

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
FEBRUARY 23, 2016 – REGULAR BOARD MEETING MINUTES**

1602.1 Call to Order, Roll Call and Miscellaneous Business

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

Roll Call:

Present: Mark Battey, Paul Hackleman, Natalie Kwan Lloyd (arrived at 10:10 a.m.), Michal Settles, David Spinello, Eric Tashman (arrived at 10:34 a.m.) and Shirley Tourel.

Excused: Sandie Arnott, Ben Bowler.

Alternates present: Susan Lee, Alma Salas.

Staff: Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Tat-Ling Chow, Lilibeth Dames, Doris Ng and Kristina Perez.

Consultants: Margaret Jadallah and Faraz Shooshani (*Verus*).

Ms. Lee was seated at the dais, and served as the alternate for Ms. Kwan Lloyd until 10:10 a.m.

1602.2.1 Oral Communications from the Board: Ms. Settles updated the Board on her activity with the SACRS ad-hoc committee related to the UCLA education program.

1602.2.2 Oral Communications from the Public: None.

1602.3.1 Approval of Regular Board Meeting Minutes from January 26, 2016: Mr. Hackleman asked if there were any changes or corrections to the Regular Board Meeting minutes from January 26, 2016, and none were noted.

Action: Mr. Spinello moved to approve the minutes from the Regular Meeting of January 26, 2016, and the motion was seconded by Ms. Settles. The motion carried with a vote of 6-0; with trustees Battey, Hackleman, Lee (for Kwan Lloyd), Settles, Spinello and Tourel all in favor; none opposed.

1602.4.0 Approval of the Consent Agenda: Mr. Hackleman asked if there were any items to be removed from the Consent Agenda, and no items were requested to be removed.

Action: Mr. Spinello moved to approve the Consent Agenda, and the motion was seconded by Mr. Battey. The motion carried with a vote of 6-0; with trustees Battey, Hackleman, Lee (for Kwan Lloyd), Settles, Spinello and Tourel all in favor; none opposed.

1602.4.1 Disability Retirements: None.

1602.4.2 Service Retirements:

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

Member Name	Effective Retirement Date	Department
Ahanotu, Angus	January 1, 2016	Planning & Building
Baker, James	December 18, 2015	Deferred from Sheriff's
Bonifacio, William	December 31, 2015	Sheriff's
Burrell, Barbara	December 31, 2015	Deferred from Medical Center
Carpio, Jocelyn	December 17, 2015	Deferred from Medical Center
Ferrer, Irene	December 2, 2015	Probation
Gonzales, Lida	December 19, 2015	Public Works
Hill, Matthew	December 19, 2015	Public Works
Lesesne, David	December 30, 2015	Sheriff's
Merson, Thomas	December 5, 2015	Deferred from Sheriff's
Novak, Lisa	December 9, 2015	Deferred from District Attorney
Rose, Benjamin	December 28, 2015	Deferred from Sheriff's
Sankolewicz, Patricia	January 1, 2016	Library
Semenenko, Nina	December 26, 2015	Deferred from Medical Center

Shanks, Marie
Woloshin, Diane

December 22, 2015 Deferred from Aging and Adult Svcs
December 1, 2015 Deferred from HAS

1602.4.3 **Continuances:**

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

Survivor's Name	Beneficiary of:
Fagetti, Margaret	Fagetti, Richard
Henry, Douglas O'Brien	Henry, Margaret

1602.4.4 **Deferred Retirements:**

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

Member Name	Retirement Plan Type
Alarcon, Cecilia	G4, Vested - Reciprocity
Askew, Anthony	G4, Vested
Bunton, Porsche C.	G7, Non-Vested - Reciprocity
Clayton, Ana M.	G4, Vested
Dague, Stacey	P4, Vested
Foster, Carole A.	G4, Vested - Reciprocity
Figueroa-Zepeda, Bertha	G4, Vested
Henderson, Jasmine T.	G4, Vested
Kaiser, Amy S.	G4, Vested
Kuryllo, Jamie L.	G7, Non-Vested - Reciprocity
Miyashiro, Rand A.	G4, Vested - Reciprocity
Morrison, Sonya M.	G4, Non-Vested - Reciprocity
Osorio, Emilio	G4, Vested - Reciprocity
Peters, Gregory K.	G7, Non-Vested - Reciprocity
Slede, Lisa B.	G4, Vested
Snook, Kelly A.	G7, Non-Vested - Reciprocity
West, Gary J.	G7, Non - Vested - Reciprocity
Wood, Tracy A.	G4, Vested

1602.4.5 **Member Account Refunds:**

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

Member Name	Retirement Plan Type
Brady, Sonya	G4, Non-vested
Esteves, Maria	G2, Vested
Fisher, Marilyn	G7, Non-vested
Francis, Albert	G4, Vested
Gao, Jianmei	G7, Non-vested
Ismail, Abdul	G7, Non-vested
Macasa, Karen	G4, Vested
Martinez, Jason	G7, Non-vested
Nunez Taleno, Maria	G7, Non-vested
Rocuzzo, Matthew	G4, Non-vested
Small, Elesia	G7, Non-vested
Stefaniuk, Sharon	G4, Non-vested

1602.4.6 **Member Account Rollovers:**

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

Member Name	Retirement Plan Type
Carneiro, Charlotte	G5, Non-vested
Chang, Tina	G7, Non-vested

1602.4.7 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended December 31, 2015:** The Board accepted the semi-annual compliance certification statements received for SamCERA's non-alternative investment managers, as of December 31, 2015, that were not available for the packet in time for the January meeting.

1602.4.8 **Approval of SamCERA's Existing Mission and Goals:** The Board approved SamCERA's existing mission and goals statements, without any changes.

1602.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

1602.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ending January 31, 2016:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for January was -2.8%, while the preliminary trailing twelve-month return ending January 2016 was -2.1% net. This item was informational and for discussion only, no action was taken.

Ms. Kwan Lloyd arrived and took her seat at the dais at 10:10 a.m. and Ms. Lee returned to her seat in the audience.

1602.6.2 **Quarterly Investment Performance Report for the Period Ended December 31, 2015:** Ms. Jadallah reviewed the quarterly performance report with the Board and reported that the 4th quarter net total return for the SamCERA portfolio was 2.7%. This item was informational and for discussion only, no action was taken.

Mr. Tashman arrived at 10:34 a.m., and was seated during item 6.2.

1602.6.3 **Report on Proposed Domestic Equity Manager Structures:** Mr. Coultrip discussed a change to the domestic equity structure, and proposed creating a short list of small-cap core products for future consideration of the Board. This item was for discussion only and no action was taken.

1602.6.4 **Consideration of Approval to Sell Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The Board adjourned into closed session at 11:00 a.m. to discuss item 6.4, and the meeting was reconvened at 11:47 a.m. Ms. Carlson reported that no reportable action on item 6.4 was taken by the Board in the closed session.

The Board meeting was adjourned for a lunch break at 11:48 a.m., and was reconvened at 12:22 p.m. Item 7.2 was heard out of order, followed by the remainder of the agenda.

- 1602.7.2 **Approval of SamCERA Staffing Change to Add a Retirement Accountant Position and Delete Retirement Accounting Technician Position:** Mr. Hood and Ms. Smith presented the staff report. They explained the need for the proposed changes in staffing within the Finance Division, in order to provide more coverage and support within the division.
Action: Mr. Spinello moved to authorize staff to work with the County Human Resources Department to delete the current Retirement Accounting Technician position and to establish and fill one Retirement Accountant position at SamCERA. The motion was seconded by Ms. Settles and carried with a vote of 7-0; with trustees Battey, Hackleman, Kwan Lloyd, Settles, Spinello, Tashman and Tourel all in favor; none opposed.
- 1602.7.1 **Acceptance of Preliminary Financial Report for the Period Ended December 31, 2015:** Ms. Chow presented the financial report to the Board and answered questions. This item was informational and for discussion only, no action was taken.
- 1602.7.3 **Consideration of Trustee Request for Additional Educational Activity:** Mr. Hood explained that Board approval is needed for trustees wishing to attend conferences by providers not included in SamCERA's Education Policy. Ms. Settles' request is such a request.
Action: Mr. Battey moved to approve Trustee Michal Settles' request to attend the 2016 Sky Bridge Alternatives Conference (SALT) in Las Vegas. The motion was seconded by Mr. Spinello and carried with a vote of 7-0; with trustees Battey, Hackleman, Kwan Lloyd, Settles, Spinello, Tashman and Tourel all in favor; none opposed.
- 1602.7.4 **Report on April 26 and 27, 2016 Board-Staff Retreat Planning:** Mr. Hood reviewed the proposed schedule for the 2016 Board- Staff Retreat with the Board. Discussion followed and input was given to Mr. Hood regarding speakers, topics, and schedule.
- 1602.8.1 **Chief Executive Officer's Report:** Mr. Hood updated the Board on construction at 100 Marine Parkway. He noted that a preview of the Employee Engagement survey report was included in the "Day of Meeting" folder, and the whole survey report could be found in DropBox. He also reported on SamCERA's staff retreat that was held on February 10th, and updated the Board on items that would be on the agenda next month.
- 1602.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that staff was preparing the Spring Newsletter. She stated the renewal for fiduciary insurance was coming up and payment from trustees for non-recourse insurance would be due in May, with more details forthcoming. Ms. Smith noted that the calendar for the upcoming trustee elections was in the "Day of Meeting" folder. Ms. Perez spoke to the Board about upcoming conferences.
- 1602.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that the due diligence questionnaires given to the short-listed candidates for the direct lending opportunity are due February 26. He let the Board know about upcoming items expected on the March agenda.
- 1602.8.4 **Chief Legal Counsel's Report:** Ms. Carlson had no report.

CLOSED SESSION

- C1 **Consideration of Disability Items, if any, Removed from the Consent Agenda:** None.
- C2 **Consideration of Approval to Sell Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26):** (Confidential Under Gov. Code §54956.81 and §6254.2) – No reportable action was taken, see item 6.4.

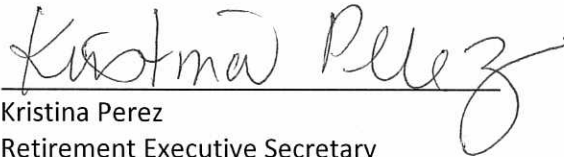
1602.9 **Report on Actions Taken in Closed Session:** See item 6.4.

1602.10 **Adjournment:** Mr. Hackleman adjourned the meeting at 12:51 p.m. in memory of the deceased members listed below.

Stamper, William	November 23, 2015	Chope Hospital
Manning, Delores	January 6, 2016	Medical Center
Askew, Clarice	January 8, 2016	Public Works
Vickers, David	January 9, 2016	General Services
Browning, James	January 12, 2016	Superior Court
Sims, Lorraine	January 15, 2016	Chope Hospital
Ramezane, Phyllis	January 16, 2016	Public Health
Anderson, Larz	January 17, 2016	Planning
Harris, Huey	January 25, 2016	Chope Hospital
Dickinson, Dora	February 1, 2016	Clerk-Recorder
Fristrup, Carroll	February 2, 2016	Building Inspection
O'Rourke, Thomas	February 2, 2016	Sheriff's
Roach, Arnold	February 4, 2016	Agriculture
Springer, Gerda	February 4, 2016	Mental Health



Scott Hood
Chief Executive Officer



Kristina Perez
Retirement Executive Secretary