

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**OCTOBER 16, 2017 – SPECIAL BOARD MEETING MINUTES**

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

**Call to Order:** Mr. Mark Battey, 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, Susan Lee (for Paul Hackleman) David Spinello, Eric Tashman and Shirley Tourel.

*Excused:* Ben Bowler and Paul Hackleman.

*Alternates present:* Susan Lee.

*Alternates excused:* Alma Salas.

*Staff:* Scott Hood, Michael Coultrip, Brenda Carlson, Lili Dames, and Kristina Perez.

*Consultants:* Margaret Jadallah, (*Verus*); Nick Collier and Craig Glyde, (*Milliman, Inc.*); and Andy Yeung (*Segal Consulting*).

- 2 Presentation of the June 30, 2017, Actuarial Valuation Report by Milliman, Inc.:** Mr. Collier and Mr. Glyde, from Milliman, Inc. presented the valuation report to the Board. Key points reviewed and discussed included: membership demographics, 6.75% assumed rate of return, generational mortality and employer and employee contribution rates. This item was informational and for discussion only, no action was taken and report is deemed accepted.
- 3 Presentation of June 30, 2017, Actuarial Valuation Audit by Segal Consulting:** Mr. Yeung presented Segal's report and discussed the findings and discussed the findings of the actuarial valuation with the Board. Segal's audit confirms that the results of the actuarial calculations as of June 30, 2017 are reasonable, and those calculations are based on generally accepted actuarial principles and practices. This item was informational and for discussion only, no action was taken and report is deemed accepted.
- 4 Approval of Resolution Accepting the Fiscal Year 2018-2019 Employer and Member Contribution Rates and Recommendations:** Following the presentations, the Board took action to accept the recommendations in the valuation report by Milliman, Inc.
- Action:** Mr. Hoefer moved to approve a resolution accepting employer and member contribution rates to recommend to the Board of Supervisors for the 2018-2019 fiscal year. The motion was seconded by Mr. David, and carried with a vote of 7-1 with trustees Arnott, Battey, David, Hoefer, Lee (for Hackleman), Tashman and Tourel in favor; Spinello opposed.
- 5 Annual Review of SamCERA's Actuarial Services Firm, Milliman, Inc.:** Mr. Hood reviewed the results of the annual assessment of the services provided by Milliman, Inc., which included a survey of Board members and staff. The results from the surveys were high and Mr. Hood also acknowledged Milliman's work in helping SamCERA with its new pension system.

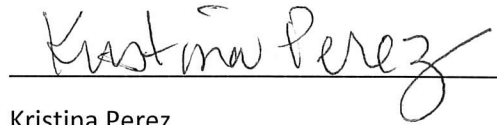
The Board adjourned into closed session 10:42 a.m. to hear item C1 Approval of Proposed Alternative Investment.

The meeting was reconvened into open session at 11:02 a.m. and Ms. Carlson reported the following actions were taken by the Board while in closed session.

- C1 **Approval of Proposed Alternative Investment:** The Board met in closed session regarding the purchase of a proposed alternative investment. Board approved an investment of \$15 million in the Bernhard Capital Partners (BCP) Fund II. The motion was carried by a vote of 7-1, with trustees Battey, David, Hoefer, Lee (for Hackleman), Spinello, Tashman and Tourel in favor; Arnott opposed.
- 6 **Adjournment:** Mr. Battey adjourned the meeting at 11:04 a.m.



Scott Hood  
Chief Executive Officer



Kristina Perez  
Retirement Executive Secretary