



**Alameda County Employees' Retirement Association**  
***BOARD OF RETIREMENT***

***NOTICE and AGENDA***

**ACERA MISSION:**

**To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.**

**Thursday, August 16, 2018  
2:00 p.m.**

LOCATION	BOARD OF RETIREMENT - MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 <sup>TH</sup> STREET, 10 <sup>TH</sup> FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	TARRELL GAMBLE	APPOINTED
	CHAIR	
	GEORGE WOOD	ELECTED GENERAL
	FIRST VICE-CHAIR	
	HENRY LEVY	TREASURER
	SECOND VICE-CHAIR	
	DALE AMARAL	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	JAIME GODFREY	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	ELIZABETH ROGERS	ELECTED GENERAL
	NANCY REILLY	ALTERNATE RETIRED <sup>1</sup>
	DARRYL L. WALKER	ALTERNATE SAFETY <sup>2</sup>

<sup>1</sup> Alternate Retired Member (Votes 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.

<sup>2</sup> Alternate Safety Member (Votes in the absence of (1) the Elected Safety, (2) either of the two Elected General Members, or (3) both the Retired and Alternate Retired members).

*Note regarding accommodations:* The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

*Note regarding public comments:* Public comments are limited to four (4) minutes per person in total.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at [www.acera.org](http://www.acera.org).

- 1. CALL TO ORDER:**
- 2. ROLL CALL:**
- 3. REVIEW AND APPROVAL:** Minutes of the Regular Board Meeting:  
*July 19, 2018*
- 4. CONSENT CALENDAR:**
  - A. APPLICATION FOR SERVICE RETIREMENT:**  
*Appendix A*
  - B. APPLICATION FOR RETIREMENT, DEFERRED:**  
*Appendix B*  
*Appendix B-1*
  - C. APPLICATION FOR DEFERRED TRANSFER:**  
*Appendix C*
  - D. LIST OF DECEASED MEMBERS:**  
*Appendix D*
  - E. REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:**  
*Appendix E*
  - F. APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:**  
*Appendix F*
  - G. APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS:**  
*Appendix G*
  - H. APPROVAL OF COMMITTEE MINUTES:**  
*July 19, 2018 Actuarial Committee Minutes*
  - I. MISCELLENIOUS MATTERS:**  
*None*

-----End of Consent Calendar-----  
(MOTION)

**REGULAR CALENDAR**  
**REPORTS AND ACTION ITEMS**

**5. A. DISABILITIES, CURRENT, RECOMMENDATIONS AND MOTIONS:**

*(Item(s) will be heard in Closed Executive Session)*

1. Spikes, Cecile Eligibility Services Technician III Alameda County  
Service: 20.85791 Years Social Service Agency  
Application for Service Connected Disability

**B. DISABILITIES, CONTINUING, RECOMMENDATIONS AND MOTIONS:**

*(Item(s) will be heard in Closed Executive Session)*

- None.

**6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:**

**A. Operations:**

1. Summary and Approval of the Minutes of the August 1, 2018, Meeting.
2. Motion that the Board approve Staff engaging directly with LRS for the procurement of the new pension administration system.
3. Motion that the Board approve the inclusion of Pay Item 42B – Department HR & Supervision Assignment (Department Human Resource and Supervision Assignment) as pensionable compensation for PEPRA members and compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

**B. Retirees:**

1. Summary and Approval of the Minutes of the August 1, 2018, Meeting.
2. Motion to continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

3. Motion to continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

**C. Investment:**

1. Summary and Approval of the Minutes of the August 8, 2018, Meeting.
2. Motion to approve an up to \$34 million Investment in Audax Private Equity Fund VI as part of ACERA's Private Equity Portfolio – Buyouts.
3. Motion to amend the International Equity Manager Structure and appoint Bivium to Manage a New Emerging Investment Manager Mandate – International Equity.

**D. Budget:**

1. Oral report of August 16, 2018, Budget Committee Meeting.  
*(Note: The formal written Budget Committee minutes will be included for approval on the September 20, 2018, Board Consent Calendar.)*

**7. OLD BUSINESS:**

None.

**8. NEW BUSINESS:**

A. Legislative Update

B. Chief Executive Officer's Report.

**9. CONFERENCE REPORTS/ORAL REPORTS:**

**10. ANNOUNCEMENTS:**

**11. PUBLIC INPUT:**

**12. BOARD INPUT:**

**13. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, September 20, 2018 at 2:00 p.m.**

**14. CLOSED SESSION:**

- A) Personnel Matter pursuant to Government Code Section 54957 & 88 Ops. Cal. Atty. Gen. 16 – Application of Cecile Spikes for Disability Retirement – Alameda County Social Services Agency.

**15. REPORT ON ACTION TAKEN IN CLOSED SESSION:**

**16. ADJOURNMENT:**

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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ALEGRIA, Reyna  
Effective: 06/02/2018  
Alameda Health System

EADIE, Susan S.  
Effective: 06/02/2018  
Child Support Services

ARMENDARIZ, Enrique  
Effective: 04/23/2018  
Alameda Health System

ESLAO, Johnny L.  
Effective: 04/27/2018  
Alameda Health System

BATIN, Abdul Rahman  
Effective: 05/07/2018  
General Services Agency

GLORIA, Renaldo L.  
Effective: 12/30/2017  
Assessor

BIRDEN, Mary A.  
Effective: 10/02/2016  
Alameda Health System

HARDMAN, Jeffrey O.  
Effective: 02/24/2018  
Health Care Services Agency

BECKER, Sandra  
Effective: 04/20/2018  
Sheriff's Department (Non-Member)

HAYES, Carole A.  
Effective: 02/10/2018  
Superior Court

BOCKOVER, Julie L.  
Effective: 05/26/2018  
Superior Court

HOLIFIELD, Timothy  
Effective: 05/24/2018  
Alameda Health System

BRIONES, Maria T.  
Effective: 03/31/2018  
Treasurer Tax-Collector

JUNG, Judy  
Effective: 03/31/2018  
Public Works Agency

BROWN, Jerry L.  
Effective: 03/31/2018  
Public Works Agency

LANNON, David P.  
Effective: 03/31/2018  
Sheriff's Office

BRUNO, Melanie A.  
Effective: 02/10/2018  
Child Support Services

LAUREN, Jason  
Effective: 03/31/2018  
County Counsel

DAVIES, Roberta F.  
Effective: 03/24/2018  
Public Works Agency

MEZA, Derek A.  
Effective: 04/01/2018  
Sheriff's Office

DILLON, Christine G.  
Effective: 03/24/2018  
Information Technology

REED, John A.  
Effective: 06/16/2018  
Public Works Agency

DOBBECK, Vicki  
Effective: 03/30/2018  
Housing Authority

ROOD, Richard  
Effective: 06/14/2018  
LARPD

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

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RYAN, Susan M.  
Effective: 01/15/2017  
Alameda Health System

SANCHEZ, Larry  
Effective: 06/16/2018  
Social Services Agency

SCOTT, Valerie A.  
Effective: 06/15/2018  
Probation

TANG, Paulette C.  
Effective: 04/21/2018  
Health Care Services Agency

VALLESTEROS, Edgardo S.  
Effective: 06/02/2018  
Sheriff's Office

VANDERBECK, Mary E.  
Effective: 01/20/2018  
Assessor

WIEMERS, Cal G.  
Effective: 10/31/2015  
Information Technology

WOOLDRIDGE, Kerry S.  
Effective: 06/05/2018  
Sheriff's Office

YEE, Theodore W.  
Effective: 08/01/2017  
Alameda Health System

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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AMES, Lizra L.  
Alameda Health System  
Effective: 02/05/18

LAZARO, Edmer R.  
Alameda Health System  
Effective: 06/01/18

CAVAGNARO, Christopher D.  
District Attorney  
Effective: 02/05/2018

LEE, Korey J.  
Health Care Service Agency  
Effective: 04/20/18

DE BACA, Sonya  
Superior Court  
Effective: 06/29/18

MADDEN, Jeffrey L.  
Zone 7  
Effective: 06/22/18

FARMANIAN, Debra I.  
Sheriff's Office  
Effective: 07/13/18

MARSHALL James, Stephanie A.  
Superior Court  
Effective: 01/12/18

HARRIS, Estella M.  
Community Development Agency  
Effective: 06/02/18

NAKAMURA, Lilybell A.  
Human Resource Services  
Effective: 03/09/18

HUYNH, Davann P.  
Probation  
Effective: 07/13/2018

PARROTT, Dawn R.  
Alameda Health System  
Effective: 06/01/18

JACKSON, James J.  
Alameda Health System  
Effective: 05/11/18

PASCUAL, Carl J.  
Health Care Services Agency  
Effective: 04/06/18

JEFFERSON, Michelle S.  
Alameda Health System  
Effective: 05/18/18

PATTERSON, Aisha S.  
Probation  
Effective: 05/15/18

KHALSA, Harinder K.  
Sheriff's Office  
Effective: 03/23/18

PAYNE, Louis  
Alameda Health System  
Effective: 06/11/18

KNIFFIN, John  
Alameda Health System  
Effective: 05/14/18

PUMMER, Eileen P.  
Alameda Health System  
Effective: 06/11/18



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

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AKUBUKO, Prescilla O.  
Alameda Health System  
Effective: 03/20/2018

CARNES, Johnathan R.  
Alameda Health System  
Effective: 05/25/2018

ALDERSON, Leo  
Human Resource Services  
Effective: 06/29/2018

CASTILLO, Carmen H.R.  
Child Support Service  
Effective: 03/14/2018

AMANZADEH, Baharak  
Health Care Services Agency  
Effective: 03/09/2018

CHAMBERS, Zenobia B.  
Alameda Health System  
Effective: 04/27/2018

ANDREWS, Matthew J.  
Alameda Health System  
Effective: 04/24/2018

CORBIN, Lynn M.  
Alameda Health System  
Effective: 05/09/2018

BAKER, Kameron N.  
Social Services Agency  
Effective: 06/15/2018

DAGNEAU, Carolyn M.  
Sheriff's Office  
Effective: 05/16/2018

BARNES, Carson A.  
Social Services Agency  
Effective: 01/30/2018

DIAZ, Marisol A.  
Superior Court  
Effective: 05/11/2018

BECERRA, Rosario A.  
District Attorney  
Effective: 02/15/2018

DUPART, Shahneka S.  
First 5  
Effective: 03/30/2018

BEST, Sasha E.  
Alameda Health System  
Effective: 06/22/2018

DUREN, Kye M.  
Health Care Services Agency  
Effective: 06/20/2018

BHATTACHARYA, Srila  
Alameda Health System  
Effective: 06/22/2018

FAIR, Marcus F.  
Social Services Agency  
Effective: 01/23/2018

BLANCARD KALUSHCH, Charlene  
Alameda Health System  
Effective: 05/01/2018

FISCHER, Cara F.  
Social Services Agency  
Effective: 06/19/2018

CALIMERIS, Alexis R.  
Alameda Health System  
Effective: 04/26/2018

GARVIN, Teelee S.  
Social Services Agency  
Effective: 06/07/2018

CARBAJAL, Ivana C.  
Alameda Health System  
Effective: 02/28/2018

GIANG, Alice C.  
District Attorney  
Effective: 06/29/2018

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

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GOLUB, David  
Superior Court  
Effective: 06/29/2018

LEARY, Katherine E.  
Social Services Agency  
Effective: 05/22/2018

HICKS, David  
Superior Court  
Effective: 07/03/2018

LESH, Kevin D.  
County Counsel  
Effective: 06/20/2018

HOWARD, Maina K.  
Social Services Agency  
Effective: 06/19/2018

LIN, Maria W.  
Alameda Health System  
Effective: 06/04/2018

IBANEZ, Mayra J.  
Alameda Health System  
Effective: 03/06/2018

LINARES-HERRERA, Sharon c.  
Social Services Agency  
Effective: 06/04/2018

JIMENEZ, Erica L.  
Alameda Health System  
Effective: 06/23/2018

LITTLE, Aliana M.  
Alameda Health System  
Effective: 06/04/2018

JOACHIN, Neydi  
Alameda Health System  
Effective: 06/13/2018

LUCZYNSKI, Decio  
Information Technology  
Effective: 03/16/2018

JOHNSON, Jesse  
Human Resource Services  
Effective: 06/29/2018

MARTINDALE, Ashley N.  
District Attorney  
Effective: 02/23/2018

JORDAN, Jimmy a.  
Alameda Health System  
Effective: 08/31/2017

McHUGH, Todd D.  
Health Care Services Agency  
Effective: 03/09/2018

KAPLAN, Elise  
Superior Court  
Effective: 06/15/2018

MEANEY, Tim M.  
Information Technology  
Effective: 02/01/2018

LAM, Kristin  
Health Care Services Agency  
Effective: 06/15/2018

MICHEFF, Holly L.  
Health Care Services Agency  
Effective: 06/28/2018

LANGER, Elena A.  
District Attorney  
Effective: 06/29/2018

MONLUX, Roxanne M.  
Alameda Health System  
Effective: 05/22/2018

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

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MOTEN, Sutrina J.  
Sheriff's Office  
Effective: 03/21/2018

MUISE, Erik R.  
Alameda Health System  
Effective: 06/21/2018

MURO II, Fermin F.  
Social Services Agency  
Effective: 01/02/2018

MURPHY, Andre B.  
Human Resource Services  
Effective: 06/29/2018

OCHOA, Evelisse Y.E.  
County Counsel  
Effective: 05/08/2018

QUIAMBAO, Mercredi S.  
Social Services Agency  
Effective: 06/12/2018

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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AGUAYO-RIFFEL, Raquel  
Public Health Family Health Services  
07/06/2018

MONGI, Anthony  
Sheriff's Department  
07/12/2018

DODDS, Rudy  
General Services Agency  
01/13/2018

MOREIRA, Virginia M.  
Assessor  
02/17/2018

ENG, Dorothy C.  
Alameda Health System  
06/29/2018

RANDELL, Doris M.  
General Services Agency  
06/25/2018

HALPERN, Carl A.  
Health Care Services Agency  
06/15/2018

RANKINE, Bonnie C.  
Social Services Agency  
04/14/2018

HOLMAN, Marie F.  
Alameda Health System  
07/25/2018

RODRIGUES, Julia A.  
Superior Court  
06/29/2018

LEROY, Lloyd P.  
Sheriff's Department  
06/28/2018

SIMS, Robbie J.  
Superior Court  
06/29/2018

MABINI, Lourdes M.  
Information Technology  
05/01/2018

SPANGER, Jessie  
Non-Member Survivor of Joseph Spangler  
04/18/2018

McCANN, Patricia  
Social Services Agency  
07/03/2018

TOMLINSON, Cheryl R.  
Alameda Health System  
05/22/2018

VARILLA-De GUZMAN, HEIDI L.  
Social Service Agency  
05/28/2018





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

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**Thursday, July 19, 2018**

Chair Tarrell Gamble called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral  
Ophelia Basgal  
Keith Carson  
Tarrell Gamble  
Jaime Godfrey  
Liz Koppenhaver  
Henry Levy  
Elizabeth Rogers  
George Wood  
Nancy Reilly (*Alternate*)  
Darryl Walker (*Alternate*)

Staff Present: Margo Allen, Fiscal Services Officer  
Victoria Arruda, Human Resource Officer  
Angela Bradford, Executive Secretary  
Sandra Dueñas-Cuevas, Benefits Manager  
Harsh Jadhav, Chief of Internal Audit  
Vijay Jagar, Retirement Chief Technology Officer, ACERA  
Kathy Mount, Chief Counsel  
David Nelsen, Chief Executive Officer  
Betty Tse, Chief Investment Officer

Staff Excused: Kathy Foster, Assistant Chief Executive Officer

**18-79**

**The minutes of the regular meeting of June 21, 2018, were accepted on a motion, by Elizabeth Rogers, seconded by George Wood, and approved by a vote of 7 yes (*Amaral, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Basgal*).**

**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**

*June 21, 2018 Audit Committee Minutes*

**MISCELLANEOUS MATTERS:**

*None*

It was moved by George Wood, seconded by Elizabeth Rogers, and approved by a vote of 7 yes (*Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions that the following resolution is adopted. (*Dale Amaral recused because one or more of the consent calendar items involved his employing Department*):

**18-80**

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 **June/July** Committee meeting minutes are posted on the ACERA website ([www.acera.org](http://www.acera.org)) after approval at the **June 21, 2018**, Board meeting. This month's Committee reports were presented in the following order:*

#### ***Investment:***

Elizabeth Rogers reported that the Investment Committee met on July 11, 2018, at 9:32 a.m. and highlighted the following:

Staff and representatives of Verus presented the timeline, minimum qualifications, and evaluation matrix for ACERA's U.S. small cap growth manager search. Staff and Verus explained that they will apply a series of screens to select qualified candidates from the small cap growth universe called eVestment Alliance Database and from ACERA's IPSI Program. Once the qualified candidates are selected and included in a list called focus-list, a questionnaire will be sent to the selected candidates to determine and match their qualifications with the minimum qualifications approved by the Board. Staff and Verus will then analyze and recommend a short list of candidates to the Committee for further due diligence.

The Committee discussed various aspects of the screens to be used, as well as the nature of the eVestment database. The Committee also discussed and reviewed the tenets of the Evaluation Matrix, specifically the importance of evaluating the organization and the investment team in addition to performance. Staff plans to provide the list of selected qualified managers to the Committee in conjunction with Staff's short list of candidates.

## **18-81**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the proposed timeline, minimum qualifications, and evaluation matrix for ACERA's U.S. Small Cap Growth Manager Search – Domestic Equities, using a focus – list approach. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Representatives from Staff and Callan presented to the Committee a potential investment called AG Realty Value Fund X, which includes a variety of value-add and opportunistic investment opportunities. AG (Angelo Gordon) Realty Value Fund X can invest up to 20% of the fund in international real estate assets. This would be the second opportunistic investment in ACERA's Real Estate Portfolio.



Representatives from AG Realty presented to the Committee the history, background, and culture of the firm's real estate business which accounts for about 1/3 of the firm's AUM. In addition, the representatives discussed the Fund's strategy, objectives, and risk-averse approach by describing their investment results in the previous funds. Through its network of 50 operating partners, AG focuses on light value-add (improve operations, lease-up) to heavy value-add (repositioning, change of use) opportunities. The representatives also discussed the diversification in property type and geography, as well as their bottoms-up approach to investing since most of the employees have decades of real estate experience.

Staff noted that this opportunity had originated from ACERA's IPSI program.

**18-82**

**It was moved by Elizabeth Rogers and seconded by George Wood that the Board approve a \$35 million investment in AG Realty Value Fund X as a part of ACERA's Real Estate Portfolio – Opportunistic, pending completion of legal and investment due diligence, background investigations, and successful contract negotiation. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

In October 2017, the Board changed the investment mandate for the Emerging Investment Manager (EIM) to international equities from domestic equities. Accordingly, Staff and representatives from Verus sought input from the Committee regarding a few possible methods of funding and selecting a manager for the new EIM mandate.

With the input from the Trustees, Staff plans to bring to the Investment Committee next month an action item with an amended international equity manager structure carved out of the International Equity Index passive allocation to fund the EIM. And, Staff also plans to recommend maintaining the current manager for the new EIM-international equity mandate.

**18-83**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the July 11, 2018 Investment Committee minutes. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

***Operations:***

Dale Amaral reported that the Operations Committee met on July 11, 2018, at 1:00 p.m. and highlighted the following:

Staff presented the draft agenda for the 2018 Board Off-Site scheduled for October 29, 2018.

**18-84**

**It was moved by Dale Amaral and seconded by Elizabeth Rogers that the Board that the Board approve the Board Off-Site Agenda, with possible amendments to content and speakers. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).**

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 42C for Alameda County.

**18-85**

**It was moved by Dale Amaral and seconded by George Wood that the Board approve the inclusion of Pay Item 42C – Oversight Fac Mgt/Staff Dev. (Oversight Facilities Management/Staff Development) as not pensionable compensation for PEPRAs members however compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 42D for Alameda County.

**18-86**

**It was moved by Dale Amaral moved and seconded by Liz Koppenhaver that the Board approve the inclusion of Pay Item 42D – Janitor-Santa Rita Jail Loc. as pensionable compensation and compensation earnable for a members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Staff reviewed the revised Administrative Hearings Policy, which includes an amendment to the provision related to hearing officer selection.

**18-87**

**It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board adopt the Administrative Hearings Policy with changes. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of May 31, 2018, actual expenses were \$225K under budget. Budget overages noted were Staffing (\$49K over budget). Budget surpluses noted were Staff Development (\$113K under budget), Professional Fees (\$5K under budget), Office Expense (\$23K under budget), Member Services (\$15K under budget), Systems (\$20K under budget), Depreciation (\$2K under budget), and Board of Retirement (\$96K under budget).

Staff presented and discussed the quarterly report on active and retiree members' underpayments and overpayments.

PRISM Staff reported current and future technology projects at ACERA.

### **18-88**

**It was moved by Dale Amaral and seconded by Elizabeth Rogers that the Board approve the July 11, 2018 Operations Committee minutes. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

#### ***Retirees:***

Liz Koppenhaver reported that the Retirees Committee met on July 11, 2018, at 1:50 p.m. and highlighted the following:

Staff presented group plans Monthly Medical Allowance (MMA) cost comparisons for the 2018 and 2019 Plan Years. Staff recommended increasing the 2019 Group Plan MMA in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$558.00 for Plan Year 2019.

Pete Albert, President of the Alameda County Retired Employees retiree council, and Michael Smart, Director of the Retired Employees of Alameda County, Inc., reported that both of their retiree associations voted in support of the recommendation to increase the MMA by the maximum allowable, and expressed appreciation to ACERA Staff and Trustee Koppenhaver for the extensive and helpful information related to the MMA provided at the June Committee meeting.

### **18-89**

**It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Board increase the 2019 Group Plan Monthly Medical Allowance (MMA) for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$558.00 for Plan Year 2019. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Staff presented early (non-Medicare) retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2018 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2019 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$558.00 for Plan Year 2019.

**18-90**

**It was moved by Liz Koppenhaver and seconded by Ophelia Basgal that the Board increase the 2019 Individual Plan Monthly Medical Allowance (MMA) for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$558.00 for Plan Year 2019. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Staff presented Medicare eligible retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2018 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2019 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$427.46 for Plan Year 2019.

**18-91**

**It was moved by Liz Koppenhaver and seconded by Keith Carson that the Board increase the 2019 Individual Plan Monthly Medical Allowance (MMA) for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$427.46 for Plan Year 2019. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Keenan & Associates (Keenan), ACERA's Benefits Consultant, provided information on ACERA's current contracts, recent claims experience and plan utilization, and renewal rates for both Delta Dental (ACERA's dental plan) and VSP (ACERA's vision plan). In addition, Keenan provided information on the percentages of members who reached the PPO and Premier maximum benefit levels. The additional plan costs to modify the plan design so that the dental Premier benefit levels match those of the PPO benefit levels, and to add Delta Dental's SmileWay benefit were also provided.

Staff reported that ACERA's inaugural activity of its new wellness plan is the Wellness Walk, which will be held at Lake Merritt on August 3, 2018, beginning at 10:00 a.m. In addition, ACERA worked with Keenan & Associates, ACERA's Benefits Consultant, to create a wellness logo to brand all ACERA's wellness initiatives. At today's Board meeting, Trustee Koppenhaver encouraged Trustees and Staff to participate in the Wellness Walk.

## **18-92**

**It was moved by Liz Koppenhaver and seconded by Ophelia Basgal that the Board approve the July 11, 2018 Retirees Committee minutes. The motion carried 9 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood), 0 no, and 0 abstentions.**

### ***Actuarial:***

Dale Amaral gave an oral report stating that the Actuarial Committee met today at approximately 1:00 p.m. wherein there was a discussion and presentation of Cheiron's replication of the Actuarial Valuation and Review as of December 31, 2017, and the replication of the GASB Statement No. 43 (OPEB) and non-OPEB Actuarial Valuation of the Benefits provided by the Supplemental Retiree Benefits Reserve (SRBR), Including Sufficiency of Funds as of December 31, 2016. It was noted that Cheiron confirmed that the liabilities and costs computed in ACERA's Valuation as of December 31, 2017, were reasonably accurate and were computed in accordance with the Generally Accepted Actuarial Principles. Trustee Amaral stated Segal is moving forward in the manner that the Board expects it to do so.

### **NEW BUSINESS:**

#### **David Nelsen, Chief Executive Officer's Report**

Mr. Nelsen presented his July 19, 2018, written Chief Executive Officer's Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference/Vacation Schedule; and **4)** Other Items.

Mr. Nelsen reported that he will be on vacation for approximately a week and a half (Friday, July 20 through Monday, July 30, 2018) and in his absence, Assistant CEO Kathy Foster and Fiscal Services Officer Margo Allen will be in charge. However, Mr. Nelsen can be reached via Cell Phone, if necessary.

Mr. Nelsen announced that we have made a number of enhancements to the ACERA Website. Communications Manager Michael Fara gave a presentation on the information and resources that are now available on the Website which include: **1)** *Retirement Planning Handbook* (94 pg. pdf); **2)** eight (8) single topic pamphlets; **3)** brief, but comprehensive, introductory video tutorials giving an explanation of ACERA membership and descriptions on how the benefit is calculated. It was noted that the *Handbook*, pamphlets and video tutorials are kept current and will be accessible to our members at all times for viewing from their homes, phone, etc. Mr. Fara reported that he is also in the process of creating a section on the Website for the Participating Employers. The Trustees expressed their satisfaction regarding the new enhancements to the Website.

Mr. Nelsen's CEO Report also included information regarding the status of ACERA's Process Excellence Activities.

### **CONFERENCE REPORTS**

Trustee Elizabeth Rogers reported that she attended the RFK Compass Investor Conference at Cape Cod (MA) that was recommended by Margaret Jadallah of Verus Advisory, Inc. A couple of the topics discussed during the Conference consisted of limited partnership (explanation of how do minority and women firms get involved in investment consulting) and ESG (environmental, social and governance) investing. Trustee Rogers announced that during the Conference, she learned about a new athletic sport called "plogging," which is jogging and picking up trash simultaneously. There was a Dinner Session which featured governors of North Carolina (Democrat) and New Hampshire (Republican, Chris Sununu) who spoke about public education. Trustee Rogers made her Conference agenda available and recommended that Trustees attend a future Compass Conference.

Trustee Darryl Walker announced that he attended the California Labor Trustee Meeting, which also focused on discussions regarding ESG and diversity. It was noted that Michael Ring sent ACERA a survey which requested information regarding diversity within the Board, Leadership Staff and within the Investment arena. Mr. Nelsen reported that ACERA Staff is currently working on responses to the survey.

**ANNOUNCEMENTS**

None.

**PUBLIC INPUT**

None.

**BOARD INPUT**

None.

**CLOSED SESSION**

- A) Personnel Matter pursuant to Government Code Section 54957 & 88 Ops. Cal. Atty. Gen. 16 – Disability Application of Elyria Zuniga – Alameda Health Systems.

**REPORT ON ACTION TAKEN IN CLOSED SESSION**

The Board reconvened into Open Session wherein Chair Gamble announced that the Board took the following action in Closed Session:

**18-93**

It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Board vacate its April 20, 2017 decision and grant Ms. Elyria Zuniga's application for a service connected disability retirement benefit. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.

**ADJOURNMENT**

The meeting adjourned at approximately 2:50 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

8/16/18

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Date Adopted

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

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ABDOLHOSSEINI, Penelope A.  
Effective: 12/30/04/2018  
Health Care Services Agency

CHUNG, Lynn K.  
Effective: 03/31/2018  
Health Care Services Agency

AGUON, Kenneth A.  
Effective: 03/27/2018  
Health Care Services Agency

DAVIS, Darrell C.  
Effective: 03/31/2016  
Superior Court

ANDOLA-LOPEZ, Margarita T.  
Effective: 04/28/2018  
Alameda Health System

DEL RIO, Arturo  
Effective: 03/31/2018  
Public Works Agency

BECKER, Matthew E.  
Effective: 03/24/2018  
Sheriff's Department

DIMMOCK, Valentina  
Effective: 03/24/2018  
Public Works Agency

BECKER, Sandra  
Effective: 04/20/2018  
Sheriff's Department (Non-Member)

DUREING, Gilberte F.  
Effective: 03/31/2018  
Flood Control Zone 7

BETANCE, Rita M.  
Effective: 01/27/2018  
Social Services Agency

DUGAY, Lilia O.  
Effective: 03/30/2018  
Judicial Services Administration

BURGER, Janis R.  
Effective: 02/03/2018  
Health Care Services Agency

ERVEN-COLLINS, Nanci B.  
Effective: 03/24/2018  
Public Works Agency

CARDOZA, Nancy B.  
Effective: 03/24/2018  
Superior Courts

FOX, Florence  
Effective: 03/31/2018  
Social Services Agency

CARONE, Carrie-Ana  
Effective: 05/01/2018  
Sheriff's Department (Non Member)

GALINDO, Michelle J.  
Effective: 03/31/2018  
Sheriff's Department

CASTILLO, Julia  
Effective: 01/21/2017,  
Health Care Services Agency

GRESSEL, Jose  
Effective: 03/30/2018  
Superior Court

CHAN, Philie  
Effective: 07/15/2017  
Health Care Services Agency

HILDING, Caroline E  
Effective: 11/27/2015  
Probation



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

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HODSON, Adelyn U.  
Effective: 01/27/2018  
Health Care Services Agency

McROBERTS, James  
Effective: 10/20/2017  
Housing Authority

HOPSON, Brian R.  
Effective: 03/24/2018  
Probation

MOSELY, Arthelia F.  
Effective: 03/30/2018  
Superior Court

HU, Rosemary W.  
Effective: 03/31/2018  
Auditor Controller

MUNOZ, Teresa I.  
Effective: 03/24/2018  
Child Support Services

KNAPP, Robert H.  
Effective: 03/31/2018  
Public Works Agency

RIO, Diogenes  
Effective: 03/25/2017  
Social Services Agency

KUJAWSKI, Rebecca L.  
Effective: 03/17/2018  
Sheriff's Office

ROMERO, Juan G.  
Effective: 03/24/2017  
Social Services Agency

LAMAR, Karen R.  
Effective: 03/10/2018  
Social Services Agency

ROQUEMORE, Robbie T.  
Effective: 03/24/2018  
Alameda Health System

LOUIE, Patricia  
Effective: 03/31/2018  
Health Care Services Agency

SALVADOR, Azucena P.  
Effective: 05/01/2018  
Alameda Health System

McFADDEN, Patricia A.  
Effective: 03/24/2018  
Auditor Controller

SANCHEZ, Dolores  
Effective: 04/29/2018  
Superior Court

SCHEIBNER, Thomas  
Effective: 03/25/2018  
Sheriff's Department

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**APPENDIX B**  
**APPLICATION FOR DEFERRED RETIREMENT**

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BAPTISTA, Tamara E.  
Zone 7  
Effective: 04/20/2018

GIRARD, Jeffrey M.  
Alameda Health System  
Effective: 06/02/2018

BROAS, Teresita F.  
Alameda County Retirement Association  
Effective: 05/01/2018

GOLTZ, Brianna R.  
Alameda Health System  
Effective: 05/02/2018

CHIN, Janice  
Health Care Services Agency  
Effective: 06/01/2018

GONZALES, Beverly L.  
Superior Court  
Effective: 03/16/2018

DEMONSANT, Erika L.  
Alameda Health System  
Effective: 05/11/2018

HAILER, Janet K.  
Health Care Services Agency  
Effective: 04/20/2018

DEPRATO, Denise  
LARPD  
Effective: 06/14/2017

HALLINAN, Neil P.  
Public Defender  
Effective: 04/16/2018

FRIAS, Katherine M.  
Social Services Agency  
Effective: 05/21/2018

HERNANDEZ BERBER, Bibiana  
Health Care Services Agency  
Effective: 01/19/2018

GREENBAUM, Rick E.  
Treasurer Tax-collector  
Effective: 06/01/2018

LAYTON, Neil A.  
District Attorney  
Effective: 04/20/2018

SOHN, HAEYOUNG  
Alameda Health System  
Effective: 04/16/2018

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

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CASTELO, May Joyce G.G.  
Assessor  
Effective: 05/18/2018

LEUNG, JEREMY  
GSA Purchasing  
Effective: 05/15/2018

FOLEY, Brian J.  
Sheriff's Office  
Effective: 05/31/2018

MCCOY, Desiree  
Health Care Services Agency  
Effective: 05/04/2018

GEARY, Robin  
Alameda Health System  
Effective: 06/18/2017

ORTIZ-GUITERREZS, Maricela  
Children and Family Services  
Effective: 06/08/2018

GOMEZ, Leticia H.  
Alameda Health System  
Effective: 06/01/2018

PEREZ, Gabriela  
Youth and Family Services  
Effective: 05/02/2018

HAHN, Kenneth J.  
Alameda Health System  
Effective: 05/18/2018

RELUCIO, Catherine D.  
Public Defender  
Effective: 03/23/2018

HARRIS, Nikia D.  
Alameda Health System  
Effective: 12/29/2017

SARDELLA, Nichole K.  
Health Care Services Agency  
Effective: 01/12/2018

HESS, Anna L.  
Alameda Health System  
Effective: 03/28/2018

SHOTWELL, Mark E.  
Health Care Services Agency  
Effective: 02/23/2018

HICKS, D'Jon B.  
District Attorney  
Effective: 05/11/2018

THACHET, Lisu M.  
Assessor  
Effective: 03/23/2018

KIM, Susie h.  
Alameda Health System  
Effective: 03/28/2018

TURUNEN, Barbara  
Health Care Services Agency  
Effective: 02/23/2018

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**APPENDIX D**  
**LIST OF DECEASED MEMBERS**

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CHAPMAN, Robert  
District Attorney  
05/23/2018

MARQUEZ, Sandra  
Health Care Services Agency  
06/20/2018

COSSMAN, NEIL  
Probation  
06/06/2018

MERRILL, Myrtle  
Non-Member Survivor of Ulysses Merrill  
05/08/2018

DETMAR, Terry  
Non-Member Survivor of Arthur Detmar  
06/04/2018

POLLEN, Rita  
District Attorney  
05/28/2018

DUTCHLER, MARILYN  
Non-Member Survivor of George Dutchler  
06/18/2018

SAPER, Barbara  
Social Services Agency  
05/16/2018

JONES, Jasper  
Non-Member Survivor of Willie Jones  
05/28/2018

SUTTON, Leroy  
Non-Member Survivor of Nola Sutton  
04/06/2018

LOWELL, Gladys  
Alameda Health System  
05/22/2018

WONG, Beatrice  
Behavioral Health Care Services  
04/11/2018

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

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**Name:** Beek, Amy  
**Type of Claim:** Service Connected

**Staff's Recommendation:**

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Beek's application for a service connected disability and requiring future annual medical examinations and questionnaires.

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

**Name:** Buggy, Kevin  
**Type of Claim:** Service Connected

**Staff's Recommendation:**

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Mr. Buggy's application for a service connected disability and requiring future annual medical examinations and questionnaires.

**Name:** Kennedy, Rhonda  
**Type of Claim:** Service Connected

**Staff's Recommendation:**

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Kennedy's application for a service connected disability and requiring future annual medical examinations and questionnaires.

**Name:** Peoples, Denise  
**Type of Claim:** Service Connected

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Peoples's application for a service connected disability and requiring future annual medical examinations and questionnaires.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 104

**July 19, 2018**  
**Actuarial Committee Minutes**  
**For approval under August 16, 2018**  
**Board “Consent Calendar”**



July 19, 2018

To: Members of the Actuarial Committee

From: Dale Amaral, Chair

Subject: Summary of the July 19, 2018 Actuarial Committee Meeting

Actuarial Committee Chair, Dale Amaral, called the July 19, 2018 Actuarial Committee meeting to order at 1:00 pm. Committee members present were Dale Amaral, Chair, Keith Carson, Elizabeth Rogers, and Ophelia Basgal. Other Board members present were Liz Koppenhaver, Tarrell Gamble, Jamie Godfrey, Nancy Reilly, and George Wood. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Margo Allen, Fiscal Services Officer; and Betty Tse, Chief Investment Officer.

### **ACTION ITEM**

None

### **INFORMATION ITEMS**

1. Presentation and discussion of Cheiron's replication of the Actuarial Valuation and Review as of December 31, 2017, and the replication of the GASB Statement No. 43 (OPEB) and non-OPEB Actuarial Valuation of the Benefits provided by the Supplemental Retiree Benefits Reserve, Including Sufficiency of Funds as of December 31, 2016

Cheiron reported its findings and suggested its recommendations to Segal Consulting, ACERA's Actuary. Cheiron confirmed that the liabilities and costs computed in ACERA's Valuation as of December 31, 2017, were reasonably accurate and were computed in accordance with the Generally Accepted Actuarial Principles. Staff and Segal agreed with all of Cheiron's recommendations and will include the following two additional reporting components in future funding valuations:

- a. Projections of employee contribution rates and funding status in its valuation reports; and,
- b. The impact of future Supplemental Retiree Benefit Reserve (SRBR) outflows on those projections to illustrate the dynamics of ACERA's Funding Policy.

### **RECOMMENDATION**

None

### **TRUSTEE/PUBLIC INPUT**

None



**Future Discussion Items**

Presentation and discussion of:

- Interest Posting Policy
- Actuarial Funding Policy
- Actuarial Standard of Practice (ASOP) No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Contributions

**ESTABLISHMENT OF NEXT MEETING DATE**

October 18, 2018, at 11am

**MEETING ADJOURNED**

The meeting adjourned at 1:32 pm



Date: August 1, 2018

To: Members of the Operations Committee

From: Ophelia Basgal, Chair

Subject: Summary of the August 1, 2018, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the August 1, 2018 Operations Committee Meeting to order at 9:35 a.m. Committee members present were Ophelia Basgal, Chair; Dale Amaral, Vice-Chair; Liz Koppenhaver, Elizabeth Rogers, and George Wood. Other Board members present were: Keith Carson, Tarrell Gamble, Jaime Godfrey and Alternates Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Vijay Jagar, Chief Technology Officer.

## **ACTION ITEMS**

### **1. Presentation and possible motion regarding procurement of a new pension administration system**

Staff provided a review and analysis of possible new pension administration systems. A new system is needed to improve service and efficiency. Moving forward ACERA can engage with LRS directly to implement version 3 of Pension Gold, or conduct an RFP to select a new pension retirement system.

The trustees provided several items of consideration as we proceed in this initiative. First, we should ensure that since the new system provides additional self-service options on-line, it should also provide ample security to protect members from fraudulent activities. We should also ensure that the system provides or fully integrates with customer relations management software, so our customer interactions are streamlined. In the eventual contract, there should be assurances of vendor on-site support once the new system becomes operational, and there should be provisions to protect from cost overruns. Finally, if new upgrades are released shortly after the new system becomes operational, they should be included at no additional cost.

It was moved by Tarrell Gamble and seconded by Elizabeth Rogers, that the Operations Committee recommend to the Board of Retirement that the Board approve staff engaging directly with LRS for the procurement of the new pension administration system.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstention.

## **2. Adoption of New Pay Item – Pay Code 42B for County**

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 42B for Alameda County.

It was moved by Tarrell Gamble and seconded by Elizabeth Rogers, that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of Pay Item 42B – Department HR & Supervision Assignment (Department Human Resource and Supervision Assignment) as pensionable compensation for PEPRAs members and compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstention.

## **INFORMATION ITEMS**

### **1. Unaudited Financial Statements as of June 30, 2018**

Staff presented the Unaudited Financial Statement for the period ending June 30, 2018. Staff stated the net position held in trust for pension benefits totaled \$8.1 billion. The fiduciary net position held in trust compared to the same period in 2017 increased by \$568 million. The year-over-year change in net position decreased by \$578 million.

### **2. Operating Expenses**

Staff presented the Total Operating Expense Budget Summary for June 30, 2018. As of June 30, 2018, actual expenses were \$340K under budget. Budget overages noted were Staffing (\$13K over budget). Budget surpluses noted were Staff Development (\$131K under budget), Professional Fees (\$69K under budget), Office Expense (\$18K under budget), Member Services (\$22K under budget), Systems (\$18K under budget), Depreciation (\$3K under budget), and Board Expenses (\$92K under budget).

### **3. Quarterly Cash Forecast Report**

Staff presented the Cash Forecast Report for July 1, 2018 – June 2019. With the exception of the two three-pay-period months, the average monthly negative cash position for the period is -\$17,059,583.

### **4. Board Member Conference Expense Report**

Staff presented the Board Member Conference and Training Report for the period January 1, 2018 to June 30, 2018. Reported expenses for the period were \$112,089.

### **5. Senior Manager Conference and Training Expense Report**

Staff presented the Senior Manager Conference and Training Expense Report for the period January 1, 2018 to June 30, 2018. Reported expenses for the period were \$47,008.

### **6. Call Center Report**

Staff reported on the call center service levels for the 2nd quarter of 2018.

**TRUSTEE/PUBLIC INPUT**

None.

**RECOMMENDATIONS**

The Committee recommends, and I move, that the Board of Retirement approve staff engaging directly with LRS for the procurement of the new pension administration system.

The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 42B – Department HR & Supervision Assignment (Department Human Resource and Supervision Assignment) as pensionable compensation for PEPRA members and compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for September 5, 2018, at 9:30 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 10:36 a.m.



August 1, 2018

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the August 1, 2018 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the August 1, 2018 meeting to order at 10:45 a.m. Committee members present were Liz Koppenhaver, George Wood, Dale Amaral, Keith Carson, and Jamie Godfrey. Also present were Ophelia Basgal, Tarrell Gamble, and Elizabeth Rogers, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; and Harsh Jadhav, Chief of Internal Audit.

### **INFORMATION ITEMS**

Chair Koppenhaver moved the following information item to the top of the agenda at the request of Staff to provide for more complete background before considering the action items:

#### **1. Review of Dental and Vision Plan Premiums for 2019 and Report on Dental and Vision Plan Utilization**

Keenan & Associates, ACERA's Benefits Consultant, and Staff provided information on ACERA-sponsored dental and vision plan renewal summaries including premiums for Plan Year 2019, and plan utilization. Trustees directed Staff to provide information on the impact of members overall health related to good dental hygiene, in consideration of possible plan design options for the 2020 Plan Year renewal of ACERA's contract with Delta Dental. In addition, Trustees directed Staff to promote the diabetic eye care coverage currently available with ACERA's contract with Vision Service Plan (VSP).

### **ACTION ITEMS**

#### **1. Adoption of Dental Plan Contributions for 2019**

Staff reported that for Plan Year 2019, based on the single retiree premium rates, which include a 1.10% increase for the PPO plan and no rate increase for the DeltaCare USA plan, the projected annual cost to provide this non-vested benefit for 2019 is \$4,148,913.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for

retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

## **2. Adoption of Vision Plan Contributions for 2019**

Staff reported that based on the single retiree premium rate for Plan Year 2019, which is the same as that for 2018, the projected annual cost to provide this non-vested benefit for 2019 is \$350,004.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **2. Report on Health Reimbursement Arrangement Account Balances as of June 2018**

Staff provided information on retirees' Health Reimbursement Arrangement (HRA) account balances as of June 30, 2018 categorized by years of service, along with the balances for the same time period for 2014, 2015, 2016, and 2017.

### **3. Miscellaneous Updates**

Staff provided an update on the preparations and number of registered participants for ACERA's First Wellness Walk, which will be held at Lake Merritt on August 3, 2018. In addition, Staff launched its new Wellness section of ACERA's website, which provides information on wellness events, articles and resources.

## **RECOMMENDATIONS**

### **1. Adoption of Dental Plan Contributions for 2019**

The Committee recommends, and I move that the Board of Retirement continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more

years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

## **2. Adoption of Vision Plan Contributions for 2019**

The Committee recommends, and I move that the Board of Retirement continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

### **TRUSTEE REMARKS**

None.

### **PUBLIC INPUT**

None.

### **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for September 5, 2018 at 10:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 11:32 a.m.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14th Street, Suite 1000, Oakland, CA 94612

800/838-1932

510/628-3000

fax: 510/268-9574

www.acera.org

Date: August 16, 2018

To: Members of the Board of Retirement

From: Angela Bradford

A handwritten signature in blue ink, appearing to read "Angela Bradford", is written over the printed name.

Subject: April Committee Minutes

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Due to the unusual scheduling of Committee meetings this month, the following Committee minutes will be sent under separate cover for this month's Board meeting.

- Investment Committee (8/8/18)

Thank you.



**Minutes for the August 16, 2018  
Budget Committee  
Will be included on the September 20, 2018,  
Board “Consent Calendar” for approval.**

## **NEW BUSINESS**

**8.A. Legislative Update.**

**8.B Chief Executive Officer's Report.**

## **NEW BUSINESS**

### **8.A. Legislative Update.**



## **AUGUST 2018 LEGISLATIVE UPDATE**

### **BILLS IMPACTING ACERA – SACRS SPONSORED**

#### **SB 1270 (Vidak) County employees' retirement: system personnel.**

Five retirement boards already have the ability to appoint assistant administrators and chief investment officers as at-will employees of the county who are thus not covered by county charter, civil service, or merit system rules, and serve at the pleasure of the appointing boards. This bill grants to any CERL agency the same ability to appoint these employees on an at-will basis if the board of supervisors for that county adopts a resolution making those provisions applicable in the county.

**Status:** Approved by the Governor and signed into law on July 16, 2018. Therefore, the Alameda County Board of Supervisors could, by resolution, make this law applicable to ACERA.

### **CERL BILLS OF INTEREST**

#### **AB 2076 (Rodriguez) County employees' retirement: disability: date of retirement.**

This bill authorizes Los Angeles County Employees Retirement Association (LACERA) to correct a prior board decision determining the effective date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision. The bill authorizes a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

**Status:** Approved by the Governor and signed into law on July 17, 2018. The bill was sponsored by LACERA and is only applicable to LACERA.

### **PENSION BILLS OF INTEREST IMPACTING CALPERS**

#### **SB 1166 (Pan) Contributions**

This bill requires a California Public Employees' Retirement System (CalPERS) contracting agency to notify members and retired members of the agency, or their beneficiaries, when the agency fails to make the required employer's contributions within the applicable time limitations.

**Status:** Re-referred to Appropriations Committee on June 20, 2018.

**OTHER BILLS OF INTEREST**

**AB 2770 (Irwin) Privileged communications: communications by former employer: sexual harassment.**

This bill codifies California defamation case law as it relates to allegations of workplace sexual harassment, making it explicit in statute that: (1) employees who report sexual harassment to their employer are not liable for any resulting injury to the alleged harasser's reputation, so long as the communication is made based on credible evidence and without malice; (2) communications between employers and anyone with an interest in a sexual harassment complaint, such as victims and witnesses, are not liable for any resulting damage to the alleged harassers reputation, as long as the communication is made without malice; and (3) former employers are not liable for any resulting injury to a former employee's reputation if, in response to inquiries from prospective employers, the former employers indicate that they would not rehire the former employee based on a determination that the former employee engaged in sexual harassment, so long as the statement is made without malice.

**Status:** Approved by the Governor and signed into law on July 9, 2018.

**BILLS OF INTEREST UNLIKELY TO BECOME LAW**

**AB 2085 (Cooley) Retirement systems: surviving spouse.**

After a member's death, the CERL provides that any retirement allowance earned but not yet paid to the member will be paid to the member's designated beneficiary. Current law deems the surviving spouse, upon application, to be the beneficiary if the member did not designate a beneficiary prior to death.

Retirement systems had differing views on whether a legally separated spouse is considered a surviving spouse. This bill would define "surviving spouse" as a person legally married to the member who is neither divorced nor legally separated at the time of the member's death, and who meets other relevant requirements. LACERA opposed that position.

**Status:** Hearing before committee canceled at the request of the author on April 16, 2018. The author elected not to move forward without a consensus of the retirement systems. The retirement systems are considering whether to propose another bill defining surviving spouse.

**AB 2571 (Fletcher) Public employee retirement systems: investments: race and gender pay equity.**

Requires a public investment fund to require an alternative investment vehicle (AIV) to, at least annually, report specified information relating to hospitality employers pertaining to race and gender pay equity, and sexual harassment, among other provisions.

**Status:** Hearing before committee canceled at the request of the author on April 18, 2018.

**SB 1031 (Moorlach) Public employees' retirement: cost of living adjustments: prohibition.**

This bill would prohibit a cost of living adjustment to beneficiaries or survivors if the unfunded liability for that retirement system is great than 20%. This is one of the "pension reform" bills by Senator Moorlach for the purpose of reducing unfunded liabilities of retirement systems.

**Status:** The bill failed passage in committee on April 24, 2018.

## **August 2018 Legislative Update**

### **SB 1433 (Moorlach) County employees' retirement: Deferred Retirement Option Program.**

The CERL permits creation of a Deferred Retirement Option Program to provide eligible members who elect to participate in the program access to a lump sum or monthly payments for a specified period in addition to a monthly retirement allowance. This bill would on and after January 1, 2019, prohibit a county or district from allowing a member to participate in a Deferred Retirement Option Program who was not participating in the program on or before December 31, 2018. This is another one of Senator Moorlach's "pension reform" bills.

**Status:** The bill failed passage in committee on April 24, 2018.

### **AB 3084 (Levine) Public employees: other postemployment benefits: annual report.**

Existing law requires all state and local public retirement systems to submit audited financial statements to the Controller at the earliest practicable opportunity within six months of the close of each fiscal year.

This bill requires the governing body of a public agency to show it has achieved specified goals related to the provision of other postemployment benefits (OPEB) in its annual finance statements submitted to the State Controller's Office (SCO). If the public agency has not met those goals, it must detail why and what it is doing to meet those goals.

**Status:** Held under submission in committee on May 25, 2018.

## **NEW BUSINESS**

### **8.B. Chief Executive Officer's Report.**



*Office of the Chief Executive Officer  
Office of Administration*

DATE: August 16, 2018  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer  
SUBJECT: Chief Executive Officer's Report

DN

**Senior Manager Recruitment**

No vacancies needing recruitment.

**Committee/Board Action Items**

**ASSIGNED FOLLOW-UP ITEMS**

Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop a policy regarding pre-payment of contributions by employers.	Dave Nelsen	To be scheduled		A new law passed in 2017 expanded the circumstances regarding employers pre-paying retirement contributions. ACERA needs to develop a policy regarding this option.
Develop a Diminishing Employer Payroll Policy	Kathy Mount	July 2018 September 2018	This will be presented at the August Participating Employers meeting for feedback.	This policy will address the issues of how to allocate liability and determine funding requirements for an employer whose payroll is permanently decreasing.
Develop a Withdrawing Employer Policy	Kathy Mount	July 2018 September 2018	This will be presented at the August Participating Employers meeting for feedback.	This policy will address the issues of how to allocate liability and determine funding requirements for an employer that withdraws from the system.



### **Conference Schedule**

I will attend training at the CALAPRS Administrator's Institute on Wed, Sep 26 thru Fri, Sep 28, 2018 in Carmel, CA.

### **Other**

ASOP 51- The Actuarial Standards Board has issued the Actuarial Standard of Practice 51. It is available at the link below. This ASOP addresses new disclosures for funding valuations to show the risks and impacts of possible funding outcomes others than those assumed. Segal will discuss the impacts of this new ASOP during our October Actuarial Committee meeting.

<http://www.actuarialstandardsboard.org/asops/assessment-disclosure-risk-associated-measuring-pension-obligations-determining-pension-plan-contributions-3/>

#### *Process Excellence Activities:*

- Our first Lean Project Team evaluated the Retirement Application Process, and has begun implementing the changes designed through this process. The goal of this initiative would be to decrease the number of retirees who receive the initial 80% benefit and provide more retirees with a final retirement value by their first check. More information on this initiative will be provided at the September Operations Committee meeting.
- The second project continues the work of developing employee personal development plan templates and processes.
- All but about 25 ACERA team members have been trained in the methodology, and have been challenged to apply the training at their own process level. These are being called "just do it projects". There are many of these projects underway.
- Senior Leaders continue their work on two initiatives: **1)** developing agency-wide operational effectiveness measures, and **2)** developing a process to identify, prioritize and balance resources for the many projects of the association. High level measures being implemented include:
  - Adherence to budget
  - Team engagement survey scores
  - Customer satisfaction survey scores
  - Top quartile investment performance on a rolling 10 year basis