

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**JULY 23, 2024 – REGULAR BOARD MEETING MINUTES**

**2407.1 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, Kurt Hoefler, Kimathi Marangu, Robert Raw, and Alma Salas.

Absent: Mark Battey, Katherine O'Malley and Elaine Orr.

Alternates: April DeCarsky and 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).

**2407.1.1 Administration of the Oath of Office:** Ms. Arnott administered the Oath of Office to Trustees DeCarsky and Raw, who were reelected to the Board. Trustees O'Malley and Orr were absent and will be administered the Oath of Office at the August meeting.

**2407.1.2 Election of Board Officers:** Mr. Hoefler informed the Board that the Ad Hoc Nominating Committee met and recommended the following slate of officers for the 2024-2025 term: Alma Salas, Chair; Kimathi Marangu, Vice Chair; and Sandie Arnott, Secretary. There were no other nominations made.

**Action:** A roll call vote was taken regarding the recommended slate of officers, and trustees Arnott, David, DeCarsky (for O'Malley), Hoefler, Marangu, Raw, and Salas were all in favor; none abstained; none opposed.

Ms. Salas assumed the role of Chair.

**2407.1.3 Announcement of Appointment of Board Committees:** Ms. Salas announced to the Board that the appointments to the Audit and Investment Committees are as follows:

- Audit Committee: Kimathi Marangu, Chair; Al David; Katherine O'Malley, and April DeCarsky.
- Investment Committee: Kurt Hoefler, Chair; Sandie Arnott, Robert Raw, and Elaine Orr.

**2407.2.1 Oral Communications from the Board:** None.

**2407.2.2 Oral Communications from the Public:** Susan Lee was present in the audience. Ms. Lee stated that she was present for her item on the Consent Agenda, item 4.1, and wanted to be available if the Board had any questions.

**2407.3.1 Approval of Board Meeting Minutes from June 4, 2024:** Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on June 4, 2024. Mr. Hood presented one correction to the Board regarding a missing first name in the Consent Agenda. The correction was reflected in the minutes.

**Action:** Mr. Hoefler moved to approve the minutes from the June 4, 2024 regular Board meeting. The motion was seconded by Ms. Arnott and carried with a vote of 7-0-0, with trustees Arnott, David, DeCarsky (for O'Malley), Hoefler, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

2407.4.0 **Approval of the Consent Agenda:** Ms. Salas asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed; however, two motions were made and two votes were taken due to a conflict for Item 4.1.

**Action:** Mr. David moved to approve the items on the Consent Agenda, without Kathryn Chao’s disability application. The motion was seconded by Mr. Raw and carried with a vote of 7-0-0, with trustees Arnott, David, DeCarsky (for O’Malley), Hoefer, Marangu, Raw, and Salas all in favor; none opposed; none abstained.

**Action:** Mr. Hoefer moved to approve Kathryn Chao’s disability application. The motion was seconded by Mr. Raw and carried with a vote of 6-0-1, with trustees Arnott, David, Hoefer, Marangu, Raw, and Salas all in favor; none opposed; DeCarsky (for O’Malley) abstained.

2407.4.1 **Disability Retirements:**

- a) The Board found that **Kathryn Chao** (1) is able to substantially perform her usual and customary duties as a Probation Services Manager I and (2) denied her application for a service-connected disability retirement.
- b) The Board found that **Michael El Haddad** (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.
- c) The Board found that **Maria Isabel Hernandez** (1) is able to substantially perform her usual and customary duties as a Marriage and Family Therapist II and (2) denied her application for a service-connected disability retirement.
- d) The Board referred **Susan Lee’s** application for service-connected disability retirement to a hearing officer for proposed findings and recommendations.
- e) The Board found that **Ashley Ochoa** (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff’s Correctional Officer, (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.

2407.4.2 **Survivor Death Benefits:** None

2407.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Boesch, Maureen	May 31, 2024	Superior Court
Calderbank, Mark	May 30, 2024	San Mateo County Health
Colin, Edmond	June 1, 2024	Probation
Danly, Annette	June 1, 2024	Human Services Agency
Dass, Arun	May 29, 2024	Superior Court
DeJesus, Alysa	May 18, 2024	Deferred - Probation
Dragunas, Neringa	June 1, 2024	San Mateo County Health
Fung, William	March 30, 2024	Deferred - Environmental Health
Gervais, Jonathan	May 15, 2024	Deferred – Parks Department
Gomez, Elvira	May 29, 2024	Mental Health
Halpern, Kent	May 31, 2024	Mental Health
Khoury, George	June 1, 2024	Probation
Love, Nadyne	June 1, 2024	Deferred - Mental Health
McAllan, Karen	May 16, 2024	Deferred - Probation
Needels, Steven	June 1, 2024	San Mateo County Health

2407.4.4 **Continuances:****Survivor's Name**

Lucia, Sally  
 Moore, Lynda  
 Rodriguez, Pedro

**Beneficiary of:**

Lucia, Paul  
 Cid, Luis  
 Rodriguez, Beatriz

2407.4.5 **Deferred Retirements:****Name**

Akiyama, Melissa  
 Albini, Bryan  
 Alota, Jeffrey  
 Antezana, Cindy  
 Berrada, Zenda  
 Blake, Sarah  
 Campos, Angelica  
 Chow, Richard  
 Cloney, Christopher  
 Domingo, Jenifer  
 Espano, Gladys  
 Figard, Kayla  
 Gomez, Emeraldalda  
 Estrada, Natalia  
 Garcia, Gloria  
 Geipe, Amanda  
 Gilman, Scott  
 Green Young, Anthony  
 Gutierrez, Alexandra  
 Herborn, Patricia  
 Hernandez, Ednalina  
 Holomuzki, Carole  
 Holt, Vanessa  
 Jakubowski, Susan  
 Kalra, Sumita  
 Lee, Ruby  
 MacDonald, Warren  
 Martinez, Julia  
 McCarthy, Thomas  
 Molina, Daniela  
 Newell, Jordan  
 Obedoza, Elvie  
 Ou, Sara  
 Paredes-Colonia, Michelle  
 Parsons-Barillas, Iliana  
 Pien-Wong, Jennifer  
 Povah, Tricia  
 Ramirez, Silvia  
 Reynicke, Nicky  
 Rienhardt, Scott

**Retirement Plan Type**

G7, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 S4, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G7, Non-Vested - Reciprocity  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G7, Non-Vested – Reciprocity  
 S4, Vested  
 G7, Vested Auto Defer – Code 31700  
 G2/G3, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G5, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested  
 G7, Vested Auto Defer – Code 31700  
 G7, Vested - Reciprocity  
 G4, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G4, Vested Auto Defer – Code 31700  
 G7, Vested - Reciprocity  
 G4, Vested Auto Defer – Code 31700

Riley, Kelly	G4, Vested Auto Defer – Code 31700
Rousseau, Kyle	G7, Vested Auto Defer – Code 31700
Santiago, Mary	G4, Vested Auto Defer – Code 31700
Selig, Megan	P4, Vested Auto Defer – Code 31700
Solorzano Flores, Esperanza	G7, Vested Auto Defer – Code 31700
Tharayil, Mithu	G7, Vested Auto Defer – Code 31700
Urquidez, Neil	G4, Vested Auto Defer – Code 31700
Venning, Kristen	G7, Vested Auto Defer – Code 31700
Wertz, Diana	G7, Vested Auto Defer – Code 31700
Wixon, Rebecca	G4, Vested Auto Defer – Code 31700

2407.4.6 **Member Account Refunds:**

<b>Name</b>	<b>Retirement Plan Type</b>
Britt, Kevin	G7, Non-vested
Bruno, Antoinette	G7, Non-vested
De Guzman, Leonard Vincent	G7, Non-vested
De Zoysa, Shailen Ujesh	G7, Non-vested
Garcia, Briana Tillie	G7, Vested
Lloyd, Barbara	G7, Non-vested
MacDonell, Jennifer	G7, Non-vested
Sevilla, Stephen	G7, Non-vested
Vargas, Brandy	G7, Non-vested
Vujicevich, Michael	G4, Vested

2407.4.7 **Member Account Rollovers:** None.

2407.4.8 **Member Account Redeposits:**

<b>Name</b>	<b>Retirement Plan Type</b>
Ladcani, Ivan	G2

2407.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** The Board accepted the submitted report for educational activities attended by Mr. Hoefer.

2407.4.10 **Reaffirmation of Records Retention Policy:** The Board reaffirmed the Board of Retirement’s Records Retention Policy.

2407.4.11 **Reaffirmation of Records Retention Policy:** The Board reaffirmed the Board of Retirement’s Code of Conduct.

2407.4.12 **Approval of Amendment to Conflict of Interest Code:** The Board approved amendments to SamCERA’s Conflict of Interest Code.

2407.4.13 **Approval of Resolutions that Define Compensation Earnable and Pensionable Compensation:** The Board approved amendments to (1) the Resolution defining Compensation Earnable, pursuant to Government Code §31461 for members who are not subject to Government Code §7522.34 and (2) the Resolution defining Pensionable Compensation for members who are subject to Government Code §7522.34.

2407.4.14 **Report on California Government Code Section 7514.7 Annual Disclosure for 2023:** The Board accepted the report on California Government Code Section 7514.7 Annual Disclosure for 2023.

- 2407.4.15 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ended June 30, 2024:** The Board accepted the semi-annual Compliance Certification Statements submitted by SamCERA's alternative managers and investment consultant, as of June 30, 2024.
- 2407.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.
- 2407.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended June 30, 2024:** Mr. Coultrip reported that SamCERA's preliminary return for June was 0.7%, bringing the preliminary trailing twelve-month net return ending June to 9.0%, which is below our benchmark return of 11.8% but above our assumed earnings rate of 6.25%. SamCERA's estimated market value as of June was \$6.46 billion, while the actuarial funded ratio as of June 30, 2023 was 88.3%.
- 2407.6.2 **Presentation of Private Asset Semi-Annual Performance Reports as of December 31, 2023:** Ms. Dames reported that as of December 31, 2023, SamCERA's private equity portfolio had a total market value of \$419 million (6.7% of SamCERA's total fund). The private equity portfolio's net IRR since inception is 18.99%, 580 bps above the same cash flow invested in the Russell 3000 Total Return Index + 300 bps return of 13.19%. Ms. Dames also reported that as of December 31, 2023, SamCERA's private real assets portfolio had a total market value of \$352 million (5.7% of SamCERA's total fund). The private real assets portfolio's net IRR is 6.72% and there were twenty private real asset funds in the portfolio with \$469.8 million in committed capital across fifteen private real asset managers. Mr. Shooshani reviewed the private equity performance report and Mr. Nicolini reviewed the private real assets performance report with the Board. This item was informational and for discussion only, no action was taken.
- This item was heard after Item 6.5.
- 2407.6.3 **Report on Core Equity and Low Volatility Equity Manager Annual Reviews:** Ms. Ng reported that on May 23, SamCERA staff and consultant held annual review meetings with our core equity manager, D.E. Shaw, and our low volatility equity manager, PanAgora. 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.
- 2407.6.4 **Report on International Equity Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with Baillie Gifford and Mondrian on June 6. 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.
- 2407.6.5 **Report on Real Estate Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with our real estate managers, INVESCO and Stockbridge on April 25. 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.
- Mr. Marangu left the Board Meeting at 10:57 a.m. Mr. Raw stepped out of the board room at 11:14 a.m. until 11:17 a.m.

- 2407.6.6 **Report on SamCERA's Liquidity Profile:** Mr. Abdou reviewed SamCERA's liquidity report with the Board. This item was informational and for discussion only, no action was taken.
- 2407.6.7 **Approval of Proposed Alternative Investments (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §7928.710, C2 & C3):** This item was heard in Closed Session at 11:18 a.m. and Open Session was reconvened at 11:34 a.m. See Closed Session report under C2/C3.

This item was heard before Item 6.6.

- 2407.8.1 **Chief Executive Officer's Report:** Mr. Hood reported to the Board that he's been working with the Board of Supervisors regarding the vacant sixth seat. The Board of Supervisors has three applicants that they want to interview with interview dates in the middle of September. Mr. Hood will keep the Board informed of the scheduled dates. Mr. Hood reported to the Board that the SACRS Legislative Committee produces a monthly report that he will start sending out to the Board. Mr. Hood informed the Board that SACRS has a new legislative team that does a good job at updating the report. Mr. Hood informed the Board that the updated Year-at-a-Glance calendar is now in Dropbox, starting with September and has some new features added. Lastly, Mr. Hood reported that next month's meeting will include budget and financials, as well as review of the Error Correction Policy.
- 2407.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that the interim audit has been underway. Ms. Smith also reported to the Board that files have been sent to Milliman for the actuarial valuation. Lastly, Ms. Smith reported to the Board that the Retirement Technology Officer recruitment screening panel has completed its screening of the applications and interviews will be held the week of August 5<sup>th</sup>. Ms. Lukan reported to the Board on upcoming education opportunities including CALAPRS Trustees In-Person Round Table on October 11, NCPERS is also in October, and IFEBP's Annual Conference and SACRS are both around the same time in November. Mr. Lukan stated she will send an email with the information. Lastly, Ms. Lukan asked the Board to please let SamCERA management know if they will be unable to attend the August meeting, so that SamCERA can make sure it has a quorum.
- 2407.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that SamCERA staff and Verus had a due diligence meeting with GoldenTree Asset Management for a potential investment within the Opportunistic Credit portfolio and that the meeting went well. Mr. Coultrip reported that there will be a couple of follow-ups and then staff anticipates bringing the investment to the Board within the next few months. Mr. Coultrip also reported rebalancing actions to the Board. Lastly, Mr. Coultrip informed the Board of upcoming Manager Reviews for Opportunistic Credit on August 1, 2024, with White Oak Investors and One William Street; and August 13, 2024, with BlackRock.
- 2407.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported to the Board on several legislative and case updates. The legislative and case updates that Mr. Okada reported on included AB2474, AB2770, AB2284, AB3025, and the LACERA case. Bills AB2474 and AB2770 have passed both Houses and are waiting on the Governor's decision. Bills AB2284 and AB3025 have passed out of one House but needs approval from the other House. Regarding the LACERA case, Mr. Okada reported that in the Superior Court, LACERA lost their case, however LACERA won their appeal in the Court of Appeals. The decision was published at the end of June and will become final 30 days after publication. After the decision becomes final, the County of Los Angeles has 10 days to file an appeal to the Supreme Court.

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

C2/C3 **Approval of Proposed Alternative Investment (Confidential Under Gov. Code §54956.81 and §7928.710 – see also item 6.7):**

The Board entered Closed Session at 11:18 a.m.

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

No reportable action was taken.

No other matters were heard in Closed Session and the Board exited Closed Session at 11:34 a.m.

2407.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Items C2 and C3 above. There were no additional closed session items.

2407.10 **Adjournment:** Ms. Salas adjourned the meeting at 12:19 p.m. in memory of the deceased members listed below. Ms. Smith offered a special condolence to Lisa Okada, Deputy Director of Human Resources, whose father, Jerry Okada, is one of the listed deceased members.

Cid, Luis	May 3, 2024	Aging and Adult Services
Lucia, Paul	May 26, 2024	Sheriff's Office
Oda, Robert	May 23, 2024	Probation
Jones, Noletta	May 21, 2024	Probation
Toniatti, Joanne	May 29, 2024	Mental Health
Turner, Barbara	May 30, 2024	Courts
Mendelson, Diane	June 5, 2024	Children's Services
Grant, Vernon	June 8, 2024	Public Works
Pugliese, Linda	June 9, 2024	Public Safety Communications
Lim, Paquito	June 16, 2024	Engineering
Beaumont, Graham	June 18, 2024	Mental Health
Idehara, Masuye	June 20, 2024	Hospital
Bowyer, Karen	June 21, 2024	Library
Burke, Elizabeth	June 23, 2024	Social Services
Smiley, Allison	June 24, 2024	County Attorney's Office
Okada, Jerry	June 25, 2024	Public Works
San Miguel, Felicitas	June 28, 2024	Crystal Springs Rehab
Murphy, Deanna	June 29, 2024	Human Services



Alma Salas  
Chair