



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Friday, October 21, 2016

Chair Ophelia Basgal called the meeting to order at 1:00 p.m.

Trustees Present: Ophelia Basgal
Annette Cain-Darnes
Keith Carson
Tarrell Gamble
Liz Koppenhaver
Elizabeth Rogers
David Safer (Alternate)
George Wood
Darryl Walker (Alternate)

Trustees Excused: Dale Amaral
Donald White

Staff Present: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resources Officer
Angela Bradford, Executive Secretary
Sandra Dueñas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer
Harsh Jadhav, Chief of Internal Audit
David Nelsen, Chief Executive Officer
Betty Tse, Chief Investment Officer

16-128

The minutes of the regular meeting of September 15, 2016, were accepted on a motion by George Wood seconded by Elizabeth Rogers, and approved by a vote of 8 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, Walker, Wood*), 0 no, and 0 abstentions.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

APPLICATION FOR SERVICE RETIREMENT

Appendix A

APPLICATION FOR RETIREMENT, DEFERRED

*Appendix B
Appendix B-1*

APPLICATION FOR DEFERRED TRANSFER

Appendix C

LIST OF DECEASED MEMBERS

Appendix D

**REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT
CONTRIBUTIONS AND GAIN CREDIT**

Appendix E

APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:

Appendix F

**APPLICATION FOR DISABILITY RETIREMENT HEARING OFFICER
RECOMMENDATIONS**

Appendix G

APPROVAL COMMITTEE MINUTES

- *September 14, 2016, Audit Committee Minutes.*
- *September 15, 2016, Governance Committee Minutes.*

MISCELLANEOUS MATTERS

- *None.*

16-129

It was moved by Elizabeth Rogers, seconded by Liz Koppenhaver, and approved by a vote of 8 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, Walker, Wood*), 0 no, 0 abstentions, that the following resolution is adopted:

BE IT RESOLVED BY THIS BOARD that the Consent Calendar is approved as presented.

REGULAR CALENDAR – REPORTS AND ACTION ITEMS
DISABILITIES, CURRENT AND CONTINUING RECOMMENDATIONS, AND
MOTIONS

- None

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

*Note: Per Committee Chairs, copies of the Committee meeting minutes were available for attendees. All **September/October** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **October 21, 2016**, Board meeting. This month's Committee reports were presented in the following order:*

NEW BUSINESS

New Business Item regarding Staff's recommendation to choose an External Audit Firm from the Request for Proposal (RFP) to audit FY 2016-2020.

Before voting, Trustees expressed their concerns regarding Brown's failure to disclose a lawsuit that was filed against it *after* responding to ACERA's RFP.

Trustees also expressed concern regarding the \$300,000.00 cost differential, the five-year term contract, and the issue of Brown's non-disclosure. After discussion, Staff was directed to begin negotiations with WACO to reach an agreement for a "floor" (lower fee) amount and possibly a shorter contract term. Ms. Allen reported that she intended on negotiating with WACO; however, she could not begin the negotiations until the Board had selected a Firm. Staff will monitor the contract and will provide an update at the next Audit Committee meeting.

16-130

It was moved by Tarrell Gamble and seconded by Annette Cain-Darnes to select Williams Adley & Company as ACERA's External Audit Firm chosen from the Request for Proposal for the years 2016 – 2020. The motion carried with 5 yes (Cain-Darnes, Carson, Gamble, Walker, Wood), 3 no (Basgal, Koppenhaver, Rogers), 0 abstentions.

Audit Committee's Recommendation to Approve the External Auditor's recommendation of the methodology to implement GASB 74 & 75.

16-131

It was moved by Tarrell Gamble and seconded by Liz Koppenhaver to approve the External Auditor's recommendation of the methodology to implement GASB 74 & 75. The motion carried with 8 yes (Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Roger, Walker, Wood), 0 no, 0 abstentions.

NEW BUSINESS

Discussion of and Possible Motion to adopt the Proposed Timeline, Search Criteria, and Evaluation Matrix for ACERA's General Investment Consultant Search.

ACERA Chief Investment Officer Betty Tse reminded the Board that the Proposed Timeline, Search Criteria, and Evaluation Matrix for ACERA's General Investment Consultant Search was presented as an Information Item at the September 14, 2016, Investment Committee meeting. Today, Staff is seeking the Board's consideration and approval regarding adoption of the RFP meeting materials at today's Board meeting. Since that time, Staff has continued to review the pertinence of the Timeline, Search Criteria and the Evaluation Matrix. Staff updated and changed the date in the Proposed Timeline to October 21, 2016 (Attachment I, Step 5). Ms. Tse also reported that, in view of the current state of ACERA's entire Portfolio, a risk element was rather essential, and, therefore, Staff clarified the language contained in the Proposed Evaluation Matrix by changing the description contained in the previous version from "*Active management*" **to** "*Risk management*" (General Investment Philosophy, Item Number 2a, Attachment III). Ms. Tse assured the Board that the information contained in the Attachments was consistent with all of ACERA's RFP search requirements and announced that Staff plans to present the finalist candidates for interview at the May 2017 Investment Committee meeting.

Ms. Tse also highlighted the only notable changes in the Proposed Search Criteria, regarding (1) insurance requirements that the Firms must have applied for the insurance by contract execution time; which will allow the flexibility to include additional qualified candidates (Item g, Attachment II, and (2) the language in the Proposed Search Criteria section (Item j, Attachment II) was changed from *Separate Discretionary versus Non-Discretionary Practices, if applicable*, **to** *Distinguish between Discretionary versus Non-Discretionary Practices, if applicable*.

Tarrell Gamble moved and George Wood seconded a motion to adopt the Proposed Timeline, Search Criteria and Evaluation Matrix for ACERA's General Investment Consultant Search. However, before the motion was completed, ACRE President Pete Albert requested that the applicants include a diversity report along with their other responses to ACERA's RFP. As a result of Mr. Albert's request, Trustee Gamble withdrew his motion.

Discussion followed regarding the definition of, content of, and placement of any such diversity report. The original motion was amended to have Staff come back with a recommendation on the particulars of diversity reporting and how it could be included in the RFP. Based on Staff's recommendation, Trustee Basgal said that the Trustees could then make a decision as to how to proceed.

16-132

It was moved by Tarrell Gamble and seconded by Keith Carson to adopt the Proposed Timeline, Search Criteria and Evaluation Matrix for ACERA's General Investment Consultant Search and for Staff to include a diversity report regarding ownership and senior leadership of the applicant in the RFP. Staff is also expected to recommend the language of the diversity report in the RFP. The motion carried with 8 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Roger, Walker, Wood*), 0 no, 0 abstentions.

PUBLIC INPUT

Mr. Albert announced that the ACRE Holiday Luncheon will take place at Hs Lordship's Restaurant on December 2, 2016, and the invitation coordination of ACERA Trustees/Staffs' attendance at the Luncheon will be forwarded to ACERA Executive Secretary Angela Bradford.

Ms. Tse announced that as a result of ACERA's Passive Index Search, ACERA has received input and inquiries regarding ACERA's Minimum Requirements.

BOARD INPUT

Chair Basgal reported that SEIU (Rosenberg Foundation) just released a Report regarding the issue of Diversity and requested that the information be provided to the Board for consideration.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, November 17, 2016, at 2:00 p.m.

ADJOURNMENT

The meeting adjourned at approximately 1:50 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

11/17/16

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

ALHO, Rosemarie
Effective: 3/31/2016
Superior Court

KONG, Tere
Effective: 3/26/2016
Superior Court

BAILES, Sandra
Effective: 8/29/2015
Social Services Agency - DEF

MEES, David A.
Effective: 6/4/2016
Public Works Agency

CATTANEO, Joanne
Effective: 4/1/2016
Social Services Agency

MOORE, JR., Richard P.
Effective: 3/26/2016
District Attorney

EDWARDS, Cynthia
Effective: 3/15/2016
Library

REILLY, Nancy
Effective: 4/1/2016
General Services Agency

GILKERSON, Allen P.
Effective: 9/12/2016
Sheriff's Office - DEF

ROSEN, Laurence N.
Effective: 6/9/2016
Alameda Health System - DEF

HOWARD, Gwendolyn R.
Effective: 1/30/2016
Behavioral Health Care Services

SPANNO, Rosemary
Effective: 8/21/2016
Alameda Health System - DEF

HUNTER, Steven W.
Effective: 4/1/2016
Assessor

WRIGHT, London O.
Effective: 4/14/2016
Probation

JACKSON, Dorene M.
Effective: 10/1/2015
Social Services Agency

APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT

EVANGELISTA, Neriveh
Assessor
Effective: 4/15/2016

HUNTER, Ursula L.
Social Services Agency
Effective: 8/5/2016

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

GOMEZ, Hilda E.
Social Services Agency
Effective: 8/5/2016

GROVE, Gary W.
Information Technology
Effective: 7/22/2016

APPENDIX C
APPLICATION FOR DEFERRED TRANSFER

DE GETTE, Richard L.
Behavioral Health Care Services
Effective: 9/2/2016
Transferred to: Stanislaus County Employees' Retirement Association

APPENDIX D
LIST OF DECEASED MEMBERS

Belluomini, Dino D.
9/5/2016
Sheriff's Office

Kraus, Waldtraut
9/7/2016
Alameda Health System

Bennett, James M.
8/14/2016
General Services Agency

Manderson, John R.
9/17/2016
Sheriff's Office

Chavez, Richard
9/9/2016
Sheriff's Office - DEF

Mooneyham, Anna B.
9/7/2016
Alameda Health System

Chinn, Peter
8/27/2016
Superior Court

Park, Eleanor L.
9/25/2016
Alameda Health System

Chrisman, Irene
9/5/2016
Survivor of Ralph H. Chrisman

Persoff, Richard E.
9/12/2016
Survivor of Jessica W. Persoff

Gardner-White, Brenda
9/24/2016
Social Services Agency

Sanders, Altha M.
9/14/2016
Alameda Health System

Grunwald, Maud
9/2/2016
Survivor of Gerald B. Grunwald

Tratar, Florence
8/31/2016
Survivor of Anton A. Tratar

Hibbard, Walter B.
8/15/2016
Social Services Agency

Wacquier, Blanche C.
8/25/2016
Assessor

Irby, Elizabeth M.
8/22/2016
Social Services Agency - DEF

Wong, Steven W.
9/12/2016
Public Works Agency

Kincaid, Danith Louise
9/12/2016
Superior Court

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Aiello, Joseph
Type of Claim: Annual Review for SCD (Granted on 7/16/2015)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to continue the allowance for service connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: Gardiner, Samara
Type of Claim: Annual Review for NSCD (Granted on 11/20/2014)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to continue the allowance for service connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: Reachi, Ana
Type of Claim: Non-Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to grant Ms. Reachi a non-service connected disability. Since Ms. Reachi is over 55 years old, future annual medical examinations will not be required.

Name: Schantin, Timothy
Type of Claim: Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to grant Mr. Schantin a service connected disability. Since Mr. Schantin is over 55 years old, future annual medical examinations will not be required.
