

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

JULY 27, 2021 – REGULAR BOARD MEETING MINUTES

2107.1 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, Al David, Katherine O'Malley, Robert Raw and Alma Salas (for Paul Hackleman).

Absent: Ben Bowler, Paul Hackleman, Kurt Hoefer, and Susan Lee.

Alternates: None.

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, Margaret Jadallah, and John Nicolini (Verus).

2107.1.1 Administration of the Oath of Office: Ms. Arnott administered the Oath of Office to re-elected Trustees, Katherine O'Malley (Second Member) and Robert Raw (Seventh Member). Mr. Hood informed the Board that Mark Battey had already been administered the Oath of Office by County Officials.

2107.1.2 Election of Board Members: Mr. Hood informed the Board that the Ad Hoc Nominating Committee met and recommended the following slate of officers for the 2021-2022 term: Robert Raw, Chair; Katherine O'Malley, Vice Chair; and Mark Battey, Secretary. There were no other nominations made.

Action: Ms. Arnott moved to approve the recommended slate of officer positions for the 2021-2022 term. The motion was seconded by Mr. Battey and carried with a vote of 6-0, with trustees Arnott, Battey, David, O'Malley, Raw, and Salas all in favor; none opposed.

The remainder of the meeting was chaired by Mr. Raw.

2107.1.3 Announcement of Appointment of Board Committees: Mr. Raw announced that he will provide the Board Committees for FY 21-22 at the August Board meeting.

2107.2.1 Oral Communications from the Board: None.

2107.2.2 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.

2107.3.1 Approval of Regular Board Meeting Minutes from May 25, 2021: Mr. Raw asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on May 25, 2021.

Action: Mr. David moved to approve the minutes from the Board meeting on May 25, 2021. The motion was seconded by Ms. Salas and carried with a vote of 6-0, with trustees Arnott, Battey, David, O'Malley, Raw, and Salas all in favor; none opposed.

2107.4.0 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: Ms. Arnott moved to approve the items on the Consent Agenda. The motion was seconded by Ms. Salas and carried with a vote of 6-0, with trustees Arnott, Battey, David, O’Malley, Raw, and Salas all in favor; none opposed.

2107.4.1 **Disability Retirements:**

- a) The Board found that **Esmirna Atijera** (1) is permanently incapacitated from the performance of her usual and customary duties as a Senior Accountant, (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.

2107.4.2 **Survivor Death Benefits:** None.

2107.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Benda, Jennifer	May 29, 2021	Probation
Bouja, Alexander	May 22, 2021	Deferred - Sheriff's Office
Calderon, Luna	April 27, 2021	Deferred - Mental Health
Caldwell, Lisa	May 22, 2021	Public Safety Communications
Del Carlo, Michael	April 24, 2021	Deferred - Sheriff's Office
Furtado, Josefina	April 24, 2021	District Attorney's Office
Gabriel, Ramona	May 27, 2021	Probation
Garibaldi, Michael	May 29, 2021	Agriculture/Weights & Measures
Gaza, Benedicta	May 29, 2021	Human Services Agency
Janolino, Helen	May 1, 2021	Human Services Agency
Kunkel, Paul	May 2, 2021	Sheriff's Office
McDonald, Kenneth	May 15, 2021	Deferred - Probation
Milano, Deno	May 7, 2021	Environmental Health
Moffatt, Barbara	May 1, 2021	Deferred - Probation
Moore, Tina	May 11, 2021	Probation
Mullin, Amy	May 24, 2021	QDRO
Murphy, Cindy	May 2, 2021	San Mateo County Health
Nitao, Marna	May 14, 2021	Probation
Patricio, Jack	May 29, 2021	Probation
Reeves, Keith	May 2, 2021	San Mateo County Health
Robinson, Stephen	April 28, 2021	Deferred - Sheriff's Office
Skivers, Eric	May 29, 2021	Probation
Tourel, Gilles	May 1, 2021	Public Works
Udui-Mitchell, Michaela	May 15, 2021	Behavioral Health
Wilson, Robert	April 17, 2021	Information Services

2107.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Bolster, Sheila	Bolster, Walter
Cruz, Victoria	Arthur, Richard
Davis, Robert	Costello, Bertha
Duterte, Benjamina	Duterte, Ildefonso
Fernandez, Henry	Fernandez, Gloria
Garvey, Lawrence	Garvey, Christina
Van Pelt, James	Van Pelt, Delia

2107.4.5 **Deferred Retirements:**

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

Name	Retirement Plan Type
Bautista, Ronnie	G5, Vested - Auto Defer - Code 31700
Chuan, Jennie	G4, Vested - Reciprocity
Fournier, Caitlyn	G7, Non-vested - Reciprocity
Frank, Nathanael	G7, Non-vested - Reciprocity
Mrizek, Lori	G7, Vested - Auto Defer - Code 31700
Quezada, Robert	G7, Vested
Taylor, Leah	G5, Vested - Auto Defer - Code 31700
Vanderschaaf, Joshua	G4, Vested - Reciprocity
Wong, Sandy S	G4, Vested - Reciprocity

2107.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Bridgeman, Michael (FBO: Johnson, Katherine)	G7, Non-vested
Elmore-Reeder, Chantilli	G4, Vested
Gomez, Ramon	G7, Vested
Gregorio, Melvin	G4, Non-vested
Griswold, Marcus	G7, Non-vested
Hing-Lewis, Janna	G5, Vested
Kahn, Hannah	P4, Vested
Miller, Abbie (FBO: Miller, Mary)	G4, Vested
Miller, Abbie (FBO: Miller, Peter)	G4, Vested
Miller, Abbie (FBO: Miller, William)	G4, Vested
Palla, Piroska	G7, Non-vested
Rodriguez, Gladys	G7, Non-vested
Santiago, Abigail	G7, Non-vested

2107.4.7 **Member Account Rollovers:**

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

Name	Retirement Plan Type
Cattich, Pamela (FBO: Barrett Hutcherson)	G4, Vested
Chiu, Diana	G7, Non-vested
Kahn, Hannah	P4, Vested
Lecaros, Angelica	G7, Vested
Wood, Ashley	G7, Non-vested

2107.4.8 **Member Account Redeposits:** None.

2107.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

- 2107.4.10 **Report on Gov Code Section 7514.7 Annual Disclosure for 2020:** The Board accepted the report on California Government Code Section 7514.7 covering calendar year 2020.
- 2107.4.11 **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 and investment consultant, as of June 30, 2021.
- 2107.4.12 **Approval of Questions for Annual Review of Milliman, Inc.:** The Board approved the evaluation questions in the "Questions for Annual Actuarial Consultant Evaluation".
- 2107.4.13 **Reaffirmation of Code of Conduct:** The Board reaffirmed its Code of Conduct in substantially the same form as the policy approved in 2018 with minor modifications for readability.
- 2107.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2107.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended June 30, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for June was 0.8% bringing the preliminary trailing twelve month return ending June 2021 to 24.2% net, which is above SamCERA's Plan Benchmark return of 22.1% and above SamCERA's Actuarial Assumed Earnings Rate of 6.5%. This item was informational and for discussion only, no action was taken.
- 2107.6.2 **Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2020:** Ms. Dames reported that as of December 31, 2020, SamCERA's private equity portfolio had a total market value of \$384 million (6.9% of SamCERA's total fund). She also reported that as of fiscal year end, SamCERA's private real assets portfolio had a total market value of \$114.1 million (2.1% of SamCERA's total fund). Mr. Nicolini further discussed the private equity and private real asset performance reports and answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2107.6.3 **Report on Core Equity and Low Volatility Equity Manager Annual Reviews:** Ms. Ng reviewed meeting notes from the May 13th annual review of SamCERA's core equity manager, D.E. Shaw, and low volatility equity managers, Acadian and PanAgora. Each meeting consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. There were no major concerns identified during the reviews. This item was informational and for discussion only, no action was taken.
- 2107.6.4 **Report on International Equity Manager Annual Reviews:** Ms. Ng reported that staff met virtually with international equity managers, Baillie Gifford and Mondrian on June 3rd. 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 review. This item was informational and for discussion only, no action was taken.
- 2107.6.5 **Report on Fixed Income Manager Annual Reviews:** Ms. Ng reviewed the meeting notes from the annual review of SamCERA's core bond managers, FIAM, NISA Investment Advisors and DoubleLine LP held virtually on June 24th. She also reviewed the meetings notes of reviews held on July 1st with opportunistic credit manager, Franklin Templeton, and core bond manager, Western Asset Management. 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 review. This item was informational and for discussion only, no action was taken.

- 2107.6.6 **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 10:53 a.m. and reconvened in Open Session at 11:10 a.m. See Closed Session report under C2.
- 2107.8.1 **Chief Executive Officer’s Report:** Mr. Hood reported that the SamCERA office reopened on June 15th with partial staff operating on a weekly rotation and remaining staff would return after the Labor Day Holiday. Mr. Hood shared an update on the vacant Fourth Member seat. He previewed a few items on the August agenda including the financial and budget report and review of the Records Retention Policy, as well as two administrative policies: Policy and Procedure for Corrections of Inaccuracies Relating to Member Contributions, Withdrawals and the Payment of Benefits, and Felony Forfeiture Policy.
- 2107.8.2 **Assistant Executive Officer’s Report:** Ms. Smith reported that Brown Armstrong had completed their interim audit and stated there were no issues or concerns. Ms. Trujillo informed Board members about upcoming educational opportunities.
- 2107.8.3 **Chief Investment Officer’s Report:** Mr. Coultrip reported the employer prepayment contribution was received. He also reported staff will hold opportunistic credit reviews virtually on: July 29th with PIMCO at 8:00 a.m. and Beach Point at 10:00 a.m., August 5th with White Oak at 8:00 a.m., and August 10th with Blackrock at 1:00 p.m.
- 2107.8.4 **Chief Legal Counsel’s Report:** Mr. Okada reported that the Governor’s June 11, 2021, Executive Order extended the prior Executive Order which had suspended certain Brown Act requirements related to teleconferencing/videoconferencing. This extension allows Board meetings to continue virtually through September 30th. He also added that the Governor’s Office will provide local agencies with reasonable notice with any changes and that staff will update the Board as more information becomes available.
- 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 Angelo Gordon Credit Solutions Fund II, LP in the amount of \$30 million. The motion was approved by a vote of 6-0, with trustees Arnott, Battey, David, O’Malley, Raw, and Salas all in favor; none opposed. No other reportable action was taken.
- 2107.10 **Adjournment:** Mr. Raw adjourned the meeting at 11:17 a.m. in memory of the deceased members listed below.
- | | | |
|-----------------------------|----------------|------------------------|
| Franklin-Shakoor, Ernestine | April 17, 2021 | Hospital |
| Harrington, Hertha | May 17, 2021 | Probation |
| Arthur, Richard | May 22, 2021 | Human Services Agency |
| Coppock, Charles | May 22, 2021 | Courts |
| Catalano, Teresa | May 23, 2021 | Human Services Agency |
| Avery, Bernice | May 31, 2021 | Chope Hospital |
| Ndegwa, Tom | May 31, 2021 | Environmental Health |
| Lewis, Jeffrey | June 10, 2021 | Aging & Adult Services |
| Cook, Randall | June 11, 2021 | Medical Center |
| Minudri, Regina | June 18, 2021 | Library |
| Hollomon, Carl | June 21, 2021 | Child Support Services |
| Hatfield, Mary | June 26, 2021 | Nursing |
| Littlewood, Charlotte | June 26, 2021 | Probation |

Fischer, Brian
Caulkins, Margaret
Gatto, Catherine
Greenberg, Gloria
Pitlock, Gregory

June 27, 2021
June 28, 2021
July 3, 2021
July 7, 2021
July 12, 2021

Probation
Public Health
Hospital
Mental Health
Sheriff's



Robert Raw
Board Chair