

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
JANUARY 24, 2023 – REGULAR BOARD MEETING MINUTES**

2301.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. O'Malley, Chair, called the Regular Meeting of the Board of Retirement to order at 10:02 a.m.

Roll Call:

Present: Sandie Arnott, Mark Battey, Al David, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: None.

Alternates: Nicole McKay.

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

Consultants and speakers: Joe Abdou and John Nicolini (Verus).

2301.2.1 Oral Communications from the Board: None.

2301.2.2 Oral Communications from the Public: Ms. O'Malley 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.

2301.3.1 Approval of Special Board Meeting Minutes from December 6, 2022: Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the special meeting held on December 6, 2022. There were no changes, corrections, or objections presented.

Action: Mr. Hoefer moved to approve the minutes from the special meeting on December 6, 2022. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Battey, David, Hoefer, Marangu, O'Malley, Orr, and Raw all in favor; Arnott and Salas abstained, none opposed.

2301.3.2 Approval of Board Meeting Minutes from December 6, 2022: Ms. O'Malley asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on December 6, 2022. Ms. Smith reported an error on agenda item 2212.4.1 regarding the Coonrod disability. The correction should state that Mr. Hoefer moved to approve the disability and the motion was seconded by Mr. Battey. There were no other changes or corrections.

Action: Mr. Raw moved to approve the December meeting minutes with the revision mentioned by Ms. Smith. The motion was seconded by Mr. Hoefer and carried with a vote of 7-0, with trustees Battey, David, Hoefer, Marangu, O'Malley, Orr, and Raw all in favor; Arnott and Salas abstained, none opposed.

2301.4.0 Approval of the Consent Agenda: Ms. O'Malley reported that the disability regarding Anna Stock will be removed from the Consent Agenda and will be heard at a future meeting. She asked if there were additional items that needed to be removed or if there were any recusals. Mr. David requested to recuse himself from the disability matter regarding Deborah Patten. Ms. O'Malley then called for a motion on the remaining Consent Agenda items.

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

Ms. O'Malley then called for a motion on the disability retirement of Deborah Patten.

Action: Mr. Battey moved to approve the disability retirement of Deborah Patten. The motion was seconded by Mr. Hoefler and carried with a vote of 8-0, with trustees Arnott, Battey, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; David recused.

2301.4.1 **Disability Retirements:**

- a) The Board found that **John Corkery** (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Sergeant, (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.
- b) The Board found that **Ronald Grado** (1) is permanently incapacitated from the performance of his usual and customary duties as a Road Maintenance Worker I, (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.
- c) The Board found that **Deborah Patten** (1) is permanently incapacitated from the performance of her usual and customary duties as a Human Services Supervisor, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

2301.4.2 **Survivor Death Benefits:** None.

2301.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Aguilera, Alicia	November 5, 2022	Human Services Agency
Carender, Cynthia	November 10, 2022	Deferred - Probation
Chavez, Eufemia	December 1, 2022	San Mateo County Health
Fuentes, Mayra	November 28, 2022	San Mateo County Health
Idea, Mateo	November 28, 2022	Deferred - Mail Services
Law, Sui Leung	November 30, 2022	Controller's
Lee, Hiram	October 30, 2022	Deferred - San Mateo Co Health
Letona, Ericka	December 1, 2022	Public Health
Maher, Keith	November 19, 2022	Deferred - Sheriff's Office
Maramreddy, Neeraja	November 19, 2022	San Mateo County Health
Nguyen, Loc	November 29, 2022	Deferred - Human Services Agency
Tell, Deneice	November 13, 2022	Deferred - San Mateo Co Health
Valencia, Luis	November 9, 2022	Deferred - General Services
Wight, Karen	November 19, 2022	Parks

2301.4.4 **Continuances:**

Survivor's Name:

Corpus, Minda
lorio, Sharon
Lamotte, Marilyn
Walker, Elroy

Beneficiary of:

Corpus, Teodoro
lorio, Michael
Lamotte, Guy
Walker, Edith

2301.4.5 **Deferred Retirements:**

Name

Brownlee-Cervantes, Joel
Campbell, Benjamin
Courtland, Buffie
Escalante, Juan
Francis, Aaron
Koeut, Sanya
La, Emily
Luo, Elizabeth
Mallari, Krysta
Martinez, Rikki
Montoya, Jose
Nguyen, Anna
Nicolay, Philippe
Pagan, Erica
Papendick, Hilary
Perekhodnik, Alla
Petushkov, Ilya
Powers, Lashauna
Prado Farias, Lorena
Ram, Kajah
Trajano, Jeannette
Yip, Harry

Retirement Plan Type

G7, Vested - Reciprocity
G4, Vested - Reciprocity
G7, Vested - Auto Defer – Code 31700
G4, Vested - Auto Defer – Code 31700
G7, Vested - Auto Defer – Code 31700
G7, Vested
G7, Non-Vested - Reciprocity
G5, Vested - Auto Defer – Code 31700
G7, Vested - Reciprocity
S7, Vested - Reciprocity
S7, Non-Vested - Reciprocity
G7, Non-Vested - Reciprocity
G4, Vested - Auto Defer – Code 31700
G7, Non-Vested - Reciprocity
G7, Vested - Auto Defer – Code 31700
G4, Vested - Reciprocity
G7, Vested
G4, Vested - Auto Defer – Code 31700
G7, Vested - Reciprocity
G7, Vested - Auto Defer – Code 31700
G2, Vested - Reciprocity
G5, Vested - Reciprocity

2301.4.6 **Member Account Refunds:**

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

Name

Awano, Yuriko G7, Non-vested
Tacuba, Lorena G7, Non-vested
Ybarra, Paul G7, Non-vested

Retirement Plan Type

Awano, Yuriko G7, Non-vested
Tacuba, Lorena G7, Non-vested
Ybarra, Paul G7, Non-vested

2301.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Cardenas, Patricia	G7, Non-vested
Chambers, Sierra	G7, Vested

2301.4.8 **Member Account Redeposits:** None.

2301.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2301.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2022:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers and investment consultant, as of December 31, 2022.

2301.4.11 **Approval of Resolution Approving Contract for Actuarial Audit Services:** The Board adopted a resolution authorizing the Chief Executive Officer to execute an agreement with Cheiron Inc. for actuarial audit services.

2301.4.12 **Amendment of Resolutions that Define Compensation Earnable and Pensionable Compensation:** The Board approved amendments to (1) the Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34; and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34. These amendments (a) include Automated Timekeeping System (ATKS) and Workday (WD) code 114-Psychiatry Residency Program, as pensionable earning. (b) include Automated Timekeeping System (ATKS) and Workday (WD) code 115-Missed Work Meal or Break Pay, as non-pensionable earning.

2301.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2301.5.2 **Approval of Cost of Living Allowance (COLA):** Mr. Hood reviewed Milliman's recommendations for cost of living adjustments for 2023. It was recommended that Plan 1 General and Safety members who retire on, or before, April 2, 2023, receive a COLA adjustment of 5%; Plan 1 Probation and Plan 2 members will receive 3%; and Plan 4, 5, 6, and 7 will receive 2%.

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

2301.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended December 31, 2022:** Mr. Coultrip reported that SamCERA's net preliminary return for December was -1.6% bringing the preliminary trailing twelve month return ending December 2022 to -7.2% net. He reported most assets classes were lower in December as investor sentiment was hurt by hawkish comments from the Fed and higher forecasted terminal interest rates. Mr. Coultrip then answered questions from the Board. This item was informational and for discussion only, no action was taken.

2301.6.2 **Report on Asset Liability Study, Asset Allocation Mixes:** Mr. Nicolini and Mr. Abdou presented several asset allocation portfolios based on the Board's feedback from the risk tolerance survey. The Board requested additional information on the effects of low volatility equity for Alternatives 1 and 3. This item was informational and for discussion only, no action was taken.

2301.6.3 **Approval of Dynamic Currency Hedging Recommendation:** Mr. Abdou reviewed the search and due diligence process that took place for the dynamic currency hedge program. Ms. Ng then reviewed the recommendation to implement a dynamic currency hedge program with Record Currency Management Limited (Record).

Action: Mr. David moved to approve the recommendation to implement a dynamic currency hedge program with Record Currency Management Limited (Record). The motion was seconded by Ms. Orr and carried with a vote of 9-0, with trustees Arnott, Battey, David, Hoefer, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

2301.6.4 **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 12:05 p.m. and the Board reconvened in Open Session at 12:24 p.m. See Closed Session report under C2.

2301.7.1 **Review of Strategic Plan Survey Results:** This item was taken out of order and heard after Agenda Item 5.2. Mr. Letcher, President and CEO of BridgeGroup, presented the results of the Strategic Plan survey to the Board. Mr. Hood obtained the Board's feedback for potential modifications to SamCERA's current Vision, Mission, and Goals and focus priorities. This item was informational and for discussion only, no action was taken.

2301.7.2 **Discussion of Board-Staff Retreat Topics:** Mr. Hood provided the Board with another opportunity to provide feedback regarding the suggested topics for the March Board-Staff Retreat. He informed the Board that a draft agenda will be included in next month's meeting for approval. This item was informational and for discussion only, no action was taken.

2301.8.1 **Chief Executive Officer's Report:** Mr. Hood shared a card received from the Toomer family thanking the Board for honoring his memory at their meeting. He informed the Board that a special meeting will take place before the regular February Board meeting, which is planned to be the last scheduled teleconference meeting. Mr. Hood shared that he will provide an updated funding dashboard and report and Milliman is scheduled to give a presentation on funding options. He also shared that the budget and financials report will also be on next month's agenda.

2301.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that there was only one individual that had filed candidacy papers for the Safety Alternate seat, therefore, a Special Election will not be needed. She shared that they will be reaching out to the candidate once SamCERA receives the certification from the Elections Office. Ms. Trujillo shared upcoming educational opportunities with the Board.

2301.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported on rebalancing activities during the month.

2301.8.4 **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 6.4):** The Board met in Closed Session regarding the approval of proposed alternative investments:

Regarding a commitment of \$20 million to KSL Capital Partners VI, L.P., as part of SamCERA's infrastructure portfolio within Private Real Assets, there was a motion by Battey, seconded by David, to approve such commitment.

Ayes: Arnott, Battey, David, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas.
 Nos: None.
 Abstain: None.
 Absent: None.
 Motion carried 9-0-0

No other reportable action was taken.

2201.10 **Adjournment:** Ms. O'Malley adjourned the meeting at 12:24 p.m. in memory of the deceased members listed below.

Berkley Williams, Pat	November 17, 2022	San Mateo County Health
Perry, Luther	November 18, 2022	Information Services
Adams, David	November 23, 2022	San Mateo County Health
Holowaty, Janelle	November 23, 2022	Probation
Ackerman, Lilian	November 28, 2022	Social Services
You, Ivan	November 28, 2022	Assessor Clerk Recorder
Poblete, Pepito	November 30, 2022	San Mateo County Health
Carr, Patricia	December 2, 2022	Human Services
Mitchell, Manuel	December 2, 2022	Public Works
Davidson, James	December 3, 2022	Public Works
Hawthorne, Kenneth	December 8, 2022	Public Works
Sugars, Manuela	December 10, 2022	Human Services
Brennan, John	December 12, 2022	Planning and Building
Cheng, Paul P	December 12, 2022	General Services
Dallas, Willa	December 18, 2022	Probation
Floresca, Greta	December 26, 2022	Public Works
Lemaro, Maria	December 27, 2022	Aging & Adult Services
Jackson, Katherine	December 27, 2022	San Mateo County Health
Cutchin, Patricia	December 28, 2022	Information Services
Connolly, Jean	December 29, 2022	Courts
Givens, Darold	December 30, 2022	Sheriff's


 Katherine O'Malley
 Chair