

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOVEMBER 5, 2024 – REGULAR BOARD MEETING MINUTES**

2411.1 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: April DeCarsky, Kurt Hoefer, Kimathi Marangu, Katherine O'Malley, Rachel Perkel, Robert Raw, and Alma Salas.

Absent: Sandie Arnott and Elaine Orr.

Alternates: Nicole McKay.

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

Consultants and speakers: Joe Abdou and John Nicolini (Verus); Ashley Green (Brown Armstrong); Nick Collier and Craig Glyde (Milliman) via conference call.

2411.1.1 Swearing in of New Trustee: Mr. Raw administered the Oath of Office to Trustee Perkel, who was appointed by the Board of Supervisors to the Sixth Seat on the Board of Retirement on September 24, 2024.

2411.2.1 Oral Communications from the Board: None.

2411.2.2 Oral Communications from the Public: Ms. Smith reported to the Board that SamCERA received a notice from Redwood City Public Works Services Water Utilities Division regarding a possible risk of lead presence in the building water system. Ms. Smith reported that SamCERA is working with building management on testing the water for the presence of lead and a sample has been sent out for testing and that, in the interim, all staff have been provided with bottled water and the notice received from Redwood City has been posted.

2411.3.1 Approval of Board Meeting Minutes from August 27, 2024: Ms. Salas asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on August 27, 2024. There were no changes, corrections, or objections presented.

Action: Mr. Hoefer moved to approve the minutes from the August 27, 2024 regular Board meeting. The motion was seconded by Ms. O'Malley and carried with a vote of 5-0-2, with trustees DeCarsky, Hoefer, Marangu, O'Malley, and Salas all in favor; none opposed; Perkel and Raw abstained.

Approval of Board Meeting Minutes from September 24, 2024: Due to the absence of a quorum of voting members who attended the September meeting, this item was continued to the December Regular Meeting.

2411.4.0 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.

Action: Mr. Hoefer moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Marangu and carried with a vote of 7-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2411.4.1 **Disability Retirements:**

- a) The Board found that **Joan Szeto** (1) is permanently incapacitated from the performance of her usual and customary duties as a Benefits Analyst II, (2) found that her disability was not the result of an illness arising out of and in the course of her employment and (3) granted her application for a non-service-connected disability retirement.

2411.4.2 **Survivor Death Benefits:** None.

2411.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Addison, Tito	August 7, 2024	Deferred - Probation
Ali, Tariq	August 6, 2024	Deferred - SamCERA
Argonza, Marie	August 12, 2024	San Mateo County Health
Atienza, Zorina	August 29, 2024	Human Services Agency
Clayton, Kenneth	August 3, 2024	Sheriff's Office
Cooper, Ondray	August 31, 2024	Probation
David, Al	August 31, 2024	Information Services
Espinoza Rogers, Regina	August 31, 2024	Probation
Gallagher, Sean	August 10, 2024	District Attorney's Office
Jones, Lawrence	June 27, 2024	Def'd - San Mateo County Health
Linares, Leticia	August 30, 2024	Human Services Agency
Maghami, Payman	August 31, 2024	Information Services
Marty, Michael	August 7, 2024	Deferred - Sheriff's Office
Modena, David	August 24, 2024	Public Works
Stebbins, Samuel	August 11, 2024	Deferred - Public Health
Weber, Paul	August 2, 2024	Mosquito & Vector Control
Zobell, Elizabeth	August 7, 2024	Deferred - Human Services Agency

2411.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Bundalian, Ismael	Bundalian, Clarita
Coudray, Gail	Coudray, Peter
Merkh, Victoria	Merkh, Ralph
Taiby, Farida	Taiby, Hussain

2411.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Bagtas, Zander	G7, Vested Auto Defer – Code 31700
Camano, Aimee	G5, Vested
Cobillas, Daniel	G7, Non-Vested - Reciprocity
Chin, Gregory	G7, Vested Auto Defer – Code 31700
Cortez, Jessica	S7/G7, Vested Auto Defer – Code 31700
Fernandez, Edwin	G4, Vested
Fisher, Mina	G4, Vested
Ghiassy, Fatma	G7, Vested Auto Defer – Code 31700
Higa, Sheryl	G7, Non-Vested – Reciprocity
Hyde, Angela	G7, Vested

Jia, Bei	G7, Vested – Reciprocity
Quan, Jennifer	G4, Vested - Reciprocity
Pothisamutyothin, Kanokwan	G7, Non-Vested – Reciprocity
Robb, Flor	G7, Vested - Reciprocity
Rodriguez, Juan	G7, Vested Auto Defer – Code 31700
Tubig, Ezra	G7, Vested
Vagts, Michael	G5/G3, Vested

2411.4.6 **Member Account Refunds:**

Name	Retirement Plan Type
Bor, Valerie	G4, Vested
Corral, Lilia	G7, Non-vested
Davies, Van	G4, Non-vested
Her, Daniel	G7, Non-vested
Medina, Rey Allen C	G7, Vested
Obedoza, Elvie	G7, Vested
Osazuwa, Chuksy	G7, Non-vested
Rupp, Matthew	G7, Non-vested
Santos, Anna Kristina Calleja	G7, Non-vested

2411.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Basler-Cameron, Jennifer	G7, Non-vested
Beard, Billie	G7, Non-vested
Clifford, Jonathan Michael	G7, Non-vested
Dang, Chi Vy	G7, Non-vested
Lam, Wayne (4127824)	G7, Non-vested
Mollura, Kelsey	G7, Non-vested

2411.4.8 **Member Account Redeposits:** None.

2411.4.9 **Acceptance of Trustees’ Reports of Educational Activities:** None.

2411.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2411.5.2 **Annual Review of SamCERA’s Actuarial Services Firm, Milliman, Inc.:** Ms. Smith shared the results of Milliman, Inc.’s annual review which included high ratings from Board and staff. Ms. Smith and Mr. Hood thanked Mr. Collier and Mr. Glyde, who appeared via conference call, for their knowledge, professionalism, and partnership all these years. Ms. Salas and Mr. Okada also extended thanks. This item was informational and for discussion only, no action was taken.

2411.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended September 30, 2024:** Mr. Coultrip reported that SamCERA’s preliminary return for September was 1.6%, bringing the preliminary trailing twelve-month net return ending September 30 to 15.8%. SamCERA’s estimated market value as of September was \$6.81 billion, while the actuarial funded ratio as of June 30, 2024 was 87.6%.

2411.6.2 **Report on Inflation Hedge Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with real assets investment managers, Brookfield Asset Management and KKR on September 5, 2024, and with SSgA on September 25, 2024. Each

meeting lasted approximately 1 hour and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meeting and stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2411.6.3 **Report on Opportunistic Credit Manager Annual Review:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with opportunistic credit bond managers, Brigade Capital Management on September 5, 2024, and TPG Angelo Gordon on September 10, 2024. 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 meeting and stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2411.6.4 **Report on Absolute Return Manager Annual Review:** Ms. Ng reported that SamCERA staff and consultant held annual review meetings with absolute return managers, Graham Capital Management on September 10, 2024, and with CFM and PIMCO on October 10, 2024. Each meeting lasted approximately 1 hour and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook. Ms. Ng reviewed the meeting and stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2411.6.5 **Presentation on China Market Exposure Within SamCERA's International Equity Program:** Mr. Abdou of Verus presented an analysis of SamCERA's China exposure and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2411.6.6 **Approval of Securities Lending Implementation Plan to New Guidelines:** Mr. Coultrip reviewed staff's recommendation to a temporarily replacement of SamCERA's 20% securities lending borrower limit with a \$100 million dollar-limit for a one-month period as SamCERA implements its new guidelines. Ms. Salas called for a motion to approve the temporary replacement.

Action: Mr. Hoefler moved to approve the temporary replacement of SamCERA's 20% securities lending borrower limit with a \$100 million dollar-limit for a one-month period as SamCERA implements its new guidelines. The motion was seconded by Mr. Marangu and carried with a vote of 7-0-0, with trustees DeCarsky, Hoefler, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2411.6.7 **Approval of Cash Flow-Matching Replenishment Recommendation and Asset Allocation:** Mr. Coultrip reviewed staff's recommendation to partially replenish the cash flow match pool along with the resulting asset allocation. Ms. Salas called for a motion to approve the partial replenishment.

Action: Mr. Marangu moved to approve the partial replenishment for the cash flow match pool along with the resulting asset allocation. The motion was seconded by Ms. Perkel and carried with a vote of 7-0-0, with trustees DeCarsky, Hoefler, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

2411.7.1 **Presentation by Brown Armstrong of 2024 Financial Audit Management Reports:** Ms. Green presented the results of the independent financial audit for fiscal year ended June 30, 2024. Ms. Green reported that SamCERA received an unmodified (clean) opinion. Mr. Marangu (Audit

Committee Chair) reported that the Audit Committee met and reviewed the financial audit report and recommended that the Board accept the 2024 Financial Audit Management Report without any objection. Ms. Salas asked if there were any objections. Hearing none, the report was deemed accepted.

This item was heard after Item 5.2.

- 2411.7.2 **Approval of SamCERA's 2024 Annual Comprehensive Financial Report (ACFR):** Ms. Chow provided a summary of the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. Ms. Chow discussed SamCERA's net position at fiscal year-end, the operating results for the fiscal year then ended, and the funding status as of June 30, 2024. Ms. Chow thanked Ms. Green and her audit team, Milliman, Inc., as well as SamCERA staff for their contributions in putting the ACFR together. Mr. Marangu (Audit Committee Chair) reported that the Audit Committee met and reviewed the financial report and recommended that the Board accept the 2024 Annual Comprehensive Financial Report (ACFR). Ms. Salas called for a motion to approve SamCERA's 2024 Annual Comprehensive Financial Report.

Action: Mr. Raw moved to approve SamCERA's 2024 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. The motion was seconded by Ms. DeCarsky and carried with a vote of 7-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

This item was heard after Item 7.1.

- 2411.7.3 **Approval of Voting Delegates and direction to delegates for Fall 2024 SACRS Business Meeting:** Mr. Hood discussed staff's recommendation to designate Robert Raw, Board Trustee, as the Voting Delegate and himself, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on November 14, 2024. Ms. Salas called for a motion to approve staff's recommendation to designate Robert Raw, Board Trustee, as the Voting Delegate, and Scott Hood, CEO, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on November 14, 2024.

Action: Ms. DeCarsky moved to approve staff's recommendation to designate Robert Raw, Board Trustee, as the Voting Delegate and Scott Hood, CEO, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on November 14, 2024. The motion was seconded by Ms. O'Malley and carried with a vote of 7-0-0, with trustees DeCarsky, Hoefer, Marangu, O'Malley, Perkel, Raw, and Salas all in favor; none opposed; none abstained.

- 2411.8.1 **Chief Executive Officer's Report:** Mr. Hood thanked Ms. Chow and her team for their work on the audit and the ACFR. Mr. Hood reported to the Board that the following week he will be at the IFEBP conference in San Diego, followed by SACRS in Monterey. Mr. Hood recognized work anniversaries for two staff members – Elizabeth LeNguyen celebrating 20 years with SamCERA and Janet Nishimura celebrating 10 years with SamCERA. Mr. Hood reported to the Board that agenda items for the December Board Meeting will include education and reimbursement for travel policy updates, the funding dashboard, annual review for Brown Armstrong, topics for the Board/staff retreat, and disability statistics.

- 2411.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that the survey for the annual Brown Armstrong review will be sent out. Ms. Smith asked for appointed Board members that need a link for harassment prevention training to please let her know. The harassment training is a two-hour training that is required under AB 1825/2053. Ms. Smith reported to the Board that this training is available through the County if you are an employee, so Board

members that have already completed it, please send the certificate to her. Ms. Smith also reported to the Board that there will be a special election for the 3rd member seat, which was vacated by Mr. David. The election to fill the unexpired term plus the subsequent 3-year term will be held on January 13, 2025. The nomination period is November 12, 2024, through November 25, 2024.

Ms. Smith introduced to the Board Diane Webster, Chief Technology Officer. Ms. Webster provided an update to the Board regarding changes to country location restrictions for MySamCERA member access, upcoming password requirement changes, the security assessment conducted by Amazon Web Services and the implementation of multi-factor authentication. Additionally, Ms. Smith reported to the Board that information on the password requirement change will be put in the member newsletter.

Ms. Lukan reported to the Board on upcoming education opportunities including NCPERS Legislative Conference & Policy Day in January, IFEBP in February, and CALAPRS General Assembly in March, and she will send an email with all the information mentioned. Ms. Lukan also reported to the Board that pre-registration for the IFEBP Conference in November 2025 will be available during the IFEBP Conference happening next week and if they would like to attend, to please come see her after this meeting.

Lastly, Ms. Smith expressed condolences to Ms. Arnott and Ms. Lukan regarding losses in their families.

2411.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that staff has sent out the Verus annual review survey and asked for responses by Friday, November 8th. Mr. Coultrip also reported that staff will be having their last annual review of the year, which will be the private equity and private real assets review on November 21st at 10:00 am.

2411.8.4 **Chief Legal Counsel's Report:** Mr. Okada reported to the Board on the educational requirement to complete 24 hours of education every two years, ending June 30, 2025, for some Trustees and June 30, 2026, for others and Ms. Lukan will be sending out the education hour updates in the next few weeks. Mr. Okada also reported on the ethics training requirement, which ends December 31, 2024, noting that there are several trustees that need to complete a second hour to fulfill the requirement (the first hour was completed with Mr. Okada earlier this year during the Board Retreat). Mr. Okada will be conducting the second part of the ethics training, which will include coverage of transparency laws, for these trustees after the December Board Meeting. Mr. Okada reported to the Board that the CEO Evaluation Committee, chaired by Ms. Arnott and includes Mr. Raw and Ms. McKay met and gave guidance to Mr. Okada as to some of the surveys. The surveys will be finalized and go out later this month to SamCERA employers, which includes the County, the Courts, and the Mosquito District, as well as the staff. Once the results are returned, the surveys to the Trustees will go out in December, after the December Board Meeting. The CEO evaluation itself where the Board meets with the CEO in closed session will be in January. Lastly, Mr. Okada reported that he will be conducting the Brown Act training for the CALAPRS Intermediate Course next week.

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

2411.9.0 **Reports on Actions Taken in Closed Session:** None.

2411.10 **Adjournment:** Ms. Salas adjourned the meeting at 12:12 p.m. in memory of the deceased members listed below.

Solis, Blanca	August 28, 2024	Courts
Buscher, Karin	September 17, 2024	San Mateo County Health
Flavetta, Elaine	September 20, 2024	Public Works
Casey, James	September 23, 2024	Probation
Kang, Andrew	October 10, 2024	ISD
Molinari, Andrew	October 2, 2024	Assessor's Office
Montero, Raisa	October 2, 2024	Aging & Adult Services
Carter, Raul	October 3, 2024	Mental Health
Bise, Eugene	October 11, 2024	San Mateo County Health



Alma R. Salas
Board Chair