

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
APRIL 25, 2017 – SPECIAL BOARD MEETING MINUTES

1704.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Mr. Mark Battey, Vice Chair, called the Special Meeting of the Board of Retirement to order at 9:00 a.m.

Roll Call:

Present: Sandie Arnott, Mark Battey, Albert David, Kurt Hoefer, Alma Salas (for Paul Hackleman), David Spinello, and Shirley Tourel.

Excused: Paul Hackleman, Eric Tashman, and Ben Bowler.

Alternates present: Susan Lee.

Staff: Scott Hood, Michael Coultrip, Brenda Carlson, Doris Ng, Lili Dames, Elizabeth LeNguyen, Barbara Edwards and Kristina Perez.

1704.2.1 Oral Communications from the Board: None.

1704.2.2 Oral Communications from the Public: None.

1704.2.3 Retreat Presentations:

High Level Look at the Global Economy – Ian Toner, Managing Director of Verus Investments, presented and discussed the following topics with the Board: the U.S. domestic economy including jobs, housing and trade; rate hike scenarios; commodity investments; currency impacts; and global issues related to the market.

The meeting was adjourned for a 15-minute break from 10:15 a.m. – 10:30 a.m.

Team Building – JulieAnne Nagal led the members of the Board in a team building exercise.

Assumed Rate of Interest, Assumptions – Nick Collier, of Milliman, Inc., discussed economic assumptions, generational mortality and financial impacts of assumptions with the Board, focusing on the effects to '37 Act funds.

The Board adjourned for lunch at 12:05 p.m. and reconvened at 12:45 p.m.

Deep Dive - Michael Coultrip, SamCERA CIO, along with Margaret Jadallah from Verus, provided the Board information in regard to the fund's historical portfolio performance and trends; individual manager performance; the fund's risk dashboards; rebalancing activities; and liquidity analysis.

All the retreat items presented were for discussion and information only, and no action by the Board was taken. The retreat presentations were concluded at 2:15 p.m., and after a short break, the following agenda items were heard in the order listed below beginning at 2:30 p.m.

1704.3.1 Approval of Regular Board Meeting Minutes from March 28, 2017: Mr. Battey asked if there were any changes or corrections to the Regular Board Meeting minutes from March 28, 2017, and none were noted.

Action: Mr. David moved to approve the minutes from the Regular Meeting of March 28, 2017, and the motion was seconded by Ms. Salas. The motion carried with a vote of 7-0; with trustees Arnott, Battey, David, Hoefer, Salas (for Hackleman), Spinello, and Tourel all in favor; none opposed.

1704.4.0 **Approval of the Consent Agenda:** Mr. Battey asked if there were any items to be removed from the Consent Agenda. None were removed.

Action: Mr. Hoefler moved to approve the Consent Agenda, and the motion was seconded by Mr. Spinello. The motion carried with a vote of 7-0; with trustees Arnott, Battey, David, Hoefler, Salas (for Hackleman), Spinello, and Tourel all in favor; none opposed.

1704.4.1 **Disability Retirements:**

- 1) The Board found that Alma Carranza-Reyes is (1) permanently incapacitated for the performance of her usual and customary duties as a Community Worker 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.
- 2) The Board (1) accepted the proposed findings and recommendations of the Hearing Officer, George Camerlengo, (2) finding that JoAnn Demattei is able to perform her duties as a Legal Office Specialist and (3) denied her application for a service-connected disability retirement.
- 3) The Board (1) accepted the proposed findings and recommendations of the Hearing Officer, John Shupe, (2) finding that Lydia Guzman is able to perform her duties as a Dietitian and (3) denied her application for a service-connected disability retirement

1704.4.2 **Survivor Death Benefits:** None.

1704.4.3 **Service Retirements:**

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

Member Name	Effective Retirement Date	Department
Atkinson, Audrey	February 13, 2017	Medical Center
Cairns, David	February 4, 2017	Superior Court
Camacho, Gloria	March 1, 2017	Food Services
Chand, Sunil	February 7, 2017	Food Services
Donigan, Mark	February 26, 2017	Deferred from Parks
Fernandez, Manolo	March 1, 2017	Deferred from Medical Center
Flood, David	December 31, 2016	Deferred from Sheriff's
Flores, John	February 27, 2017	Deferred from Sheriff's
Galleguillos, Roy	February 7, 2017	Sheriff's
Garner, Mary	February 25, 2017	Human Services Agency
Gray, Nancy	March 31, 2015	Deferred from Mental Health
Guintu, Cynthia	March 1, 2017	Medical Center
Harris, Kimberly	February 27, 2017	Deferred from Mental Health
Huynh, Kim	February 25, 2017	Medical Center
Jones, Lenora	February 4, 2017	Human Services Agency
Kwong, William	March 1, 2017	Human Services Agency
Mochel, Kathy	February 15, 2017	Courts
Nevarez, Donald	February 17, 2017	Public Works
Plaisted, Jalene	February 25, 2017	Sheriff's
Schwab, Robert	March 1, 2017	Deferred from Human Services
Spiller, Maurice	February 24, 2017	Sheriff's
Steck, Christopher	February 3, 2017	Deferred from Agriculture
Tauaefa, Rosemarie	February 11, 2017	Controller's
Vassallo, Josephine	March 1, 2017	Medical Center

1704.4.4 **Continuances:**

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

Survivor's Name	Beneficiary of:
Calderon, Lucelyn	Calderon, Cesar
Jensen, Gary	Jensen, Anne
Kendrick, Patricia	Kendrick, George
Perry, Susan	Perry, Robert
Ruble, Judith M	Ruble, Richard
Whitehead, Elizabeth A	Whitehead, James

1704.4.5 **Deferred Retirements:**

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

Member Name	Retirement Plan Type
Reyna, Renee	G4, Vested - Reciprocity
Valido, Frances	G4, Vested - Reciprocity
Roman, Erika	G4, Vested - Reciprocity
Qian, Rong	G7, Non-Vested - Reciprocity
Tam, Carrie	G4, Vested - Reciprocity
Amansec, Anne	G5, Vested
Mason, Katherine	G7, Non-Vested - Reciprocity
Triolo, Ashnita	G4, Vested

1704.4.6 **Member Account Refunds:**

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

Member Name	Retirement Plan Type
De La Herran, Esmeralda	G7, Non-vested
Delgadillo, Lizbeth	G7, Non-vested
Hinds, Sean	G5, Non-vested
Mbong, Valentin	G4, Non-vested
Paredes, Raul	P5, Non-vested
Sandoval, Diane	G7, Non-vested

1704.4.7 **Member Account Rollovers:**

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

Member Name	Retirement Plan Type
Alkire, Anita	G7, Non-vested
Fuentes, Charlene	G7, Non-vested
Ortiz, Michelle	G4, Non-vested

1704.4.8 **Member Account Redeposits:** None.

1704.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by trustees Battey, Hackleman, Lee, and Spinello.

1704.4.10 **Approval to Renew Fiduciary Liability Insurance Policy:** The Board authorized staff to work with the County's Risk Manager to renew fiduciary liability insurance coverage with American International Group (AIG) through May 2018.

- 1704.4.11 **Approval of Resolution Authorizing Agreement with Financial Knowledge Network, LLC:** The Board adopted a resolution authorizing the Chief Executive Officer to execute an agreement with Financial Knowledge Network, LLC for member financial education services.
- 1704.4.12 **Approval of Actuarial Valuation Addendum and Resolution:** The Board accepted the addendum to the 2016 Actuarial Valuation; and adopted a resolution accepting the contribution rates contained in the April 13, 2017 addendum to the 2016 Actuarial Valuation, which will be recommended to the Board of Supervisors for the 2017-18 fiscal year.
- 1704.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ending March 31, 2017:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported the fund's net preliminary return for March was 1.1%, while the preliminary trailing twelve-month return ending March 2017 was 12.1% net. This report was informational and for discussion only; no action was taken.
- 1704.7.1 **Directions for Voting by SamCERA Delegates at the SACRS Spring Business Meeting:** Mr. Hood reviewed the items being considered at the SACRS business meeting with the Board. This included the slate of SACRS officers for 2017-18 and changes in the by-laws related to the SACRS Code of Conduct. **Action:** Ms. Salas moved to direct SamCERA's voting delegates to vote affirmatively for the proposed slate of SACRS officers as presented, and the motion was seconded by Ms. Arnott. The motion carried with a vote of 6-1; with trustees Arnott, Battey, David, Hoefer, Salas (for Hackleman), and Tourel all in favor; Spinello opposed. **Action:** Mr. David moved to direct SamCERA's voting delegates to vote affirmatively for the proposed changes in the SACRS by-laws as presented, and the motion was seconded by Mr. Hoefer. The motion carried with a vote of 7-0; with trustees Arnott, Battey, David, Hoefer, Salas (for Hackleman), Spinello, and Tourel all in favor; none opposed.
- 1704.8.1 **Chief Executive Officer's Report:** Mr. Hood notified the Board that the contribution rates approved by the Board on March 28, will be on the Board of Supervisors consent agenda on May 16. He also said that the Ad-Hoc Nominating committee would be appointed by the Chair at the June 6 meeting. Furthermore, Mr. Hood stated the triennial experience study begins next week, and that the strategic plan and budget for FY 2017-18 will be presented to the Board at the June meeting.
- 1704.8.2 **Assistant Executive Officer's Report:** None.
- 1704.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that he had concluded the final on-site due diligence visits with prospective investment consultant firms, and that he will coordinate with the Ad-Hoc committee to schedule a meeting to discuss the observations.
- 1704.8.4 **Chief Legal Counsel's Report: Chief Legal Counsel's Report:** Ms. Carlson reported that SamCERA will receive \$79,000 from its involvement in a lawsuit filed against the Royal Bank of Scotland, which was recently settled. She reviewed two PEPRA related appellate decisions addressing vested rights. Ms. Carlson also went over the key points of 5 separate legislative bills, all related to county pension systems, with the Board.

CLOSED SESSION

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

- 1704.9 **Report on Actions Taken in Closed Session:** None.

1704.10 **Adjournment:** Mr. Battey adjourned the meeting at 3:13 p.m.



Scott Hood
Chief Executive Officer



Kristina Perez
Retirement Executive Secretary