

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SEPTEMBER 24, 2024 – REGULAR BOARD MEETING MINUTES**

2409.1 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 9:59 a.m.

Roll Call:

Present: Sandie Arnott, April DeCarsky, Katherine O’Malley, Robert Raw, and Alma Salas.

Absent: Mark Battey, Kurt Hoefer, Kimathi Marangu, and Elaine Orr.

Alternates: Nicole McKay.

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

Consultants and speakers: Joe Abdou and John Nicolini (Verus); Nick Collier and Craig Glyde (Milliman)

2409.2.1 Oral Communications from the Board: None.

2409.2.2 Oral Communications from the Public: Ms. Smith introduced the Board to SamCERA’s new Retirement Technology Office, Diane Webster.

2409.3.1 Approval of Board Meeting Minutes from August 27, 2024: Due to the shortage of necessary voting members who attended the August meeting in attendance today, this item was moved to the November Regular Meeting.

2409.4.0 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: Ms. Arnott moved to approve the items on the Consent Agenda. The motion was seconded by Ms. DeCarsky and carried with a vote of 5-0-0, with trustees Arnott, DeCarsky, O’Malley, Raw, and Salas all in favor; none opposed; none abstained.

2409.4.1 Disability Retirements: None.

2409.4.2 Survivor Death Benefits: None.

2409.4.3 Service Retirements:

Name	Effective Retirement Date	Department
Alarcon, Cecilia	June 29, 2024	Deferred - Human Services Agency
Avery, Doreen	July 6, 2024	Mental Health
Borba, Christine	July 16, 2024	Probation
Brown, Jeanette	August 1, 2024	Probation
Charles, Christine	July 20, 2024	Probation
Clifford, Marcus	July 9, 2024	Probation
Cortez, Yolanda	July 27, 2024	San Mateo County Health
Dormandy, Douglas	July 23, 2024	Probation
Epler, Frances	July 16, 2024	Def’d - San Mateo County Health
Flores, Sandra	August 1, 2024	Human Services Agency
Forrester, Eric	July 31, 2024	Sheriff's Office
Gloria, Luis	July 6, 2024	Sheriff's Office
Gomez, Jose	July 6, 2024	County Executive's Office

Grivas, Gidion	July 27, 2024	San Mateo County Health
Heindel, Steven	July 4, 2024	Sheriff's Office
Keating, Ron	July 13, 2024	San Mateo County Health
Luis, Angela	July 6, 2024	Library
Mosely, Denise	July 13, 2024	Behavioral Health
Shipp, Glenn	August 1, 2024	San Mateo County Health
Torio, Cristina	August 1, 2024	Assessor's Office

2409.4.4 **Continuances:**

Survivor's Name

Beaumont, Josephina
 Bell, Donald
 Berg, Sima
 Grant, Ardenah
 Myers, Michael

Beneficiary of:

Beaumont, Graham
 Bell, Gloria
 Berg, Michael
 Grant, Vernon
 Myers, Karen

2409.4.5 **Deferred Retirements:**

Name

Amadi, Victor
 Branch, Camille
 Calderon, Yesska
 Ceja, Luis
 Dunn, Travis
 Gurley, Kristin
 Hendrickson, Matthew
 Jung, Anna
 Latu, Lucianne
 Oakley, Sharla
 Pryor, Russell
 Robinson, Shacoya
 Sharma, Neha
 Tinoco, Eric
 Vallecillo, Saradilia
 White, Andrew

Retirement Plan Type

S7/P7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 S7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G5, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 G4, Vested Auto Defer – Code 31700
 P5, Vested – Reciprocity
 P4, Vested Auto Defer – Code 31700
 G7, Vested Auto Defer – Code 31700
 P4, Vested Auto Defer – Code 31700
 S7, Vested Auto Defer – Code 31700
 G7, Vested
 G7, Vested Auto Defer – Code 31700

2409.4.6 **Member Account Refunds:**

Name

Dinh, Emily
 Esquivel, Svetlana
 Fang, Allison
 Knopp, Steven
 Koska, Sarah
 Langford, Lenaya
 Ramirez Barajas, Saul
 Sloan, Ivan
 Yeagly, Charles

Retirement Plan Type

G7, Non-vested
 G4, Vested
 G7, Vested
 G7, Non-vested
 P7, Vested
 G7, Non-vested
 G7, Non-vested
 G7, Non-vested
 S7, Non-vested

2409.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Bissada, Phillip	G4, Vested
Chan, Navin	G7, Non-vested
Fang, Allison	G7, Vested
Fong, Mackenzie	G7, Non-vested
Gonzales, Jordan Anthony	G7, Non-vested
Scarlata, Karim	G7, Non-vested

2409.4.8 **Member Account Redeposits:** None

2409.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None

2409.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None

2409.5.2 **Presentation of the June 30, 2024, Actuarial Valuation Report:** Mr. Collier and Mr. Glyde, of Milliman, Inc. presented the results and recommendations of SamCERA's Actuarial Valuation Report as of June 30, 2024. The results included: a decrease in the Employer Statutory Contribution rate from 26.64% (effective July 1, 2024) to 26.50% (effective July 1, 2025); virtually no change in member contribution rates for all plans (effective July 1, 2025); a decrease in the funded ratio of the system from 88.3% as of June 30, 2023, to 87.6% as of June 30, 2024. This item was informational and for discussion only, no action was taken.

2409.5.3 **Approval of Resolution Accepting the 2025-2026 Employer and Employee Contribution Rates:** Ms. Salas called for a motion on the recommendations made for fiscal year 2025-2026 employer and member contribution rates.

Action: Ms. DeCarsky moved to approve a resolution accepting the 2025-2026 employer and employee contribution rates. The motion was seconded by Ms. O'Malley and carried with a vote of 5-0-0, with trustees Arnott, DeCarsky, O'Malley, Raw, and Salas all in favor; none opposed; none abstained.

2409.6.1 **Report on Preliminary Monthly Portfolio Performance for the Period Ended August 31, 2024:** Mr. Coultrip reported that SamCERA's preliminary return for August was 1.4%, bringing the preliminary trailing twelve-month net return ending August to 11.8%, which is below our benchmark return of 14.6% but above our assumed earnings rate of 6.25%. SamCERA's estimated market value as of August was \$6.73 billion, while the actuarial funded ratio as of June 30, 2024 was 87.6%.

2409.6.2 **Report on Opportunistic Credit Manager Annual Reviews:** Ms. Ng reported that SamCERA staff and consultant held an annual review meeting with opportunistic credit bond manager, BlackRock, on August 13th. The 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 meeting, stated there were no significant concerns and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2409.7.1 **Approval of Resolution Moving the October 29th Board of Retirement Meeting to November 5th:** Mr. Hood reviewed the proposed change of date for the meeting.

Action: Mr. Raw moved to approve the resolution changing the October 29th Board Meeting to November 5th. The motion was seconded by Ms. O'Malley and carried with a vote of 5-0-0, with trustees Arnott, DeCarsky, O'Malley, Raw, and Salas all in favor; none opposed; none abstained.

2409.7.2 **Approval of Resolution Setting the Board Meeting Schedule for 2025:** Ms. Smith reviewed the proposed Board meeting schedule for 2025 with the Board.

Action: Ms. Arnott moved to approve the resolution setting the Board of Retirement’s regular meeting schedule for calendar year 2025. The motion was seconded by Ms. DeCarsky and carried with a vote of 5-0-0, with trustees Arnott, DeCarsky, O’Malley, Raw, and Salas all in favor; none opposed; none abstained.

2409.8.1 **Chief Executive Officer’s Report:** Mr. Hood reported to the Board that staff received a letter from a member’s family thanking staff for the assistance they’ve received. Mr. Hood read the letter aloud to the Board. Mr. Hood reported to the Board that the next Audit Committee Meeting will be held October 3rd and will be an organizational meeting that will include an update on the status of the audit. Mr. Hood reported to the Board that he will be attending the CALAPRS Administrators Institute in Carmel, September 25-27. Mr. Hood reported to the Board that he will be in and out of the office before the next Board meeting and will away on vacation for a portion of that time. Lastly, Mr. Hood reported to the Board that at the next Board meeting, topics will include the swearing in of new Board Trustee Rachel Perkel, the ACFR, and SACRS voting delegate.

2409.8.2 **Assistant Executive Officer’s Report:** Ms. Smith reported to the Board that she will be sending out to the Board and staff the annual performance survey for Milliman. Ms. Smith also reported that staff will bring an item regarding disability statistics to the Board in December. 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. Ms. Lukan also gave the Board a heads-up regarding changes in IFEBP education opportunities for next year and the upcoming IFEBP education opportunities in February 2025 and she will send an email with all the information mentioned.

2409.8.3 **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 cash flow matching portfolio with three different options for the Board to consider. Mr. Coultrip also reported that at the next meeting staff will be bringing an item regarding the securities lending guidelines to the Board. Mr. Coultrip reported to the Board that based on comments from last meeting, staff has set up a meeting with Northern Trust to set up an educational session for the Board in either December or January. Lastly, Mr. Coultrip reported to the Board that staff is still working with Pimco regarding the compliance statements, and they will give another update.

2409.8.4 **Chief Legal Counsel’s Report:** Mr. Okada gave an update to the Board on two in-state litigation matters that he is closely tracking – LACERA v. County of Los Angeles and Fresno Police & Fire Retirement System v. City of Fresno. In the LACERA case, the appeal to the Supreme Court has been fully briefed and he expects that the Supreme Court will determine if they take this case by mid-November. Mr. Okada should have an update on this case in December. The Fresno Police & Fire litigation is currently in the Superior Court and will work its way through the system. Mr. Okada will continue to track both cases and make reports to the Board.

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

C2 **Conference with Legal Counsel – Anticipated Litigation
Initiation of Litigation pursuant to California Government Code Section 54956.9(d)(4)
One Case:**

The Board entered Closed Session at 11:08 a.m.

The Board met in closed session.

Regarding the potential initiation of litigation, upon the motion of Arnott, seconded by DeCarsky, the Board approved such action and the particulars of the case will be disclosed to any person upon inquiry once the action has been formally commenced unless doing so would jeopardize SamCERA's ability to effectuate service of process or jeopardize SamCERA's ability to conclude any settlement negotiations.

The Motion was approved 5 ayes - 0 nos – 0 abstentions.

No other matters were heard in Closed Session and the Board exited Closed Session at 11:20 a.m.

2409.9.0 **Reports on Actions Taken in Closed Session:** Mr. Okada reported on Item C2 above. There were no additional closed session items.

2409.10 **Adjournment:** Ms. Salas adjourned the meeting at 11:21 a.m. in memory of the deceased members listed below.

Monroe, Cheryl	August 6, 2024	Probation
Gerke, Carol	August 11, 2024	Behavioral Health
Savoca, Laury	August 14, 2024	Human Services
Dabney, John	August 17, 2024	Mental Health
Wuest, Laura	August 18, 2024	Sheriff's Office
Lira, Lillian	August 24, 2024	Aging & Adult Services
Acacio, Barbara	August 29, 2024	County Clerk's Office
Moore, Clifford	August 19, 2024	Public Works
Magett, Patricia	September 1, 2024	Courts
Analla, Gregg	September 2, 2024	Sheriff's Office



Alma R. Salas
Board Chair