

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
AUGUST 27, 2024 – REGULAR BOARD MEETING MINUTES**

2408.1 Call to Order, Roll Call and Miscellaneous Business

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

Roll Call:

Present: Sandie Arnott, Al David, April DeCarsky (for Robert Raw) Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Elaine Orr, and Alma Salas.

Absent: Mark Battey and Robert Raw.

Alternates: Nicole McKay.

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

Consultants and speakers: Joe Abdou, John Nicolini, and Faraz Shooshani (Verus).

- 2408.1.1 Administration of the Oath of Office to Reelected and Reappointed Trustees:** Ms. Arnott administered the Oath of Office to Trustee O'Malley, who was reelected, and Trustee Orr, who was reappointed to the Board.
- 2408.1.2 Announcement of Appointment of Board Committees:** Mr. Hood announced the committee appointments Ms. Salas made at the August meeting and noted that Mr. David would be unable to serve on the Audit committee, due to his pending retirement.
- 2408.2.1 Oral Communications from the Board:** Mr. David announced his retirement from the County of San Mateo.
- This item was heard before Item 1.1.
- 2408.2.2 Oral Communications from the Public:** None.
- 2408.3.1 Approval of Board Meeting Minutes from July 23, 2024:** Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on July 23, 2024. Mr. Hood presented one correction to the Board regarding the incorrect list of deceased members.
- Action:** Mr. David moved to approve the minutes from the July 23, 2024 regular Board meeting. The motion was seconded by Ms. Arnott and carried with a vote of 6-0-2, with trustees Arnott, David, DeCarsky (for Raw), Hoefer, Marangu, and Salas all in favor; none opposed; trustees O'Malley and Orr abstained.
- 2408.4.0 Approval of the Consent Agenda:** Nuria Arceo's disability application was removed from Item 4.1. Ms. Salas asked if there were any items to be removed for discussion from the Consent Agenda. Ms. Lenguyen informed the Board that Applicant Hemal Mehta was requesting that her application be removed from the Consent Agenda so that she could address the Board in Open Session with her husband present. Ms. Arnott requested that Items 4.11 and 4.12 be removed for discussion.
- Action:** Mr. Hoefer moved to approve the remaining items on the Consent Agenda. The motion was seconded by Mr. David and carried with a vote of 8-0-0, with trustees Arnott, David, DeCarsky (for Raw), Hoefer, Marangu, O'Malley, Orr, and Salas all in favor; none opposed; none abstained.

2408.4.1 **Disability Retirements:**

- a) The Board found that **Christopher Goeking** (1) is not permanently incapacitated from substantially performing his usual and customary duties as a Sheriff's Correctional Officer and (2) denied his application for a service-connected disability retirement.
- b) The Board found that **Romel Horace** (1) is permanently incapacitated from the performance of her usual and customary duties as a Therapy Aide, (2) found that her disability was not the result of an injury/illness arising out of and in the course of her employment, (3) denied her application for a service-connected disability and (4) granted her a non-service-connected disability retirement.
- c) The Board terminated the disability retirement application submitted by the San Mateo Medical Center on behalf of **Ana Quintanilla-Recinos** per Article VI, sections 6.5 and 6.6 of the Board Regulations regarding Disability Retirement.

2408.4.2 **Survivor Death Benefits:** None.

2408.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Bergman, Lisa	June 22, 2024	Superior Court
Bollinger, Vilma	June 22, 2024	San Mateo County Health
Cassano, Irma	June 8, 2024	Human Services Agency
Chan, Sandy	July 1, 2024	Deferred - Emergency Mgmt
Curlee, Maria	June 29, 2024	San Mateo County Health
Farfan, Daniel	June 29, 2024	Public Health
Giampaoli, Mitchell	June 30, 2024	Sheriff's Office
Gomez, Lucia	June 18, 2024	Assessor's office
Joseph, Susan	June 29, 2024	San Mateo County Health
Louie, Harry	June 15, 2024	Family Health
Lugo, Ana	June 17, 2024	Human Services Agency
Pisani, Karen	June 29, 2024	First 5
Rodas, Carmen	June 30, 2024	Deferred - Family Health
Rojas, Regina	June 9, 2024	Sheriff's Office

2408.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Lim, Nancy	Lim, Jose Paquito
Mendelson, Harry	Mendelson, Diane
Murphy, Kevin	Murphy, Deanna

2408.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Alcazar, Sonia	G4, Vested - Reciprocity
Bokharey, Saba	G7, Vested Auto Defer – Code 31700
Burdick, Sarah	G4, Vested - Reciprocity
Caballero, Lynette	G7, Non-Vested - Reciprocity
Dimanlig, Emillie	G7, Vested - Reciprocity
Kath, Chantha	G7, Non-Vested - Reciprocity

Kau, Linda	G7, Non-Vested - Reciprocity
Lam, Ka Ming	G7, Vested Auto Defer – Code 31700
Lum, Anthony	G5, Vested - Reciprocity
Martinez, Adrianna	G7, Non-Vested - Reciprocity
Mosley, Tyesha	G7, Vested Auto Defer – Code 31700
Rubert, Aidan	G7, Non-Vested - Reciprocity
Valenzuela, Erika	G7, Vested - Reciprocity
Villarreal, Claudia	G7, Vested Auto Defer – Code 31700
Wong, Kimberly	G5, Vested - Reciprocity

2408.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Ahern, Erin	G7, Non-vested
Banning, Monica	G7, Vested
Borghi, Gabriel (FBO: Borghi, Christopher)	G2, Vested
Caballero, Jessica	S4, Vested
Choudhrie, Sanjay	G7, Non-vested
Cooper, Carol	G4, Non-vested
Gonzalez, Michelle (FBO: Ayon, Celina)	G7, Non-vested
Rusniak, Kassidee	G7, Non-vested

2408.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Borghi, Gabriel (FBO: Borghi, Christopher)	G2, Vested
Carlos, Jessica	G7, Vested
Hufana, Annabell	G7, Non-vested
Sankaran, Lalitha	G7, Non-vested

2408.4.8 **Member Account Redeposits:** None

2408.4.9 **Approval to Issue Retirement Check:**

Name	Effective Date
Susan Botti	September 1, 2024

2408.4.10 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted report for educational activities attended by Mr. David.

2408.4.11 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2024:** This item was discussed in Open Session following the approval of the Consent Agenda. Ms. Arnott informed the Board of her questions regarding this item. Following discussion, the Board requested additional information from staff regarding situations where investment managers declined to provide certain information in connection with their reviews on the grounds that such information is material non-public information. Staff will discuss potential clarifications to reports concerning these matters and will follow up with the Board at a later date.

2408.4.12 **Report on SamCERA’s Securities Lending Program:** This item was discussed in Open Session following the approval of the Consent Agenda. Ms. Arnott informed the Board of her questions regarding this item. Following discussion, Staff proposed scheduling an educational session for the Board, possibly at its March 2025 retreat, to review additional details regarding the Board’s Securities Lending Program.

Action: Mr. David moved to accept the Semi-Annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of June 30, 2024 (Item 4.11) and accept the report on SamCERA's Securities Lending Program as of June 30, 2024 (Item 4.12). The motion was seconded by Mr. Marnagu and carried with a vote of 8-0-0, with trustees Arnott, David, DeCarsky (for Raw), Hoefler, Marangu, O'Malley, Orr, and Salas all in favor; none opposed; none abstained.

2408.4.13 **Report on Preliminary Financial Statements for the Fiscal Year Ended June 30, 2024:** The Board accepted the Preliminary Financial Statements for the Fiscal Year Ended June 30, 2024.

2408.4.14 **Report on Budget-to-Actual for the Fiscal Year Ended June 30, 2024:** The Board accepted the Preliminary Report on Budget-to-Actual for the fiscal year ended June 30, 2024.

2408.4.15 **Reaffirm Error Correction Policy:** The Board reaffirmed the Board of Retirement's Policy and Procedure for Correcting Inaccuracies Relating to Member Contributions, Withdrawals, and the Payment of Benefits.

2408.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:**

Dr. Mehta addressed the Board in Open Session regarding her Disability Retirement application. Following discussion, there was a motion and a second to refer this matter to a hearing officer.

Action: Ms. Arnott moved to refer this matter to a hearing officer. The motion was seconded by Mr. David and carried with a vote of 8-0-0, with trustees Arnott, David, DeCarsky (for Raw), Hoefler, Marangu, O'Malley, Orr, and Salas all in favor; none opposed; none abstained.

2408.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended July 31, 2024:** Mr. Coultrip reported that SamCERA's preliminary return for July was 1.6%, bringing the preliminary trailing twelve-month net return ending July to 9.1%, which is below our benchmark return of 10.9% but above our assumed earnings rate of 6.25%. SamCERA's estimated market value as of July was \$6.65 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.

2408.6.2 **Report on Quarterly Investment Performance Report for Period Ended June 30, 2024:** Mr. Coultrip reported that the 2nd quarter net total return for the SamCERA portfolio was 1.7%, which was 50 bps lower than the 2.2% policy benchmark return. Joe Abdou, John Nicolini, and Faraz Shooshani from Verus presented the Verus Quarterly Performance Report Ending June 30, 2024, to the Board. This item was informational and for discussion only, no action was taken.

2408.6.3 **Report on Defensive Fixed Income Manager Annual Reviews:** Ms. Ng reported that on June 18, SamCERA staff and consultant held annual review meetings with defensive fixed income bond managers, DoubleLine, NISA Investment Advisors and FIAM. Each meeting lasted approximately 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

Mr. Hoefler stepped out of the boardroom at 11:05 a.m. until 11:09 a.m.

2408.6.4 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with opportunistic credit bond managers, PIMCO and Beach Point, on July 11, and with White Oak Global Advisors and One William Street on August 1. Each meeting lasted approximately 1.5-2 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng

reviewed the meetings, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2408.6.5 **Approval of Proposed Purchase of Alternative Investments (Confidential Under Gov. Codes §54956.81 and §7928.710, to be heard in Closed Session, C2):** This item was heard in Closed Session at 11:25 a.m. and Open Session was reconvened at 12:00 p.m. See Closed Session report under C2.

2408.7.1 **Approval of Resolution Amending Board Regulations:** Mr. Hood reviewed proposed revisions certain sections to the Board of Retirement Regulations under Elections, Membership Duties and Rights, and Disability Retirements.

Action: Ms. Arnott moved to approve the resolution amending Board regulations. The motion was seconded by Mr. David and carried with a vote of 8-0-0, with trustees Arnott, David, DeCarsky (for Raw), Hoefler, Marangu, O'Malley, Orr, and Salas all in favor; none opposed; none abstained.

2408.8.1 **Chief Executive Officer's Report:** Mr. Hood reported to the Board that with Mr. David's retirement and based on the election amendments to the Board regulations, the Elections Office will likely have the elections the first or second week of January for the period remaining on Mr. David's current term through June 30, 2025, and the following 3-year term beginning July 1, 2025. Until the election, and accordance with the CERL, Ms. DeCarsky will vote in light of the Third Member seat vacancy. Mr. Hood updated the Board regarding the vacancy left by Mr. Battey. The Board of Supervisors will conduct interviews of the four candidates on September 12th. The Board of Supervisors have asked SamCERA to sit in on the interviews. Ms. Smith will represent SamCERA during the interviews. Mr. Hood reported to the Board that he attended the NCPERS Funding Forum last week in Boston. Mr. Hood stated that it was a decent forum with a mix of attendees. Mr. Hood reported that he had discussions with the County's Chief Financial Officer who indicated that the County is interested in looking into stabilizing future employer contribution rates. Mr. Hood reported to the Board that at next month's meeting, topics will include the annual valuation, contribution rates, the 2025 Board meeting schedule, review error correction policies, and an update on the disability statistics.

Lastly, Mr. Hood extended his congratulations and thanks to Mr. David for being an elected Trustee for 16+ years. Mr. Hood presented Mr. David with a pin and framed commemorative Resolution detailing Mr. David's service to the Board, which Mr. Marangu read aloud.

2408.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that SamCERA has filled the Retirement Technology Officer position. Diane Webster will be joining SamCERA effective September 16. Ms. Webster is currently the Technology Manager for San Mateo County Human Resources Department. Ms. Lukan reported to the Board on upcoming education opportunities including CALAPRS Trustees In-Person Round Table on October 11 in San Jose and SACRS in Monterey in November and she will send an email with the information. Ms. Lukan also gave the Board a heads up regarding CALAPRS General Assembly in March 2025 in Napa. Ms. Smith wished Mr. David all the best in his retirement.

2408.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that staff will be bringing to the Board in the next month or two, the recommendation for the asset allocation review. Typically, this is brought after the valuation. Mr. Coultrip also extended his thanks to Mr. David.

2408.8.4 **Chief Legal Counsel's Report:** Mr. Okada did not present a legal report to the Board, but he did extend his thanks to Mr. David for his service.

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

C2 Approval of Proposed Purchase of Alternative Investments (Confidential Under Gov. Code §54956.81 and §7928.710, see item 6.5):

The Board entered Closed Session at 11:25 a.m.

The Board met in Closed Session for the approval of proposed alternative investments:

Regarding a \$60 million commitment to GoldenTree Asset Management Master Fund Select Strategy, as part of SamCERA's Opportunistic Credit portfolio with the Growth category, there was a motion and a second to approve such commitment.

Ayes: Arnott (Secretary), David, Decarsky (for Raw), Hoefer, Marangu (Vice Chair), O'Malley, Orr, and Salas (Chair)
Nos: None
Abstain: None
Absent: None
Motion carried 8-0-0

Regarding a \$20 million re-up commitment to Summit Partners Growth Equity Fund XII, L.P. as part of SamCERA's Venture Capital portfolio within Private Equity under the Growth category, there was a motion and second to approve such commitment.

Ayes: Arnott (Secretary), David, Decarsky (for Raw), Hoefer, Marangu (Vice Chair), O'Malley, Orr, and Salas (Chair)
Nos: None
Abstain: None
Absent: None
Motion carried 8-0-0

No other matters were heard in Closed Session and the Board exited Closed Session at 12:00 p.m.

2408.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2408.10 **Adjournment:** Ms. Salas adjourned the meeting at 12:18 p.m. in memory of the deceased members listed below.

Berg, Michael	March 27, 2024	Mental Health
Martinez, Harry	May 13, 2024	Public Health
Bell, Gloria	June 26, 2024	Courts
Myers, Karen	July 2, 2024	San Mateo County Health
Andrews, Shirley	July 9, 2024	Health Services
Riley, Marsha	July 18, 2024	Human Services
Bundalian, Clarita	July 21, 2024	San Mateo County Health
Benedict, Kathleen	July 22, 2024	General Services
Marin, Ruth	July 23, 2024	Probation
Yoshida, Hisaye	July 24, 2024	District Attorney's Office
Merkh, Ralph	July 24, 2024	Sheriff's Office
Bresler, Lucy	July 28, 2024	Environmental Health
Murray, Thomas	July 29, 2024	General Services

Taiby, Hussain
Mitchell, Raymond
Coudray, Peter

July 31, 2024
August 1, 2024
August 8, 2024

San Mateo County Health
Probation
Public Works



Alma Salas
Board Chair