

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
SEPTEMBER 26, 2023 – REGULAR BOARD MEETING MINUTES**

**2309.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Battey, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, April DeCarsky (for Katherine O'Malley), Kurt Hoefer, Kimathi Marangu, Robert Raw, and Alma Salas.

Absent: Al David, Katherine O'Malley, Nicole McKay, and Elaine Orr.

Staff: Lili Dames, Scott Hood, Jenny Lukan, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, and Gladys Smith.

Consultants: John Nicolini (Verus); Nick Collier and Craig Glyde (Milliman, Inc.); and Anne Harper (Cheiron, Inc.).

**2309.1.1 Appointment of Ad Hoc CEO Review Committee:** Mr. Hood announced that Alma Salas, Nicole McKay, and Elaine Orr (Chair) have been appointed to the Ad Hoc CEO Review Committee.

**2309.2.1 Oral Communications from the Board:** None.

**2309.2.2 Oral Communications from the Public:** None.

**2309.3.1 Approval of Board Meeting Minutes from August 22, 2023:** Mr. Battey asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on August 22, 2023. There were no changes, corrections, or objections presented.

**Action:** Ms. Salas moved to approve the minutes from the August 22, 2023 regular Board meeting. The motion was seconded by Mr. Raw and carried with a vote of 6-0, with trustees Arnott, Battey, DeCarsky, Hoefer, Raw, and Salas all in favor; Marangu abstained; none opposed.

**2309.4.0 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 7-0, with trustees Arnott, Battey, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed.

**2309.4.1 Disability Retirements:**

- a) The Board found that David Huynh (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.
- b) The Board found that Jason Peardon (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.

- c) The Board found that Michael Sanders (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.
- d) The Board found that Maria Solorzano (1) is permanently incapacitated from the performance of her usual and customary duties as a Patient Services 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.
- e) The Board found that Leslie Talley (1) is permanently incapacitated from the performance of her usual and customary duties as a Deputy Sheriff, (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.

**2309.4.2 Survivor Death Benefits:**

- a) The Board granted Frank Schroeder, widower of Lowell Hylden, a non-service-connected disability death benefit pursuant to Government Code § 31781.3.

**2309.4.3 Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Aboud, Tami	July 22, 2023	Probation
Alvarez, Joann	July 22, 2023	Plan 3 Only – retired 1/19/23 under G2
Assadurian, Tami	July 29, 2023	Probation
Azzari, Zack	July 22, 2023	Public Works
Cole, Kenneth	July 22, 2023	Human Services Agency
Conover, Mark	July 1, 2023	Deferred - Weights & Measures
Douglas, Michelle	July 28, 2023	Superior Court
Early, Jason	July 6, 2023	Sheriff's Office
Enriquez, Jose	August 1, 2023	Family Health Services
Gonzalez, Frank	July 10, 2023	Probation
Kenevan, Bridget	August 1, 2023	Deferred - Mental Health
Langtry, Sharon	July 22, 2023	Aging & Adult Services
Leong, Leon	July 15, 2023	Assessor Clerk Recorder Elections
McCarty, Craig	August 1, 2023	Sheriff's Office
Miller, Loren	July 9, 2023	Probation
Muccia, Charles	July 12, 2023	QDRO of Tamara Wright
Okada, Karen	July 13, 2023	Deferred - Information Services
Saberi, Melissa	July 25, 2023	Deferred - Probation
Sharma, Pushpa	July 29, 2023	Superior Courts
Stevens, Lisa	September 13, 2021	Building and Planning
Tillman, Joan	August 1, 2023	Deferred - District Attorney's Office
Watt, Bryan	July 31, 2023	Sheriff's Office

2309.4.4 **Continuances:**

**Survivor's Name**

Boyd, Corrine

Ogar, Janice

**Beneficiary of:**

Boyd, Jeffrey

Andrea, Rex

2309.4.5 **Deferred Retirements:**

**Name**

Chin-Agustin, Cassandra

Chung, Ji Yuon

Haupt, Jacquelyn

Lomotan, Francesca

Liu, Xiaoyu

Miyashiro, Rand

Nguyen, Viviann

Rosen, Nika

Villanueva, Jimenez

Wilson, Heather

Yee, Lisa

**Retirement Plan Type**

G7, Vested – Auto Defer – Code 31700

G7, Vested

G7, Vested

G7, Vested - Reciprocity

G7, Vested

G4, Vested - Reciprocity

S7, Vested - Reciprocity

G7, Non-Vested Reciprocity

G4, Vested – Auto Defer – Code 31700

G7, Vested - Auto Defer – Code 31700

Gr7, Vested

2309.4.6 **Member Account Refunds:**

**Name**

Arnold, Vettel

Garnica, Yesenia (FBO: Garnica, Maribel)

Guest-Brown, Stefaney

Hiatt, Mikaela

Maas Vargas, Ricardo Antonio

Randall, David Scott

Raymundo Abreu, Marisol

Vidal, Jonathan (FBO: Vidal, Elissa)

**Retirement Plan Type**

S7, Non-vested

P4, Vested

G7, Vested

G7, Non-vested

G7, Vested

G7, Non-vested

G7, Vested

G7, Vested

2309.4.7 **Member Account Rollovers:**

**Name**

Moore-Burdelle, Audrey

Phelan, Paul

Zherebin, Maksim

**Retirement Plan Type**

G7, Non-vested

P4, Vested

G7, Non-vested

2309.4.8 **Member Account Redeposits:** None.

2309.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2309.4.10 **Approval of Questions for Annual Review of Brown Armstrong Accountancy:** The Board approved the evaluation questions in the "Questions for Annual Auditor Consultant Evaluation."

2309.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2309.5.2 **Presentation of the June 30, 2023, Actuarial Valuation Report:** Mr. Collier and Mr. Glyde, of Milliman, Inc. presented the results and recommendations of SamCERA's Actuarial Valuation Report as of June 30, 2023. The results included: an increase in the Employer Statutory Contribution rate from 26.19% to 26.64% (effective July 1, 2024); an increase in the member contribution rates for all plans (effective July

1, 2024); and a decrease in the funded ratio of the system from 90.7% to 88.3% as of June 30, 2023. This item was informational and for discussion only, no action was taken.

2309.5.3 **Presentation of the June 30, 2023, Actuarial Valuation Audit:** Ms. Harper of Cheiron, Inc. presented the results of its audit of the June 30, 2023 Actuarial Valuation as produced by Milliman, Inc. She reported that Cheiron is “able to confirm that the liabilities and costs computed in the valuation as of June 30, 2023 are reasonably accurate and were computed in accordance with generally accepted actuarial principles.” This item was informational and for discussion only, no action was taken.

2309.5.4 **Approval of Resolution Accepting the 2024-2025 Employer and Employee Contribution Rates:** Mr. Battey called for a motion on the recommendations made for fiscal year 2024-2025 employer and member contribution rates.

**Action:** Ms. Arnott moved to approve a resolution accepting the 2024-2025 employer and employee contribution rates. The motion was seconded by Mr. Marangu and carried with a vote of 7-0, with trustees Arnott, Battey, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed.

2309.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended August 31, 2023:** Mr. Coultrip reported that SamCERA’s net preliminary return for August was -1.1%, bringing the preliminary trailing twelve-month net return ending August 2023 to 5.0%, which is below both our benchmark return of 5.6% and our assumed earnings rate of 6.25%. He reported SamCERA’s estimated market value as of August was \$6.07 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%. This item was informational and for discussion only; no action was taken.

2309.6.2 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reviewed the meeting notes from the annual reviews with private credit managers, White Oak Global Advisors and BlackRock (August 8<sup>th</sup>). Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. This item was informational and for discussion only; no action was taken.

2309.6.3 **Approval of Proposed Alternative Investment (Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2):** This item was heard in Closed Session at 11:25 a.m. and Open Session was reconvened at 12:15 p.m. See Closed Session report under C2.

2309.7.1 **Approval of a Resolution Setting the Board of Retirement’s Regular Meeting Schedule for Calendar Year 2024:** Ms. Smith reviewed the proposed Board meeting schedule for 2024 with the Board.

**Action:** Mr. Raw moved to approve a resolution setting the Board of Retirement’s regular meeting schedule for calendar year 2024. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, DeCarsky, Hoefer, Marangu, Raw, and Salas all in favor; none opposed.

2309.8.1 **Chief Executive Officer’s Report:** Mr. Hood gave the Board a relocation update and will be working on a timeline for moving once the building owners receive their final planning commission approval. Mr. Hood also informed the Board that SamCERA had their Staff Planning Retreat on August 29<sup>th</sup>. Mr. Hood informed the Board that next month’s board meeting will feature SamCERA’s audit results and the presentation of the Annual Comprehensive Financial Report (ACFR) as well as some SACRS business items. Mr. Hood also informed the Board that the Year-At-A-Glance calendar is now in DropBox and it features a look ahead at Board action items. Lastly, Mr. Hood mentioned that several Board members and SamCERA employees will be at IFE BP conference at the end of the month.

2309.8.2 **Assistant Executive Officer’s Report:** Ms. Smith informed the Board that SamCERA deployed a soft launch of the upgraded member self-service portal. Ms. Smith also reminded the Board to please

complete the survey for SamCERA's actuary that she sent out and the review will be presented at the next Board meeting. Ms. Lukan reminded the Board of a few upcoming conferences including CALPRS Trustees Virtual Roundtable and SACRS Fall Conference and will send out an email regarding these conferences.

2309.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that on October 5<sup>th</sup>, SamCERA will be having an annual review with three Absolute Return managers (CFM Systematic Global Macro, PIMCO MAARS, and Acadian MAARS). Additionally, on October 19<sup>th</sup>, SamCERA will be meeting with Insight Investments to review the Cash Flow Matching program. Mr. Coultrip also informed the Board that next month staff intends to bring the replenishment recommendation for the cash flow matching. Lastly, next month staff expects Abel Noser, SamCERA's Trade Cost Analysis Provider, to do a presentation, which they do every three years.

2309.8.4 **Chief Legal Counsel's Report:** Mr. Okada informed the Board that this year the CEO Review, which in past years has been in December, will be held in January 2024. This change is based on the timing of when the surveys go out and the survey response time for the Board.

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 §7928.710, see item 6.3):**

The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a commitment of \$30 million to Cerberus Institutional Real Estate Partners VI, L.P., as part of SamCERA's infrastructure portfolio within Private Real Assets, there was a motion and second to approve such commitment.

Ayes: Arnott, Battey, Decarsky, Hoefler, Marangu, Raw, and Salas  
Nos: None  
Abstain: None  
Motion carried 7-0-0

C3 **Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation (Govt. Code section 54956.9(d)(2)) - One Case:**

The Board met in Closed Session to confer with legal counsel regarding anticipated litigation/significant exposure to litigation (one case). No reportable action was taken.

2309.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2309.10 **Adjournment:** Mr. Battey adjourned the meeting at 12:17 p.m. in memory of the deceased members listed below.

Maze, Janet	August 3, 2023	District Attorney's Office
Cayago, Jose	August 6, 2023	San Mateo County Health
Melica, George	August 19, 2023	General Services
Phelps, Elaine	August 10, 2023	Hospital
Robinson, Ronald	August 28, 2023	Human Services Agency
Coleman, Jerome	August 24, 2023	District Attorney's Office

Hinshaw, Joan  
Holm, Carl  
Hickman, Philip  
Cardoza, Ronald

August 30, 2023  
September 7, 2023  
September 7, 2023  
September 8, 2023

Correctional Health  
District Attorney's Office  
Coroner's Office  
Parks

  
Mark Battey  
Chair