



**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, September 19, 2019  
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	HENRY LEVY CHAIR	TREASURER
	ELIZABETH ROGERS FIRST VICE-CHAIR	ELECTED GENERAL
	JAIME GODFREY SECOND VICE-CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	GEORGE WOOD	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. PUBLIC COMMENT:**

**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 and BOARD MINUTES:**

*August 14, 2019 Investment Committee Minutes*

*August 15, 2019 Budget Committee Minutes*

*August 15, 2019 Governance Committee Minutes*

*August 15, 2019 Minutes of the Regular Board Meeting*

*September 4, 2019 Minutes of the Special Board Meeting*

*September 11, 2019 Investment Committee Minutes*

**I. MISCELLANEOUS MATTERS:**

*Quarterly Report on Member Underpayments and Overpayments*

*Operating Expenses as of July 31, 2019*

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

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

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

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

None.

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

**A. Investment:**

1. Summary of the September 11, 2019 Meeting.
2. Motion to adopt an up to \$80 million Investment in Owl Rock First Lien Fund, L.P. as part of ACERA's Private Credit Portfolio.
3. Motion to adopt amendments on ACERA's Emerging Investment Manager Policy.

**7. NEW BUSINESS:**

- A.** Motion to direct the Chief Executive Officer (or his designee) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference (Business Meeting).
- B.** Report on ACERA-Sponsored Medical Plans and Premiums for Plan Year 2020.
- C.** Revised Draft of Supplemental Retiree Benefit Reserve Benefits Survey.
- D.** Chief Executive Officer's Report.

**8. CONFERENCE REPORTS/ORAL REPORTS:**

**9. ANNOUNCEMENTS:**

**10. BOARD INPUT:**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, October 17, 2019 at 2:00 p.m.**

**12. ADJOURNMENT:**

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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BARRY, Timothy  
Effective: 7/6/2018  
LARPD

CUNNINGHAM, Diana G.  
Effective: 12/23/2017  
Health Care Services Agency

BELLO, Kamal  
Effective: 7/27/2019  
Assessor

DALY, Philip G.  
Effective: 7/13/2019  
District Attorney

BERBER, Maria D.  
Effective: 7/13/2019  
Social Services Agency

DANZIG, Allison I.  
Effective: 6/21/2019  
District Attorney

BROADHURST, Tobin C.  
Effective: 7/31/2019  
Information Technology

ELENDU, Ann U.  
Effective: 8/15/2018  
Alameda Health System

CALAYAG, Maria C.  
Effective: 6/15/2019  
Alameda Health System

ELLIOTT, Barbara L.  
Effective: 3/30/2018  
Sheriff's Office

CANDIES, Carolyn  
Effective: 6/29/2019  
Superior Court

ENOS-CONNER, Bridget  
Effective: 6/22/2019  
Superior Court

CANO, Cindy L.  
Effective: 7/13/2019  
Child Support Services

ESCOBAR, Yvette  
Effective: 7/16/2019  
First 5

CAVALIERI, Michael T.  
Effective: 6/22/2019  
Zone 7

FRAZIER, Charles E.  
Effective: 6/29/2019  
Sheriff's Office

CHO, Sangsook  
Effective: 12/2/2017  
Health Care Services Agency

FREITAS, Michael C.  
Effective: 5/31/2017  
Probation

CREQUE, Geri  
Effective: 7/2/2019  
Non-Member

FRYE, Denise Y.  
Effective: 6/4/2019  
Alameda Health System

CRUZ, Jose C.  
Effective: 7/24/2019  
LARPD

GALEHZAN, Jamshid  
Effective: 6/28/2019  
Community Development Agency



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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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GEE, Nancy  
Effective: 7/6/2019  
Social Services Agency

JOHNSON, Diana J.  
Effective: 1/3/2015  
Alameda Health System

GRAY-SHAVIES, Lorice  
Effective: 7/13/2019  
Social Services Agency

KING-PALMER, Linda D.  
Effective: 6/26/2019  
Probation

HALL, Mona  
Effective: 6/16/2019  
Alameda Health System

KO, Jessica  
Effective: 5/28/2019  
Non-Member

HINISH, Lonnie O.  
Effective: 5/21/2017  
Public Works Agency

LAZAR, Rebecca  
Effective: 6/29/2019  
Alameda Health System

HOQUE, Josefina E.  
Effective: 10/21/2017  
Sheriff's Office

LEE, Michele D.  
Effective: 6/20/2019  
Social Services Agency

HORTON, Carolyn  
Effective: 3/11/2017  
Social Services Agency

LIVELY, Sybil D.  
Effective: 7/27/2019  
Social Services Agency

HUGHES, Harold E.  
Effective: 6/29/2019  
Zone 7

LORENZANA, Maria L.  
Effective: 7/25/2019  
Sheriff's Office

HUGO, Susan L.  
Effective: 7/13/2019  
Health Care Services Agency

MAPLES, Diane M.  
Effective: 7/12/2019  
Sheriff's Office

HWANG, Donald C.  
Effective: 6/1/2019  
Health Care Services Agency

MELENDRES, Amelita  
Effective: 3/30/2019  
Alameda Health System

JACOB, Neva S.  
Effective: 7/13/2019  
General Services Agency

MOORE, Vincent L.  
Effective: 7/14/2019  
Probation

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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MORGAN, Blaise  
Effective: 7/13/2019  
Social Services Agency

SMITH, Louis P.  
Effective: 1/4/2019  
Alameda Health System

ORANGI, Lila  
Effective: 7/10/2019  
Social Services Agency

SPENCE, William R.  
Effective: 7/13/2019  
Sheriff's Office

ORTEGA, Richard A.  
Effective: 8/3/2019  
Public Defender

THOMPSON, Sherrann E.  
Effective: 7/6/2019  
Superior Court

PERRY, Charlene M.  
Effective: 7/6/2019  
Superior Court

TUANQUIN-REYES, Renita B.  
Effective: 9/30/2018  
Alameda Health System

RYAN, Victoria  
Effective: 6/29/2019  
Health Care Services Agency

VALENCIA, Perry O.  
Effective: 7/13/2019  
General Services Agency

SAN AGUSTIN, Enrique A.  
Effective: 7/13/2019  
Public Works Agency

WEINER, Laurie L.  
Effective: 6/29/2019  
District Attorney

SHERIDAN, Evelyn  
Effective: 11/15/2018  
Alameda Health System

WONG, Craig A.  
Effective: 7/27/2019  
Sheriff's Office

SMITH, Edward J.  
Effective: 6/29/2019  
General Services Agency

WOOD, Dale D.  
Effective: 6/29/2019  
Health Care Services Agency

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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BORG, Thomas T.J.  
Sheriff's Office  
Effective Date: 7/12/2019

JAMESON, Naima A.  
Social Services Agency  
Effective: 7/12/2019

BROWN, Aisha N.  
Human Resource Services  
Effective: 7/12/2019

KOBERNICK, Phillip J.  
General Services Agency  
Effective: 7/11/2019

DIXON, Sukari A.  
Alameda Health System  
Effective: 7/24/2019

LAW, Keith  
Alameda Health System  
Effective: 6/30/2019

GARCIA, Maricela  
Social Services Agency  
Effective: 6/26/2019

MAGNER, Carlie E.  
Health Care Services Agency  
Effective: 7/5/2019

GORDON, Nina M.  
Social Services Agency  
Effective: 6/19/2019

MEDEIROS, Clinton E.  
Sheriff's Office  
Effective: 7/26/2019

GROW, Jordan A.  
Human Resource Services  
Effective: 7/12/2019

PANGILINAN, Emilissa M.  
Social Services Agency  
Effective: 7/12/2019

HO, Lisa S.L.  
Social Services Agency  
Effective: 7/26/2019

PONCE, Antonio L.  
Alameda Health System  
Effective: 7/20/2019

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

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AJAYI, Yvette B.  
Alameda Health System  
Effective Date: 6/30/2019

GREEN, Dylan E.  
Sheriff's Office  
Effective: 7/6/2019

BRYANT, Jaynell D.  
Social Services Agency  
Effective: 7/12/2019

LANDEROS, Brenda E.  
Alameda Health System  
Effective: 7/4/2019

GINSBERG, Joel B.  
Social Services Agency  
Effective: 7/12/2019

MENDOZA, Leonardo B.  
Social Services Agency  
Effective: 6/28/2019

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

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MUNOZ, Jessica  
Auditor-Controller  
Effective: 7/26/2019

REYES, Chryzel P.  
Health Care Services Agency  
Effective: 7/11/2019

NDUBUIZU, Christopher O.  
Health Care Services Agency  
Effective: 7/12/2019

RIVERA, Briana C.  
District Attorney  
Effective: 7/5/2019

NGUYEN, Johnny  
Social Services Agency  
Effective: 7/12/2019

ROBINSON, Deidre L.  
Child Support Services  
Effective: 7/8/2019

PAYOPAY, Anna L.  
Public Defender  
Effective: 7/12/2019

SCOTT, Cathy L.  
Alameda Health System  
Effective Date: 7/10/2019

PHILLIPS, Don E.  
Alameda Health System  
Effective: 6/16/2019

WATERMAN, Jandera C.  
Alameda Health System  
Effective: 7/12/2019

POORAK, Mahsa M.  
Public Defender  
Effective: 7/5/2019

WELLS, Arika C.  
Alameda Health System  
Effective: 7/1/2019

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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ABBOTT, Rose  
Alameda County Office of Education  
8/15/2019

AGUILAR, Norma  
Alameda Health System  
8/5/2019

BONETE, Josefina R.  
Social Services Agency  
7/12/2019

BROWN, Henry C.  
Non-Mbr Survivor of Mary E. Brown  
7/7/2019

CALDWELL, Michael J.  
Sheriff's Office  
8/3/2019

CHARLESTON, William  
Non-Mbr Survivor of Patricia A.  
Charleston  
4/23/2019

DRIEHAUS, Donald C.  
Social Services Agency  
8/22/2019

FOSTER, William M.  
Sheriff's Office  
7/20/2019

HARRIS, Burdette L.  
Superior Court  
7/18/2019

LAU, Donna  
Alameda Health System  
8/5/2019

LAZOWICK, Lionel M.  
Health Care Services Agency  
7/5/2019

LOCKHART, Marcus  
Alameda Health System  
8/6/2019

MATTAL, Larry A.  
Non-Mbr Survivor of Edith S. Mattal  
7/24/2019

MC GEE, Thomas A.  
Health Care Services Agency  
8/7/2019

NELSON, Renee  
District Attorney  
8/16/2019

PANNELL, Verniece E.  
Non-Mbr Survivor of Ashrious F. Pannell  
8/2/2019

REEDY, Joseph D.  
Health Care Services Agency  
7/22/2019

REGO, Manuel J.  
Non-Mbr Survivor of Gladys A. Rego  
8/10/2019

STEINBERG, Fred  
Probation  
8/5/2019

THOMAS, Marjorie M.  
Auditor-Controller  
6/22/2019

WRIGHT, Etheridge E.  
Non-Mbr Survivor of Cassie M. Wright  
8/14/2019

ZIMA, Cathleen M.  
Probation  
8/20/2019



**August 15, 2019**  
**Minutes of the Regular Board Meeting**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**



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

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**Thursday, August 15, 2019**

Chair Henry Levy called the meeting to order at 2:00 p.m.

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

Trustees Excused: Keith Carson

Staff Present: Margo Allen, Fiscal Services Officer  
Angela Bradford, Executive Secretary  
Sandra Dueñas-Cuevas, Benefits Manager  
Kathy Foster, Assistant Chief Executive Officer  
Jessica Huffman, Benefits Manager  
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: Victoria Arruda, Human Resource Officer  
Kathy Mount, Chief Counsel



**PUBLIC INPUT**

None.

**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 OF BOARD and COMMITTEE MINUTES**

*July 18, 2019 Retirees Committee Minutes*

*July 18, 2019 Minutes of the Regular Board Meeting*

*August 7, 2019 Operations Committee Minutes*

*August 7, 2019 Retirees Committee Minutes*

**MISCELLANEOUS MATTERS:**

*None.*

**19-57**

It was moved by Elizabeth Rogers seconded by Ophelia Basgal, and approved by a vote of 7 yes (*Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions (*Dale Amaral and Darryl Walker recused themselves because one or more of the consent calendar items involved their employing Departments*):

**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**

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

None.

**COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

*This month's Committee reports were presented in the following order:*

***Operations:***

Ophelia Basgal gave an oral report stating that the Operations Committee met on August 7, 2019, that there were no Action Items; however, the Committee was presented with updates on the following Information Items:

*1) Operating Expenses as of June 30, 2019; 2) Unaudited Quarterly Financial Statement for the period ending June 30, 2019; 3) Quarterly Cash Forecast Report; 4) Board Member Conference and Training Expense Report for the period ending June 30, 2019; and, 5) Senior Manager Conference and Training Expense Report for the period ending June 30, 2019.*

Minutes of the meeting were presented to the Board for adoption on the Consent Calendar at today's Board meeting.

***Retirees:***

Liz Koppenhaver gave an oral report stating that the Retirees Committee met on August 7, 2019 and that the Committee was presented with, reviewed information for and/or discussed the continuance the dental plan contributions for Plan Year 2020.

**19-58**

**It was moved by Liz Koppenhaver and seconded by Ophelia Basgal to continue the dental plan contributions for Plan Year 2020, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$42.04 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. The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Trustee Koppenhaver further reported that the Committee was presented with, reviewed information for and/or discussed the continuance of the vision plan contributions for Plan Year 2020.

**19-59**

**It was moved by Liz Koppenhaver and seconded by Dale Amaral to continue the vision plan contributions for Plan Year 2020, 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. The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

The Committee reviewed, was presented with and/or discussed the following Information Items: **1)** Dental and Vision Plans Premiums for 2020; **2)** DRAFT Supplemental Retiree Benefit Reserve Benefits Survey; and **3)** Miscellaneous Updates regarding overpayments of Health Reimbursement Agreement/Account (HRA). Staff will provide a more detailed report on the status of the HRA at the October Operations Committee meeting.

Minutes of the meeting were presented to the Board for adoption on the Consent Calendar at today's Board meeting.

***Investment:***

Elizabeth Rogers gave an oral report stating that the Investment Committee met on August 14, 2019 and was presented with, reviewed information for and/or discussed the proposed timeline, search criteria, and evaluation matrix for ACERA's U.S. Large Cap Value Manager Search.

**19-60**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board adopt the proposed timeline, search criteria, and evaluation matrix for ACERA's U.S. Large Cap Value Manager Search. The motion carried 6 yes (*Amaral, Basgal, Koppenhaver, Levy, Rogers, Wood*), 2 no (*Gamble, Godfrey*), and 0 abstentions.**

The Committee reviewed, was presented with and discussed the following Information Item in open session: **1)** Emerging Investment Manager Policy.

The Committee reviewed, was presented with and discussed the following Information Item in closed session: **2)** Purchase or sale of a particular, specific pension fund investment.

Upon return into open session Chair Rogers stated that no action was taken on the closed session item.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the September 19, 2019 Board meeting.

***Budget:***

Ophelia Basgal gave an oral report stating that the Budget Committee met today. There were no action items. , ACERA's 2019 Operating Expense Budget as of June 30, 2019, was \$628K under budget due to timing issues in various expense categories. Staff forecasts a budget surplus of \$751K for December 31, 2019. Staff did not recommend any budget line overage adjustments.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the September 19, 2019 Board meeting.

***Governance:***

Elizabeth Rogers gave an oral report stating that the Governance Committee met today and was presented with, reviewed information for and/or discussed the proposed revisions to the *Board and Operations Policy*.

**19-61**

**It was moved by Elizabeth Rogers and seconded by George Wood that the Board adopt the *Board and Operations Policy* as revised by Staff and the Committee. The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

The Committee was also presented with, reviewed information for and/or discussed the proposed revisions to the *Board Policy and Development Process*.

**19-62**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board adopt the *Board Policy and Development Process* as revised by Staff and the Committee. The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

The Committee was also presented with, reviewed information for and/or discussed the *Board Elections Policy*.

**19-63**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board affirm the *Board Elections Policy, without revisions*. The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.**

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the September 19, 2019 Board meeting.

**NEW BUSINESS:**

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

Mr. Nelsen presented his August 15, 2019, written CEO Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference/Event Schedule; and **4)** Key Performance Indicators. Mr. Nelsen informed the Board that they should have received a meeting notice about the September 4, 2019 Special Meeting of the Board of Retirement to continue the discussion about the current legal environment regarding Proposition 209.

**CONFERENCE/ORAL REPORTS**

Trustee Ophelia Basgal informed the Board that the Nossaman Fiduciaries Forum will take place on Wednesday, September 4, 2019 (after the Special Board meeting).

Trustee Tarrell Gamble informed the Board that there is a conference (hosted by the Carlyle Group) regarding how Emerging Manager plans around the Country operate and believes it would be a good idea for some of the Trustees and Executive Staff to attend the conference to see how ACERA can better execute its Emerging Managers Plan. The Conference is scheduled for Monday, September 9 through Tuesday, September 10, 2019 in New York, NY.

**ANNOUNCEMENTS**

None.

**BOARD INPUT**

None.

**ADJOURNMENT**

The meeting adjourned at approximately 2:16 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

9/19/19

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Date Adopted

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

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ADAMS, William R.  
Effective: 3/1/2018  
Sheriff's Office

KHALILI, Marzieh  
Effective: 2/1/2018  
Library

ALEXANDER, Karlyn J.  
Effective: 1/25/2019  
Alameda Health System

KOVAC, Kathleen  
Effective: 5/31/2019  
Health Care Services Agency

APOSTOLAKOS, Diane  
Effective: 5/20/2019  
Alameda Health System

MC CRAE, Ethel M.  
Effective: 4/1/2018  
Alameda Health System

COTTON, Cynthia Louise  
Effective: 4/13/2019  
Probation

MCCARTHY, Michael F.  
Effective: 1/3/2019  
Alameda Health System

DABICH, Dabich L.  
Effective: 7/15/2017  
Superior Court

MURANISHI, William H.  
Effective: 10/10/2018  
General Services Agency

DEAN, Miranda J.  
Effective: 6/2/2018  
Alameda County

NELSON, Suzanne U.  
Effective: 3/30/2019  
Probation

ESTRADA, Emilia E.  
Effective: 12/15/2018  
Alameda Health System

RAMOS, Myrlina G.  
Effective: 7/27/2017  
Sheriff's Office

FONG, William K.  
Effective: 5/4/2019  
Alameda Health System

RAMOS, Yvonne  
Effective: 6/24/2017  
Alameda Health System

GROSE, Beth B.  
Effective: 3/30/2019  
Alameda County

ROBERSON, Samuel  
Effective: 11/3/2018  
Alameda Health System

HUNTER, Rebecca A.  
Effective: 8/12/2018  
Alameda Health System

STOCKEL, Gary W.  
Effective: 12/29/2018  
Alameda County

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

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TRINIDAD, Erna T.  
Effective: 10/14/2017  
Alameda Health System

WARD, Janie D.  
Effective: 10/19/2018  
Alameda Health System

WHEAT, Kimberly  
Effective: 5/24/2019  
Social Services Agency

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

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GIVEN, Tirzah E.  
Sheriff's Office  
Effective Date: 5/31/2019

JUNG, Matthew B.  
General Services Agency  
Effective: 5/17/2019

MCCONICO, Tanisha D.  
Alameda Health System  
Effective: 5/18/2019

MCCORKINDALE, Carolyn  
Alameda Health System  
Effective: 5/17/2019

NARANJO, Pedro  
Health Care Services Agency  
Effective: 5/3/2019

OGBE, Sunny K.  
Alameda Health System  
Effective: 4/10/2019

TREGLEAGLE, Sheri K.  
Alameda Health System  
Effective: 5/9/2019

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

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HEWITT, Shevela D.  
Human Resource Services  
Effective: 4/26/2019

KIVEDO-OVERALL, Jessica C.  
Health Care Services Agency  
Effective: 6/4/2019

LAVAKA, Anaseini L.  
Alameda Health System  
Effective: 5/1/2019

MORELAND, Tracy P.  
Alameda Health System  
Effective: 4/10/2019

SHIH, Annie Y.  
Health Care Services Agency  
Effective: 4/26/2019

TRACY, Maryanne  
District Attorney  
Effective: 5/2/2019

WATT, Nicole  
Superior Court  
Effective: 5/24/2019

WILDE, Constance S.  
Assessor  
Effective: 5/24/2019



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

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BARBOUR, James R.  
District Attorney  
4/30/2019

BITTEN, Eileen  
Non-Mbr Survivor of Robert Bitten  
4/12/2019

BOHANNON, Dorothy H.  
Social Services Agency  
3/31/2019

BORDES, John W.  
Sheriff's Office  
6/2/2019

BRANNON, Beverly B.  
Non-Mbr Survivor of Thomas Brannon  
5/31/2019

CAMPBELL, Barbara A.  
Information Technology  
5/24/2019

CHRISTENSEN, Ethel  
Child Support Services  
5/2/2019

COHEN, Alan J.  
Health Care Services Agency  
5/7/2019

COMBS, Agnes  
Non-Mbr Survivor of George Combs  
4/14/2019

COMBS, Queen  
Alameda County Medical Center  
4/16/2019

COOPER, Verneatha R.  
SSA Administration  
3/14/2019

DELL ARRINGA, Mary  
Non-Mbr Survivor of Lawrence Dell Arringa  
4/23/2019

DUNCAN, Brenda L.  
SSA Welfare to work  
5/13/2019

EVANS, Michael  
Auditor-Controller  
1/30/2019

FLOURNOY-WEATHERFORD, Cynthia  
SSA Welfare to work  
4/12/2019

HAMILTON, Lessie A.  
Health Care Services Agency  
5/22/2019

HAMRE, Catherine M.  
Health Care Services Agency  
6/12/2019

HAUSER, Tom  
Detention & Correction Santa Rita Jail  
6/3/2019

HEWITT, George M.  
Social Services Agency  
5/31/2019

LING, John C.D.  
Information Technology  
6/1/2019

MEFFORD, Diane  
Community Development Agency  
6/12/2019

PALMORE, Bettye L.  
District Attorney  
5/9/2019

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

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PERRY, Lou A.  
Health Care Services Agency  
6/17/2019

PETERS, Leonard E.  
Social Services Agency  
5/27/2019

PUGH, Evie L.  
Health Care Services Agency  
6/11/2019

RODRIGUES, Barbara A.  
Social Services Agency  
6/6/2019

SCCOTT, Donald L.  
General Services Agency  
3/21/2019

SHORT-FREENEY, Patricia M.  
County Library  
6/6/2019

VENN DELAHANTY, Helen L.  
County Library  
5/20/2019

WHYSONG, Ruth A.  
Social Services Agency  
2/26/2019

WILLIAMS, Alicia F.  
Superior Court  
3/30/2019

WRIGHT, Ola M.  
Non-Mbr Survivor of Walter Wright  
5/31/2019

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

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**Name:** Dyson, Cynthia  
**Type of Claim:** Non-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. Dyson's application for a non-service connected disability, and waiving future annual medical examinations and questionnaires.

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

\*ADDITIONAL INFORMATION: This document contains information that is exempt from public release under the Freedom of Information Act, 5 U.S.C. 552, and the Privacy Act, 5 U.S.C. 552a. The information is exempt from public release because it is confidential, and its release would be likely to cause substantial harm to the national defense, the national security, or the national interest.

**Name:** Latorre, Forrest  
**Type of Claim:** Annual Review for SCD (Granted on 12/21/17)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Latorre's service-connected disability and to waive future annual medical examinations and questionnaires.

\*ADDITIONAL INFORMATION: This document contains information that is exempt from public release under the Freedom of Information Act, 5 U.S.C. 552, and the Privacy Act, 5 U.S.C. 552a. The information is exempt from public release because it is confidential, and its release would be likely to cause substantial harm to the national defense, the national security, or the national interest.

**Name:** Lewis, Mykeisha  
**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. Lewis' application for a service-connected disability, and to require future annual medical examinations and questionnaires.

\*ADDITIONAL INFORMATION: This document contains information that is exempt from public release under the Freedom of Information Act, 5 U.S.C. 552, and the Privacy Act, 5 U.S.C. 552a. The information is exempt from public release because it is confidential, and its release would be likely to cause substantial harm to the national defense, the national security, or the national interest.

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

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**Name:** **Mensinger, Mitchell**  
**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. Mensinger's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

**Name:** **Pico, Thomas**  
**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. Pico's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

**Name:** **Scroggin, Robert**  
**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. Scroggin's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

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

**September 4, 2019**  
**Minutes of the Special Board Meeting**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
***BOARD OF RETIREMENT - Special Meeting***  
**MINUTES**

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**Wednesday, September 4, 2019**

Chair Henry Levy called the Special Board meeting to order at 9:38 a.m.

Trustees Present: Dale Amaral  
Ophelia Basgal  
Keith Carson  
Tarrell Gamble  
Henry Levy  
Elizabeth Rogers  
George Wood  
Nancy Reilly (*Alternate*)

Trustees Excused: Liz Koppenhaver  
Jaime Godfrey  
Darryl Walker (*Alternate*)

Staff Present: Victoria Arruda, Human Resource Officer  
Angela Bradford, Executive Secretary  
Sandra Dueñas-Cuevas, Benefits Manager  
Kathy Foster, Assistant Chief Executive Officer  
Jessica Huffman, 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: Margo Allen, Fiscal Services Officer

**PUBLIC INPUT**

SEIU Local 1021 Representative Cynthia Landry announced that the SEIU Board will be hosting a training in diversity, inclusion and equality. Ms. Landry said she supports ACERA's Investment Sub-Group in the development of an aspirational statement similar to that of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) for inclusion in ACERA's Investment Policy.

**Continuation of Discussion Regarding Seeking Diversity and Inclusion Through The Contracting Process (Information Item).**

Attorney Harvey Leiderman of Reed Smith LLP continued the discussion by asking for the Board's feedback about whether and how it wants to engage the marketplace regarding diversity and inclusion in ACERA's contracting process. Trustee Ophelia Basgal reported that she spoke on a panel, along with representatives from the Los Angeles City Employees' Retirement System (LACERS), and learned that LACERS obtained an Attorney General's Opinion related to LACERS' practice of collecting diversity data during its contracting process.

Mr. Leiderman referred to and discussed with the Board information he received from LACERA, CalSTRS and CalPERS that reflect the type of diversity data those systems collect, how and when the data is used, and outreach efforts. He reported that those systems believe that diverse talent leads to long-term sustainable value for their beneficiaries. Chief Investment Officer Betty Tse reported that ACERA is a member of the Institutional Limited Partners Association (ILPA) and includes an *ILPA Due Diligence Questionnaire* as part of its materials in search of potential private equity investment managers and that Staff and Verus engage in discussions with ACERA's existing investment managers to discuss how they promote and/or plan to promote diversity and inclusion in their contracting process. Some Trustees observed that they want to ensure that the Board complies with its fiduciary responsibilities and protect the fund, and also want to promote fairness and equality in ACERA's contracting process in order to obtain the best talent and to add value to ACERA's fund.

Mr. Leiderman referred to aspirational statements regarding diversity and inclusion that he received from LACERA, CalSTRS and CalPERS and advised that the ACERA Board could include such an aspirational statement in its investment policy. Chief Executive Officer Dave Nelsen recommended that ACERA's Investment Sub-Group develop a diversity and inclusion aspirational statement for the Board's review and approval.

**ADJOURNMENT**

The meeting adjourned at approximately 11:12 a.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

9/19/19

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Date Adopted

**August 14, 2019**  
**Investment Committee Minutes**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**





Date: August 14, 2019  
To: Members of the Board of Retirement  
From: Elizabeth Rogers – Chair  
Subject: Summary of August 14, 2019 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, August 14, 2019 at 9:30 a.m. The Committee members present were Dale Amaral, Tarrell Gamble, Jaime Godfrey, Liz Koppenhaver, Henry Levy, Elizabeth Rogers, and George Wood. Also present were Alternate Safety Member, Darryl Walker and Alternate Retired Member, Nancy Reilly. Members of the Staff present were David Nelsen – Chief Executive Officer, Betty Tse – Chief Investment Officer, and Susan Weiss – Investment Counsel.

**Action Items: Matters for discussion and possible motion by the Committee**

1. Discussion of and Possible Motion to Adopt the Proposed Timeline, Search Criteria, and Evaluation Matrix for ACERA’s U.S. Large Cap Value Manager Search
  - Staff and Verus presented a recommendation to initiate a search for a new equity manager for ACERA’s U.S. Large Cap Value allocation. As part of the focus-list approach, Staff and Verus will use a series of screens to rank institutional investment managers –including ACERA’s IPSI large cap value participants.
  - Trustees discussed with Staff and Verus the merits of a focus-list approach verses issuing a RFP, as well as, the scoring used in the Recommended Evaluation Matrix, i.e., the weighting placed on performance. At the end, a majority of the trustees supported using the focus-list approach and the proposed Evaluation Matrix.
  - After discussion, Trustee Koppenhaver moved, seconded by Trustee Amaral, to recommend that the Board Adopt the Proposed Timeline, Search Criteria, and Evaluation Matrix for ACERA’s U.S. Large Cap Value Manager Search.
  - The motion carried with 5 Yes’s (Amaral, Koppenhaver, Levy, Rogers, and Walker), 2 No’s (Gamble and Godfrey), and 0 Abstention.

**Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports**

1. Review of Emerging Investment Manager Policy

- Staff, Verus, and Trustees discussed expanding the scope of the policy to include Real Estate, Real Assets and Private Equity. Additionally, Staff and Verus proposed increasing the size of the EIM program “up to 5%” over the next 10-years from 1% of the Total Fund, which was established in March 2007.
- Staff and Verus also discussed expanding the definition of emerging investment manager for traditional asset class managers to include firms with total assets under management of less than \$5 billion, as well as, the perspective firm AUM for other non-traditional managers.
- The Committee directed Staff to update the EIM Policy to reflect the relevant comments made by Trustees and to schedule the named Policy as an Action Item in the next couple of months.

**TRUSTEE/PUBLIC INPUT**

Dominic Lombardo spoke during the public input and asked if ACERA could disclose more information on alternative investments within its existing portfolio. Susan Weiss, ACERA Investment Counsel, informed the public that ACERA currently provides public disclosure of alternative investment information as required under CA Gov. Code Sections 6254.26 and 7514.7

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

Wednesday, September 11, 2019 at 9:30 a.m.

**Adjournment into Closed Session**

1. Consider the Purchase or Sale of a Particular, Specific Pension Fund Investment (CA Gov. Code §§ 54956.81 and 6254.26.)

**Reconvene into Open Session to Report on Action Taken in Closed Session**

The Committee reconvened into open session at 12:00 p.m. and announced that no action was taken.

**ADJOURNMENT**

The meeting ended at 12:01 p.m.

**September 11, 2019**  
**Investment Committee Minutes Will Be**  
**Distributed at the September 19, 2019**  
**Board Meeting For approval under**  
**September 11, 2019 Board “Consent**  
**Calendar”**

**August 15, 2019**  
**Budget Committee Minutes**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**



**Date:** August 15, 2019  
**To:** Members of the Budget Committee  
**From:** Ophelia Basgal, Budget Committee Chair  
**Subject:** Summary of the August 15, 2019, Budget Committee Meeting

Budget Committee Chair, Ophelia Basgal, called the August 15, 2019, Budget Committee meeting to order at 11.34 am. Committee members present were Dale Amaral, Henry Levy, and Liz Koppenhaver. Other Board members present were Darryl Walker, Nancy Reilly, and Tarrell Gamble. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant CEO Benefits; Margo Allen, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; Susan Weiss, Associate Counsel; Betty Tse, Chief Investment Officer; Vijay Jagar, Retirement Chief Technology Officer; Jessica Huffman, Benefits Manager; and Sandra Dueñas-Cuevas, Benefits Manager.

#### **PUBLIC INPUT**

None

#### **ACTION ITEMS**

None

#### **INFORMATION ITEMS**

##### **1. Mid-Year Review of 2019 ACERA Operating Expense Budget**

Staff presented the 2019 mid-year operating expense budget review as of June 30, 2019, and the end-of-year forecast review as of December 31, 2019.

Staff did not recommend any budget line item overage adjustments. The 2019 total operating expense budget (including depreciation) is projected to be \$751K under budget. The 2019 total portfolio management investment expense is projected to be \$7.4M under budget. The total operating and portfolio management expense budget is projected to be approximately \$8.2M under budget.

#### **TRUSTEE REMARKS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

At the meeting, it was agreed to cancel the November 21, 2019, budget meeting and instead present the 2020 proposed budget at the December 4, 2019, Operations Committee meeting to be adopted at the December 19, 2019 the Board Meeting.

**MEETING ADJOURNED**

The meeting adjourned at 11:44 pm

**August 15, 2019**  
**Governance Committee Minutes**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**



To: Members of the Board of Retirement

From: Elizabeth Rogers, Chair  
Governance Committee

Date: August 15, 2019

**Subject: Summary of the August 15, 2019, Governance Committee Meeting**

Governance Committee Chair, Elizabeth Rogers, called the August 15, 2019, meeting to order at 1:03 PM. Committee Members present were Ophelia Basgal, Tarrell Gamble, Liz Koppenhaver, Henry Levy, and Elizabeth Rogers. Other Board members present were Dale Amaral, Jaime Godfrey, George Wood, Nancy Reilly, and Dale Walker. Staff present were David H. Nelsen, Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; Kathy S. Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo M. Allen, Fiscal Services Officer; Angela Bradford, Executive Secretary; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; and Susan Weiss, Investment Counsel.

### **ACTION ITEMS**

**1. Review, discussion, and possible motion to update the *Board and Committee Operations Policy* with or without revisions.**

The Committee reviewed Staff's August 15, 2019, memorandum and its recommendation regarding proposed revisions to the *Board and Committee Operations Policy (Policy)*.

Staff also recommended that the Committee find that: (i) the Policy is necessary and continues to address the recurring need for effective operation of the Board and committees; (ii) the Policy continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies; (iii) the issues addressed by the Policy continue to be within the Board's responsibility to effectively administer the pension plan and to mitigate risk to ACERA; and (iv) the Policy continues to be appropriate in meeting the needs of ACERA and does not overlap with other existing Board policies.

Following discussion on the Policy, the Committee recommended to the Board of Retirement that the Policy continues to be relevant and contains the required policy elements and that it should be continued with the revisions proposed by Staff.

A motion was moved by Trustee Basgal and seconded by Trustee Koppenhaver that the Governance Committee recommends to the Board of Retirement that the Policy remains relevant and necessary and that Staff's proposed revisions to the Policy be adopted as presented in the memorandum. The motion was approved by a vote of 8 in favor (Dale Amaral, Ophelia



Basgal, Tarrell Gamble, Jaime Godfrey, Liz Koppenhaver, Henry Levy, Elizabeth Rogers, and George Wood), 0 against, 0 abstaining.

**2. Review, discussion, and possible motion to update the *Board Policy Development Process* with or without revisions.**

The Committee reviewed Staff's August 15, 2019, memorandum and its recommendation regarding proposed revisions to the *Board Policy Development Process*.

Staff recommended that the *Board Policy Development Process* is necessary and continues to address the recurring need for policy development and review. The *Board Policy Development Process* continues to address the risk of inconsistent resolution of recurring issues and the unnecessary proliferation of policies.

Following discussion, the Committee recommended to the Board of Retirement that the *Board Policy Development Process* continues to be relevant and contains the required policy elements and that it be continued with certain revisions proposed by Staff and the Committee.

In addition to the revisions proposed by Staff in its memorandum, the Committee recommended the following revisions: (1) striking the words "coordinated, consistent and thoughtful" from the second sentence in Section I ("Purpose" Section); (2) replacing the phrase, "and senior management in carrying out managerial or governance activities which" with "and are intended to" at Section II.A ("Guidelines" Section); (3) restoring paragraph C to Section III ("Policy Development") with details of how Staff shall identify the need for a Board policy to the relevant committee; and (4) adding language at Section IV ("Policy Review Process") to clarify that individual Trustee(s) can request that a Board policy be reviewed.

A motion was moved by Trustee Koppenhaver and seconded by Trustee Basgal that the Governance Committee recommends to the Board of Retirement that the *Board Policy Development Process* remains relevant and necessary and shall be updated, as recommended by the Committee and Staff. The motion was approved by a vote of 8 in favor (Dale Amaral, Ophelia Basgal, Tarrell Gamble, Jaime Godfrey, Liz Koppenhaver, Henry Levy, Elizabeth Rogers, and George Wood), 0 against, 0 abstaining.

**3. Review, discussion, and possible motion to update the *Board Elections Policy* with or without revisions.**

The Committee reviewed Staff's August 15, 2019, memorandum on the *Board Elections Policy* ("Policy"), which did not propose any changes to the Policy:

Staff recommended that the *Board Elections Policy* be affirmed without changes and that the Committee find that: (i) the policy continues to address the recurring need to elect members to the Board; (ii) the Policy continues to address the inherent risks involved in not having a

policy in place to manage the elections and ensure a fair and efficient process; (iii) the issues addressed by this Policy continue to be within the Board's responsibilities of electing members to the Board; and (iv) the Policy continues to be necessary and does not overlap with other Board policies.

Following discussion on the Policy, the Committee recommended to the Board of Retirement that the Policy continues to be relevant and contains the required policy elements and that it be continued without revision.

A motion was moved by Trustee Basgal and seconded by Trustee Koppenhaver that the Governance Committee recommends to the Board of Retirement that the Policy remains relevant and necessary and to continue the *Board Elections Policy*, without substantive revisions, as recommended by the Committee and Staff. The motion was approved by a vote of 8 in favor (Dale Amaral, Ophelia Basgal, Tarrell Gamble, Jaime Godfrey, Liz Koppenhaver, Henry Levy, Elizabeth Rogers, and George Wood), 0 against, 0 abstaining.

### **INFORMATION ITEMS**

- None

### **TRUSTEE / PUBLIC INPUT**

There was public comment regarding whether and how candidate statements for ACERA elections could be distributed at the workplace. ACERA CEO David Nelsen indicated that such inquiries should be directed to the relevant Participating Employer.

### **FUTURE DISCUSSION ITEMS**

- *Conflict of Interest Policy*
- *Conflict of Interest Code*
- *Board Travel Policy*
- *Board Education Policy*

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

- TBD

### **ADJOURNMENT**

- The meeting adjourned at 1:27 PM

**Quarterly Report on Member  
Underpayments and Overpayments  
For approval under September 19, 2019  
Board “Consent Calendar”**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: September 19, 2019

TO: Members of the Board of Retirement

FROM: Jessica Huffman, Retirement Benefits Manager 

SUBJECT: **Quarterly Report on Member Underpayments and Overpayments**

Attached are the quarterly reports regarding member contributions and overpayments of retirement allowance due to death for the most current six-month period. The report regarding Staff errors contains the cases initially presented that have not yet been resolved, along with recently discovered errors. The information below provides more specifics in each of these categories.

Overpayments of Retirement Allowance Due to Death

This report provides any payments (including HRA (Health Reimbursement Arrangements) payments) made after the death of a retiree. In instances where a death is not reported timely, an overpayment occurs. For the six-month reporting period December 30, 2018 through June 29, 2019, 147 deaths occurred. There are 4 overpayments due to unreported deaths to report at this time. Staff is actively attempting to collect on these overpayments.

Staff Errors

The case on this report has previously been provided. (Note, the amount due has been adjusted due to the revision to the Recovery of Over and Underpayment of Member Benefits & Underpayment of Member Contributions Policy). There are no other overpayments due to staff errors to report.

Overpayments and Underpayments of Member Contributions

This report, which is for the period December 30, 2018 through June 29, 2019, shows discrepancies in member contribution amounts resulting in an underpayment or overpayment above the \$50 threshold, average time to resolve, and an explanation of the error type. For this reporting period, Staff identified four members who underpaid their mandatory employee contributions and two members who overpaid their mandatory employee contributions. Staff reviewed and resolved each of the six cases of incorrect payment. There were a total of 2,454 exceptions from all Participating Employers. The most common exception type was underpayments due to the Employers withholding retirement contributions based on the incorrect salary.

Attachments

**Overpayments of Retirement Allowance Due to Unreported Death**  
**December 30, 2018 to June 29, 2019**

Benefit Type	Date of Death	Date ACERA was notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement –	3/26/2019	4/08/2019	3/29/2019	\$555.78	Staff initiated ACH reversal request with Well Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement –	3/30/2019	4/29/2019	3/29/2019	\$ 1,834.78	Staff initiated ACH reversal request with Well Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement –	02/24/2019	03/01/2019	02/28/2019	\$ 2,888.74	Staff initiated ACH reversal request with Well Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement –	11/01/2016	3/29/2019	2/28/2019	\$ 11,930.07	Staff initiated ACH reversal request with Well Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
<b>Total Receivable</b>				<b>\$17,209.37</b>	

**Report on Staff Errors - Overpayments  
December 30, 2018 to June 29, 2019**

Payee #	Error Type	Overpayment Amount	Retiree/ Payee Age	Retiree / Payee Income	Payment Attempt
1	This is an ex-spouse who received community property share of retiree's allowance in error upon retiree's death in November of 2008. Legal interpretation of court order and law is that continuance of benefit should not have been paid.	<del>\$140,079.71</del> – Revised amount after revision to ACERA's Recovery of Over and Overpayment of Member Benefits & Underpayment of Member Contributions Policy - <b>\$115,414.30</b>	72	Monthly income of \$1,518 from ACERA was terminated with the October 2015 payroll.	Attorney reviewed ACERA's files and has provided a "Request for ACERA to Cease any Effort to Recoup any Alleged Pension Overpayments", dated 12/19/2016. Staff attempted to assess assets to determine whether compromise is appropriate due to hardship. Multiple requests to complete the hardship form were sent to the attorney and to payee with no response. Revised amount due letter sent in July 2018 due to revision to ACERA's Recovery Of Over And Underpayment Of Member Benefits & Underpayment Of Member Contributions Policy. Case was turned over to the Legal Department for further action. On Oct 9, 2018 ACERA filed a complaint-recovery of overpayment in Superior Court, Alameda County. Two additional letters sent 10/16/18 & 12/4/2018 requesting repayment and to discuss possible ways to resolve the filed lawsuit without resolution. Payee was served 12/10/2018. Deadline for response of defendant at Superior Court is 2/1/2019. Case Management Conference is scheduled 2/15/2019. No further updates at this time.
<b>Total Receivable Accrual</b>		<b>\$115,414.30</b>			

**Active Members - Overpayments and Underpayments of Member Contributions  
December 30, 2018 to June 29, 2019**

Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
<b>Overpayments:</b> 1	1539.42	05/09/2019	05/15/2019	6	Age Adjustment Due To Reciprocity
<b>Underpayments</b>	No Underpayments to Report				
<b>Summary</b>	<b>Most Common Exception Type:</b> Employer Withheld Contribution Based on Incorrect Salary <b>Total Exceptions:</b> 1365 <b>% Above Exceptions of Total Exceptions:</b> 0.07%				

Alameda County Housing Authority					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
<b>Overpayments</b>	No Overpayments to Report				
<b>Underpayments</b>	No Underpayments to Report				
<b>Summary</b>	<b>Most Common Exception Type:</b> N/A <b>Total Exceptions:</b> 26 <b>% Above Exceptions of Total Exceptions:</b> 0.00%				

Overpayments and Underpayments of Member Contributions – Continued  
Page 2 of 3

Alameda Health Systems					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
<b>Overpayments:</b> 1	\$129.91	6/18/19	6/19/19	1	Employer Withheld Contribution Based on Salary Rate
<b>Underpayments</b>	No Underpayments to Report				
<b>Summary</b>	<b>Most Common Exception Type:</b> Employer Did Not Withhold First Contribution in error <b>Total Exceptions:</b> 757 <b>% Above Exceptions of Total Exceptions:</b> 0.13%				

First 5 Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
<b>Overpayments</b>	No Overpayments to Report				
<b>Underpayments</b>	No Underpayments to Report				
<b>Summary</b>	<b>Most Common Exception Type:</b> N/A <b>Total Exceptions:</b> 14 <b>% Above Exceptions of Total Exceptions:</b> 0.00%				



Livermore Area Recreation and Park District					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments	No Overpayments to Report				
Underpayments	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 7 % Above Exceptions of Total Exceptions: 0.00%				

Alameda County Superior Courts					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments: 1	\$156.49	02/19/2019	02/22/2019	3	Employee Underpaid Contributions Due To Incorrect Salary
2	\$61.72	02/19/2019	02/20/2019	1	Employee Underpaid Contributions Due To Incorrect Salary
3	\$174.17	04/25/2019	04/28/2019	3	Employee Underpaid Contributions Due To Incorrect Salary
4	\$158.08	07/17/2019	07/20/2019	4	Employee Underpaid Contributions Due To Incorrect Salary
Summary	Most Common Exception Type: Employer Withheld Contribution Based on Incorrect Salary Total Exceptions: 285 % Above Exceptions of Total Exceptions: 1.14%				

**Operating Expenses as of July 31, 2019**  
**For approval under September 19, 2019**  
**Board “Consent Calendar”**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: September 19, 2019

TO: Members of the Board of Retirement

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Operating Expense Budget Summary for the period ended July 31, 2019

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ACERA's operating expenses are \$725K under budget for the period ended July 31, 2019. Budget overages and surpluses worth noting are as follows:

**Budget Surpluses**

1. *Staffing*: Staffing is \$246K under budget. This amount comprises surplus in staff vacancies of (\$369K) and fringe benefits of (\$134K), which are offset by overage in temporary staffing of \$257K due to vacant positions filled by temporary staff.
2. *Staff Development*: Staff Development is \$116K under budget. The is due to savings from unattended staff trainings.
3. *Professional Fees*: Professional Fees are \$16K under budget. This amount comprises surplus in operations consultant fees of (\$45K) due to timing difference, external audit of (\$3K) and actuarial fees<sup>1</sup> of (\$32K) primarily due to savings from last year accrual, which are offset by overages in legal fees<sup>2</sup> of \$64K.
4. *Office Expense*: Office Expense is \$45K under budget. This amount comprises surpluses in building expense<sup>3</sup> of (\$10K) primarily due to credit from CBRE for the 2018 escalation reconciliation, bank charges and miscellaneous administrative expenses of (\$16K), office maintenance and supplies of (\$15K), communication expense of (\$7K), printing and postage of (\$4K) and minor equipment and furniture of (\$7K). Which are offset by overage in equipment lease and maintenance of \$14K.
5. *Insurance*: Insurance is \$35K under budget. This is primarily due to decrease in the charges for Alameda County Risk Management Program as compared to the budgeted amount.

<sup>1</sup> The surplus in actuarial fees of \$32K is primarily due to savings from last year accrual of \$23K for the actuarial services provided by Segal (supplemental consulting).

<sup>2</sup> The overage in legal fees of \$64K is due to an unanticipated payment of \$34K to Shaw Law for professional services and overage in fiduciary counseling of \$82K is primarily due to Alameda Health System vs ACERA and Rivera vs ACERA legal cases. Which are offset by surplus in litigation expense of \$33K, tax and benefits expense of \$9K and investigation services expense of \$10K.

<sup>3</sup> The surpluses in building expense of \$10K is primarily due to credit of \$11K from CBRE for 2018 escalation reconciliation.

6. *Member Services:* Member Services are \$93K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$25K), disability medical expense of (\$51K) due to reduction in number of monthly cases as compared to budget, Health Reimbursement Account of (\$3K), and members printing and postage<sup>4</sup> of (\$18K) is due to savings from last year accrual and timing difference. Which are offset by overage in member training and education of \$4K.
7. *Systems:* Systems are \$72K under budget. This amount comprises surpluses in business continuity expense of (\$25K) due to timing difference, software maintenance and support of (\$39K) due to timing difference, computer maintenance of (\$3K), and minor computer hardware of (\$10K), which are offset by overage in county data processing of \$5K.
8. *Depreciation:* Depreciation is \$4K under budget, which is related to office equipment.
9. *Board of Retirement:* Board of Retirement is \$99K under budget. This amount comprises surpluses in board election expense<sup>5</sup> of (\$13K), board miscellaneous expense of (\$8K), board compensation of (\$5K), board software maintenance and support of (\$4K), board strategic planning of (\$1K), and board conferences & training of (\$80K) due to savings from unattended board conferences and trainings, which are offset by overage in board employer reimbursement of \$10K.

### **Staffing Detail**

As of July 31, 2019, ACERA had the following permanent vacant positions:

Department	Position	QTY	Comments
Benefits	Retirement Support Specialist	2	Filled by temporary staff - currently budgeted until 12/2019
Investments	Senior Investment Officer	1	Resigned in May - currently budgeted until 12/2019
Investments	Investment Analyst	2	Vacant - currently budgeted until 12/2019
Investments	Investment Officer	1	Retired in March - currently budgeted until 12/2019
Legal	Associate Counsel	2	Terminated in June - currently budgeted until 12/2019
<b>Total Positions</b>		<b>8</b>	

<sup>4</sup> The surplus in members printing and postage of \$18K is due to savings from last year newsletters accrual of \$8K and also due to timing difference of this year newsletters.

<sup>5</sup> The surplus in board election expense of (\$13K) is due to savings from last year accrual.



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL OPERATING EXPENSE SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>July 31, 2019</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2019</u>	<u>% Actual to</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 8,507,647	\$ 8,753,700	\$ (246,053)	\$ 15,122,000	56.3%
Staff Development	174,647	290,590	(115,943)	510,000	34.2%
Professional Fees (Next Page)	830,244	846,190	(15,946)	1,187,000	69.9%
Office Expense	292,170	336,930	(44,760)	554,000	52.7%
Insurance	716,909	752,100	(35,191)	1,305,000	54.9%
Member Services	177,289	269,990	(92,701)	527,000	33.6%
Systems	582,727	654,310	(71,583)	1,152,000	50.6%
Depreciation	69,744	74,210	(4,466)	126,000	55.4%
Board of Retirement	295,366	393,990	(98,624)	711,000	41.5%
Uncollectable Benefit Payments	-	-	-	39,000	0.0%
<b>Total Operating Expense</b>	<b>\$ 11,646,743</b>	<b>\$ 12,372,010</b>	<b>\$ (725,267)</b>	<b>\$ 21,233,000</b>	<b>54.9%</b>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

July 31, 2019

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2019</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<b><u>Professional Fees</u></b>					
Consultant Fees - Operations and Projects <sup>1</sup>	\$ 210,167	\$ 255,570	\$ (45,403)	\$ 388,000	54.2%
Actuarial Fees <sup>2</sup>	278,497	310,000	(31,503)	415,000	67.1%
External Audit <sup>3</sup>	146,341	149,000	(2,660)	149,000	98.2%
Legal Fees <sup>4</sup>	195,239	131,620	63,619	235,000	83.1%
<b>Total Professional Fees</b>	<b>\$ 830,244</b>	<b>\$ 846,190</b>	<b>\$ (15,946)</b>	<b>\$ 1,187,000</b>	<b>69.9%</b>

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2019 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<sup>1</sup> <b><u>CONSULTANT FEES - OPERATIONS AND PROJECTS:</u></b>					
Administration					
Process Excellence	20,000	50,000	(30,000)	50,000	40.0%
Benchmarking	-	20,000	(20,000)	20,000	0.0%
Total Administration	20,000	70,000	(50,000)	70,000	28.6%
Benefits					
Alameda County HRS (Benefit Services)	73,500	73,500	-	126,000	58.3%
Segal (Benefit Consultant/Retiree Open Enrollment)	71,750	67,200	4,550	115,000	62.4%
Total Benefits	145,250	140,700	4,550	241,000	60.3%
Human Resources					
Lakeside Group (County Personnel)	44,917	44,870	47	77,000	58.3%
Total Human Resources	44,917	44,870	47	77,000	58.3%
<b>Total Consultant Fees - Operations</b>	<b>\$ 210,167</b>	<b>\$ 255,570</b>	<b>\$ (45,403)</b>	<b>\$ 388,000</b>	<b>54.2%</b>
<sup>2</sup> <b><u>ACTUARIAL FEES</u></b>					
Actuarial valuation	75,000	75,000	-	75,000	100.0%
GASB 67 & 68 Valuation	19,000	23,000	(4,000)	46,000	41.3%
GASB 74 & 75 Actuarial	7,000	7,000	-	14,000	50.0%
Actuarial Standard of Practice 51 Pension Risk	60,000	60,000	-	60,000	100.0%
Supplemental Consulting	77,497	105,000	(27,503)	180,000	43.1%
Supplemental Retiree Benefit Reserve valuation	40,000	40,000	-	40,000	100.0%
<b>Total Actuarial Fees</b>	<b>\$ 278,497</b>	<b>\$ 310,000</b>	<b>\$ (31,503)</b>	<b>\$ 415,000</b>	<b>67.1%</b>
<sup>3</sup> <b><u>EXTERNAL AUDIT</u></b>					
External audit	125,580	126,000	(420.00)	126,000	99.7%
GASB 67 & 68	12,012	12,000	12.25	12,000	100.1%
GASB 74 & 75-External Audit	8,748	11,000	(2,251.75)	11,000	79.5%
<b>Total External Audit Fees</b>	<b>\$ 146,341</b>	<b>\$ 149,000</b>	<b>\$ (2,660)</b>	<b>\$ 149,000</b>	<b>98.2%</b>
<sup>4</sup> <b><u>LEGAL FEES</u></b>					
<b><u>Fiduciary Counseling</u></b>					
Nossaman, LLP	121,466	60,000	61,466	110,000	
Baker Hostetler	5,362	-	5,362	-	
Shaw Law Group	34,136	-	34,136	-	
Reed Smith (ACD Sheriff's)	14,986	-	14,986	-	
Subtotal	175,949	60,000	115,949	110,000	160.0%
<b><u>Tax and Benefit Issues</u></b>					
Hanson, Bridgett, LLP	12,130	21,500	(9,370)	39,000	
Subtotal	12,130	21,500	(9,370)	39,000	31.1%
<b><u>Litigation</u></b>					
Byers/Richardson	-	38,500	(38,500)	66,000	
The Law offices of Elizabeth F. McDonald	5,500	-	5,500	-	
Subtotal	5,500	38,500	(33,000)	66,000	8.3%
<b><u>Investigation Services</u></b>					
Law offices of Amy Oppenheimer	1,660	11,620	(9,960)	20,000	
Subtotal	1,660	11,620	(9,960)	20,000	8.3%
<b>Total Legal Fees</b>	<b>\$ 195,239</b>	<b>\$ 131,620</b>	<b>\$ 63,619</b>	<b>\$ 235,000</b>	<b>83.1%</b>

## **NEW BUSINESS**

- 7.A. Motion to direct the Chief Executive Officer (or his designee) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference (Business Meeting).**
- 7.B. Report on ACERA-Sponsored Medical Plans and Premiums for Plan Year 2020.**
- 7.C. Revised Draft of Supplemental Retiree Benefit Reserve Benefits Survey.**
- 7.D. Chief Executive Officer's Report.**

## **NEW BUSINESS**


- 7.A. Motion to direct the Chief Executive Officer (or his designee) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference (Business Meeting).**





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*Office of the Chief Executive Officer  
Office of Administration*

DATE: September 19, 2019  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer   
SUBJECT: **SACRS Proxy Voting**

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Each year, the State Association of County Retirement Systems (SACRS) requests submission of a Voting Proxy Form which, designates the member agency's representative(s) who will vote at the business meeting during the conference.

**Recommendation**

Staff recommends that the Board of Retirement direct the Chief Executive Officer (or his designee) to vote ACERA's proxy on behalf of the Board at the SACRS Fall Conference.

Enclosure: 1) SACRS Proxy Voting Form



## SACRS VOTING PROXY FORM

The following are authorized by the Alameda County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

*(if you have more than one alternate, please attach the list of alternates in priority order):*

David Nelsen: Voting Delegate

Kathy Foster: Alternate Voting Delegate

Liz Koppenhaver: Alternate Voting Delegate

These delegates were approved by the Retirement Board on 09/19/19.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: \_\_\_\_\_

Print Name: David Nelsen

Position: Chief Executive Officer

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Kathy Foster

Position: Assistant Chief Executive Officer

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: Liz Koppenhaver

Position: Board Trustee

Date: \_\_\_\_\_

Please send your system's voting proxy by October 1, 2019 to Sulema H. Peterson, SACRS Executive Director at [Sulema@sacrs.org](mailto:Sulema@sacrs.org).

## **NEW BUSINESS**

**7.B. Report on ACERA-Sponsored Medical Plans and Premiums for Plan Year 2020.**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: September 19, 2019

TO: Members of the Board of Retirement

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **ACERA-Sponsored Medical Plans and Premiums for Plan Year 2020**

Provided below is a summary of the Plan Year 2020 medical renewal group plan rates from our carriers; Kaiser Permanente and UnitedHealthcare (UHC). The County of Alameda will review the attached presentation regarding the 2020 Plan Year renewal rates.

Level of Coverage	2019 Rates & % Increase	2020 Rates & % Increase/ (Decrease)	2020 Difference	20 + MMA (\$578.65) Retiree Out-of-Pocket
<b><i>Kaiser HMO</i></b>	4.0%	2.66%		
Retiree Only	\$765.06	\$785.44	\$20.38	\$206.79
Retiree + One Dep	\$1,530.12	\$1,570.88	\$40.76	\$992.23
Retiree + Two/More Deps	\$2,165.12	\$2,222.80	\$57.68	\$1,644.15
<b><i>UHC HMO – Signature Value</i></b>	0.0%	3.88%		
Retiree Only	\$1,047.16	\$1,087.80	\$40.64	\$509.15
Retiree + One Dep	\$2,094.24	\$2,175.50	\$81.26	\$1,596.85
Retiree + Two/More Deps	\$2,963.32	\$3,078.30	\$114.98	\$2,499.65
<b><i>UHC HMO – Signature Value Advantage</i></b>	N/A	(15.19%)		
Retiree Only	\$980.94	\$831.92	(\$149.02)	\$253.27
Retiree + One Dep	\$1,961.80	\$1,663.74	(\$298.06)	\$1,085.09
Retiree + Two/More Deps	\$2,775.92	\$2,354.18	(\$421.74)	\$1,775.53
<b><i>Kaiser Sr. Advantage</i></b>	7.3%	4.4%		
Retiree Only	\$394.07	\$411.54	\$17.47	\$0.00
Retiree + One Dep	\$788.14	\$823.08	\$34.94	\$244.43

For the 2020 renewal, the additional per member per month premium cost to cover the Kaiser Permanente's Silver&Fit® Exercise & Healthy Aging Program in the Kaiser Permanente Senior Advantage (KPSA) plan is \$2.65. Based on the current number of KPSA enrollees, the annual cost would be approximately \$130,984.

### **2020 Premium Rates for Individual Medical Plans through Via Benefits**

The 2020 individual Medicare premium rates will not be available until early October. The Medicare plans and rates go through a Centers for Medicare and Medicaid Services (CMS) approval process before they are released. The 2020 premiums for individual Early Retiree plans will be available around the same time in October.

Attachment

# ACERA ANNUAL BENEFIT RENEWAL MEETING

ACERA BOARD OF RETIREMENT  
Overview of Plan Year 2020, Rates and Benefits

September 19, 2019

Ava Lavender  
County of Alameda, HR Division Manager, Benefits  
Steve Kapper  
Korn Ferry, Associate Client Partner



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## Executive Summary

The purpose of this presentation is to present rates and plan design changes to the ACERA Retirees Committee resulting from the Plan Year 2020 renewal negotiations between the County of Alameda and its medical vendors, Kaiser and UHC

- The overall blended (i.e., for actives, subgroups and early retirees) rate **increase is 2.66% for Kaiser. For UHC, there is an overall 3.88% increase for the Signature Value (SV) plans and an overall 15.19% decrease for the Signature Value Advantage (SVA) plans**
- The unblended rate **increase** for ACERA for Kaiser is 8.93%. For the UHC ACERA population, the SVA plan has a 26.15% **decrease** and the SV plan has a 37.16% **increase** (page 9)
- There are no plan design changes in Plan Year 2020 for the medical plans offered by Kaiser and UHC
- The Senior Advantage plan **rate increase offered by Kaiser is 4.4%** (page 7)
- UHC has separately confirmed that ACERA has 167 members (retirees and dependents) enrolled in its HMO plans (SV and SVA). Eighty-six (86) of these members have a provider that belongs to the SVA network. However, of these 86, only 16 are enrolled in the SVA HMO





# County of Alameda 2020 Plan Year – Blended Rate Increases by Carrier (Actives, Subgroups and Early Retirees)



KAISER PERMANENTE®

**2.66%** (HMO)

*Kaiser's standard renewal rating called for a blended 2.66% rate increase*



**8.93%**  
(HMO)

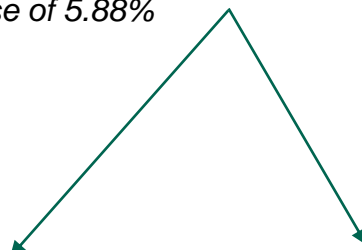
**Early Retirees:**  
**1,070**



UnitedHealthcare®

**3.88%**   **-15.19%**  
(HMO)   (HMO)  
SV Plan   SVA Plan

*The County negotiated a 3.88% increase for the SV plans downward from the initial SV increase of 5.88%*



**37.16%**  
(HMO)  
SV Plan

**Early Retirees:**  
**122**

**-26.15%**  
(HMO)  
SVA Plan

**Early Retirees:**  
**12**

**Blended  
Rate  
Increases**

**ACERA  
Unblended  
Rate  
Increases**



Human Resource Services  
Employee Benefits Center

## County of Alameda

### 2020 Plan Year – Kaiser Blended HMO Pre-65 Retiree Rates

	Current Enrollment	2019 Monthly Premium	2020 Monthly Premium	Increase
Employee Only	911	\$ 765.06	\$ 785.44	2.66%
Employee + 1	126	\$ 1,530.12	\$ 1,570.88	2.66%
Employee + Family	33	\$ 2,165.12	\$ 2,222.80	2.66%
Monthly Total	1070	\$ 961,214	\$ 986,819	2.66%

These rates include the Surcharge Buy-out (SBO)

# County of Alameda

## 2020 Plan Year – UHC Blended HMO Pre-65 Retiree Rates

### Signature Value (SV) Network

	Current Enrollment	2019 Monthly Premium	2020 Monthly Premium	Increase
Employee Only	97	\$ 1,047.16	\$ 1,087.80	3.88%
Employee + 1	18	\$ 2,094.24	\$ 2,175.50	3.88%
Employee + Family	7	\$ 2,963.32	\$ 3,078.30	3.88%
Monthly Total	122	\$ 160,014	\$ 166,224	3.88%

### Signature Value Advantage (SVA) Network

	Current Enrollment	2019 Monthly Premium	2020 Monthly Premium	Increase
Employee Only	9	\$ 980.94	\$ 831.92	-15.19%
Employee + 1	3	\$ 1,961.80	\$ 1,663.74	-15.19%
Employee + Family	0	\$ 2,775.92	\$ 2,354.18	-15.19%
Monthly Total	12	\$ 14,714	\$ 12,479	-15.19%

These rates represent a 23.52% reduction from those for the full-network HMO option

# County of Alameda

## 2020 Plan Year – Kaiser Senior Advantage Rates

These rates include  
the Surcharge Buy-out

	2019 Monthly Premium	2020 Monthly Premium	Increase
Employee (Medicare)	\$ 394.07	\$ 411.54	4.4%
Employee (Medicare) + Spouse (Medicare)	\$ 788.14	\$ 823.08	4.4%
Employee (Medicare) + Spouse (Medicare) + Child (Non-Medicare)	\$ 1,423.14	\$ 1,475.00	3.6%

This rate is the sum of the 2-Party Medicare rate (\$823.08) and the difference between the Pre-65 2-Party and Family rates on page 5 (i.e., \$651.92, or \$2222.80 - \$1570.88)

# County of Alameda

## 2020 Plan Year – Pre-65 Retiree HMO Rates

### Blended vs. ACERA Unblended

<b>Kaiser HMO</b>	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	911	\$ 785.44	\$ 1,170.74	\$ 385.30	49.06%
Employee + 1	126	\$ 1,570.88	\$ 2,341.48	\$ 770.60	49.06%
Employee + Family	33	\$ 2,222.80	\$ 3,313.20	\$ 1,090.40	49.06%
Monthly Total	1070	\$ 986,819	\$ 1,470,906	\$ 484,087	49.06%

<b>UHC HMO - SV Network</b>	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	97	\$ 1,087.80	\$ 2,070.98	\$ 983.18	90.38%
Employee + 1	18	\$ 2,175.50	\$ 4,141.70	\$ 1,966.20	90.38%
Employee + Family	7	\$ 3,078.30	\$ 5,860.58	\$ 2,782.28	90.38%
Monthly Total	122	\$ 166,224	\$ 316,460	\$ 150,236	90.38%

<b>UHC HMO - SVA Network</b>	Current Enrollment	Blended Monthly Premium	Unblended ACERA Monthly Premium	Difference (\$)	Difference (%)
Employee Only	9	\$ 831.92	\$ 1,044.58	\$ 212.66	25.56%
Employee + 1	3	\$ 1,663.74	\$ 2,089.04	\$ 425.30	25.56%
Employee + Family	0	\$ 2,354.18	\$ 2,955.98	\$ 601.80	25.56%
Monthly Total	12	\$ 12,479	\$ 15,668	\$ 3,190	25.56%

# County of Alameda

## Pre-65 Retiree HMO Rates

### 2019 Plan Year Unblended vs. 2020 Plan Year Unblended

<b>Kaiser HMO</b>	Current Enrollment	Unblended 2019 Monthly Premium	Unblended 2020 Monthly Premium	Difference (\$)	Difference (%)
Employee Only	911	\$ 1,074.80	\$ 1,170.74	\$ 95.94	8.93%
Employee + 1	126	\$ 2,149.60	\$ 2,341.48	\$ 191.88	8.93%
Employee + Family	33	\$ 3,041.69	\$ 3,313.20	\$ 271.51	8.93%
Monthly Total	1070	\$ 1,350,368	\$ 1,470,906	\$ 120,538	8.93%

<b>UHC HMO - SV Network</b>	Current Enrollment	Unblended 2019 Monthly Premium	Unblended 2020 Monthly Premium	Difference (\$)	Difference (%)
Employee Only	97	\$ 1,509.88	\$ 2,070.98	\$ 561.10	37.16%
Employee + 1	18	\$ 3,019.60	\$ 4,141.70	\$ 1,122.10	37.16%
Employee + Family	7	\$ 4,272.68	\$ 5,860.58	\$ 1,587.90	37.16%
Monthly Total	122	\$ 230,720	\$ 316,460	\$ 85,740	37.16%

<b>UHC HMO - SVA Network</b>	Current Enrollment	Unblended 2019 Monthly Premium	Unblended 2020 Monthly Premium	Difference (\$)	Difference (%)
Employee Only	9	\$ 1,414.34	\$ 1,044.58	\$ (369.76)	-26.14%
Employee + 1	3	\$ 2,828.66	\$ 2,089.04	\$ (739.62)	-26.15%
Employee + Family	0	\$ 4,002.46	\$ 2,955.98	\$ (1,046.48)	-26.15%
Monthly Total	12	\$ 21,215	\$ 15,668	\$ (5,547)	-26.15%

## Low-income Premium Subsidy Amounts (Part D) – 2020

Percentage of Maximum Subsidy Amount	2020 Subsidy Amount
100%	\$32.01
75%	\$24.01
50%	\$16.01
25%	\$8.00

Source: [https://q1medicare.com/q1group/MedicareAdvantagePartD/Blog.php?blog=2020-State-Low-Income-Subsidy-Benchmark-Premium-Amounts---with-a-comparison-of-benchmark-changes-since-2006&blog\\_id=763&category\\_id=8](https://q1medicare.com/q1group/MedicareAdvantagePartD/Blog.php?blog=2020-State-Low-Income-Subsidy-Benchmark-Premium-Amounts---with-a-comparison-of-benchmark-changes-since-2006&blog_id=763&category_id=8)

# Questions





**THANK YOU**



Human Resource Services  
Employee Benefits Center

## **NEW BUSINESS**

**7.C. Revised Draft of Supplemental Retiree Benefit Reserve Benefits Survey.**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: September 19, 2019

TO: Members of the Board of Retirement

FROM: Kathy Foster, Assistant Chief Executive Officer *Kathy Foster*  
Mike Fara, Communications Manager *mf*

SUBJECT: **Revised Draft of Supplemental Retiree Benefit Reserve Benefits Survey**

At the August Retirees Committee meeting, Staff provided a draft of the content of the Supplemental Retiree Benefit Reserve (SRBR) benefits survey, which will be conducted in an online survey tool. Attached is a revised draft of the survey content based on Trustees' feedback at that meeting. The only change is that Question 2 has been revised so that respondents are asked to repeat the constant sum allocation from Question 1, this time considering that the lump sum death benefit could be increased and/or the Active Death Equity Benefit could be reinstated.

In addition, at the July Retirees Committee meeting, Staff provided a timeline with targeted dates of events and actions for developing and administering the survey. That timeline is reproduced below.

To see an online preview of the draft survey, visit [www.acera.org/survey](http://www.acera.org/survey).

**Survey Timeline**

- **Draft Survey Presentation:** August 7<sup>th</sup> Retirees Committee Meeting
- **Summer What's Up Newsletter Article:** Late August
- **Final Draft Presentation:** September 19<sup>th</sup> Board of Retirement Meeting
- **Open Enrollment Packet – Survey Announcement:** Mid-October
- **Survey Active Period:** Mid-October to end of November
- **Review Results:** December
- **Present Results:** January Committee or Board of Retirement Meeting

Attachment



## Your Opinion on ACERA's Non-Vested Benefits

[Exit Survey](#)

Questions marked with a \* are required

ACERA's Board of Retirement would like your opinion on ACERA's non-vested benefit options. But first ...

# A Short Summary of the Current Benefits

## ACERA Vested Retirement Benefits

As an Alameda County Employees' Retirement Association (ACERA) retiree, you are guaranteed the following vested benefits upon eligibility:

- A monthly service retirement allowance for your lifetime
- An annual Cost of Living Adjustment (COLA) to that allowance

## ACERA Non-Vested Retirement Benefits

ACERA also currently offers retirees a variety of non-vested (non-guaranteed) benefits, based on annual approval by the Board of Retirement and eligibility requirements. These benefits currently are:

### Healthcare Benefits

- Monthly Medical Allowance (MMA)
- Dental Coverage Subsidy
- Vision Coverage Subsidy
- Medicare Part B Reimbursement Plan
- Implicit Subsidy

### Non-Healthcare Benefits

- Lump Sum Death Benefit (vested while funds last)
- Supplemental COLA

## How ACERA Pays For Non-Vested Benefits

ACERA maintains a separate reserve account called the Supplemental Retiree Benefits Reserve (SRBR). The **Non-Healthcare Benefits** are paid directly from the SRBR. ACERA's participating employers pay the **Healthcare Benefits** (excluding the Implicit Subsidy) so they can be provided to retirees tax free; ACERA then uses an equal amount of money from the SRBR as the employers' mandatory retirement contributions, so that the Healthcare Benefits are not an additional cost for the employers.

Consequently, ACERA's ability to maintain these non-vested benefits relates directly to how much money is in the SRBR.

## How Long Will the Supplemental Retiree Benefits Reserve Last?

As of December 31, 2018, the Supplemental Retiree Benefits Reserve (SRBR) was valued at \$919 million. When ACERA's investments earn money, earnings are regularly posted to the SRBR. Additionally, when ACERA's investments earn more money than our annual 7.25% projected earnings rate, half of the additional earnings goes into the SRBR.

ACERA's SRBR Policy states that the Board of Retirement must annually review the SRBR to ensure it will be continually sustainable for at least 15 years into the future. If it is reported that the lifespan of the fund will be less than 15 years, the Board may adjust benefits until the fund again is at 15 years sustainability.

Last year, when our Actuary evaluated the SRBR, they said it would last through 2039 if it received no new funds, which is 21+ years.

### What Is Each Benefit and How Much Does It Cost the SRBR?

Non-Vested Benefit	Years ACERA Service Credit to Qualify	Cost to SRBR in 2018	% of Total Cost to SRBR
<b>Monthly Medical Allowance (MMA)</b> – A medical plan subsidy for retirees enrolled in an ACERA-sponsored medical plan. The amount is based on years of service credit, not to exceed the amount of the premium cost. For 2019, the MMA monthly maximum subsidies to retirees are, \$558.00 for over 20 yrs. service, \$418.50 for over 15 yrs. service, and \$279.00 for over 10 yrs. service.*	10 15 20	\$28,080,305	58.5%
<b>Medicare Part B Reimbursement Plan</b> – A monthly reimbursement of \$135.50 (the lowest standard premium amount) offsetting most or all of the cost of Medicare Part B.*	10	\$8,529,297	17.8%
<b>Dental Coverage Subsidy</b> – The full cost of the monthly premium (\$22.18 or \$44.15 depending on plan selection) is covered for members.*	10	\$3,885,919	8.1%
<b>Supplemental Cost of Living Adjustment</b> – Is paid in addition to any basic COLA in order to keep retirees at least 85% of the original purchasing power at their time of retirement.	0	\$1,134,613	2.4%
<b>Vision Coverage Subsidy</b> – The full cost of the \$4.24 monthly premium is covered for members.*	10	\$383,149	0.8%
<b>Lump Sum Death Benefit</b> – Currently a \$1000 lump sum amount paid to a beneficiary upon a retired ACERA member's death. The \$1000 lump sum is considered vested as long as there are funds in the SRBR to pay it.**	0	\$196,576	0.4%
<b>Implicit Subsidy</b> – Retirees not yet eligible for Medicare who enroll in ACERA's medical insurance plans are grouped together in the same insurance company contracts with actively working County employees. The health plans charge more for retirees than for active employees. As a result, the monthly premiums go up for the active employees. ACERA pays the difference in these costs to the County. This payment is called the "implicit subsidy." This is a stand-alone item that the Board treats differently, so you won't be asked to rank it in the survey below.	Not Applicable	\$5,800,563	12.1%
<b>Total Cost to SRBR in 2018:</b>		\$48,010,422	100%
* The healthcare benefits are not paid directly out of the SRBR, but rather a 401(h) account funded by the participating employers. The SRBR fully reimburses the employers for the costs incurred to fund the healthcare benefits.			
**This amount is prorated if reciprocity exists with another retirement system and they also pay a similar benefit.			



# What Do You Think?

The Board of Retirement would like to know what you think about these benefits. This survey will aid in setting and potentially adjusting future benefit levels.

Please note that while the Board of Retirement has your interest at heart and values your opinion, final decisions may not be necessarily made on the outcome of this survey.

## \* Question 1

Please allocate 100 points in a way that reflects how important each non-guaranteed benefit is to you, giving more points to the more important benefits. You must allocate all 100 points.

?

Monthly Medical Allowance (MMA)	<input type="range"/>	
Medicare Part B Reimbursement Plan	<input type="range"/>	
Dental Coverage Subsidy	<input type="range"/>	
Vision Coverage Subsidy	<input type="range"/>	
Supplemental Cost of Living Adjustment	<input type="range"/>	
Lump Sum Death Benefit	<input type="range"/>	
		0

## Question 2

In 2011, two prior benefits were reduced or eliminated in order to extend the lifespan of the SRBR. The \$5,000 Lump Sum Death Benefit was reduced to \$1,000, and the Active Death Equity Benefit was eliminated. Please consider the following regarding these two benefits:

### 1. Lump Sum Death Benefit

Prior to 2011, the Lump Sum Death Benefit was a \$5,000 one-time payment to a retiree's beneficiary after the retiree dies. The Lump Sum Death Benefit was reduced to \$1,000 in 2011 and it remains at this amount currently. The \$1,000 amount is considered vested (guaranteed) as long as there are funds available in the SRBR to pay it out.

A rough estimate shows that the total cost to the SRBR for this benefit at the \$1,000 level for 2019 will be about \$204,000, and will cost an additional \$204,000 for every thousand dollars the benefit is increased. For example, if the Board increased the benefit to \$2,000, it would cost the SRBR \$408,000 for 2019.

### 2. Active Death Equity Benefit

Prior to its cancellation in 2011, the Active Death Equity Benefit provided a greater lifetime monthly payment (continuance) to the spouse or state-registered domestic partner of a vested active member who died before retirement. (Vested members are members who have earned at least 5 years of service credit. Active members are members who are currently employed and earning ACERA retirement.)

Currently, if an active member dies, their surviving spouse or state-registered domestic partner can choose to receive a lifetime monthly payment that is approximately 60% of what the member's Unmodified Option retirement allowance would have been. (See ACERA's [Death Benefits](#) page for more information.) This monthly payment is paid out of the general pension fund.

What the Active Death Equity Benefit did was provide an additional monthly amount, paid out of the SRBR, that would provide the beneficiary with the highest possible lifetime monthly payment based on [Retirement Option 2](#) rather than the unmodified option, increasing the monthly benefit by about 20%.

A very rough estimate shows that reinstatement of this benefit would cost the SRBR between \$108,000 and \$936,000 per year. More precise actuarial estimates will be conducted if the Board considers reinstating this benefit.

Prior to 2011, the Lump Sum Death Benefit was a \$5,000 one-time payment to a retiree's beneficiary after the retiree dies. The Lump Sum Death Benefit was reduced to \$1,000 in 2011 and it remains at this amount currently. The \$1,000 amount is considered vested (guaranteed) as long as there are funds available in the SRBR to pay it out.

A rough estimate shows that the total cost to the SRBR for this benefit at the \$1,000 level for 2019 will be about \$204,000, and will cost an additional \$204,000 for every thousand dollars the benefit is increased. For example, if the Board increased the benefit to \$2,000, it would cost the SRBR \$408,000 for 2019.

\* Considering the possible increase of the Lump Sum Death Benefit and/or the possible reinstatement of the Active Death Equity Benefit, please again allocate 100 points in a way that reflects how important each non-guaranteed benefit is to you, giving more points to the more important benefits. You must allocate all 100 points.

?

Monthly Medical Allowance (MMA)	<div></div>	
Medicare Part B Reimbursement Plan	<div></div>	
Dental Coverage Subsidy	<div></div>	
Vision Coverage Subsidy	<div></div>	
Supplemental Cost of Living Adjustment	<div></div>	
Lump Sum Death Benefit (With Possible Increase)	<div></div>	
Active Death Equity Benefit (Reinstated)	<div></div>	
		0

\* **Question 3**

What type of ACERA member are you?

- ☐ Active member (actively working for an ACERA participating employer, and not retired yet)
- ☐ Deferred member (a former worker for an ACERA participating employer, and not yet retired)
- ☐ ACERA retiree, but not Medicare-eligible (under age 65 or not eligible for Medicare)
- ☐ Medicare-eligible ACERA retiree
- ☐ Survivor, beneficiary, former spouse/domestic-partner, or other payee of an ACERA member

Done

## **NEW BUSINESS**

### **7.D. Chief Executive Officer's Report.**





*Office of the Chief Executive Officer  
Office of Administration*

DATE: September 19, 2019  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer  
SUBJECT: Chief Executive Officer's Report

DW

**Senior Manager Recruitment**

We are in the process of recruiting for the Chief Counsel position. I am currently evaluating the costs of using a search firm to conduct this recruitment. The goal is to post for the position in October, complete interviews by November, and have the new person available to start in January.

**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	May 2019	This idea will be brought to the Operations Committee in October. Additional input was needed to develop a draft policy.	A law passed in 2017 expanding the circumstances regarding employers pre-paying retirement contributions. ACERA should consider developing a policy regarding this option.
Presentation/Discussion of Proposition 209 Legal framework	Dave Nelsen	July 2019	There was a presentation on this topic at the July Board meeting and at the September Special Board meeting.	A follow-up Special Board meeting on this topic was scheduled for the morning of September 4, 2019.
Clarification of questions raised regarding the Brown Act and attendance/participation of non-committee members at committee meetings.	Kathy Mount	September 2019		An issue was raised during the August Governance Committee meeting regarding ACERA compliance with the Brown Act. Specifically, this was about participation of non-committee members at Committee meetings.

### Conference/Event Schedule

I will be attending the CALAPRS Administrator's Institute from Wed, Sep 25 through Fri, Sep 27, 2019.

### Other Items

Planning for the Board Off-Site event on Fri, Nov 1, 2019, is nearing completion. The Off-Site will again be at Scott's in Jack London Square, and topics being finalized include:

- Macro-economic outlook
- Presentation of the future of China
- Actuarial presentation on a potential new Actuarial Standard of Practice
- A presentation on Governance best practices
- Additionally, we are also looking for an academic speaker to discuss the status of research regarding ESG and investment outcomes.

### Key Performance Indicators

Scorecard KPI	2019 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
Portfolio Performance vs. Policy Benchmark	Annualized 10-year return will meet or exceed policy benchmark at the total fund level Through June: +.06% (10.8% benchmark v. 11.4% actual)
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
Actual Spent vs. Approved Budget	On budget or 10% below 2019 approved budget As of end of July: 5.8% under budget
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
Employee Engagement Survey Results	80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?" As of last survey (spring of 2019): 50%
<b>SUPERIOR CUSTOMER SERVICE</b>	
Service Excellence Survey	80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?" As of 2 <sup>nd</sup> Quarter: 92%

Below are the high level performance indicators for ACERA, with the latest scores included.