



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 20, 2018
2:00 p.m.

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

¹ 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).

² 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.

1. **CALL TO ORDER:**
2. **ROLL CALL:**
3. **REVIEW AND APPROVAL:** Minutes of the Regular Board Meeting:
August 16, 2018
4. **CONSENT CALENDAR:**
 - A. **APPLICATION FOR SERVICE RETIREMENT:**
Appendix A
 - B. **APPLICATION FOR RETIREMENT, DEFERRED:**
Appendix B
Appendix B-1
 - C. **APPLICATION FOR DEFERRED TRANSFER:**
Appendix C
 - D. **LIST OF DECEASED MEMBERS:**
Appendix D
 - E. **REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:**
Appendix E
 - F. **APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:**
Appendix F
 - G. **APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS:**
Appendix G
 - H. **APPROVAL OF COMMITTEE MINUTES:**
August 16, 2018 Budget Committee Minutes
 - I. **MISCELLENIOUS MATTERS:**
None

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. A. DISABILITIES, CURRENT, RECOMMENDATIONS AND MOTIONS:
(Item(s) will be heard in Closed Executive Session)

- None.

B. DISABILITIES, CONTINUING, RECOMMENDATIONS AND MOTIONS:
(Item(s) will be heard in Closed Executive Session)

- None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Operations:

1. Summary and Approval of the Minutes of the September 5, 2018, Meeting.
2. Motion to approve the inclusion of Pay Item 42A – Capital Programs Project as not pensionable compensation for PEPRA members however compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

B. Retirees:

1. Summary and Approval of the Minutes of the September 5, 2018, Meeting.
2. Motion to approve offering the optional UnitedHealthcare HMO plan in the SignatureValue Advantage network, beginning in Plan Year 2019, in addition to the current UnitedHealthcare HMO plan in the SignatureValue network.

C. Investment:

1. Summary and Approval of the Minutes of the September 12, 2018, Meeting.
2. Motion to approve an up to \$33 million Investment in ABRY Advanced Securities Fund IV as a part of ACERA's Private Equity Portfolio – Debt Related/Special Situations.
3. Motion to adopt an Amended ACERA General Investment Guidelines, Policies and Procedures.

D. Governance:

1. Oral report of September 20, 2018, Governance Committee Meeting.
(Note: The formal written Governance Committee minutes will be included for approval on the October 18, 2018, Board Consent Calendar.)
2. Motion to update the *Securities Litigation Policy* with or without revisions.
3. Motion to update the *Retiree Payroll Deduction and Assignment Policy* with or without revisions.
4. Motion to update the *Records Retention Policy* with or without revisions.
5. Motion to update the *Retention of Outside Counsel Policy* with or without revisions.

7. OLD BUSINESS:

None.

8. NEW BUSINESS:

- A. Orange County Stipend Adjustment Proposal.
- B. Motion to direct the Chief Executive Officer (or an approved alternate) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference.
- C. Chief Executive Officer's Report.

9. CONFERENCE REPORTS/ORAL REPORTS:

10. ANNOUNCEMENTS:

11. PUBLIC INPUT:

12. BOARD INPUT:

13. ESTABLISHMENT OF NEXT MEETING:

Thursday, October 18, 2018 at 2:00 p.m.

14. ADJOURNMENT:

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

ADAMS, Bruce A.
Effective: 7/10/2018
General Services Agency

EDWARDS, Frankie L.
Effective: 2/21/2018
Health Care Services Agency

BALOLONG, Teddy U.
Effective: 7/14/2018
Social services agency

FONG, Jean S.
Effective: 2/21/2018
Board of Supervisors - DEF

BARRY, Timothy
Effective: 7/6/2018
LARP

GARCIA, Jerri A.
Effective: 6/30/2018
superior court

BLACK, Sandra F.
Effective: 10/7/2017
Social Services Agency

GARRETT, Albert D.
Effective: 2/24/2018
General Services Agency

BLAKE, Victoria L.
Effective: 7/14/2018
Health Care Services Agency

GAUSE, Stephen D.
Effective: 3/29/2018
Superior Court

BROUGHAM, Gail A.
Effective: 3/31/2018
Probation

GUINN-BEGLEY, Sindy R.
Effective: 3/31/2018
Probation

CATALYA, Teresita
Effective: 7/8/2017
Social Services Agency - DEF

HARRIS, Estella M.
Effective: 6/30/2018
Community Development Agency

CATOLOS, Gloria G.
Effective: 2/24/2018
Social Services Agency

JACK, Cheryl A
Effective: 2/24/2018
Social Services Agency

CAYCE, Ernestine
Effective: 7/7/2018
Health Care Services Agency

JAMES, Horace R.
Effective: 7/14/2018
information technology

CELONI, Madeline A.
Effective: 6/29/2018
information technology

JOHNSON, Gwendolyn
Effective: 1/2/2018
Alameda Health System

CHAMPION, Lenetta
Effective: 2/3/2018
Social Services Agency

JORDAN, Albert G.
Effective: 3/31/2018
Public works agency

CHRISTIAN, Andrea Z.
Effective: 3/31/2018
Health Care Services Agency

JOUANICOT, Jeff
Effective: 7/13/2018
District Attorney

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

KING, Lorenzo L
Effective: 6/22/2018
Public works agency

MONCRIEFF, Joann
Effective: 7/10/2018
Auditor Controller

LAM, Van T
Effective: 11/25/2017
Assessor

MORRISON, Dorothy C.
Effective: 6/16/2018
Social Services Agency

LAM, Wendy C
Effective: 1/27/2018
Auditor Controller

NELSON, Cecila G.
Effective: 6/16/2018
Social Services Agency

MAHANAY, Cynthia L.
Effective: 2/24/2018
District Attorney

PICO, Thomas P.
Effective: 7/11/2018
Zone 7

MANIBUSAN, Frank Joseph
Effective: 12/17/2017
General Services Agency

QUAN, Beverly M
Effective: 10/7/2017
Alameda Health System

MARTINEZ, Mary K.
Effective: 5/6/2018
Deferred- Probation

RATHER, Wendy A.
Effective: 1/6/2018
Probation

MEDEIROS, Rocky
Effective: 2/24/2018
Sheriff's Office

REESE, Mark S.
Effective: 3/21/2018
Sheriff's Office

MELANSON, Nancy
Effective: 7/14/2018
Sheriff's Office

REYES, Alcides
Effective: 7/15/2017
Community Development Agency

MILLIGAN, Ronald C.
Effective: 7/7/2018
Social services agency

SAVELLANO, David T.
Effective: 7/3/2018
General Services Agency

MINOR, Patricia J.
Effective: 7/16/2018
Assessor

SHANS SR., Mervin S.
Effective: 7/14/2018
Alameda Health System

MOK, Sik
Effective: 7/3/2018
Alameda Health System

SURIGAO, APRIL S.
Effective: 7/12/2018
Alameda Health System

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

TELSON, Carl H.
Effective: 6/28/2018
Alameda Health System

THOMPSON, Elliott III
Effective: 4/1/2018
Sheriff's Office

TOMS, Michael S.
Effective: 7/14/2018
Sheriff's Office

TORRIAN, Frank
Effective: 2/24/2018
Flood Control Zone 7

WEBSTER, Cynthia L.
Effective: 6/22/2018
Public works agency

WESTON, Robert D.
Effective: 1/28/2018
Health Care Services Agency

WHITE, Randall J.
Effective: 2/10/2018
Sheriff's Office

WILSON, Donna M.
Effective: 05/05/2018
Alameda Health System

YARBROUGH, Leslie A.
Effective: 7/17/2018
Superior Court

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

CLAY, Jason A.
Alameda Health System
Effective: 03/01/2018

DAVIS, Muntu R.
Health Care Services Agency
Effective: 07/27/2018

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

DEBORD, Phillip R.
Library
Effective: 06/29/2018

HERNANDEZ, Erika
Social Services Agency
Effective: 07/27/2018

NIARHOS, Elizabeth H.
Social Services Agency
Effective: 08/02/2018

LEVINSON, Robyn M.
District Attorney
Effective: 08/10/2018

**APPENDIX D
LIST OF DECEASED MEMBERS**

ANDERSEN, Elva M.
Non-Member Survivor of Mervin Andersen
07/28/2018

MOORE, Riley
Zone 7
08/20/2018

BLUNT-WILLIAMS, Linda A.
Alameda Health System
05/03/2018

OROZCO, Paula
Non-Member Survivor of Gilbert Orozco
07/29/2018

DUNCAN, Eugenia A.
Social Services Agency
06/09/2018

SABATINI, Janice
Non-Member Survivor of Eugene
Sabatini
06/25/2018

FRUCHEY, Jimmie D.
Probation Department
08/06/2018

SELIN, Gladys
Non-Member Survivor of Harold
Selin
03/30/2017

GROSS, Patricia V.
Non-Member Survivor of Robert Gross
08/12/2018

THOMAS, Betty
Social Services Agency
05/11/2018

HULME, Kevin R.
Zone 7
05/08/06/2018

WINN, Gerald
Health Care Services Agency
07/27/2018

LEE, Willie E.
Public Works Agency
07/30/2018

YANG, Helen
Health Care Services Agency
07/28/2018

APPENDIX F APPLICATION FOR DISABILITY RETIREMENT

Name: Gardere, Miya
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. Gardere's application for a service connected disability and requiring future annual medical examinations and questionnaires.

Approve Ms. Gardere to receive a supplemental disability allowance in lieu of the disability retirement allowance.

Name: Guevarra, John
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. Guevarra's application for a service connected disability and requiring future annual medical examinations and questionnaires.

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

Name: Krischer, Tanni
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. Krischer's application for a service connected disability and requiring future annual medical examinations and questionnaires.

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

APPENDIX F APPLICATION FOR DISABILITY RETIREMENT

Name: O'Brien, Michael
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. O'Brien's application for a service connected disability, requiring future annual medical examinations and questionnaires; and accepting Mr. O'Brien's request to withdraw his request for an Earlier Effective Date.

Name: San Diego, Clarita
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. San Diego's application for a service connected disability. Since Ms. San Diego is over 55 years old, future annual medical examinations will not be required.

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

Name: Santos, Nerissa
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. Santos's application for a service connected disability. Since Ms. Santos is over 55 years old, future annual medical examinations will not be required.

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

Name: Williams, David
Type of Claim: Service Connected

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



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

Thursday, August 16, 2018

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

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

Trustees Excused: Keith Carson
 Liz Koppenhaver
 Henry Levy

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

Staff Excused: Harsh Jadhav, Chief of Internal Audit
 Vijay Jagar, Retirement Chief Technology Officer, ACERA

18-94

The minutes of the regular meeting of July 19, 2018, were accepted on a motion, by George Wood, seconded by Ophelia Basgal, and approved by a vote of 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

CONSENT CALENDAR

REPORTS AND ACTION ITEMS

APPLICATION FOR SERVICE RETIREMENT

Appendix A

APPLICATION FOR RETIREMENT, DEFERRED

Appendix B

Appendix B-1

APPLICATION FOR DEFERRED TRANSFER

Appendix C

LIST OF DECEASED MEMBERS

Appendix D

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

Appendix E

APPLICATION FOR DISABILITY RETIREMENT – NON-CONTESTED ITEMS:

Appendix F

APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS

Appendix G

APPROVAL COMMITTEE MINUTES

July 19, 2018 Actuarial Committee Minutes

MISCELLANEOUS MATTERS:

None

It was moved by George Wood seconded by Elizabeth Rogers, and approved by a vote of 6 yes (*Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions that the following resolution is adopted (*Dale Amaral recused because one or more of the consent calendar items involved his employing Department*):

18-95

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

REGULAR CALENDAR – REPORTS AND ACTION ITEMS

DISABILITIES, CURRENT AND CONTINUING RECOMMENDATIONS AND MOTIONS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

*Note: Per Committee Chairs, copies of the Committee meeting minutes were available for attendees. All **July/August** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **July 19, 2018**, Board meeting. This month's Committee reports were presented in the following order:*

Operations:

Ophelia Basgal reported that the Operations Committee met on August 1, 2018, at 9:35 a.m. and highlighted the following:

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

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

18-96

It was moved by Ophelia Basgal moved and seconded by Dale Amaral that the Board approve staff engaging directly with LRS for the procurement of the new pension administration system. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

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

18-97

It was moved by Ophelia Basgal moved and seconded by Elizabeth Rogers that the Board approve the inclusion of Pay Item 42B – Department HR & Supervision Assignment (Department Human Resource and Supervision Assignment) as pensionable compensation for PEPRA members and compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

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

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

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

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

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

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

18-98

It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Board approve the August 1, 2018 Operations Committee minutes. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

Retirees:

Nancy Reilly reported that the Retirees Committee met on August 1, 2018, at 10:45 a.m. and highlighted the following:

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

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

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

18-99

It was moved by Nancy Reilly moved and seconded by Ophelia Basgal that the Board continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

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

18-100

It was moved by Nancy Reilly moved and seconded by Ophelia Basgal that the Board continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

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

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

18-101

It was moved by Nancy Reilly and seconded by Dale Amaral that the Board approve the August 1, 2018 Retirees Committee minutes. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

Investment:

Elizabeth Rogers reported that the Investment Committee met on August 8, 2018, at 9:31 a.m. and highlighted the following:

Representatives from Staff and Verus presented a potential Buyout investment called Audax Private Equity Fund VI, which would be managed by the Audax Group.

Representatives from Audax Group presented the history, background, and culture of the firm's private equity business which accounts for about 1/3 of the firm's asset under management. In addition, the representatives discussed the Fund's strategy, objectives, and risk-averse approach by describing their investment results in the previous funds. The firm deploys a buy and build strategy within their private equity funds, and utilizes add on acquisitions to drive returns.

18-102

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Board approve an up to \$34 million investment in Audax Private Equity Fund VI as part of Board approve an up to \$34 million investment in Audax Private Equity Fund VI as part of ACERA's Private Equity Portfolio – Buyouts – pending completion of legal and investment due diligence, background investigations, and successful contract negotiation. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

At the beginning of this action item, Margaret Jadallah disclosed that while she has worked at Verus Advisory and Strategic Investment Solutions (Verus' predecessor) the majority of her career, she had worked at Bivium for 5 years for an interim period.

Representatives from Staff and Verus discussed the proposed amendment to ACERA's international equity manager structure. The proposal incorporates a manager-of-managers exposure into the actively managed assets by reducing each of the three current large cap international managers' allocation target to 18.8% from 20%. The new EIM – International Equity allocation will be approximately 3.5%. Staff and Verus believe this proposed allocation maintains the integrity of the manager structure with respect to its active/passive mix. In addition, Staff and Verus provided support for maintaining Bivium for the manager-of-managers mandate in the International Equity Asset Class.

18-103

It was moved by Elizabeth Rogers and seconded by Jaime Godfrey that the Board Amend the International Equity Manager Structure, and appoint Bivium to manage a New Emerging Investment Manager mandate – International Equity. The proposal incorporates a manager-of-managers exposure into the actively managed assets by reducing each of the three current large cap international managers allocation target to 18.8% from 20%. The new EIM – International Equity allocation will be approximately 3.5%. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

Representatives from Staff and Verus discussed ACERA's process for updating the General Investment Guidelines, Policies and Procedures (Policy). Staff updated the Policy to reflect the following items:

- Current conditions/procedures of the portfolio
 - Decisions that the Board has made since its last review of the Policy (May 20, 2013)
 - Improvements to the style and language of the Policy for consistency and clarity
- Some examples of previous policy updates by the Board, include (1) conforming the Policy's language for the new Private Equity, Absolute Return and Real Assets Policies, (2) updating Schedules IA/IB to show the latest Asset Allocation Targets and Manager Structure Targets.

A discussion was also held with the Trustees seeking their input about several proposed changes to the Policy. Examples of proposed revisions included: (1) simplification of the Watchlist and Probation language to reflect best practices; (2) removal of all benchmark premiums for the U.S. Equity Managers; (3) replacing the Derivative Instrument Usage section with an updated Derivative Investment Criteria schedule; and (4) evaluating the appropriateness of the goals and objectives of the portfolio. The Committee was generally in agreement with the direction of these changes, and requested to review the specific language of all proposed revisions so as to better understand and analyze the changes in preparation of the September ICM.

18-104

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Board approve the August 8, 2018 Investment Committee minutes. The motion carried 7 yes (Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood), 0 no, and 0 abstentions.

Budget:

Ophelia Basgal gave an oral report stating that the Budget Committee met today at approximately 1:00 p.m.; wherein, the Committee reviewed and discussed ACERA's mid-year operating expenses (year-to-date: January 1 through June 30, 2018) and end-of-year projections (June 30, 2018 through December 31, 2018). Staff made no recommendation for any line item adjustments to the Operating Expense Budget.

Trustee Basgal reported that the Committee reviewed and discussed the 2019 Budget Committee Work Plan and stated that the Committee will review the Proposed 2019 Operating Expense Budget at its November 2018 meeting.

NEW BUSINESS:

Legislative Update

ACERA Associate Counsel Lori Schnall presented an update on legislation of interest to ACERA.

Ms. Schnall stated that the Board will be provided with another update in December or at the start of 2019 to report whether or not any new Bills passed and/or if any of the new Bills will have an impact on ACERA.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his August 16, 2018, written Chief Executive Officer's Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference Schedule; and **4)** Other Items.

Mr. Nelsen reported that there is a Participating Employers meeting scheduled on Wednesday, August 22, 2018 at 1:30 p.m. wherein Staff will present the following proposed Policies: **1)** Declining Employer Payroll; and **2)** Withdrawing (Employer) Plan. Staff will gather and incorporate any feedback received from the Participating Employers and will bring the two Policies to the September 2018 Operations Committee and Board meetings for discussion and/or approval.

Mr. Nelsen further reported that Staff will provide an update at the September 2018 Operations Committee and Board meetings regarding the status of the Retirement Application LEAN Project and MMRO (Managed Medical Review Organization).

CONFERENCE REPORTS

None.

ANNOUNCEMENTS

None.

PUBLIC INPUT

None.

BOARD INPUT

None.

CLOSED SESSION

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

REPORT ON ACTION TAKEN IN CLOSED SESSION

The Board reconvened into Open Session wherein Chair Gamble announced that the Board made the following motion:

18-105

It was moved by Jaime Godfrey and seconded by Ophelia Basgal to refer Ms. Cecile Spikes' application for disability retirement back to ACERA's Disability Unit, with instructions to take any further action that may assist the Board in making its decision regarding Ms. Spikes' application and submittals. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

ADJOURNMENT

The meeting adjourned at approximately 3:23 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "David Nelsen", with a long, sweeping horizontal line extending to the right.

David Nelsen
Chief Executive Officer

9/20/18

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ROOD, Richard
Effective: 06/14/2018
LARP

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

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

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

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

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

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

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

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

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

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

APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

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

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

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

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

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

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

APPENDIX D
LIST OF DECEASED MEMBERS

AGUAYO-RIFFEL, Raquel Public Health Family Health Services 07/06/2018	MONGI, Anthony Sheriff's Department 07/12/2018
DODDS, Rudy General Services Agency 01/13/2018	MOREIRA, Virginia M. Assessor 02/17/2018
ENG, Dorothy C. Alameda Health System 06/29/2018	RANDELL, Doris M. General Services Agency 06/25/2018
HALPERN, Carl A. Health Care Services Agency 06/15/2018	RANKINE, Bonnie C. Social Services Agency 04/14/2018
HOLMAN, Marie F. Alameda Health System 07/25/2018	RODRIGUES, Julia A. Superior Court 06/29/2018
LEROY, Lloyd P. Sheriff's Department 06/28/2018	SIMS, Robbie J. Superior Court 06/29/2018
MABINI, Lourdes M. Information Technology 05/01/2018	SPANGER, Jessie Non-Member Survivor of Joseph Spangler 04/18/2018
McCANN, Patricia Social Services Agency 07/03/2018	TOMLINSON, Cheryl R. Alameda Health System 05/22/2018
	VARILLA-De GUZMAN, HEIDI L. Social Service Agency 05/28/2018

Name: **Jacobs, Michelle**
Type of Claim: **Service Connected**

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

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

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

August 16, 2018
Budget Committee Minutes
For approval under September 20, 2018
Board “Consent Calendar”



Date: August 16, 2018
To: Members of the Budget Committee
From: Ophelia Basgal, Budget Committee Chair
Subject: Summary of the August 16, 2018, Budget Committee Meeting

Budget Committee Chair Ophelia Basgal called the August 16, 2018, Budget Committee meeting to order at 1.00 pm. Committee members present were Elizabeth Rogers, Jaime Godfrey, and George Wood. Other Board members present were Dale Amaral, Darryl Walker, and Nancy Reilly. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant CEO Benefits; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Sandra Dueñas-Cuevas, Benefits Manager.

ACTION ITEMS

None

INFORMATION ITEMS

1. Mid-Year Review of 2018 ACERA Operating Expense Budget

Staff presented the 2018 mid-year operating expense budget review as of June 30, 2018 and the end-of-year forecast review as of December 31, 2018.

Staff explained that in conducting the year-to-date review, three line-item overages were identified, i.e., Temporary Staffing, Disability Medical Expenses, and Business Continuity Expenses. Staff expressed judgement that there is currently no need for any line-item adjustments from forecasted surplus to correct the end-of-the-year overages.

With regard to the end-of-year review (June 30 – December 31, 2018), ACERA's operating expenses will be approximately \$101K *over* budget due to some unexpected salary-increase related expenses. With the exception of Temporary Staffing and Fringe Benefit overages, \$669K and \$28K, respectively, and Business Continuity Expenses all other expenses for the remainder of the 2018 budget year are forecasted to be within budgetary parameters.

Staff concluded with a discussion about using two contingency line items to a) correct the 2018 budget shortfall; and, b) hire an Outside Project Manager (OPM) to begin work on the new Pension Administration System.

2. 2019 Budget Committee Work Plan

Staff presented the 2019 Budget Committee Work Plan.

TRUSTEE REMARKS

None

PUBLIC INPUT

None

RECOMMENDATION

None

ESTABLISHMENT OF NEXT MEETING DATE

November 8, 2018, at 1:00 pm

MEETING ADJOURNED

The meeting adjourned at 1:14 pm



Date: September 5, 2018
To: Members of the Operations Committee
From: Ophelia Basgal, Chair
Subject: Summary of the September 5, 2018, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the September 5, 2018 Operations Committee Meeting to order at 9:33 a.m. Committee members present were Ophelia Basgal, Chair; Dale Amaral, Vice-Chair; Elizabeth Rogers, and George Wood. Other Board members present were: Keith Carson, Tarrell Gamble, Jaime Godfrey and Alternates Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Vijay Jagar, Chief Technology Officer.

ACTION ITEMS

1. Adoption of New Pay Item – Pay Code 42A for County

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

It was moved by Gamble and seconded by Wood, that the Operations Committee recommend to the Board of Retirement that the Board approve the inclusion of Pay Item 42A – Capital Programs Project as not pensionable compensation for PEPRA members however compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

The motion carried 9 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood), 0 no, 0 abstention.

2. Review, Discussion and Possible Motion to Adopt the Declining Employer Payroll Policy

Staff introduced the new Declining Employer Payroll Policy. The purpose of this policy is to provide guidance on how to handle circumstances where the payroll of a Plan Sponsor diminishes to the point that it is insufficient to cover the contribution required to fund the employer's liabilities for employees who are or may be entitled to receive retirement benefits from ACERA.

3. Review, Discussion and Possible Motion to Adopt the Withdrawing Employer Policy

Staff introduced the new Withdrawing Employer Policy. The purpose of this policy is to provide guidelines to be applied when a participating ACERA employer ceases to provide ACERA membership for its active members.

After discussion, it was decided that to ensure that all of the employers have had an opportunity to read and respond to these new policies, both policies will be brought back to the October 3, 2018 Operations Committee Meeting.

INFORMATION ITEMS

1. Operating Expenses

Staff presented the Total Operating Expense Budget Summary for July 31, 2018. As of July 31, 2018, actual expenses were \$121K under budget. Budget overages noted were Staffing (\$253K over budget). Budget surpluses noted were Staff Development (\$148K under budget), Professional Fees (\$56K under budget), Office Expense (\$27K under budget), Member Services (\$22K under budget), Systems (\$28K under budget), Depreciation (\$4K under budget), and Board Expenses (\$88K under budget).

2. 2018 Board of Retirement Election Update

Staff provided an update regarding the 2018 Board of Retirement election. An election is being conducted for the second member to represent general membership. The Notice of Election began on July 16th and ended on August 10th. The Nomination Period began on August 13th and will end on September 10th. The ballots will be mailed on November 5th, and the election period is between November 5th and December 19th. The end of the election and deadline for ballots to be returned to the Registrar of Voters office is December 19th at 5:00 p.m.

3. Managed Medical Review Organization (MMRO) Update

At the request of the Operations Committee, staff provided information regarding disability applications processed by MMRO. To date, MMRO is meeting the established performance targets and ACERA staff is pleased with the reduction in the backlog and improved customer service to our members.

4. Service Retirement Application Process Improvement Project Update

Staff presented the team's analysis and results of their effort to optimize the service retirement application process. The Committee members congratulated staff on results of systematically addressing the timing problem for first retirement payments.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

The Committee recommends, and I move, that the Board of Retirement approve the inclusion of Pay Item 42A – Capital Programs Project as not pensionable compensation for PEPRA members however compensation earnable for Legacy members with entry dates before, on or after January 1, 2013, based on Government Code Section 7522.34 and 31461.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 3, 2018, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:49 a.m.



September 5, 2018

To: Members of the Retirees Committee

From: George Wood, Vice Chair

Subject: Summary of the September 5, 2018 Retirees Committee Meeting

Committee Vice Chair George Wood called the September 5, 2018 meeting to order at 10:59 a.m. Committee members present were George Wood, Dale Amaral, Keith Carson, and Jamie Godfrey. Also present were Ophelia Basgal, Tarrell Gamble, Henry Levy, and Elizabeth Rogers, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Sandra Dueñas-Cuevas, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

INFORMATION ITEMS

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

1. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2019

Staff provided information regarding renewal rates and plan coverage for the Plan Year February 1, 2019 through January 31, 2020. In addition, the County of Alameda presented more detailed information on the renewal of the County medical plan contracts for the 2019 Plan Year, stating that the UnitedHealthcare (UHC) PPO plan will not be offered, and a new optional UHC HMO plan in the SignatureValue **Advantage** network will be offered in addition to the current UHC HMO plan. The Kaiser Permanente early retiree rate will increase by 4.0%, and the Kaiser Permanente Senior Advantage plan premium will increase by 7.3% for 2019. There will be no increase in the current UHC HMO premium. The premium for the new UHC SignatureValue **Advantage** plan will be \$980.94, which is 6.3% less than the 2019 premium for the current HMO plan, for the member only. Staff also provided cost information on Kaiser Permanente's Silver&Fit® Exercise & Healthy Aging Program. Trustees directed Staff to survey the current retirees to find out how many are actually members of a fitness club and how many use their clubs. Information regarding a hearing aid benefit offered through Via Benefits in the individual plan marketplace was also provided.

ACTION ITEMS

1. Motion to Approve Offering Optional UnitedHealthcare HMO Plan for Plan Year 2019

Staff reported on the new optional UnitedHealthcare HMO plan in the SignatureValue **Advantage** network negotiated by the County of Alameda to be offered for Plan Year 2019.

It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Committee recommend to the Board of Retirement to approve offering the optional UnitedHealthcare HMO plan in the SignatureValue **Advantage** network, beginning in Plan Year 2019, in addition to the current UnitedHealthcare HMO plan in the SignatureValue network.

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

INFORMATION ITEMS

2. Status Report on Open Enrollment and Retiree Health and Wellness Fair

Staff provided a report on planning for ACERA's annual Open Enrollment and Retiree Health and Wellness Fair, including a timeline of when Open Enrollment materials will be mailed.

3. Miscellaneous Updates

Staff reported that 68+ retirees participated in ACERA's first Wellness Walk, and as of August 22nd, out of the 680 members who were sent the Finding Balance Program emails, Staff has determined that 100 of those members are participating in the Program. Staff also reported that ACERA was approached by UCSF to see if ACERA retirees would be interested in participating in a healthy aging study that it is conducting.

RECOMMENDATIONS

1. Motion to Approve Offering Optional UnitedHealthcare HMO Plan for Plan Year 2019

The Committee recommends, and I move that the Board of Retirement approve offering the optional UnitedHealthcare HMO plan in the SignatureValue **Advantage** network, beginning in Plan Year 2019, in addition to the current UnitedHealthcare HMO plan in the SignatureValue network.

TRUSTEE REMARKS

None.

PUBLIC INPUT

None.

FUTURE DISCUSSION ITEMS

- Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 3, 2018 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:44 a.m.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

475 14th Street, Suite 1000, Oakland, CA 94612 800/838-1932 510/628-3000 fax: 510/268-9574 www.acera.org

Date: September 20, 2018
To: Members of the Board of Retirement
From: Angela Bradford
Subject: September Committee Minutes

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

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

- Investment Committee (9/12/18)

Thank you.

**Minutes for the September 20, 2018
Governance Committee Meeting
Will be included on the October 18, 2018,
Board “Consent Calendar” for approval.**

NEW BUSINESS

8.A. Orange County Stipend Adjustment Proposal.

8.B. Motion to direct the Chief Executive Officer (or an approved alternate) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference.

8.C. Chief Executive Officer's Report.

NEW BUSINESS

8.A. Orange County Stipend Adjustment Proposal.



*Office of the Chief Executive Officer
Office of Administration*

DATE: September 20, 2018
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer 
SUBJECT: **Feedback on Orange County Potential Legislation**

The Chief Executive Officer of Orange County was asked by his Board to solicit feedback from other Systems regarding possible support or opposition to a legislative proposal they are considering introducing. This proposal would increase the stipend allowed for eligible Trustees when attending Retirement Committee or Board Meetings. Although the proposal hasn't been written, the proposal would likely be for an increase up to \$200 per meeting, indexed to inflation. They are not considering changing the eligibility criteria, only the amount. The current amount was put into legislation in the '90s and has remained unchanged since then.


Any input the Board would like to share will be passed on to my counterpart in Orange County.

NEW BUSINESS

- 8.B. Motion to direct the Chief Executive Officer (or an approved alternate) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference.**



*Office of the Chief Executive Officer
Office of Administration*

DATE: September 20, 2018
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer 
SUBJECT: SACRS Proxy Voting

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 such designated alternates if the Chief Executive Officer is unable, 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

Name:

Alternate Voting Delegate

Name:

Alternate Voting Delegate

These delegates were approved by the Retirement Board on 09 / 20 / 18.

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: _____

Position: _____

Date: _____

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by October 1, 2018 to Sulema H. Peterson, SACRS Administrator at Sulema@sacrs.org.

NEW BUSINESS

8.C. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: September 20, 2018

TO: Members of the Board of Retirement

FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Chief Executive Officer's Report

Senior Manager Recruitment

No vacancies needing recruitment.

Committee/Board Action Items

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

Conference Schedule

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

Other

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

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

Process Excellence Activities:

- The second project continues working on developing employee personal development plan templates and processes.
- All but about 25 ACERA team members have been trained in the methodology, and have been challenged to apply the training at their own process level. These are being called "just do it projects". There are 14 of these projects underway, and 4 have been completed.
- Senior Leaders continue their work on two initiatives: **1)** developing agency-wide operational effectiveness measures, and **2)** developing a process to identify, prioritize and balance resources for the many projects of the association. High level measures being implemented include:
 - Adherence to budget
 - Team engagement survey scores – A survey has been created and we will be sending out our first survey for all ACERA employees in September. The results of the survey will be shared with all employees and individual work teams will work on an area of the survey that they choose.
 - Customer satisfaction survey scores – A survey has been developed and will be provided at the Health Fair, as well as personal phone call interviews to recent retirees.
 - Top quartile investment performance on a rolling 10 year basis.

Board Off-Site Event: We have confirmed speakers for the Off-Site event, but are still confirming time slots. The speakers include:

- A keynote from Rep. Jackie Speier (CA-14th District);
- Catherine Wood from Ark-Invest.com to speak on transformative technology;
- Aymeric Saha, Managing Director of NASP-USAID Investment Partnership, to speak on investment in Africa;
- An ESG panel discussion moderated by Margaret Jadallah of Verus and including Ken Mehlman, Co-head of KKR Global Impact, and Ophir Bruck, the US Network Manager of PRI; and
- Finally, a discussion on streamlining Board administration, which will include a brief demonstration of a meeting software product.