

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
JULY 25, 2023 – REGULAR BOARD MEETING MINUTES

2307.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Battey, Vice-Chair, called the Regular Meeting of the Board of Retirement to order at 10:01 a.m.

Roll Call:

Present: Mark Battey, Al David, April DeCarsky (for Katherine O'Malley), Kurt Hoefer, Robert Raw, and Alma Salas.

Absent: Sandie Arnott, Kimathi Marangu, Katherine O'Malley, Elaine Orr and alternate Nicole McKay.

Alternates: None.

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

Consultants: Joe Abdou and John Nicolini (Verus); Nick Collier and Craig Glyde (Milliman); and Graham Schmidt and Anne Harper (Cheiron).

- 2307.1.1 Election of Board Officers:** On behalf of Ms. O'Malley, Ms. Salas informed the Board that the Ad Hoc Nominating Committee met and recommended the following slate of officers for the 2023-2024 term: Mark Battey, Chair; Alma Salas, Vice Chair; and Elaine Orr, Secretary. There were no other nominations made.

Action: Ms. Smith took a roll call vote regarding the recommended slate of officers, and trustees Battey, David, DeCarsky, Hoefer, Raw and Salas were all in favor; none opposed.

Mr. Battey assumed the role of Chair.

- 2307.1.2 Announcement of Appointment of Board Committees:** No committee appointments were announced.

- 2307.2.1 Oral Communications from the Board:** None.

- 2307.2.2 Oral Communications from the Public:** Ms. Mary Wallace addressed the Board and expressed her concerns regarding certain investments that SamCERA may have and whether such investments were desirable in light of her environmental concerns. Mr. Battey thanked her for her public comment. This was heard after agenda item 5.3.

- 2307.3.1 Approval of Board Meeting Minutes from May 23, 2023:** Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on May 23, 2023. There were no changes, corrections, or objections presented.

Action: Mr. Hoefer moved to approve the minutes from the May 23, 2023 regular Board meeting. The motion was seconded by Mr. Raw and carried with a vote of 6-0, with trustees Battey, David, DeCarsky, Hoefer, Raw and Salas all in favor; none opposed.

- 2307.4.0 Approval of the Consent Agenda:** Mr. Battey asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Mr. Raw moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hoefer and carried with a vote of 6-0, with trustees Battey, David, DeCarsky, Hoefer, Raw and Salas all in favor; none opposed.

2307.4.1 Disability Retirements:

- a) The Board found that Veronica Caballero (1) is permanently incapacitated from the performance of her usual and customary duties as a Senior Library Assistant, (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.
- b) The Board found that Ana Franco (1) is permanently incapacitated from the performance of her usual and customary duties as a Deputy Court Clerk II, and (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.
- c) The Board found that Shannon Harper (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff's Correctional Officer, (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.
- d) The Board found that Robert Higareda (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (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.
- e) The Board found that Adrienne Ireton (1) is permanently incapacitated from the performance of her usual and customary duties as a Medical Surgical Nurse, (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.
- f) The Board found that Mark LaGrone (1) is permanently incapacitated from the performance of his usual and customary duties as a Supervising Custodian, (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.
- g) The Board found that Monita Naicker (1) is permanently incapacitated from the performance of her usual and customary duties as a Medical Office Assistant II, (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.

2307.4.3 Service Retirements:

Name	Effective Retirement Date	Department
Bols, Johannes	May 2, 2023	Def'd - San Mateo County Health
Bryant, Caroline	April 29, 2023	San Mateo County Health
Calafato, Kathryn	May 31, 2023	Def'd - San Mateo County Health
Chen, Race	May 1, 2023	Library
Cousenes, Milagros	May 2, 2023	San Mateo County Health
Foley, Rebeca	June 1, 2023	San Mateo County Health
Goetz, Susan	May 6, 2023	Deferred - Library
Gonzalez, Nidia	September 1, 2022	Deferred - San Mateo Co Health
Grassis, Anthony	May 20, 2023	Sheriff's Office
Guevara, Dottie	June 1, 2023	Sheriff's Office
Ip, May	May 5, 2023	Library
Law, Pauline	May 31, 2023	Human Services Agency
Lopez, Jorge	April 4, 2023	Probation

Monette, Lynette	June 1, 2023	Deferred - Sheriff's Office
Nelson, Ana	May 1, 2023	Def'd – Board of Supervisors
Nguyen, Trang-Ang	April 29, 2023	San Mateo County Health
Rivera, Maria C	April 29, 2023	San Mateo County Health
Robles, Nancy	May 1, 2023	Def'd - Children Support Services
Ruiz, Heather	May 4, 2023	QDRO of Ruiz Delgado, Candido
Saggese, Amy	April 17, 2023	Deferred - Mental Health
Sanford, Katherine	June 1, 2023	Human Services Agency
Springer, Denise	May 10, 2023	QDRO of Springer, Kim
Srinivasan, Srija	May 1, 2023	San Mateo County Health
Standley, Cheryl	March 31, 2023	Def'd - San Mateo County Health
Tualalelei, Maria	April 29, 2023	Human Services Agency

2307.4.4 **Continuances:**

Survivor's Name

Banducci, Bonita
 Boklund, Birgit
 Chaney, Betty
 Floresca, Charles
 Fullmer, Fred
 Geller, Allan
 Gonzalez, Kathleen
 Gurza, Kelly
 Johnson, Denise
 Kelly, Nell
 Kline, Marvera
 Kofoed, Linda
 Mackey, Charles
 Myers, Erika
 Ram, Bipla
 Serafica, Eulisa
 Williams, Jerome

Beneficiary of:

Brittelli, Emily
 Boklund, Eugene
 Chaney, Dennis
 Floresca, Greta
 Fullmer, Ruth
 Geller, Rita
 Gonzalez, John F.
 Gurza, Roberto
 Johnson, Larry
 Kelly, Parker
 Kline, Geoffery
 Kofoed, Reese
 Mackey, Carol
 Myers, Brenda Jo
 Charan, Daya
 Visperas, Rebecca
 Williams, Velma

2307.4.5 **Deferred Retirements:**

Name

Allen, Anre'a
 Astoquilca, Rocio
 Banagan, Kyle
 Bell, Kristina
 Contreras, Daniel
 Castillo, Jennifer
 Castro, Diana
 Contreras, Daniel
 Dagenbach, Barry
 Diedrich, Amelia
 Dyer, Monica
 Eteiwi, Nadia
 Fung, Wendy
 Grossman, Jesse
 Hay, Kristen

Retirement Plan Type

G7, Non-Vested - Reciprocity
 G7, Non-Vested - Reciprocity
 S7, Non-Vested - Reciprocity
 S4, Vested - Reciprocity
 G7, Non-Vested Reciprocity
 G5, Vested - Reciprocity
 G7, Non- Vested - Reciprocity
 G7, Non-Vested - Reciprocity
 G7, Non-Vested - Reciprocity
 G5, Vested - Reciprocity
 G7, Non-Vested - Reciprocity
 S7/G7, Vested - Auto Defer – Code 31700
 G7, Vested - Auto Defer – Code 31700
 G7, Vested
 G7, Vested

Hayman, Alanna	G7, Non-Vested - Reciprocity
Hodges, Olisha	G4, Vested
Jaime, Ricardo	P7, Vested - Auto Defer – Code 31700
Jimenez, Catherine	G4, Vested - Auto Defer – Code 31700
Khanna, Shilpi	G7, Non-Vested - Reciprocity
Kirkman, Catherine	G7, Non-Vested - Reciprocity
Lim, Eun-Soo	G7, Vested - Auto Defer – Code 31700
Lozada, Yusdivia	G7, Vested - Auto Defer – Code 31700
Martinucci, James	S7, Vested - Reciprocity
Mills, Daniel	G7, Non-Vested - Reciprocity
Okada, Victoria	G4, Vested - Auto Defer – Code 31700
Owens, Curtis	S4, Vested - Auto Defer – Code 31700
Pasini, Nicole	G4, Vested - Reciprocity
Perez Domencich, Diana	G7, Non-Vested - Reciprocity
Powers, Kristal	G4, Vested
Riordan, Sean	G7, Non-Vested - Reciprocity
Rivera-Rea, Yecenia	G7, Vested
Rodriguez, Claudia	G7, Non-Vested - Reciprocity
Rodriguez, Maxmilliano	P7, Vested - Reciprocity
Silva, Ashley	G7, Non-Vested - Reciprocity
Smith, Emily	G7, Non-Vested - Reciprocity
Stafford, Karie	G4, Vested - Auto Defer – Code 31700
Steach, Eileen	G7, Vested - Auto Defer – Code 31700
Tse, Amanda	G7, Vested - Reciprocity

2307.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Casem, Virginia	G4, Non-vested
Chavez, Beth	G7, Non-vested
Coit-Falcone, Benjamin	G4, Vested
Floresca, Greta (FBO: Floresca, Charles)	G5, Vested
Garcia Ramirez, Jenifer	G7, Non-vested
Mullin, Amy (FBO: Kaffenberger, Bradley)	S5, Vested
Riddle, Anthony	G7, Non-vested
Wu, Angel	G7, Non-vested

2307.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Castelli, Amanda	G7, Non-vested
Ferm, Tserennyamaa	G7, Non-vested
Powers, Ann	G7, Non-vested
White, William (FBO: White, Martha)	G4, Vested

2307.4.8 **Member Account Redeposits:** None.

2307.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by Mr. David and Ms. O’Malley.

2307.4.10 **Approval of Questions for Annual Review of Milliman, Inc.:** The Board approved the evaluation questions in the “Questions for Annual Actuarial Consultant Evaluation.”

- 2307.4.11 **Approval 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.
- 2307.4.12 **Approval of Amendments to Surplus Property Policy:** The Board approved the amendments to its Surplus Property Policy.
- 2307.4.13 **Approval of Amendments to American Express Corporate Services Resolution:** The Board approved the amendments to its American Express Corporate Services Resolution.
- 2307.4.14 **Report on California Government Code Section 7514.7 Annual Disclosure for 2022:** The Board accepted the report on California Government Code Section 7514.7 Annual Disclosure for 2022.
- 2307.4.15 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2023:** The Board accepted the semi-annual Compliance Certification Statements submitted by SamCERA's alternative managers and investment consultant, as of June 30, 2023.
- 2307.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2307.5.2 **Acceptance of Millman, Inc.'s Investigation of Experience July 1, 2020 – April 30, 2023:** Mr. Collier and Mr. Glyde of Millman, Inc. presented the Triennial Investigation of Experience Report and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2307.5.3 **Acceptance of Cheiron, Inc.'s Actuarial Audit of Experience Study July 1, 2020 – April 30, 2023:** Ms. Harper and Mr. Schmidt, of Cheiron, discussed their findings and observations from the audit of Millman's Experience Study. They reported that the assumptions recommended by Millman were all reasonable to use in SamCERA's actuarial valuation and provided potential considerations for future studies. This item was for discussion only; and with no objections, this report was accepted.
- 2307.5.4 **Approval of Resolution Adopting Recommended Changes to Assumptions Based on Millman's Investigation of Experience, July 1, 2020 – April 30, 2023:** Following the discussion of items 5.2 and 5.3, the Board took the following action:
- Action:** Mr. David moved to approve the resolution adopting the recommended economic and demographic assumptions as set forth in Millman's "Investigation of Experience Report July 1, 2020 – April 30, 2023" which include but are not limited to the assumptions cited in "Appendix A Actuarial Procedures and Assumptions." The motion was seconded by Ms. Salas and carried by a vote of 6-0 with trustees Battey, David, DeCarsky, Hoefler, Raw and Salas all in favor; none opposed.
- The Board took a lunch break at 11:30 am and reconvened at 11:54 am.
- 2307.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended June 30, 2023:** Mr. Coultrip reported that SamCERA's net preliminary return for June was 2.5% bringing the preliminary trailing twelve-month net return ending June 2023 to 5.6%, which is below both SamCERA's benchmark return of 6.8% and assumed earnings rate of 6.25%. This item was informational and for discussion only, no action was taken.
- 2307.6.2 **Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2022:** Ms. Dames reported that as of December 31, 2022, SamCERA's private equity portfolio had a total market value of \$382.2 million (6.8% of SamCERA's total fund). The portfolio has a 19.7% net IRR since inception, 725 bps above the same cash flow invested in the Russell 3000 Total Return index. Ms.

Dames also reported SamCERA's private real assets portfolio as of December 31, 2022 had a total market value \$240.5 million (4.2% of SamCERA's total fund). The private real assets portfolio's net IRR is 5.75% and there were sixteen private asset funds in the portfolio with \$374.8 million in committed capital across twelve private real asset managers. Mr. Shooshani reviewed the private equity performance report and Mr. Nicolini reviewed the private real assets performance report with the Board. This item was informational and for discussion only, no action was taken.

2307.6.3 **Report on Core Equity and Low Volatility Equity Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with Core Equity managers, Blackrock and PGIM on May 4 and D.E. Shaw on May 16. The annual review for low volatility equity manager, PanAgora was held on May 16. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2307.6.4 **Report on International Equity Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with international equity managers, Ballie Gifford and Mondrian on June 1. She reviewed the meeting notes, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2307.6.5 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reported that staff and consultant held annual review meetings with real estate managers, Invesco and Stockbridge on April 27. She reviewed the meeting notes, stated there were no major concerns identified and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2307.6.6 **Approval of Resolution Amending SamCERA's Investment Policy Statement:** Mr. Coultrip reviewed the proposed updates to the Investment Policy Statement and answered questions from the Board.

Action: Mr. Hoefer moved to adopt the resolution amending SamCERA's Investment Policy Statement. The motion was seconded by Mr. David and carried with a vote of 6-0 with trustees Battey, David, DeCarsky, Hoefer, Raw and Salas all in favor, none opposed.

2307.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that on June 30, in accordance with Resolution 20-17 and SamCERA's Investment Policy, he along with Ms. O'Malley, Mr. Raw, Mr. Coultrip, Ms. Dames, Mr. Okada and Mr. Shooshani (Verus) met to discuss two potential private equity opportunities. Subsequent to the meeting, SamCERA made a \$25 million commitment to Gridiron Capital Fund V LP and a \$20 commitment to Charlesbank Technology Opportunities Fund II, both as a part of SamCERA's buyout portfolio within Private Equity under the Growth category.

Mr. Hood provided an update on the potential office relocation, he stated that a draft lease amendment to terminate SamCERA's current lease on March 31, 2024 was sent by the landlord and that visits to potential office sites continue to be conducted. He congratulated Darius Nagal and Edward Ick on celebrating 10 years with SamCERA and Natasha Jeong on her 5 years. He also informed the Board that next month, he will bring more information on the lease amendment negotiations for discussion with the Board.

2307.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board there were no issues or concerns from the interim fieldwork audit, as well as notified Board of upcoming conferences and training.

2307.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that staff and Verus will hold the opportunistic credit manager reviews on Tuesday, August 8. The first will be at 8:00 a.m. with White Oak and then at 9:30 a.m. with Blackrock.

2307.8.4 **Chief Legal Counsel’s Report:** Mr. Okada mentioned that the Board should have received their latest updated educational hours that was sent by Ms. Lukan following the May meeting. Trustees that had a June 30, 2023 deadline were in compliance and those with a June 30, 2024 deadline have time to participate in additional educational activities.

The Board entered Closed Session (Agenda Item C2) at 1:02 pm and reconvened at 1:09 pm

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

C2 **Conference with Legal Counsel – Anticipated Litigation:** The Board met in Closed Session regarding the potential initiation of litigation:

Regarding the potential initiation of litigation, the Board approved such action on the motion of David, seconded by Raw, and the particulars of the case will be disclosed to any person upon inquiry once the action has been formally commenced unless doing so would jeopardize SamCERA’s ability to effectuate service of process or jeopardize SamCERA’s ability to conclude any settlement negotiations.

The Motion was approved 6 ayes – 0 nos – 0 absentions.

Ayes: Battey, David, DeCarsky, Hoefler, Raw and Salas
Nos: None
Abstain: None

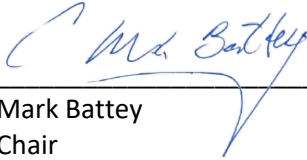
No other reportable action was taken.

2307.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2307.10 **Adjournment:** Mr Battey adjourned the meeting at 1:10 p.m. in memory of the deceased members listed below.

Geller, Rita	April 28, 2023	Behavioral Health
Chase, Miriam	April 23, 2023	Mental Health
Domerofski, Charles	May 7, 2023	Sheriff's Office
Lopez, Linda	May 12, 2023	Probation
Johnson, Larry	May 13, 2023	Housing
Sharkey, Barbara	May 18, 2023	Children's Services
Harris, Mildred	May 20, 2023	Social Services
Phillips, Thomas	May 21, 2023	Courts
Judd, Matilde	May 22, 2023	Youth and Family Services
Shalhoob, Napoleon	May 23, 2023	Sheriff's Office
Kim, Solomon	May 23, 2023	Hospital
Chaney, Dennis	May 31, 2023	Human Services
Rabusa, Dolores	May 31, 2023	Human Services
Rose, Judith	June 1, 2023	Crystal Springs Rehab Center
Carriquiry, Judith	June 2, 2023	Courts
Fitting, Gerald	June 2, 2023	Sheriff's Office
Rozyngo, Jane	June 3, 2023	Hospital
Boat, Marion	June 5, 2023	Environmental Management

Kuhn, Judith	June 6, 2023	Human Services
Borick, Geraldine	June 6, 2023	Probation
Whitney, Melinda	June 8, 2023	Public Health
Robles-Moncada, Hector	June 12, 2023	Mental Health
James, Terry	June 12, 2023	Public Works
Hogan, Molly	June 14, 2023	Public Health
Vidal, Jonathan	June 18, 2023	Human Services
Ferriera, Ruth	June 20, 2023	Family Services
Maddux, Merry	June 27, 2023	Hospital
Potts, Ronald	June 18, 2023	Sheriff's Office
Peters, Laura	June 20, 2023	Social Services
Bradley Diane	June 21, 2023	Parks
Chikasuye, Masako	June 23, 2023	Courts
Hylden, Lowell	June 30, 2023	Hospital
Boyd, Jeffrey	July 1, 2023	Sheriff's Office
Garnica, Yesenia	July 6, 2023	Probation



Mark Battey
Chair