

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

APRIL 27, 2021 – REGULAR BOARD MEETING MINUTES

AMENDED

2104.1 Call to Order, Roll Call and Miscellaneous Business

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

Roll Call:

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Kurt Hoefer, Katherine O'Malley, Robert Raw, Alma Salas (for Paul Hackleman, who joined at 10:05 a.m.), and Eric Tashman (joined at 10:10 a.m.).

Absent: None.

Alternates: Susan Lee.

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

Consultants and speakers: Nick Collier and Craig Glyde (Milliman, Inc.); Joe Abdou, Margaret Jadallah, and John Nicolini (Verus).

2104.2.1 Oral Communications from the Board: None.

2104.2.2 Oral Communications from the Public: None.

2104.3.1 Approval of Regular Board Meeting Minutes from March 23, 2021: Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on March 23, 2021.

Action: Mr. Raw moved to approve the minutes from the Board meeting on March 23, 2021. The motion was seconded by Ms. Arnott and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, and Salas all in favor; none opposed.

2104.4.0 Approval of the Consent Agenda: Mr. David asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed. Before the call for a motion, Mr. David noted a change for Agenda Item 4.10, amending the second sentence of the resolution for Regulation 7.3(D) Leave of Absence Credit to read as follows:

An eligible member may also purchase employer-approved leaves of absence on account of maternity or paternity leave, for up to 12 consecutive months for each unpaid parental leave occurrence.

Action: Mr. Battey moved to approve the items on the Consent Agenda including the amendment to Regulation 7.3(D). The motion was seconded by Ms. O'Malley and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hoefer, O'Malley, Raw, and Salas all in favor; none opposed.

2104.4.1 Disability Retirements:

- a) The Board found that **Henry Sutter** (1) is permanently incapacitated from the performance of his usual and customary duties as a Sheriff's Sergeant, (2) 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.

2104.4.2 Survivor Death Benefits: None.

2104.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
de la Cruz-Borrero, Lilia	February 20, 2021	Probation
Fong, Frances	February 28, 2021	San Mateo County Health
Fuentes, Martha	February 26, 2021	Behavioral Health
Gonzales, Bertha	February 27, 2021	San Mateo County Health
Hershman, Marc	February 28, 2021	Deferred - Board of Supervisors
Pape, Kathleen	February 13, 2021	Sheriff's Office
Petrick-Keegan, Lorie	March 1, 2021	San Mateo County Health
Poveda, Coralia	February 5, 2021	Probation
Puell, Michael	January 30, 2021	Deferred – San Mateo Co. Health
Saika, Anthony	January 29, 2021	Deferred - Sheriff's Office
Shanks, Marie	December 22, 2020	Retired – Plan 3 Portion
Tschaekofske, Suzanne	February 20, 2021	Public Works
Wade, James	February 27, 2021	District Attorney's Office
Warner, Loreen	February 6, 2021	Superior Court

2104.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Halpin, Juanita	Halpin, William
Hawkins, Laura	Modica, Frances
Sisneros, Shirley	Sisneros, Tony
Webster, Patsy	Webster, Edward
Weise, Linda	Weise, Philip

2104.4.5 **Deferred Retirements:**

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

Name	Retirement Plan Type
Anderson, Jamal	G7, Vested - Auto Defer - Code 31700
Ante, Matthew	G4, Vested - Auto Defer - Code 31700
Ferreras, Almira	G4, Vested
Hirst, Deborah	G4, Vested - Reciprocity
Kakis, Carly	G5, Vested - Reciprocity
Levy, Daniele	G7, Vested
Lu, Emily	G4, Vested
Nguyen, Linda D	G7, Vested - Reciprocity
Reynoso-Perez, Leticia	G5, Vested - Auto Defer - Code 31700

2104.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Alexander Bac, Richard	G7, Vested
Marquez, Erlinda	G4, Non-vested
Williams, Nicole	G4, Vested

2104.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Bahadur, Kerry	G4, Non-vested
Bryant, Sara	G7, Non-vested
Cox, Melissa	G4, Non-vested
Friedman, Carol	G7, Non-vested

2104.4.8 **Member Account Redeposits:**

Name	Retirement Plan Type
Custodio, Pia-Rosario	G4, Non-vested

2104.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2104.4.10 **Approval of Resolution Amending Regulations:** The Board approved a resolution amending Regulation Section 7.3 (D), adding 7.3 (F) to Section 7.3 Service Credit Available For Purchase By Active Members, renumbering existing Sections 7.3 (F)(1) and (F)(2) to Sections 7.3(G)(1) and (G)(2), adding Section 7.3 (G)(3), renumbering existing Sections 7.3 (F)(3) and (F)(4) to Sections 7.3 (H) and 7.3 (I), amending Sections 7.4 (B) and 7.4(C) to Section 7.4 Payment Options, and amending Section 7.5 (E) Redeposit of Previously Withdrawn Contributions in Article VII Purchase of Credit for Public Service.

2104.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2104.5.2 **Presentation of Actuarial Assumptions and Funding Options:** Mr. Collier and Mr. Glyde discussed funding implementation options with respect to changes to the assumed earnings rate and the impact on the statutory contribution rates. This item was informational and for discussion only, no action was taken.

2104.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for March was 1.6% bringing the preliminary trailing twelve month return ending March 2021 to 28.2% net, which is above SamCERA's Plan Benchmark return of 26.9% and above SamCERA's Actuarial Assumed Earnings Rate of 6.5%. This item was informational and for discussion only, no action was taken.

2104.6.2 **Report on Cash Overlay (Parametric) Annual Review:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's cash overlay manager, Parametric. The meeting was held virtually on March 4th and consisted of a firm/organizational update, investment process review, and performance review and attribution. There were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.

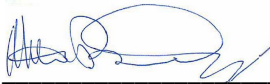
- 2104.6.3 **Report on Real Estate Annual Manager Review:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's real estate managers, INVESCO and Harrison Street. Both meetings were held virtually on April 1st and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. This item was informational and for discussion only, no action was taken.
- 2104.6.4 **Report on Global Custodian (Northern Trust) Annual Review:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's custodian bank, Northern Trust, which was held virtually on March 4th. Ms. Ng reported that Northern Trust continues to provide consistent and reliable service to staff. There were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.
- 2104.6.5 **Approval of Proposed 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 10:58 a.m. to hear item 6.5 then reconvened in Open Session at 11:09 a.m. See Closed Session report under C2.
- 2104.7.1 **Approval of SamCERA Fiscal Year 2021-22 Budget:** Ms. Smith reviewed the three components of SamCERA's budget with the Board (Professional Services, Administrative and Technology) and highlighted the changes from last year within each category. SamCERA's FY 2021-22 budget totals \$44 million, which is approximately \$1.3 million from the prior fiscal year.
- Action:** Ms. Arnott moved to approve SamCERA's budget for FY 2021-22 totaling \$44 million. The motion was seconded by Mr. Hoefer and carried by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw, and Tashman all in favor; none opposed.
- 2104.7.2 **Directions for Voting by SamCERA Delegates at the SACRS Spring Business Meeting:** Mr. Hood discussed the two key action items on the SACRS May 14th business meeting agenda and requested direction from the Board as to how the SamCERA Voting Delegate will vote. The Board supported the SACRS Nominating Committee's final slate of officers for the 2021-22 elections and the legislative changes proposed by the SACRS Legislative Committee. This item was informational and for discussion only, no action was taken.
- 2104.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that the County Manager will be meeting with department heads to discuss a reopening plan as the Governor recently announced a tentative statewide reopening date of June 15th. Mr. Hood shared that staff has put together a remobilization plan and will modify based on the County's guidance. Mr. Hood previewed a few items on next month's agenda including additional discussion and direction to staff and the actuary regarding assumptions for the upcoming valuation and the formation of the Ad Hoc Nominating Committee.
- 2104.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported that the candidate filing period for the SamCERA election is currently open and the final filing date is Monday, May 3rd. She also shared that she recently was in discussion with Supervisor Canepa regarding Board of Retirement appointments. Ms. Trujillo informed Board members about upcoming educational opportunities.
- 2104.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported on rebalancing activities during the month. He also reported that staff will be holding core equity annual manager reviews on Thursday, May 6th with Blackrock at 8:00 a.m. and QMA at 10:00 a.m. Staff will hold the second session of core equity manager reviews on Thursday, May 13th with D.E. Shaw at 8:00 a.m., Panagora at 9:30 a.m., and Acadian at 11:00 a.m.
- 2104.8.4 **Chief Legal Counsel's Report:** None.

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 §6254.26, see item 6.5):** Mr. Okada reported that the Board approved the recommendation for a “re-up” commitment to Invesco Real Estate U.S. Value-Add Fund VI in the amount of \$50 million. The motion was approved by a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefler, O’Malley, Raw, and Tashman all in favor; none opposed.

2104.10 **Adjournment:** Mr. David adjourned the meeting at 11:25 a.m. in memory of the deceased members listed below.

Porter, Karl	January 28, 2021	Human Services
Bolster, Walter	February 25, 2021	Forestry & Fire Warden
Goodwin, Earl	March 2, 2021	County Manager's Office
Harber, Mary	March 9, 2021	Crystal Springs Rehab Center
Tabora, Corazon	March 9, 2021	Hospital
Kemnitz, Carol	March 12, 2021	Parks
Grable, Richard	March 12, 2021	Probation
Costello, Bertha	March 29, 2021	Library
Brooks, Monica	March 24, 2021	Recorder's
Kalber, Yvonne	March 30, 2021	Probation
Scott, Jack	April 1, 2021	Road Dept
Garvey, G Christina	April 3, 2021	Hospital
Fernandez, Gloria	April 5, 2021	Hospital
McNeil, Regina	April 11, 2021	Hospital
Porter, Emmit	April 15, 2021	Public Works



Al David
Board Chair