

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**AUGUST 24, 2021 – REGULAR BOARD MEETING MINUTES**

**2108.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. Raw, 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, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, Elaine Orr, and Robert Raw.

Absent: Ben Bowler and Susan Lee.

Alternates: Alma Salas.

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

Consultants and speakers: Joe Abdou, Marc Gesell, Margaret Jadallah, and Faraz Shooshani (Verus).

**2108.1.1 Administration of the Oath of Office:** Ms. Arnott administered the Oath of Office to newly appointed Trustee, Elaine Orr (Fourth Member).

**2108.1.2 Announcement of Appointment of Board Committees:** Mr. Raw announced the following appointments to Board Committees for FY 2021-22:

Standing Committees:

Audit Committee: Sandie Arnott, Al David, Paul Hackleman, and Katherine O'Malley, Chair.

Investment Committee: Mark Battey, Alma Salas, and Kurt Hoefer, Chair.

Ad-hoc Committee:

CEO Review Committee: Sandie Arnott, Katherine O'Malley, and Al David, Chair.

**2108.2.1 Oral Communications from the Board:** None.

**2108.2.2 Oral Communications from the Public:** Mr. Raw asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments. Ms. Trujillo reported there were no written comments received ahead of the meeting.

**2108.3.1 Approval of Regular Board Meeting Minutes from July 27, 2021:** Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on July 27, 2021. There were no changes, corrections, or objections presented.

**Action:** Ms. Arnott moved to approve the minutes from the Board meeting on July 27, 2021. The motion was seconded by Mr. David and carried with a vote of 5-0, with trustees Arnott, Battey, David, O'Malley, and Raw all in favor; Hackleman, Hoefer, and Orr abstained; none opposed.

**2108.4.0 Approval of the Consent Agenda:** Mr. Raw asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hoefer moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Hackleman and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley, Orr, and Raw all in favor; none opposed.

2108.4.1 **Disability Retirements:**

- a) The Board found that **Cal'Landrea Glenn** (1) is permanently incapacitated from the performance of her usual and customary duties as an Assessor/Recorder Technician 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.

2108.4.2 **Survivor Death Benefits:** None.

2108.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Ancheta, Brandon	June 11, 2021	San Mateo County Health
Axelson, Pamela	June 26, 2021	Deferred - Probation
Barth, Greg	June 11, 2021	Public Works
Coffman, Susan	July 1, 2021	Human Services Agency
Cooper, Noyd	June 21, 2021	Deferred - Human Services Agency
Del Rosario, Maria	June 29, 2021	Deferred - San Mateo County Health
Dolidze, Ekaterina	June 5, 2021	Deferred - Sheriff's Office
Garcia, Rudolph	June 30, 2021	Public Works
Hargis, Karene	June 26, 2021	Human Services Agency
Hollister, Irma	June 26, 2021	Public Health
Houser, Susan	June 14, 2021	San Mateo County Health
Hwang, Hui	July 1, 2021	Deferred – Superior Court
Mandal, Sudhir	June 19, 2021	Controller's Office
Morris, Sherri	July 1, 2021	Deferred – Superior Court
Pacumio, Alfredo	June 13, 2021	San Mateo County Health
Reed, Susann	June 16, 2021	Behavioral Health
Sanchez, John	June 3, 2021	Deferred - Sheriff's Office
Selbach, Lawrence	June 26, 2021	Behavioral Health
Sheldon, Stephen	June 12, 2011	Probation
Singh, Ajay	July 1, 2021	Public Health
Singh, Usha	July 1, 2021	Probation
Tannenwald, Eric	June 11, 2021	Child Support Services
Tavares, Renee	July 1, 2021	Deferred - Public Health
Thompson, Guy	June 2, 2021	Superior Court
White, Melody	June 30, 2021	Deferred - District Attorney's Office

2108.4.4 **Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Ndegwa, Machanga	Ndegwa, Tom
Perroton-Galloway, Suzanne	Stuart, Bette

2108.4.5 **Deferred Retirements:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Fung, Nga Yew	G4, Vested - Reciprocity
Guest-Brown, Stefane	G7, Vested
Ncube, Brighton	G7, Non-vested - Reciprocity
Rojo Sousa, Annamaria	G7, Non-vested - Reciprocity
Schanmier, Tami	G7, Vested
Singer, Grae Matan	G4, Non-vested - Reciprocity
Walton, Jon	G5, Vested
Wilkinson, Michael	G7, Vested

2108.4.6 **Member Account Refunds:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Berkovatz-Isidro, Julie	G7, Non-vested
Kershaw, Karen	G1, Vested
Levett, Rebecca	G7, Non-vested
Rodriguez, Veronica	G7, Vested

2108.4.7 **Member Account Rollovers:**

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

<b>Name</b>	<b>Retirement Plan Type</b>
Chitwood, Amalie	G4, Non-vested
Fricke, Cassandra	G4, Non-vested
Garciano, Reuluz	G4, Non-vested
Kershaw, Karen	G1, Vested

2108.4.8 **Member Account Redeposits:** None.

2108.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2108.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2021:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers as of June 30, 2021.

2108.4.11 **Report on Securities Lending Program:** The Board accepted the report on SamCERA's Securities Lending Program as of June 30, 2021.

2108.4.12 **Report on Preliminary Financial Statements for the Fiscal Year Ended June 30, 2021:** The Board accepted the Preliminary Financial Statements for the Fiscal Year Ended June 30, 2021.

2108.4.13 **Report on Budget-to-Actual for the Fiscal Year Ended June 30, 2021:** The Board accepted the Preliminary Report on Budget-to-Actual for the fiscal year ended June 30, 2021.

- 2108.4.14 **Reaffirm Policy and Procedures for Correcting Inaccuracies in Member Records:** The Board reaffirmed the “Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits” in substantially the same form as the policy reaffirmed in August 2018 with minor modifications for readability.
- 2108.4.15 **Reaffirm Policy for Felony Forfeiture:** The Board reaffirmed the “Procedure for Felony Forfeitures” in substantially the same form as the procedure created and approved in August 2018 with minor modifications for readability.
- 2108.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2108.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended July 31, 2021:** Mr. Coultrip informed the Board that preliminary report for July was not available in time for the Board mailing and was distributed last night and available on Dropbox. He reported that SamCERA’s net preliminary return for July was 0.6% bringing the preliminary trailing twelve month return ending July 2021 to 20.8% net, which is above SamCERA’s Plan Benchmark return of 20.3% and above SamCERA’s Actuarial Assumed Earnings Rate of 6.25%. This item was informational and for discussion only, no action was taken.
- 2108.6.2 **Report on SamCERA’s Risk Dashboard as of June 30, 2021:** Mr. Gesell of Verus presented to the Board the SamCERA Risk Dashboard with data as of June 30, 2021. This item was informational and for discussion only, no action was taken.
- 2108.6.3 **Report on Quarterly Investment Performance Report for Period Ended June 30, 2021:** Mr. Coultrip reported that the 2<sup>nd</sup> quarter net total return for the SamCERA portfolio was +5.0%, which was 30 bps higher than the +4.7% policy benchmark return. Private equity and absolute return were the main contributors of performance. Ms. Jadallah and Mr. Abdou presented the report to the Board and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2108.6.4 **Report on Fixed Income Manager Annual Reviews:** Ms. Ng reviewed the meeting notes from the annual reviews of SamCERA’s opportunistic and private credit bond managers. She reported that staff and consultants met virtually with opportunistic and private credit bond managers, PIMCO and Beach Point on July 29<sup>th</sup> and with private credit manager, Blackrock on August 10<sup>th</sup>. Each meeting consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. She reported there were no significant concerns identified during the reviews. This item was informational and for discussion only, no action was taken.
- 2108.6.5 **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 met in Closed Session at 10:59 a.m. and reconvened in Open Session at 11:16 a.m. See Closed Session report under C2.
- 2108.7 **Board and Management Support:** No items were on the agenda.
- 2108.8.1 **Chief Executive Officer’s Report:** Mr. Hood welcomed Elaine Orr to the Board of Retirement. He updated the Board on AB 826 which is a bill currently in the State Senate which would modify the definition of compensation earnable. Mr. Hood shared that all of staff will be returning to the office on September 7<sup>th</sup> and will be working on a hybrid schedule. He provided the Board with an update on SamCERA’s VoIP system with installation to take place mid-October. Mr. Hood shared that he will be serving on the CALAPRS 2022 Conference Planning Committee. He previewed a few items on the September agenda including a presentation on the actuarial valuation and contribution rates from

Milliman, Inc., and a review of SamCERA's records retention policy. Mr. Hood also informed the Board that the current suspension of Brown Act teleconferencing requirements is scheduled to expire on September 30<sup>th</sup>. As such, staff is preparing for a hybrid meeting beginning October. Mr. Hood acknowledged and congratulated Ms. Smith for her 30 years of County service.

2108.8.2 **Assistant Executive Officer's Report:** None.

Ms. Trujillo informed Board members about upcoming educational opportunities.

2108.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported staff will hold annual manager reviews on September 2<sup>nd</sup> at 10:00 a.m. with opportunistic credit manager, Brigade; September 16<sup>th</sup> with absolute return managers, Graham Capital at 9:30 a.m., Aberdeen at 11:00 a.m., and State Street at 1:00 p.m. He also shared that staff and consultants plan to hold a future follow up discussion with the Board regarding the liquidity pool presentation from the March Board/Staff Retreat.


2108.8.4 **Chief Legal Counsel's Report:** Mr. Okada provided the Board with an update on the Governor's recent Executive Order reinstating the waiver of the 180-day break in service requirement for retirees and shared that staff is in the process of notifying County departments. Mr. Okada, Mr. Hood, and Ms. Smith provided the Board with an update regarding the implementation of the *Alameda* decision from last year.

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 a commitment of \$10 million to Summit Partners Growth Equity Fund XI, LP, as part of SamCERA's Venture Capital portfolio within Private Equity. The motion was approved by a vote of 8-0, with trustees Arnott, Battey, David, Hackleman, Hoefer, O'Malley, Orr, and Raw all in favor; none opposed. No other reportable action was taken.

2108.10 **Adjournment:** Mr. Raw adjourned the meeting at 11:41 a.m. in memory of the deceased members listed below.

Ellsworth, Patricia	July 19, 2021	Public Health
Crist-Whitzel, Janet	July 12, 2021	Mental Health
Gunning, Helen	July 20, 2021	Hospital
Jackson, Willie	July 13, 2021	Vocational Rehab
Perry, Inez	July 30, 2021	Mental Health
Martin, David	August 2, 2021	District Attorney's Office
Moerman, Matthew	August 15, 2021	Sheriff's
Newton, James	August 15, 2021	Public Works



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Robert Raw  
Board Chair