



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
*BOARD OF RETIREMENT*  
MINUTES

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**Thursday, April 19, 2012**

Chair George Dewey called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral  
Ophelia Basgal  
Annette Cain-Darnes  
Keith Carson  
George Dewey  
Liz Koppenhaver  
David Safer (*Alternate*)  
Darryl Walker (*Alternate*)  
Donald White  
George Wood

Trustees Excused: Elizabeth Rogers

Staff Present: Victoria Arruda, Human Resources Officer  
Vincent Brown, Chief Executive Officer  
Kathy Foster, Assistant Chief Executive Officer  
Robert Gaumer, Chief Counsel  
Harsh Jadhav, Internal Auditor  
Rose Kwong, Benefits Manager  
Martha Richardson, Executive Secretary  
J.P. Singh, Chief Financial Officer  
Betty Tse, Chief Investment Officer  
Latrena Walker, Project and Information Services Manager

Staff Excused: Catherine Walker, Assistant Chief Executive Officer

**12-31**

**The minutes of the regular meeting of March 15, 2012 were accepted on a motion by Ophelia Basgal, seconded by Darryl Walker and approved by a vote of 7 yes, 0 no, and 0 abstention.**

**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*

**DISABILITIES STATUS REPORT**

**APPROVAL OF COMMITTEE MINUTES**

It was moved by Annette Cain-Darnes, seconded by Liz Koppenhaver, and approved by a vote of 7 (Amaral recused; Walker voted), yes, 0 no, 0 abstentions, that the following resolution is adopted:

**12-32**

**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, detailed copies of the Committee meeting minutes were available for attendees. All **March** Committee meeting minutes are posted on the ACERA website ([www.acera.org](http://www.acera.org)) after approval at the **April 19, 2012** Board meeting. This month's Committee reports were presented in the following order:*

***Operations:***

George Dewey noted that the Operations Committee met on April 4, 2012 at 9 a.m., and reported the following:

JP Singh, Chief Financial Officer, presented the year-to-date operating expenses – budget vs actual. As of February 29, 2012 actual expenses are \$120,277 under budget.

Mr. Singh presented the Statement of Reserves as of December 31, 2011. Interest was credited at the rate of 0.9643% to all reserves with the exception of the Contingency Reserve Account and the Market Stabilization Reserve. The ending balance in the Market Stabilization Reserve was a negative \$481.8 million which represents the accumulated losses that have yet to be recognized. As of December 31, 2011 the Total Reserves at Fair Value was \$5.1 billion.

Michael Fara, Communications Manager, reported that the Active and Deferred Members statements will be mailed by April 13, 2012. For the first time ACERA designed the statement. This resulted in an estimated savings of \$30,000. ACERA continues to contract with a vendor to print and mail the statements.

Robert Gaumer, Chief Counsel, reported on legislation of interest to ACERA. AB 1519 is SACRS sponsored legislation that would require boards to adopt a policy for providing a minimum of 24 hours of education to all board members. Proposed pension reform legislation AB 2224 and the corresponding SB 1176, and ACA 22 and the corresponding SCA 18 were also discussed. These bills track the Governor's proposed 12 point pension reform plan.

**12-33**

**It was moved by George Wood and seconded by Annette Cain-Darnes that the Board approve the April 4, 2012 Operations Committee minutes. The motion carried 7 yes, 0 no, and 0 abstentions.**

**Retirees:**

Liz Koppenhaver noted that the Retirees Committee met on April 4, 2012 at 10 a.m., and reported the following:

JP Singh, Chief Financial Officer, presented a 10-year history of the Supplemental Retiree Benefit Reserve (SRBR) activity through December 31, 2011. The total interest credited to the SRBR for 2011 was approximately \$19.2 million. The December 31, 2011 ending balance was approximately \$602.9 million.

Kathy Foster, Assistant Chief Executive Officer, provided information on individual Supplemental Retiree Benefit Reserve (SRBR) benefit costs and recipient numbers based on years of service for 2010 and 2011, as well as the number of medical plan enrollees benefiting from ACERA's payment of the Implicit Subsidy. The Trustees directed Staff to identify and provide additional information for those retirees with reciprocity who are receiving SRBR benefits.

In addition, Trustees requested that the probability assumptions used by The Segal Company, ACERA's actuary, when developing the SRBR timeline be provided at a future meeting.

Ms. Foster reported that the increase in the Supplemental Retiree Benefit Reserve (SRBR) – paid portion of the retired member lump sum death amount from \$1,000 to \$5,000 was approved by the Retirees Committee at its August 5, 1998 meeting. The Trustees directed Staff to provide a cost estimate of the savings if the benefit was reduced in \$1,000 increments.

Keenan & Associates, ACERA's Benefits and Communications Consultant, provided information regarding the timeline summary of the Affordable Care Act (ACA), issues being considered by the Supreme Court, and the Uniform Summary of Benefits and Coverage (SBC) requirement.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a report on the participants, topics, and follow-up items from the Annual Health Plan meeting, which was held on March 7, 2012.

Ms. Stanek-Lowe gave a presentation on ACERA's Wellness Program, which included the 2012 Wellness & Disease Management Work Plan, ACERA's goals and objectives for 2012, carrier measurements for the period 2009 through 2011, and a summary of the first quarter 2012 accomplishments.

Ms. Stanek-Lowe reported that ACERA is reviewing with Kaiser Permanente and UnitedHealthcare the questions raised about their Nurselines related to their quality controls, customer service levels, and oversight of the representatives. Staff will provide an update at the May Retirees Committee meeting.

**12-34**

**It was moved by Liz Koppenhaver and seconded by George Wood that the Board approve the April 4, Retirees Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.**

***Investment:***

Annette Cain-Darnes noted that the Investment Committee met on April 11, 2012 at 9:05 a.m. and reported the following:

The founder and CEO of Sycamore Partners (the Fund) presented to the Committee the goals and objectives of the Fund. He also presented the investment sourcing, strategy, process and the key employees of the Fund.

**12-35**

**It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Board adopt the recommendation of a \$30 million commitment to Sycamore Partners pending completion of legal due diligence and successful contract negotiation. The motion carried 7 yes, 0 no, and 1 abstention (Dewey).**

Oral status report on ACERA's PEARLS Investment – Venture Capital

Introduction to Asset Liability Study – Part II

ACERA has embarked on the second part of a dedicated and comprehensive Asset Liability study series which is estimated to conclude in the third quarter of this year. The goal of this study is to achieve the systematic construction of a total fund portfolio consistent with the investment objective of maximizing the expected return for the chosen level of risk.

Report on ACERA's Proxy Voting Activities in 2011

Report on postponement of the May 2012 Investment Committee Meeting

**12-36**

**It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the April 11 2012 Investment Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.**

***Governance:***

George Wood reported that the Governance Committee met on April 19, 2012 at 1:30 p.m., and made the following motions:

**12-37**

**It was moved by George Wood and seconded by Liz Koppenhaver that the Board renew the Conflict of Interest Policy. The motion carried 8 yes, 0 no, and 0 abstentions.**

**12-38**

**It was moved by George Wood and seconded by Dale Amaral that the Board renew the Conflict of Interest Code. The motion carried 8 yes, 0 no, and 0 abstentions.**

**12-39**

**It was moved by George Wood and seconded by Annette Cain-Darnes that the Board renew the Securities Litigation Policy. The motion carried 8 yes, 0 no, and 0 abstentions.**

**12-40**

**It was moved by George Wood and seconded by Liz Koppenhaver that the Board renew the Fiduciary Counsel Retention Policy. The motion carried 8 yes, 0 no, and 0 abstentions.**

**NEW BUSINESS**

***Vince Brown, Chief Executive Officer Report***

The CEO reported on the following items:

- Conference Committee on Public Employee Pensions AB 340/SB 827
- CEO Budget Operating Instructions
- 2011 Actuarial Valuation, CAFR and Audited Financial Statements
- Zone 7 Separation Update
- Project Management Seminar
- CEO May Calendar

Discussion and Possible Motion to Amend the Chief Executive Officer Employment Contract.

**12-41**

**It was moved by Annette Cain-Darnes and seconded by George Wood that the Board amend the CEO's employment contract to provide for a \$500 increase for Plan Year 2012 in the annual 457 Deferred Compensation Plan contribution made by ACERA on his behalf and to index future contributions to the limits established by the IRS, and to grant future increases when the County provides same for its Department Heads. The motion carried 8 yes, 0 no, and 0 abstentions.**

Discussion and Possible motion to approve SACRS Voting Proxy Form.

**12-42**

**It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the SACRS Voting Proxy Form and direct Staff to submit the form to SACRS. The motion carried 8 yes, 0 no, and 0 abstentions.**

Discussion and Possible Motion to Approve SACRS Officers.

**12-43**

**It was moved by Liz Koppenhaver and seconded by Ophelia Basgal that the Board approve the election of SACRS Officers and to cast a vote in favor of their election at the upcoming SACRS meeting. The motion carried 8 yes, 0 no, and 0 abstentions.**

**CONFERENCE REPORTS / ANNOUNCEMENTS / PUBLIC / BOARD INPUT**

Donald White reported on his attendance at the Annual Pension Bridge Conference held in San Francisco on April 10-11. Topics included Hedge Funds, Fixed Income and Private Equity.

Liz Koppenhaver and David Safer reported on their attendance at the State and Local Government Benefits Association Conference held in San Francisco on April 17. Of special interest was the presentation on the Nevada MediCare Exchange Program.

**ESTABLISHMENT OF THE NEXT MEETING**

Thursday, May 17, 2012 at 2:00 p.m.

**ADJOURNMENT INTO CLOSED EXECUTIVE SESSION**

Pursuant to Government Code Sections 54957 – Public Employee Discipline/Dismissal/Release.

**RECONVENE INTO OPEN SESSION TO ANNOUNCE ANY ACTION TAKEN IN CLOSED EXECUTIVE SESSION**

The Board met with the Staff and discussed employee Discipline /Dismissal/Release. The Board reconvened and took no action.

**ADJOURNMENT**

The meeting adjourned at 3:30 p.m.

Respectfully Submitted,

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Vincent P. Brown  
Chief Executive Officer

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Date Adopted

**APPENDIX A**  
**APPLICATION FOR SERVICE RETIREMENT**

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ACOLATSE, Godwin K.  
Effective: 4/30/2011  
Treasurer-Tax Collector

GUERRERO, Imelda P.  
Effective: 12/24/2011  
Superior Court

AFOLAYAN, Monilola T.  
Effective: 10/15/2011  
Public Health

HALL, Cynthia A.  
Effective: 12/10/2011  
District Attorney

ARBINI, Judith Ann  
Effective: 1/7/2012  
Superior Court

HARDY, Peggy J.  
Effective: 2/4/2012  
Social Services Agency

BAINES, Juanita Y.  
Effective: 12/31/2011  
Behavioral Health Care Services

HART, Kevin E.  
Effective: 1/28/2012  
Sheriff's Office

BARNES, Usef  
Effective: 10/15/2011  
Social Services Agency

HELMUTH, Darwin L.  
Effective: 1/14/2012  
Public Works Agency - DEF

CEMASHKO, Virginia  
Effective: 12/23/2011  
Social Services Agency

HIGGINS, Carolyn J.  
Effective: 1/6/2012  
Behavioral Health Care Services

FARR, James M.  
Effective: 1/8/2012  
Sheriff's Office

HOLMES, Christina  
Effective: 12/10/2011  
Social Services Agency

FENTON, William E.  
Effective: 2/17/2012  
Probation - DEF

JACOBS, Dolores A.  
Effective: 12/28/2011  
Alameda County Medical Center

FOSTER, Lisa M.  
Effective: 10/15/2011  
District Attorney

KAWAKAMI, Anne M.  
Effective: 1/5/2012  
Alameda County Medical Center - DEF

GOLD, Marlene B.  
Effective: 11/19/2011  
Behavioral Health Care Services

KEYS, Frances D.  
Effective: 4/1/2011  
Alameda County Medical Center

GOUVEIA, Gerald W.  
Effective: 2/1/2012  
Superior Court - DEF

KLASSER, Edwin L.  
Effective: 12/24/2011  
Information Technology Department

GREEN, Charlette A.  
Effective: 2/1/2012  
District Attorney

KOLM, Claude F.  
Effective: 3/3/2012  
County Counsel



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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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MADISON, Jacquelyn M.  
Effective: 2/14/2012  
Sheriff's Office - DEF

TRUSCOTT, Vicki L.  
Effective: 9/6/2011  
Superior Court - DEF

MC KEAN, Kathy  
Effective: 11/24/2011  
Superior Court

WHITE, Barbara A.  
Effective: 1/7/2012  
Alameda County Medical Center

MINOR, Kathleen E  
Effective: 12/10/2011  
Public Health

WHYTE, Carol M.  
Effective: 1/1/2012  
Alameda County Medical Center

MORRIS, George R.  
Effective: 2/17/2012  
General Services Agency - DEF

WONG, Darcy S.  
Effective: 12/31/2011  
Environmental Health

TAYLOR, Sharon L.  
Effective: 10/29/2011  
Superior Court

ZUNG, Helen C.  
Effective: 12/31/2011  
Behavioral Health Care Services

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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DE LA CRUZ, Bienvenida  
Social Services Agency  
Effective: 02/26/10

JACKSON, Henry L.  
Sheriff's Office  
Effective: 12/10/10

WEINBERGER, Mark S.  
Board of Supervisors  
Effective: 12/30/10

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**APPENDIX B-1  
APPLICATION FOR NON-VESTED DEFERRED**

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ANDERSON, Winnie W.  
Board of Supervisors  
Effective: 05/27/2011

DUQUE, Arthur-Sam A.  
Environmental Health  
Effective: 01/06/2011

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**APPENDIX B-1  
APPLICATION FOR NON-VESTED DEFERRED**

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GUNDESTRUP, Kelli N.  
Auditor Controller  
Effective: 04/15/2011

HILL-MOORE, Gwendolyn  
Alameda County Medical Center  
Effective: 10/18/2010

TORRES, Daniela E.  
Public Health  
Effective: 10/29/2010

YEE, Simon  
County Administrator  
Effective: 04/11/2011

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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ALEXANDER, Charlene  
2/29/2012  
Social Services Agency

FREILINGER, Virginia E.  
2/24/2012  
Social Services Agency

BURKHART, Lucille  
2/27/2012  
Superior Court

GRAVES-DE MARIA, Beverly A.  
3/21/2012  
Superior Court

DE CROSTA, Kenneth J.  
2/6/2012  
Survivor of Lettie M. De Crosta

HALL, Stanley D.  
3/14/2012  
Sheriff's Office

DECARLI, Marjorie M.  
3/9/2012  
Social Services Agency

HOLLENBERG, Douglas R.  
1/19/2012  
Human Resource Services

DUMAS, Patricia A.  
3/28/2012  
Social Services Agency

JONES, Herman E.  
3/9/2012  
Probation

DURNEY, Maxine K.  
1/24/2012  
Library

LAGOMARSINO, Mary  
3/14/2012  
Auditor-Controller

EARL, Dora D.  
3/18/2012  
Social Services Agency

LARON, Denise R.  
3/4/2012  
Sheriff's Office

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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MC NULTY, Francis J.

3/1/2012

Probation

PEDERSEN, Inger M.

2/21/2012

Library

PEREZ-WILSON, Jeanette

2/24/2012

Social Services Agency

PINES-PAYTON, Norma

3/20/2012

Alameda County Medical Center

RICHARDS, Edmere

3/2/2012

Survivor of Leslie D. Richards

SHELHAMER, James E.

3/28/2012

Assessor

SOBOTKER, Gwendolyn R.

2/12/2012

Sheriff's Office

WEIR, Jack J.

3/18/2012

Social Services Agency

WILLIAMS, Mildred L.

3/18/2012

General Services Agency

ZONLIGT, Martin J.

1/30/2012

Library - DEF

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**APPENDIX E  
REQUEST FOR 130 BI-WEEKLY PAYMENTS TO  
RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

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LOPEZ, Patricia M.

Government Code § 31652 Redeposit

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**

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**Name:** Collins, Carol  
Type of Claim: Service Connected

Staff's Recommendation:

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

**Name:** Ferreyra, Carlos  
Type of Claim: Service Connected

Staff's Recommendation:

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

**Name:** Hamilton, Patricia  
Type of Claim: Service Connected

Staff's Recommendation:

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

**Name:** Standberry-Green, Antionette  
Type of Claim: Annual Review for SCD (Granted on 1/20/2011)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report, to continue the allowance for service connected disability and to not require future annual medical examinations and questionnaires at this time.

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**

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**Name:**                      **Watts, Joyce**  
Type of Claim:              Service Connected

Staff's Recommendation:

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

Based on Dr. Wagner's review and determination of Ms. Watts' knowledge of permanency, to grant Ms. Watts' request for an earlier effective application date.