



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

Thursday, January 19, 2017

Chair Ophelia Basgal called the meeting to order at 2:02 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Annette Cain-Darnes
Keith Carson
Tarrell Gamble
Liz Koppenhaver
Elizabeth Rogers
Donald White
George Wood
Nancy Reilly (*Alternate*)
Darryl Walker (*Alternate*)

Staff Present: Angela Bradford, Executive Secretary
Sandra Dueñas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
David Nelsen, Chief Executive Officer
Betty Tse, Chief Investment Officer

Staff Excused: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resources Officer

Chair Ophelia Basgal opened the meeting with the annual election of Board Officers for 2017. The nominations were held in the following order.

17-01

It was moved by George Wood and seconded by Elizabeth Rogers to nominate Dale Amaral as Chair of the Board of Retirement for 2017.

There were no further nominations. The nominations were closed.

Dale Amaral was elected as Chair of the Board of Retirement by a vote of 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Chair Amaral expressed his appreciation for the excellent job that Trustee Ophelia Basgal as the Board Chair for 2016. Chair Amaral requested that Trustee Basgal Chair today's meeting. Former Board Chair Ophelia Basgal chaired the remainder of the meeting.

17-02

It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers to nominate Tarrell Gamble as First Vice-Chair of the Board of Retirement for 2017.

There were no further nominations. The nominations were closed.

Tarrell Gamble was elected as First Vice-Chair of the Board of Retirement by a vote of 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

17-03

It was moved by Dale Amaral and seconded by Liz Koppenhaver to nominate Annette Cain-Darnes as Second Vice-Chair of the Board of Retirement for 2017.

There were no further nominations. The nominations were closed.

Annette Cain-Darnes was elected as Second Vice-Chair of the Board of Retirement by a vote of 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

17-04

The minutes of the regular meeting of December 15, 2016 were accepted on a motion by Annette Cain-Darnes, seconded by Elizabeth Rogers, and approved by a vote of 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, 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

None

MISCELLANEOUS MATTERS:

Approval of Benefit Correction for Non-Member Continuance and Elimination of Continuance

It was moved by Liz Koppenhaver, seconded by Elizabeth Rogers and approved by a vote of 8 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*); 1 recusal (*Amaral*) 0 no, 0 abstentions, that the following resolution is adopted:

17-05

BE IT RESOLVED BY THIS BOARD that the Consent Calendar is approved with a name correction from Floyd Baker to Scott Swanson in the Heptinstall, Diana matter, Appendix I (Miscellaneous Matters).

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 **January 2017** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **January 19, 2017**, Board meeting. This month's Committee reports were presented in the following order:*

Operations:

Vice-Chair Dale Amaral reported that the Operations Committee met on January 4, 2017, at 9:35 a.m. and highlighted the following:

Due to a delay in the posting of the agenda to the website, all action items were treated as discussion items and no action were taken. All such items will be brought to the January 19, 2017, Board meeting without Committee recommendation for further discussion and possible action.

Staff presented amendments to the *Board Business and Travel Policy* to the committee for review and discussion. Staff explained the purpose of the policy's annual review. Each year the *Board Business and Travel Policy* is adjusted based on the Consumer Price Index (CPI, for the greater San Francisco area). This year, the expenditure limit is increased by 2.7 percent with the updated annual allotment of \$12,986 – indicated in the Proposed Revisions. The Committee and Staff discussed the history of Exhibit A to the Policy which provides detailed guidance on allowable expenses. The Committee and Staff also discussed due diligence trips. Additionally, Trustees were encouraged to evaluate and propose revisions to Board Policies to ensure that they continue to meet the intended needs.

Further discussion and possible motion will be placed on the January 19, 2017, Board agenda.

Staff presented amendments to the *Trustee Education Policy* to the Committee for review and discussion. Staff explained that new legislation requiring Trustees to take Sexual Harassment Training and such was included in proposed revisions to the Policy.

Further discussion and possible motion will be placed on the January 19, 2017, Board agenda.

Staff presented new pay items – Pay Codes 141 and 26M for Alameda Health System.

Further discussion and possible motion will be placed on the January 19, 2017, Board agenda.

Staff presented new pay item – Pay Code 141 for Alameda County.

Further discussion and possible motion will be placed on the January 19, 2017, Board agenda.

Staff presented new pay item – Pay Code 41R – BOS Chief of Staff for Alameda County.

Further discussion and possible motion will be placed on the January 19, 2017, Board agenda.

Staff presented the additional information that the Trustees requested based on the results of the RFP presented at the November 2, 2016, Operations Committee meeting – regarding the hiring of a Medical Advisor and/or Claims Management Services for the review of Disability applications. Two documents were provided: 1. *Implementation; Performance and Measurements; Cost Detail and Contract Terms*; and 2. *Disability Application Process Integration Plan*. Following discussion, this item will be placed on the February 1, 2017, Operations Committee agenda for further review and discussion.

Staff presented the year-to-date operating expenses – budget vs. actual. As of November 30, 2016, actual expenses were \$1.8 million under budget.

Staff presented the Semi-annual report on member underpayments and overpayments of member contributions and benefits.

17-06

It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board approve the January 4, 2017 Operations Committee minutes. The motion carried 9 yes (Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood), 0 no, and 0 abstentions.

Retirees:

Liz Koppenhaver reported that the Retirees Committee met on January 4, 2017, at 10:54 a.m. and highlighted the following:

Staff provided a proposed 2017 Retirees Committee Work Plan highlighting that ACERA plans to issue a Benefits Consultant Request for Proposal, and will change the frequency of providing the Health Care Reform updates from semi-annually to quarterly.

Staff reported that the 2016 Form 1099-R is scheduled to be mailed to retirees the week of January 23rd, prior to the IRS deadline of January 31st.

Staff provided Retiree Health Fair survey results and information on the Plan Year 2017 Open Enrollment activity for ACERA and OneExchange.

Staff and Keenan & Associates, ACERA's Benefits Consultant, provided an update on questions raised by the Trustees at the October and November Committee meetings related to: 1) whether OneExchange communicates with members electronically; 2) OneExchange's abandoned call rate; 3) specialty drug usage; 4) purchasing prescriptions outside the United States; 5) Health Care Reform and the election; and 6) potential stand-alone quote from Kaiser Permanente.

Staff reported that ACERA's Delta Dental national account manager, Ileana da Silva, has accepted new responsibilities within the company. She will be replaced by Jeunesse Raymundo, who has been with Delta Dental for a number of years.

Trustee Koppenhaver announced that the ACRE's Board meeting was changed from Monday to Friday, January 6, 2017.

In response to Pete Albert, President of Alameda County Retired Employees association, information on the bill introduced last year regarding the voting status of alternate Trustees will be available in the next few weeks.

17-07

It was moved by Liz Koppenhaver and seconded by Dale Amaral that the Board approve the January 4, 2017 Retirees Committee minutes. The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Investment:

George Wood reported that the Investment Committee met on January 11, 2017, at 9:34 a.m. and highlighted the following:

Staff and Verus recommended committing up to \$50 million to Great Hill Equity Partners VI (GHEP VI). They highlighted the fund track records and many favorable considerations for this recommendation. The Trustees asked questions about the fee-waiver practice of Great Hill Partners (GHP or Manager) and its growth-equity (buyout/venture capital) strategy. Staff and Verus answered the questions by referring to the GHP materials in the ICM Distribution. Staff also confirmed that GHP's growth-equity strategy is in compliance with ACERA's PEARLS Policy and Investment Plan.

The Trustees also inquired about AB 2833 and the effect it would have on ACERA's PEARLS investments. Staff explained that the new law requires ACERA to report more detailed fee, expense, and return information for PEARLS Investments. ACERA has included this new requirement in its contracts as of January 1, 2017 (the date the law took effect.)

A representative from Great Hill Partners presented to the Committee the background, philosophy, strategy, investment process, and investment team of the Manager's fund. The representative discussed the GHP's diversified approach, extensive research, and exhaustive due diligence effort prior to making an investment. GHP focuses on a growth equity strategy to create value and build great businesses when acquiring control positions in middle market companies.

These companies typically have some element of complexity that requires the unique experience of GHP team to maximize the value of the given portfolio company. Using the performance records of prior funds, the representative illustrated GHP's ability to deliver strong returns to investors by successfully transforming and selling multiple businesses.

ACERA is currently invested in Great Hill Equity Partners IV and Great Hill Equity Partners V. Great Hill Partners is a manager in good standing and will continue the same successful strategy in GHEP VI.

17-08

It was moved by George Wood and seconded by Elizabeth Rogers that the Board adopt an investment of up to \$50 million in the Great Hill Equity Partners VI pending completion of legal due diligence, background investigations, and successful contract negotiation. The motion carried 8 yes (*Amaral, Basgal, Cain-Darnes, Carson, Kopenhagen, Rogers, White, Wood*), 0 no, and 1 abstention (*Gamble*).

Staff presented the proposed timeline, set of search criteria (minimum qualifications), and evaluation matrix for the International Emerging Markets Equity Fund Manager RFP. The Committee discussed whether proper consideration could be given to having more than one Emerging Markets manager, if appropriate. Verus commented that the benefits of hiring one manager are: 1) one manager was modeled in the asset allocation and was already approved by the Board, 2) lower fees, 3) less time and cost to monitor, and 4) one manager reduces the probability of investments overlap.

17-09

It was moved by George Wood and seconded by Annette Cain-Darnes that the Board adopt the proposed timeline, search criteria, and evaluation matrix for ACERA's Emerging Markets Manager Search – International Equities. The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Kopenhagen, Rogers, White, Wood*), 0 no, and 0 abstentions.

Staff offered the proposed Investment Committee Workplan for 2017 (Workplan) and highlighted examples of items in the workplan (e.g., the Hiring of a General Investment Consultant, Passive Index Fund Manager, and Emerging Markets Fund Manager). Staff mentioned that the Workplan is a working document to which additional items such as reviews of U.S. Equity Manager Structure and Emerging Managers Structure may be added.

At today's Board meeting, Trustee Darryl Walker inquired about the proposed workplan and the costs associated with the search for a new Investment Consultant and Emerging Markets Fund Manager. Chief Investment Officer Betty Tse explained that neither Staff, nor Verus, ACERA's General Consultant, has any desire to recommend and/or expedite any searches at this time, with the exception of the Passive Index Fund Manager search, which should be concluded by May 2017, in accordance to the proposed workplan. Ms. Tse further explained that the search for the Emerging Markets Fund Manager is scheduled to be completed in July 2017 after the General Investment Consultant search is concluded. The Investment Committee/Staff will solicit the Board's input and will provide them with status updates at the next Investment Committee Meeting.

Betty Tse, Chief Investment Officer, welcomed Trustee Nancy Reilly to the Investment Committee.

17-10

It was moved by George Wood and seconded by Elizabeth Rogers that the Board approve the January 11, 2017 Investment Committee minutes. The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

NEW BUSINESS

Declining Trustee Attendance at SACRS Conferences – SACRS Vice-President Gabriel Rodrigues

Contra Costa County Deputy Sheriff Safety Trustee and SACRS Vice-President, Gabriel Rodrigues introduced himself and stated the reason for his attendance at today's Board meeting, which was to solicit input regarding what more could be done to increase Trustee attendance at SACRS Conferences. Mr. Rodrigues explained that he (and other SACRS representatives) are doing everything possible to make SACRS Conferences more educational and interesting for Board Trustees and announced that California Governor Jerry Brown, Oakland Mayor Libby Schaaf; and Author, Speaker, and Consultant, Captain Sully Sullenberger (who invited Senior Advisor to the President of the United States, Anthony Scaramucci; Mr. Scaramucci declined the invitation), have been invited to speak at the 2017 Spring SACRS Conference. Several Trustees provided feedback to Mr. Rodrigues regarding the type of information they would like presented at SACRS Conferences, which include: **1)** closer venues and shorter Conferences; **2)** more educational sessions, as opposed to inspirational, and/or qualified speakers with knowledge/education regarding the current economy/market (earnings/losses), pension based topics, the National/Global impact/pressures that pension funds (ACERA) will be faced with in the future due to recent changes in legislation, etc.; **3)** impact on medical coverage and any proposals given the newly elected Administration; **4)** decrease and/or eliminate the selling of investment related products; **and 5)** opportunity to attend and/or receive information from other Breakout Sessions (*e.g.*, Attorney, Administrator).

Retired Employees of Alameda County (REAC) Vice-President/Acting President Jon Orellana stated that he is ending his term as REAC Vice-President/Acting President in March 2017; therefore, he recommended that his successor continue to attend SACRS Conferences, as they are very educational.

Mr. Rodrigues stated that he would provide the Board with any feedback he receives from other pension systems regarding how Trustee attendance at SACRS Conferences could be improved.

Voluntary Elected Member Employer Reimbursement for 2017 and Policy

Annually, the Board must decide whether it intends to continue with the *Voluntary Elected Member Employer Reimbursement Policy* for the upcoming year. However, due to lack of a quorum at previous Operations Committee and/or Board meetings, this issue is being brought to the Board for action under “New Business.”

DISCLOSURE/RECUSAL STATEMENTS

Elected ACERA Board Trustee Dale Amaral recited the following disclosure statement and recused herself from discussions and Board actions related to the *Voluntary Elected Member Employer Reimbursement Policy*:

DISCLOSE AND RECUSE

“I, Dale Amaral, am an elected ACERA Board Trustee. I have determined that I have a potential conflict of interest with respect to the Board’s consideration of the *Voluntary Elected Members Reimbursement Policy* in that it has a financial impact on the Alameda County Sheriff’s Office, which is my employing department. I have been advised that this interest can be classified as a “remote interest” under Government Code (GC) §1091(b)(13), which allows me to remove myself from the process and enables the Board to take action. As such, I have decided to make this public disclosure and recuse myself from all Board discussions, negotiations and voting activities related to the *Voluntary Elected Member Reimbursement Policy*.”

Elected ACERA Board Trustees George Wood, Elizabeth Rogers, and Darryl Walker adopted Trustee Amaral’s disclosure statement, with the exception of their respective employers, which are as follows: **1)** Wood-Alameda County District Attorney’s Office; **2)** Rogers-Alameda County Public Defender’s Office; and **3)** Walker-Alameda County Probation Department, and recused themselves from discussions and Board actions related to the *Voluntary Elected Member Employer Reimbursement Policy*. After each Trustee recited and/or adopted and signed his/her disclosure statement, each Trustee left the Board Room and the following action items were presented.

Associate Counsel Lori K. Schnall presented her January 19, 2017 memo and reported that the Operations Committee recommended that the *Voluntary Elected Member Employer Reimbursement Policy* be adopted without revisions and continue the voluntary elected member reimbursement for 2017. Ms. Schnall stated that the *Policy* enables ACERA to pay a percentage (25%) of the salaries of ACERA's elected Board Trustees who are employed with the County of Alameda. Trustee Annette Cain-Darnes reminded the Board that when the *Policy* was initially adopted, the Board had in-depth discussions regarding ACERA elected Board Trustees (especially Safety Members) having great difficulty in performing their fiduciary duties for the ACERA Board due pressures from the Participating Employers (*e.g.*, budget constraints, time away from work, etc.). Even though Participating Employers are required by law to allow elected Board Trustees to serve on the ACERA Board, practically, the Trustees were having difficulty performing their fiduciary duties and meeting their job duties and therefore it became difficult to attract competent Trustees. The reimbursement shifted the dynamic and afforded the Trustees the necessary time to fulfill their fiduciary duties without push back from the participating employers. The Trustees noted that while CalPERS pays Trustees a full salary, Alameda County (ACERA) is the only 1937 Act County that reimburses its Participating Employers for allowing elected Board Trustees to serve on the ACERA Board.

After discussion, Trustee Keith Carson recommended that instead of rolling over the *Policy* each year, this would be a good time to re-evaluate how to quantify the reimbursement amount. The Trustees asked for further information on the other 1937 Act Counties. Additionally, the Trustees asked that Counsel and Staff bring the *Policy* back to the Operations Committee meeting within the next few months, in order to allow time to perform further analysis regarding the number of hours required for elected Board Trustees to attend and serve on Committees/Board, preparation for such meetings, other Trustee responsibilities, educational requirements, as well as providing information on the reimbursement amount increases due to the rising employees' salaries, etc. Trustee Carson also suggested that when the *Policy* is brought back, the Operations Committee can further inform counsel and staff what additional information is sought so that the process for evaluating the reimbursement is well structured. The Trustees further opined that they did not want to make any immediate changes without all the above information and therefore, recommended to continue the reimbursement for 2017.

17-11

It was moved by Liz Koppenhaver and seconded by Keith Carson that the Board continue the voluntary elected member employer reimbursement for 2017, and provide further information to the Operations Committee next year regarding Staff's assessment of the impact on Participating Employers AND whether or not other '37 Act Counties and/or other Counties reimburse their Participating Employers. The motion carried 6 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, White*); 4 recusals (*Amaral, Rogers, Walker, Wood*), 0 no, and 0 abstentions.

17-12

It was moved by Liz Koppenhaver and seconded by Keith Carson that the Board affirm the *Voluntary Elected Member Employer Reimbursement Policy*, without revisions. The motion carried 6 yes (*Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, White*); 4 recusals (*Amaral, Rogers, Walker, Wood*), 0 no, and 0 abstentions.

After action was taken by the Board on the *Voluntary Elected Member Employer Policy* and reimbursement for 2017, elected ACERA Board Trustees Amaral, Rogers, Walker, and Wood returned to the Board Room.

Board Business and Travel Policy

Ms. Schnall presented her January 19, 2017 memo regarding the *Board Business and Travel Policy* and reported that the *Policy* is still necessary and relevant. However, in order for Trustees to fulfill their educational requirements to perform their fiduciary responsibilities, Staff recommended an increase of the annual allotment from \$12,645 to \$12,986 based on the 2.7% increase of the Consumer Price Index (CPI) for the greater San Francisco area. Staff also suggested that based upon the importance of Milken, the State Association of County Retirement Systems (SACRS), and California Association of Public Retirement Systems (CALAPRS) Conferences, the Board may wish to exclude these conferences from the travel cap. Ms. Schnall reminded the Board that there was an in-depth discussion regarding *Exhibit A* of the *Policy* (*Specific Travel Guidelines for Trustees*), which will include “Shared Rides” (Uber) and that no Trustees provided input on due diligence.

Several Trustees expressed their opinions regarding their inability to meet their educational requirements and fiduciary training under the current *Policy* and explained that the *Policy* does not take into account realistic costs such as the increase in conference fees, airfares, hotel costs, meals, etc. After discussion, counsel and staff were directed to perform a detailed analysis on the cost of conferences such as IFBP, Wharton School, Milken and other comparable trustee educational programs as well as an analysis of the increased costs associated with travel. Additionally, the Trustees asked the counsel and staffs review other travel policies to learn how other entities have addressed these rising costs while ensuring that their boards receive the required and necessary training to successfully perform their fiduciary duties. Trustees raised concerns that new Trustees may need more opportunities for learning when they first join the Board in order to expeditiously get up to speed. The Board asked that counsel and staff bring back the *Policy* to the March 1, 2017 Operations Committee for further discussion unless more time was needed. The Board took no action.

Trustee Education Policy

Ms. Schnall presented her January 19, 2017 memo regarding the Trustee Education Policy wherein Staff recommended that Trustees take at least two hours of Sexual Harassment Prevention Training and Education and to complete the training by the first year, based upon language in Assembly Bill (AB) 1661 (Government Code Sections 52237 and 53237.1). It was noted that Trustees could also satisfy this requirement by attending the Sexual Harassment Training/Education course hosted by ACERA or through programs at their own agencies. Staff also recommended including all the Trustees trainings and education in one policy for easy reference though the ethics training is further expanded upon in the *Conflict of Interest Policy*.

17-13

It was moved by Tarrell Gamble and seconded by Dale Amaral that the Board affirm the *Trustee Education Policy*, with revisions, The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Inclusion of 141 – Psychiatrists Evening Flat Rate and 26M – Evening \$11.00 pay items

Benefits Manager Sandra Dueñas-Cuevas presented her January 4, 2017 memo regarding adoption of the following new pay items: *1) Pay Code 141 (Psychiatrists Evening Flat Rate); and 2) 26M (Evening \$11.00) for Alameda Health System.*

17-14

It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board approve the inclusion of the following pay items as compensation earnable and pensionable compensation for members with entry dates before, on or after January 1, 2013, based on GC §§31461 and 7522.34:

- 1. 141 Psychiatrists Evening Flat Rate**
- 2. 26M – Evening \$11.00**

The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Approval of Amendment to Increase Additional Pay from 5% to 10% for Inclusion of Amended Pay Item, Labor Relations Analyst I and II – Code 41A

Benefits Manager Sandra Dueñas-Cuevas presented her January 4, 2017 memo regarding adoption of amended pay item – Pay Code 41A for the County.

17-15

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the continuance of the inclusion of the Pay Item, HRS Labor – Dept. HRS Responsibility – Code 41A, which was amended from 5% of pay to 10%, as compensation earnable and pensionable for members with entry dates before, on or after January 1, 2013, based on GC §§31461 and 7522.34. The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

445Approval of Pay Item 41R – BOS Chief of Staff

Benefits Manager Sandra Dueñas-Cuevas presented her January 4, 2017 memo regarding adoption of amended pay item – Pay Code 41R (BOS Chief of Staff) for the County.

17-16

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board approve the inclusion of Pay Item 41R -= BOS Chief of Staff as compensation earnable and pensionable for members with entry dates before, on or after January 1, 2013, based on GC §§31461 and 7522.34. The motion carried 9 yes (*Amaral, Basgal, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

David Nelsen, Chief Executive Officer’s Report

Chief Executive Officer David Nelsen presented his January 19, 2017 written CEO Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference Schedule; **4)** CEO Outreach; and **5)** Other Items.

Mr. Nelsen announced that the recruitment for ACERA’s Information Technology Manager (IT) has been concluded with the promotion of Vijay Jagar. Mr. Nelsen expressed his appreciation for the work Mr. Jagar took on due to the departure of Latrena Walker (former IT Manger). Mr. Jagar was congratulated on his promotion.

Mr. Nelsen announced that ACERA is losing Assistant Benefits Manager Jenni Mimi Hui who worked for ACERA 20 plus years. Ms. Hui will be working in the County’s Disability Unit. Ms. Hui was congratulated on her future endeavors. She will be truly missed!

Mr. Nelsen reported on the status of AB 2376 which extends the vote to allow the Alternate Retired Member (Reilly) to also vote in the absence of elected Board Members. The Alternate Retired Member would be able to vote in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Elected Safety Member and an Elected General member, are absent.

Mr. Nelson reported that as of December 31, 2016, the gross return on ACERA’s fund is 7.54% (net expense/fees, 6.5/6.6 factored in); and the net total market value is \$7.1 billion.

Mr. Nelsen reported that due to the Trump Inauguration Ceremony, demonstrations/protests are scheduled to take place all day on Friday, January 20, 2017.

In recognition of her service as ACERA's 2016 Board Chair, Mr. Nelsen presented Trustee Ophelia Basgal with a Plaque and expressed his appreciation for her support and mentorship to him as ACERA's new Chief Executive Officer. Trustee Basgal was acknowledged for the wonderful job she did as the Board Chair.

Mr. Nelsen announced that the status of the Overage 90 Review Project will be reported at the February 16, 2017 Audit Committee meeting.

CONFERENCE REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

PUBLIC INPUT

Chief Investment Officer Betty Tse stated that the amounts reported earlier today by Mr. Nelsen regarding the value of ACERA's Fund are preliminary amounts and should increase. Verus, ACERA's General Investment Consultant, is expected to provide the final audited amounts by March 2017.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION:

Pursuant to Government Code §54956.9(c) Conference with Legal Counsel – Pending Litigation:

- A. *Rosalina Neeley v. Trustees of ACERA, County of Alameda and Alameda County Superior Court, Alameda County Superior Court Case No. RG 14718687*

RECONVENE INTO OPEN SESSION TO REPORT ON ACTION TAKEN IN CLOSED EXECUTIVE SESSION:

The Board reconvened into Open Session and announced the following:

Legal Counsel advised that the *Neeley v. ACERA* matter was for the Board's information only and that the Board took no action.

ADJOURNMENT

The meeting adjourned at approximately 3:45 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

2/16/17

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

BAPTISTA, Anthony
Effective: 7/30/2016
Probation

KINGDOM, Ruthie A.
Effective: 8/2/2016
Alameda Health System

BLACK, Murva G.
Effective: 8/27/2016
Social Services Agency

MINTZER-KAYKO, Mary Lou
Effective: 10/25/2016
Alameda Health System - DEF

BRADLEY, Barbara L.
Effective: 9/10/2016
Social Services Agency

NEVAREZ, Jaime F.
Effective: 9/1/2016
Social Services Agency

EGLER, Rebecca
Effective: 4/1/2016
LARPD

RAY, Patsy N.
Effective: 5/20/2016
Alameda Health System

FARIS, Ann P.
Effective: 7/30/2016
Public Works Agency

SEDGWICK, Kelly Ann
Effective: 12/1/2016
Supreme Court - DEF

HUANG, Len Bau L.
Effective: 9/27/2016
Social Services Agency - DEF

SMITH, Patricia A.
Effective: 7/18/2015
Almada Health System

KALISH, Marcy T.
Effective: 9/30/2016
Health Care Services Agency - DEF

TRUJILLO, Angelyn A.
Effective: 9/30/2016
Social Services Agency

VELASQUEZ, Joseph S.
Effective: 6/4/2016
Sheriff's Office

APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT

AMADOR-DIGGDON, Sabrina M.
Auditor-Controller
Effective: 7/29/2016

AZOFEIFA, Elisse M.
Alameda Health System
Effective: 7/29/2016

BURTON-JACKSON, Lisa Y.
Alameda Health System
Effective: 10/24/2016

LISMAN, Michael B.
Health Care Services Agency
Effective: 9/16/2016

MC GOVERN, Peter
Alameda Health System
Effective: 7/8/2016

NG, Bertina X.
ACERA
Effective: 11/9/2016

PAOLINI, Karen G.
Information Technology
Effective: 10/11/2016

QVISTGAARD, Guy
Alameda Health System
Effective: 11/10/2016

SMYER, Marc
Superior Court
Effective: 8/17/2016

TRINH, Phoi D.
Health Care Services Agency
Effective: 10/21/2016

WHITTLE, Tracie M.
Sheriff's Office
Effective: 10/7/2016

XU, Wen Jing
Assessor
Effective: 9/2/2016

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

CHU, Annie K.
Alameda Health System
Effective: 7/16/2016

LE, Cindy
Alameda Health System
Effective: 7/19/2016

MARTINEZ, Jessica N.
Social Services Agency
Effective: 8/5/2016

MC ELROY, Michael D.
Alameda Health System
Effective: 5/19/2016

PEEK, Andrew M.
Sheriff's Office
Effective: 12/3/2016

POON, Eva
Board of Supervisors
Effective: 10/7/2016

PULIDO, George
Superior Court
Effective: 8/15/2016

SCHIERBURG, Walette A.
Alameda Health System
Effective: 9/2/2016

SCHROEDER, Laura M.
Social Services Agency
Effective: 11/14/2016

SICA, Deborah M.
Library
Effective: 10/21/2016

APPENDIX D
LIST OF DECEASED MEMBERS

ALEXANDER, Olga
12/22/2016
Survivor of Louis A. Alexander

HALLERT, Richard
11/28/2016
DRO

BORMAN, Dale H.
12/6/2016
General Services Agency

HARRY, Lucille E.
12/12/2016
Probation

COLLIS, Stanley R.
11/23/2016
Superior Court - DEF

KIEL, Grace E.
12/16/2016
Survivor of Roger D. Kiel

CORTELYOU, Clara N.
12/6/2016
Social Services Agency

SHIKANY, Louis G.
11/4/2016
General Services Agency

CRESSWELL, Richard
12/18/2016
Social Services Agency

STOLZ, Barbara H.
12/12/2016
General Services Agency

DONATO, Thomas E.
11/7/2016
Superior Court

SWIFT, Elsie R.
11/22/2016
Social Services Agency

DONATO, Thomas E.
11/7/2016
Survivor of Patricia A. Donato

SWYGERT, James W.
12/11/2016
General Services Agency

FARRINGTON, Genevieve
12/9/2016
Survivor of Alan B. Farrington

WALES, Glee A.
11/27/2016
Mental Health Services

GERWICK, Ellen C.
12/25/2016
Survivor of Richard C. Lynch

WETZIG, James L.
12/4/2016
Public Works Agency

WILLMES, Addie C.
12/10/2016
Alameda Health System

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Allen, Monifa
Type of Claim: Annual Review for NSCD (Granted on 10/15/2015)

Staff's Recommendation:

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

Name: Baker, Glenn
Type of Claim: Service Connected

Staff's Recommendation:

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

Name: Butler, Barbara
Type of Claim: Service Connected

Staff's Recommendation:

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

Based on Dr. Wagner's and Staff's review and determination of Ms. Butler's ability to determine the permanency of her incapacity, to grant Ms. Butler's request for an earlier effective date

Name: Morning, Kerry
Type of Claim: Service Connected

Staff's Recommendation:

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

APPENDIX I
MISCELLANEOUS MATTERS

Approval of benefit correction for non-member continuance and elimination of continuance for:

Name: **Baker, Floyd**
Type of Claim: Community Property Division (court order – DRO)

Staff's Recommendation:

Staff recommends that the Board require correction of the error in presenting non-member Mr. Floyd Baker the option of selecting a survivor continuance allowance payment for a non-member spouse. This matter involves ACERA's requirement to divide and distribute community property interests from retirement benefits of a member and non-member ex-spouse. In presenting information to the non-member ex-spouse at the time of the election of benefits by the non-member ex-spouse, ACERA presented the option which provides for a survivor continuance benefit payment after the death of the non-member ex-spouse. ACERA is now correcting that error. Correction includes no payment to the non-member ex-spouse of a lifetime monthly continuance allowance.

Name: **Heptinstall, Diana**
Type of Claim: Community Property Division (court order – DRO)

Staff's Recommendation:

Staff recommends that the Board require correction of the error in presenting non-member Mr. Scott Swanson the option of selecting a survivor continuance allowance payment for a non-member spouse. This matter involves ACERA's requirement to divide and distribute community property interests from retirement benefits of a member and non-member ex-spouse. In presenting information to the non-member ex-spouse at the time of the election of benefits by the non-member ex-spouse, ACERA presented the option which provides for a survivor continuance benefit payment after the death of the non-member ex-spouse. ACERA is now correcting that error. Correction includes no payment to the non-member ex-spouse of a lifetime monthly continuance allowance.