, Anabel	April 1, 2022	Public Health
Tolentino, Diosdado	April 1, 2022	San Mateo County Health
Ugarte-Ortiz, Martha	April 1, 2022	Behavioral Health
Utumoengalu, Keasi	April 1, 2022	Public Works
Vermilion, Daniel	April 1, 2022	Mental Health
Villegas, Jose	March 26, 2022	Probation
Wang, Mark	March 30, 2022	Behavioral Health
Warmoth, Theresa	April 1, 2022	Human Services Agency
Zorfas, Lauren	March 5, 2022	Superior Court

2205.4.4 **Continuances:**

Survivor's Name:

Carter, Nancy Okada
Gatzert, Patricia
Harris, Eloise
Rapley, Bonnie

Beneficiary of:

Carter, Michael J
Gatzert, Norman
Harris, George
Rapley, Jack

2205.4.5 **Deferred Retirements:**

Name

Arzola, Eliza
Barcelo, Alexandra
Calafato, Kathryn
Chung, Jimmy
Cunningham, Erika
Kong, Frances
Kwan, David
Kwon, Joy
Lujan, William
Marcelo Huerta, Ana
McKeon, Michael
Ormonde, Jessica
Panglao, Ruemel
Quezada-Torres, Yahosca
Trabanino, Bryan
Vivero, Emma
Xu, Susan
Zaidi, Farah

Retirement Plan Type

G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
S7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested – Auto Defer – Code 31700
G7, Vested - Reciprocity
G7, Vested – Auto Defer – Code 31700
G7, Vested
G7, Vested – Auto Defer – Code 31700
S5, Vested – Auto Defer – Code 31700
G4, Vested
G7, Vested
G7, Vested - Reciprocity

2205.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Johnson, Alexis	G7, Non-vested
Stoja, Denise	G7, Non-vested
Sweetnam, Mariko	G7, Vested

2205.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Hagberg, Sharon	G4, Vested
Jimenez, Lorayne	G4, Non-vested
Jones, Alexandra	G7, Non-vested
Meyer, Michael	G7, Non-vested
Schuman, Carolyn	G4, Non-vested
Sweetnam, Mariko	G7, Vested

2205.4.8 **Member Account Redeposits:** None.

2205.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted report for educational activity attended by Ms. Orr.

2205.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2205.5.2 **Review of Liability Dashboard:** Mr. Collier and Mr. Glyde, of Milliman Inc., presented the liability dashboard showing the fund's liabilities and employer contribution rates for the current year. This item was informational and for discussion only, no action was taken.

2205.5.3 **Approval of Economic Assumptions to be Used in the June 30, 2022 Actuarial Valuation:** Mr. Collier and Mr. Glyde discussed Milliman Inc.'s recommendation to re-adopt the assumptions from last year for the June 30, 2022 valuation. Mr. Glyde presented the investment return, inflation, wage and payroll growth assumptions and how indicators have moved over the past year.

Action: Mr. Hackleman moved to approve the economic assumptions as follows: Investment return at 6.25%, inflation at 2.50%, wage at 3.00%, and payroll growth at 3.00%; the COLA assumption for Plans 1 and 2 be set in accordance with the inflation assumption; and the employer contribution rates continue to be phased in for the second year of the three-year phase-in period. The motion was seconded by Mr. Bowler and carried by a vote of 7-0 with trustees Arnott, Bowler, David, Hackleman, Hoefer, Orr, and Raw all in favor; none opposed.

2205.5.4 **Educational Presentation on the Actuarial Funding Controls:** Mr. Collier provided the Board with an educational presentation on actuarial funding measures to effectively manage the fund. Mr. Collier and Mr. Hood recommended that developing a formal funding policy would be appropriate to provide guidance in the funding decisions "post cliff". Mr. Hood proposed to present a draft funding policy at

the next meeting in which the Board agreed. This item was informational and for discussion only, no action was taken.

- 2205.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended April 30, 2022:** Mr. Coultrip reported that SamCERA's net preliminary return for April was -2.6% bringing the preliminary trailing twelve month return ending April 2022 to 1.5% net. He reported that most assets classes outside of commodities were lower in April as hawkish actions by central banks increased global recession worries. This item was informational and for discussion only, no action was taken.
- 2205.6.2 **Report on Quarterly Investment Performance for the Period Ended March 31, 2022:** Mr. Nicolini, Mr. Abdou, and Ms. Jadallah reviewed the quarterly report with the Board. They provided a summary of the 1st quarter and manager performance within the report. The quarter net total return for the portfolio was -1.9%, which was 0.20% below the policy benchmark return of -1.7% with international equity being the main detractor. This item was informational and for discussion only, no action was taken.
- 2205.6.3 **Report on the Core Equity and Passive Manager Annual Reviews:** Ms. Ng reviewed the meeting notes of the annual reviews of SamCERA's passive index manager, Blackrock, and small-cap core equity manager, PGIM Quantitative Solutions LLC. Both meetings took place on May 5th and included a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reported that there were no major concerns identified during the review. She also shared that annual reviews for SamCERA's other core equity manager, D.E. Shaw, and low volatility equity managers, PanAgora and Acadian, will be reported at the next Board meeting. This item was informational and for discussion only, no action was taken.
- 2205.6.4 **Approval of Proposed Alternative Investment (to be heard in closed session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** This item was heard in Closed Session at 11:47 a.m. and reconvened in Open Session at 12:12 p.m. See Closed Session report under C2.
- 2205.8.1 **Chief Executive Officer's Report:** Mr. Hood congratulated Mr. Bowler and Mr. Hackleman for completing their 4th term and thanked them for their service to the Board of Retirement. He informed the Board that he is working with Supervisor Horsley's office on the appointment for the two remaining expiring appointed seats. Mr. Hood reported his attendance at the SACRS Spring Conference and shared his plans to attend the Government Finance Officers Association (GFOA) Annual Conference in early June. He informed the Board that a Special Meeting will take place before the July meeting for the approval of teleconferencing and previewed a few items on the July agenda which include the swearing in of Trustees, election of Board Officers, appointment of committees, annual reviews of two policies, as well as a draft funding policy.
- 2205.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that the interim audit has begun, and that Brown Armstrong will be onsite during the week of June 20th. She welcomed new Retiree Alternate, Ms. McKay to the Board of Retirement. She also shared that Mr. David ran unopposed and will serve another term. Ms. Smith reported that there will only be one election on June 13th for the Eighth member seat. She informed the Board that Mr. Hoefer's reappointment is on the Board of Supervisors' June 14th agenda. Ms. Trujillo shared upcoming educational opportunities with the Board. Ms. Smith extended her appreciation to Mr. Bowler and Mr. Hackleman thanking them for their service throughout the years.
- 2205.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that staff and Verus will hold annual manager reviews on Thursday, June 2nd with active international equity managers, Baillie Gifford at 8:00 a.m. and Mondrian at 9:30 a.m.; Thursday, June 23rd with core fixed income managers, NISA at 8:00 a.m., Fidelity at 9:30 a.m., and Double Line Capital at 11:00 a.m.; and Thursday, June 30th with fixed income

managers, Templeton Global at 8:00 a.m. and Western Asset Management at 9:30 a.m. Mr. Coultrip also informed the Board of a potential Special Meeting to discuss approval of CDI funding sources. Mr. Coultrip thanked Mr. Bowler and Mr. Hackleman for their stewardship and service.

2205.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported that staff is continuing to monitor proposed legislative bills, specifically AB 1944, regarding telephonic and/or videoconference meetings of local governmental bodies and will keep the Board updated of any new developments. Mr. Okada expressed his gratitude to Mr. Bowler and Mr. Hackleman for their service.

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

C2 **Approval of Proposed Purchase and Sale of 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 regarding the approval of proposed alternative investments:

Regarding the commitment of \$25 million in Sixth Street TAO Global as part of SamCERA's Debt/Special Situations portfolio within private equity, a motion was made by Hackleman, seconded by David, and approved by a vote of 7-0-0.

Ayes: Arnott, Bowler, David, Hackleman, Hoefler, Orr, and Raw (Chair)

Nos: None

Abstain: None

Absent: Battey, O'Malley, and Lee (alt.)

Motion carried 7-0-0

No other reportable action was taken.

2205.10 **Adjournment:** Mr. Raw adjourned the meeting at 12:21 p.m. in memory of the deceased members listed below.

Woo, Ronald	March 30, 2022	Probation
Hoover, Rosalie	April 6, 2022	Library
Edmonds, John	April 8, 2022	Sheriff's
Streng, Myra	April 12, 2022	Hospital
Gunn, Linda	April 22, 2022	Behavioral Health
Levy, Judith	April 14, 2022	Library
Kay, Kathleen	April 20, 2022	Hospital
Prosser, Diane	April 23, 2022	Medical Center
Tavolacci, Denise	April 24, 2022	Communication Services
Cadigan, Charles	April 27, 2022	Probation



Robert Raw
Board Chair