

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
NOVEMBER 1, 2022 – REGULAR BOARD MEETING MINUTES**

**2211.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Ms. O'Malley, Chair, called the Regular Meeting of the Board of Retirement to order at 10:01 a.m.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, Robert Raw, and Alma Salas.

Absent: Al David.

Alternates: Nicole McKay (joined at 11:12 a.m.)

Staff: Tat-Ling Chow, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, 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); and Ashley Greene (Brown Armstrong).

**2211.2.1 Oral Communications from the Board:** None.

**2211.2.2 Oral Communications from the Public:** Ms. O'Malley 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.

**2211.3.1 Approval of Special Board Meeting Minutes from September 27, 2022:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the meeting minutes from the special meeting held on September 27, 2022. There were no changes, corrections, or objections presented.

**Action:** Mr. Raw moved to approve the minutes from the special Board meeting on September 27, 2022. The motion was seconded by Mr. Battey and carried with a vote of 7-0, with trustees Arnott, Battey, Hoefer, Marangu, Orr, Raw, and Salas all in favor; O'Malley abstained, none opposed.

**2211.3.2 Approval of Board Meeting Minutes from September 27, 2022:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the meeting minutes from the regular meeting held on September 27, 2022. There were no changes, corrections, or objections presented.

**Action:** Mr. Hoefer moved to approve the minutes from the regular Board meeting on September 27, 2022. The motion was seconded by Ms. Arnott and carried with a vote of 7-0, with trustees Arnott, Battey, Hoefer, Marangu, Orr, Raw, and Salas all in favor; O'Malley abstained, none opposed.

**2211.3.3 Approval of Special Board Meeting Minutes from October 13, 2022:** Ms. O'Malley asked if there were any changes or corrections, or objections, to the meeting minutes from the special meeting held on October 13, 2022. There were no changes, corrections, or objections presented.

**Action:** Ms. Salas moved to approve the minutes from the special Board meeting on October 13, 2022. The motion was seconded by Mr. Marangu and carried with a vote of 6-0, with trustees Arnott, Hoefer, O'Malley, Marangu, Raw, and Salas all in favor; Battey and Orr abstained, none opposed.

**2211.4.0 Approval of the Consent Agenda:** Ms. O'Malley asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

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

2211.4.1 **Disability Retirements:**

- a) The Board found that **Antonino Costa** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) found 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.
- b) The Board, regarding **Patrina Sudano**, (1) accepted the proposed decision of the Hearing Officer, Juliet Cox, (2) found that she is permanently disabled and unable to perform her job duties as a Deputy Sheriff, (3) found that her disability was the result of an injury arising out of and in the course of her employment and (4) granted her application for a service-connected disability retirement.

2211.4.2 **Survivor Death Benefits:** None.

2211.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Arakaki-Barbanica, Roderick	August 11, 2022	Sheriff's Office
Armando, Andrew	August 31, 2022	Sheriff's Office
Bursten, Juliana	August 15, 2022	Deferred - Behavioral Health
Caso, Michael	August 16, 2022	Deferred - Environmental Health
DeBattista, Cory	September 1, 2022	Deferred - Probation
Gorkhali, Madan	August 15, 2022	Deferred - Sheriff's Office
Gujer, Tina	June 21, 2022	Family Health Services
Hunt, Delores	August 13, 2022	Probation
Kanakis, Nikki	August 6, 2022	Behavioral Health
Larkin, Noris	September 1, 2022	San Mateo County Health
Leong, Ligi	September 1, 2022	Probation
Lucett, Lisa	August 31, 2022	Public Safety Communications
McClure, Michelle	August 16, 2022	Deferred - Probation
Minor, Duane	August 18, 2022	Public Works
O'Connor, Patrick	September 1, 2022	Human Services Agency
Pagsanjan, Nicanor	August 13, 2022	Probation
Proctor, Lester	August 20, 2022	Public Works
Quon, Herman	August 6, 2022	Deferred - Sheriff's Office
Silva, Jenny	August 13, 2022	Behavioral Health
Smith, Patricia P	August 21, 2022	Deferred - San Mateo Co Health

2211.4.4 **Continuances:**

**Survivor's Name:**  
Alsterlind, Mardece  
Hunnell, Vanessa

**Beneficiary of:**  
Alsterlind, Keith  
Galleguillos, Roy

#### 2211.4.5 Deferred Retirements:

<b>Name</b>	<b>Retirement Plan Type</b>
Balance, Christian	G7, Vested - Auto Defer – Code 31700
Britton, Erica	G7, Vested - Auto Defer – Code 31700
Burgess, Stacy	G7, Vested - Reciprocity
Chan, Christina	G7, Vested - Reciprocity
Dunham, Daniela	G7, Non-vested - Reciprocity
Espino, Uriel	G7, Non-vested - Reciprocity
Felise, Zachary	S7, Vested
Fu, Sylvia	G4, Vested - Auto Defer – Code 31700
Hernandez, Eduardo	G5, Vested - Auto Defer – Code 31700
McTaggart, Mairtin	G7, Non-vested - Reciprocity
Medina, Rey Allen	G7, Vested
Mercado, Wesley	G4, Vested - Auto Defer – Code 31700
Payumo, Madeleine	G4, Vested - Reciprocity
Perdomo, Le'Rusyan	G7, Vested - Auto Defer – Code 31700
Pitre, Elaina	S7, Vested - Reciprocity
Prado Farias, Lorena	G7, Vested - Auto Defer – Code 31700
Raga, Roland	G7, Vested - Auto Defer – Code 31700
Rodriguez, Ivan	S7, Vested - Reciprocity
Sheth, Monali	G7, Vested - Auto Defer – Code 31700
Torres, Zaira	G7, Vested
Tourel, Shirley	G4, Vested

#### 2211.4.6 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>
Barela, Frank (FBO: Pulliam, Robert)	G7, Non-vested
Chambers, Priscilla E	G4, Vested
Dellamonica, Laura (FBO:Dellamonica, Brian)	G4, Vested
Dellamonica, Laura (FBO:Dellemonica, Daniel)	G4, Vested
Gong, Shiyang	G7, Non-vested
Lenane, Zachary	G7, Non-vested
Letana, Karla (FBO: Letana, Omega)	G4, Vested
Letana, Karla (FBO: Letana, Reynaldo)	G4, Vested
Williams, Danielle (FBO: Wysinger, Dana)	G4, Vested

#### 2211.4.7 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>
Fahey, Lisa (DRO)	S5, Non-vested
Fellows, Sheila	G2, Vested
Hughey, Stanley	G4, Non-vested

- 2211.4.8 **Member Account Redeposits:** None.
- 2211.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.
- 2211.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2211.5.2 **Annual Review of SamCERA's Actuarial Services Firm, Milliman, Inc.:** Ms. Smith shared the results of Milliman, Inc.'s annual review which included perfect ratings from Board and staff. She and Mr. Hood thanked Mr. Collier and Mr. Glyde for their knowledge, professionalism, and partnership all these years. This item was informational and for discussion only, no action was taken.
- 2211.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended September 30, 2022:** Mr. Coultrip reported that SamCERA's net preliminary return for September was -4.8% bringing the preliminary trailing twelve month return ending September 2022 to -8.9% net, higher than the policy benchmark return of -9.9% but below our assumed earnings rate of 6.25%. He reported most assets classes were lower in September as investor sentiment plummeted and as tighter financial conditions contributed to higher volatility across both equity and fixed income markets. Persistently high inflation reports, U.S. dollar strength, and political upheaval in the U.K. contributed to the global risk-off environment. U.S. interest rates rose across the yield curve as the Fed raised interest rates by 75 basis points for the third straight meeting. Mr. Coultrip answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2211.6.2 **Report on Inflation Hedge Manager Annual Review:** Ms. Ng reviewed the meeting notes from the annual review meeting with inflation hedge manager, State Street Global Advisors (SSgA). The review occurred on September 15<sup>th</sup> and there were no significant concerns identified during the portfolio review. This item was informational and for discussion only, no action was taken.
- 2211.6.3 **Report on Opportunistic Credit Manager Annual Review:** Ms. Ng reported that staff and consultant held an annual review meeting on October 4<sup>th</sup> with opportunistic credit manager, Angelo Gordon. She also reported that there were no significant concerns during the review. This item was informational and for discussion only, no action was taken.
- 2211.6.4 **Report on Absolute Return Manager Annual Review:** Ms. Ng reported that staff and consultant met with Graham Capital Management on September 15<sup>th</sup> and absolute return managers, CFM's Systematic Global Macro (SGM), PIMCO's Multi-Asset Alternative Risk Premia (MAARS), and Acadian's Multi-Asset Absolute Return (MAAR), on October 6<sup>th</sup>. She discussed highlights of each review and reported that there were no significant concerns identified. Staff and Verus answered questions from the Board. This item was informational and for discussion only, no action was taken.
- 2211.6.5 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The item was taken out of order and heard in Closed Session at 11:04 a.m. after agenda item 7.4. The Board reconvened in Open Session at 11:21 a.m. See Closed Session report under C2.
- 2211.7.1 **Presentation by Brown Armstrong of 2022 Financial Audit Management Reports:** Ms. Green presented the results of the independent financial audit for fiscal year ended June 30, 2022. She reported that SamCERA received an unmodified (clean) opinion. Ms. Arnott reported that the Audit Committee met and reviewed the financial audit report and recommended that the Board accept the report and findings. With no objection, the financial audit report was accepted by the Board.
- 2211.7.2 **Approval of SamCERA's 2022 Annual Comprehensive Financial Report (ACFR):** Ms. Chow provided a summary of the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. She

discussed SamCERA's net position at fiscal year end, the operating results for the fiscal year just ended, and the funding status as of June 30, 2022. Ms. Chow thanked Ms. Green and her audit team, Milliman, Inc., as well as SamCERA staff for their contributions in putting the ACFR together.

**Action:** Mr. Hoefler moved to approve SamCERA's 2022 Annual Comprehensive Financial Report. The motion was seconded by Mr. Marangu and carried with a vote of 8-0, with trustees Arnott, Battey, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

2211.7.3 **Approval of Voting Delegates and Direction to Delegates for Fall 2022 SACRS Business Meeting:** Mr. Hood discussed staff's recommendation to designate him as the Voting Delegate to cast SamCERA's votes at the SACRS business meeting on November 11, 2022.

**Action:** Ms. Orr moved to approve staff's recommendation to designate Scott Hood, CEO as the Voting Delegate to cast SamCERA's votes at the SACRS Fall 2022 Conference. The motion was seconded by Mr. Raw and carried with a vote of 8-0, with trustees Arnott, Battey, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas all in favor; none opposed.

2211.7.4 **Presentation on the Strategic Plan Update Process:** Mr. Letcher, President and CEO of BridgeGroup, presented the process and timeline for updating the Strategic Plan and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2211.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that the Governor recently announced that the COVID-19 State of Emergency will end on February 28, 2023. Staff anticipates holding the March Regular Board meeting/Board-Staff Retreat in-person and will continue to monitor the situation in case anything changes. He congratulated Mr. Ali on his 20 years of service as well as Ms. Fong for her 10 years of service with SamCERA. He read a card received from the Schroyer family expressing their appreciation in the Board's remembrance of their late father, Donald. Mr. Hood shared information regarding the CALAPRS General Assembly in March. He informed the Board that a Special Meeting will take place before the December Regular Meeting and previewed a few items on the regular meeting agenda such as the education policy, an updated funding dashboard, the annual review of Brown Armstrong, a discussion of Board-Staff retreat topics, and CEO review.

2211.8.2 **Assistant Executive Officer's Report:** Ms. Smith informed the Board that she will be sending out a survey for the annual review of Brown Armstrong. She reported that staff has reviewed the comments received from the in-person survey and reassured that safety protocols will be in place for in-person Board meetings. Ms. Smith informed the Board that she will be sending out the link to the Harassment Prevention training. She mentioned that County employees were sent the link and requested that County Board members submit a copy of their certificate upon completion. Ms. Trujillo shared upcoming educational opportunities with the Board.

2211.8.3 **Chief Investment Officer's Report:** Mr. Coultrip informed the Board that a survey will be sent out for the annual review of Verus. He reported that Verus plans to present the results of the Enterprise Risk Tolerance interviews at the December meeting. Mr. Coultrip shared an update on the Insight investment cash flow match account.

2211.8.4 **Chief Legal Counsel's Report:** Mr. Okada mentioned that he had sent out the CEO review survey yesterday and thanked those that had already completed it. He encouraged Board members to reach out if there were any questions.

C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

C2 **Approval of Proposed Purchase and Sale of Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item 6.5):** The Board met in Closed Session regarding the approval of proposed alternative investments:

Regarding a commitment of \$25 million to Davidson Kempner Opportunities Fund VI LP, as part of SamCERA's Debt/Special Situations portfolio within Private Equity, there was a motion by Orr, seconded by Hoefler, to approve such commitment by a vote of 8-0-0.

Ayes: Arnott, Battey, Hoefler, Marangu, O'Malley, Orr, Raw, and Salas

Nos: None

Abstain: None

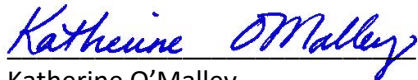
Absent: David

Motion carried 8-0-0

No other reportable action was taken.

2211.10 **Adjournment:** Ms. O'Malley adjourned the meeting at 11:32 a.m. in memory of the deceased members listed below.

Gamber, Joyce	June 2, 2022	District Attorney's Office
Constantz, Mark	June 23, 2022	Library
Blankenship, James	September 7, 2022	Probation
Correa, Juana	September 8, 2022	Hospital
Foreman, Marilyn	September 21, 2022	Social Services
Potente, Macario	September 23, 2022	Health Services
Goodier, Benjamin	September 29, 2022	Assessor's
Scoville, Evelyn	October 6, 2022	Sheriff's
Nielson, Phil	October 11, 2022	Sheriff's



Katherine O'Malley

Chair