



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, October 16, 2014

Chair Annette Cain-Darnes called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Annette Cain-Darnes
Keith Carson
Liz Koppenhaver
Elizabeth Rogers
George Wood
Darryl Walker (*Alternate*)

Trustees Excused: Ophelia Basgal
George Dewey
Donald White
David Safer (*Alternate*)

Staff Present: Victoria Arruda, Human Resources Officer
Angela Bradford, Administrative Specialist II
Vincent Brown, Chief Executive Officer
Kathy Foster, Assistant Chief Executive Officer
Harsh Jadhav, Chief of Internal Audit
Rose Kwong, Benefits Manager
Marguerite Malloy, Associate Counsel
Lori Schnall, Associate Counsel
Betty Tse, Chief Investment Officer
Latrena Walker, Project and Information Services Manager

Staff Excused: Margo Allen, Fiscal Services Officer

14-120

The minutes of the regular meeting of September 18, 2014 were accepted on a motion by Dale Amaral, seconded by George Wood, and approved by a vote of 5 yes (*Amaral, Cain-Darnes, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstention.

14-121

The minutes of the Special Board meeting of September 18, 2014 were accepted on a motion by Dale Amaral, seconded by George Wood, and approved by a vote of 5 yes (*Amaral, Cain-Darnes, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstention.

CONSENT CALENDAR

REPORTS AND ACTION ITEMS

APPLICATION FOR SERVICE RETIREMENT

Appendix A

APPLICATION FOR RETIREMENT, DEFERRED

*Appendix B
Appendix B-1*

APPLICATION FOR DEFERRED TRANSFER

Appendix C

LIST OF DECEASED MEMBERS

Appendix D

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

Appendix E

APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:

Appendix F

APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS

Appendix G

14-122

It was moved by Elizabeth Rogers, seconded by Liz Koppenhaver, and approved by a vote of 5 yes (*Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), (*Amaral recused*), 0 no, 0 abstention, that the following resolution is adopted:

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 **October** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **October 16, 2014** Board meeting. This month's Committee reports were presented in the following order:*

Actuarial:

George Wood reported that the Actuarial Committee met on September 18, 2014 at 11:08 a.m., and highlighted the following:

Margo Allen, Fiscal Services Officer, explained that during the course of finalizing the interest crediting policy, Segal Consulting (Segal) asked for clarification of ACERA's preferred treatment of the CRA when there is an interest shortfall in one six month interest crediting period and another interest shortfall in the subsequent six month interest crediting period.

Paul Angelo, Segal's Senior Vice President and Actuary, and Andy Yeung, Segal's Vice President and Associate Actuary, discussed the options for the treatment of CRA balance in this alternative scenario. Lori Schnall, Associate Counsel, explained that Government Code Section 31616 is ambiguous with regards to using the restored balance in the CRA in the same interest crediting period or carrying over the restored balance to the subsequent interest crediting period, and therefore the Board can make a choice among the options.

After a discussion, it was moved by Liz Koppenhaver that the Actuarial Committee recommends to the Board of Retirement, when the beginning balance of the CRA is below 1% because the CRA was used to meet an interest shortfall in the prior interest crediting period and the CRA is restored to 1% of market value in the current interest crediting period, the Board approve *not* using the restored 1% balance in the CRA to credit interest shortfalls in the valuation reserves, the 401(h) reserve account and the SRBR in the current interest crediting period and carry over the 1% ending balance in the CRA to the subsequent interest crediting period. *There was no second to the motion.*

Afterwards, it was moved by Elizabeth Rogers that the Actuarial Committee recommends to the Board of Retirement, when the beginning balance of the CRA is below 1% because the CRA was used to meet an interest shortfall in the prior interest crediting period and the CRA is restored to 1% of market value in the current interest crediting period, the Board approve using the restored 1% balance in the CRA to credit interest shortfalls in the valuation reserves, the 401(h) reserve account and the SRBR in the current interest crediting period and carry over the 1% ending balance in the CRA to the subsequent interest crediting period. *There was no second to the motion.*

As a result, the committee requested staff to bring the treatment of the CRA back to the committee for further discussion.

Margo Allen, Fiscal Services Officer, stated that the proposed Actuarial Funding Policy was presented at the June committee meeting and staff is now recommending adoption of the policy. **The Board took action on this item at the September 18, 2014 Board meeting.**

Paul Angelo, Segal's Senior Vice President and Actuary, and Andy Yeung, Segal's Vice President and Associate Actuary, presented the Actuarial Experience Study, which is an analysis of actuarial experience during the period December 1, 2010 through November 30, 2013. Segal is recommending changes in the assumptions for inflation, investment return, individual salary increases, retirement for active employment, pre-retirement mortality, healthy life mortality, disabled life mortality, turnover (vested and withdrawal of contributions), and disability (service connected and non-service connected).

Mr. Angelo stated that Segal is recommending that the Board develop the investment return assumption on a net of investment expenses but *not* net of administrative expenses basis, which appears as Option A in Segal's report. Mr. Angelo explained that this is more consistent with the new practice required by GASB for financial reporting, and will also provide for the funding of administrative expenses in a more transparent manner. The recommendation is to reduce the investment return assumption from 7.8% *net* of administrative expenses to 7.75% *gross* of such expenses, and add an *explicit* administrative expense loading of 1.6% of payroll.

Mr. Angelo also discussed Option B, which he explained is consistent with the current practice for funding. If this option is preferred by the Board, Segal's recommendation is to reduce the investment return assumption used for funding from 7.8% to 7.5%. Under this alternative, setting the investment return assumption at 7.5% for funding and using that same 7.5% for financial disclosure purposes under GASB means that even though the same rate is used, it would be considered *net* of administrative expenses for funding but *gross* of administrative expenses for financial disclosures. The administrative expense would continue to be funded *implicitly*.

Margo Allen, Fiscal Services Officer, stated that no action is intended for this meeting, but rather staff will make a recommendation at the next committee meeting concerning the investment return assumption.

14-123

It was moved by George Wood and seconded by Dale Amaral that the Board approve the September 18, 2014 Actuarial Committee minutes. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Operations:

Dale Amaral reported that the Operations Committee met on October 1, 2014 at 9:36 a.m., and highlighted the following:

Margo Allen, Fiscal Services Officer, explained that in the course of finalizing the two-year extension of WACO's 2009 service agreement, WACO realized an error in its original estimate calculation amounting to an additional \$34K for audit year 2014.

14-124

It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board approve an additional \$34K for Williams, Adley & Company's (WACO) two (2) year extension of the 2009 Agreement for Audit Services between ACERA and WACO. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Marguerite Malloy, Associate Counsel, explained that there are two action items for discussion and possible motion regarding the voluntary elected member employer reimbursement. In the first action item, staff recommended that the Voluntary Elected Member Employer Reimbursement Policy (Policy) be renewed without revisions. In the second action item, staff recommended that the voluntary elected member employer reimbursement be continued for 2015. Prior to any discussion, trustees Dale Amaral, Elizabeth Rogers, George Wood, and Darryl Walker recused themselves from the discussion and vote, and left the room.

After a discussion, the committee suggested that staff ask the elected trustees if some of their work duties are being shifted to others on their work team, so that the elected trustees can maximize their opportunities to fulfill their fiduciary responsibilities to ACERA.

Marguerite Malloy, Associate Counsel, announced that there were not enough Trustees at this Board meeting (quorum) to vote on the two voluntary elected member employer reimbursement recommendations. There was no further discussion and no action was taken. Ms. Malloy recommended that both items be brought to the November 20, 2014 Board meeting for the Board's consideration and or approval.

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of August 31, 2014 actual expenses are \$1,238,138 under budget.

Margo Allen, Fiscal Services Officer, presented the Statement of Reserves as of June 30, 2014. Regular earnings at the assumed rate of 3.90% were credited to the valuation reserve accounts, the 401(h) account and the SRBR. Earnings equivalent to 50% above the assumed rate of return (excess earnings) were credited at a rate of 1.8198% to the valuation reserves accounts and the 401(h) account. The remaining 50% of earnings above the assumed rate of return (excess earnings) were credited to the SRBR at a rate of 14.7456%. The total combined interest crediting rate to the valuation reserve accounts and the 401(h) account was 5.7198%. The total combined interest crediting rate to the SRBR was 18.6456%.

On June 19, 2014, the Board passed a resolution to decrease the size of the Contingency Reserve (CRA) from 1.4% to 1.0% of total assets. In accordance with this new policy, \$24.3 million of earnings were made available for interest posting after being deducted from the CRA to adjust the ending balance of the CRA from 1.4% to 1% of total assets as of June 30, 2014. The ending balance of the Market Stabilization Reserve was \$630.9 million, after recognizing \$55.9 million of gains in the current six month period.

Rose Kwong, Benefits Manager, provided an update on the work completed and amounts spent on overtime and temporary employees, as of September 30, 2014, for the members who retired as of July 11, 2014 due to the implementation of AB 197. Ms. Kwong stated that work in the Active Unit is scheduled to be completed by the end of October; however, work in the Retired Unit and Scan Unit will continue.

Victoria Arruda, Human Resources Director, reported on the 3rd quarter position vacancies that are approved in the 2014 budget.

Sharen Stanek-Lowe, Assistant Benefits Manager, informed the Committee that she gave her resignation to Kathy Foster, Assistant CEO and will begin working at a benefits consulting firm in two weeks.

14-125

It was moved by Dale Amaral and seconded by Keith Carson that the Board approve the October 1, 2014 Operations Committee minutes. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Retirees:

Liz Koppenhaver reported that the Retirees Committee met on October 1, 2014 at 10:30 a.m., and highlighted the following:

Margo Allen, Fiscal Services Officer, presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10 ½ year period ending June 30, 2014. The ending balance of the SRBR as of June 30, 2014 was approximately \$739.5 million. The semi-annual interest crediting as of June 30, 2014 based on the rate of 18.6456% was completed on August 27, 2014. There was approximately \$119.9 million of interest credited and \$23.4 million deducted from the SRBR fund.

Keenan & Associates, ACERA's Benefits Consultant, provided updates to the Affordable Care Act (ACA) related to the Cadillac Tax, Consolidated Omnibus Budget Reconciliation Act (COBRA), and the auto-enrollment mandate; and information regarding the loss of the County of Alameda's grandfathered status and Covered California.

Rose Kwong, Benefits Manager, provided a status report on the work completed and amounts spent on overtime and temporary employees as of September 27, 2014, due to the implementation of AB 197. One final report will be provided at the November Committee meeting, which will include information on the majority of the work completed and costs associated with processing the 122 retirements.

Kathy Foster, Assistant Chief Executive Officer, reported on the unused balances of the Health Reimbursement Arrangement (HRA) Accounts from lowest to highest as of June 30, 2014. The balances are categorized by years of service (YOS) contribution levels.

Sharen Stanek-Lowe, Assistant Benefits Manager and Mike Fara, Communications Manager, provided a report and sample communication materials regarding ACERA's annual Open Enrollment for plan year 2015 and the Retiree Health Fair.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the Affordable Care Act (ACA) percentage tax assessed to ACERA's dental and vision plans, the annual Medicare Part D Certification of Coverage Notice mailing, OneExchange Balance Reminder Statement mailing, and a Kaiser data breach that impacted three ACERA members.

Sharen Stanek-Lowe, Assistant Benefits Manager, announced that she will be leaving ACERA to pursue another opportunity, and that October 2, 2014 will be her last day. The Trustees and the ACRE and REAC Board presidents expressed their appreciation for all her work and wished her well.

14-126

It was moved by Liz Koppenhaver and seconded by George Wood that the Board approve the October 1, 2014 Retiree Committee minutes. The motion carried 6 yes (Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood), 0 no, and 0 abstentions.

Budget:

Keith Carson, Vice Chair, reported that the Budget Committee met on October 1, 2014 at 1:00 p.m., and highlighted the following:

Based on feedback and input at the September 3, 2014, Operations Committee meeting and discussions between the CEO and the Board Chair. Vince Brown, Chief Executive Officer, presented his October 1, 2014 memo which outlined Staffs' *modified* ACERA Organizational Restructure proposal. The *modification* establishes a new Chief Deputy Chief Executive Officer (CDCEO) position to be funded for a four (4) month period in 2015.

Staffs' *modified* Restructure also included the following recommendations:

- The current structure for the Assistant Chief Executive Officer (ACEO) Benefits position will remain unchanged for 2015;
- Recommended \$50,000 in funding for the vacant Compliance Officer position in the Legal Department for a four (4) month period in 2015; and
- The Communications Manager reporting to the CDCEO.

Mr. Brown reported that the proposed Chief Planning, Policy, and Compliance position has been tabled.

It was noted that the proposed 2015 Budget will not be significantly impacted because Staff will use monies from ACERA's de-funded positions to fund the proposed CDCEO, and vacant Chief Counsel and Compliance Officer positions. The timing issue will be addressed in December 2015.

14-127

It was moved by Keith Carson and seconded by Elizabeth Rogers that the Board adopt Staff's modified proposed ACERA Organizational Restructure. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Vince Brown, Chief Executive Officer, presented a high-level overview of ACERA's proposed 2015 Operating Expense Budget of **\$20.5 million** and Three-Year Business Plan.

Mr. Brown reported that the proposed 2015 Budget is \$1.8 million more, or 9.7% greater, than the Board approved 2014 Budget of \$18,732,000.

Margo Allen, Fiscal Services Officer, outlined the process for the development of ACERA's proposed 2015 Budget and how Staff arrived at its \$20.5 million proposed Budget.

Ms. Allen presented a broad overview of the proposed 2015 Budget highlighting the assumptions and reported that the proposed 2015 Budget is 5.9% over its baseline Budget. After discussion, the Committee directed Staff to include: a breakdown of the 54% fringe benefit rate, a "percentage increase" column, and a breakdown of Staff development expenses.

The Senior Managers presented an overview of their individual Departmental Budgets and recommendations. Some of the highlights included adding two (2) permanent positions in the Benefits Department and enhancing the Benefits Department Web Member Services program, increases in Staff development/salaries, and enhancing software for the Audit and PRISM Departments.

14-128

It was moved by Keith Carson and seconded by George Wood that the Board review the proposed draft 2015 Operating Expense Budget and Three-Year Business Plan and make recommendations and/or provide suggestions and/or comments to the Board for discussion at the Board Off-Site. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

As directed by the Board and Operations and Budget Committee Chairs, Staff made revisions to the *Budget Committee Charter, Chief Executive Officer Job Description and Delegation of Authority, and Board Travel Policy*. Vince Brown, CEO, presented his October 1, 2014 memo with the revised Charter/Policies. Also contained in Mr. Brown's memo were the following Budget related Board Policies/documents:

- 1) *Board of Retirement Charter*, 2) *Board Operations Policy*, 3) *Committee Operations Policy*, 4) *Service Provider Policy*, 5) *November 2, 2011, CEO Memo-ACERA Budget: Review of Policies and Procedures and Potential Changes*.

Staff proposed the following revisions:

Budget Committee Charter: Staff recommended adding language to the Charter that the CERL authorizes the BOR to annually adopt a budget covering the entire expense of the administration of the retirement system taking into account those expenses that are specifically excluded. The Committee agreed with Staff's suggestion and recommended adding language to number five (5) that the Committee will review Contingency Fund requests and make recommendations to the Board "that are above the Chief Executive Officer's delegated threshold authority to establish a Contingency Fund."

14-129

It was moved by Keith Carson and seconded by George Wood that the Board renew the Budget Committee Charter, with revisions, as recommended by the Staff and Committee. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

CEO Job Description and Delegation of Authority: Staff recommended adding language that the CEO shall establish Budget Contingency Funds to address one-time increases in workload due to a new law or judicial decision. The Committee agreed with Staff's recommendation and added the following language to section I.(C) "The Chief Executive Officer's threshold authority to establish a contingency fund is limited to estimated savings within the annual budget. The Chief Executive Officer must submit a request to the Board for approval of any contingency fund that exceeds the delegated threshold."

14-130

It was moved by Keith Carson and seconded by Liz Koppenhaver that the Board renew CEO Job Description and Delegation of Authority, with revisions, as recommended by the Staff and Committee. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Board Travel Policy: Staff recommended adding language in Section III (C) to increase the travel allotment to **\$12,360** for each Trustee in accordance with the *Consumer Price Index (CPI)* for the greater San Francisco Area. Staff further recommended that the annual cap automatically adjust each January 1 based upon the CPI. The Committee agreed with Staff's suggestions.

14-131

It was moved by Keith Carson and seconded by Dale Amaral that the Board renew the Board Travel Policy, with revisions, as recommended by the Staff and Committee. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

14-132

It was moved by Keith Carson and seconded by Elizabeth Rogers that the Board approve the October 1, 2014 Budget Committee minutes. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Investment:

George Wood reported that the Investment Committee met on October 1, 2014 at 9:32 a.m., and highlighted the following:

The representatives from Angelo, Gordon & Co., L.P. (AG) presented to the Committee the goals, objectives, and six-month performance results of the AG Opportunistic Whole Loan Fund (OWL) which will take advantage of current market opportunities to purchase different types of mortgage loans at a discount from banks and HUD. AG also described the investment strategy and implementation process which includes modeling the risks and potential performance of virtually every loan offered to and purchased by OWL.

14-133

It was moved by George Wood and seconded by Elizabeth Rogers that the Board adopt a \$15.0 million additional commitment to the AG Opportunistic Whole Loan Fund, L.P. pending completion of legal due diligence and successful contract negotiation. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Representatives from Capital Group discussed its organization, investment philosophy, investment strategy, portfolio characteristics, and performance. The Committee asked questions of and discussed the portfolio with the representatives. The review found Capital Group to be in compliance with ACERA's investment guidelines.

For the quarter ending June 30, 2014, the International All Countries Equity account returned 3.0% (gross) and 19.3% (gross) for the trailing one year period compared to the benchmark (MSCI ACWI ex USA Gross) of 5.2% and 22.3%, respectively.

ACERA's Total Fund returned 3.6% (gross) compared to the policy index of 4.3% in the second quarter of 2014 and 18.8% (gross) compared to the policy index of 19.9% for the latest one year period.

As of 6/30/14, the market value of the total Fund exceeded \$6.9 billion.

For the quarter, ACERA's U.S. equity, international equity, fixed income, PEARLS, Real Estate and Real Return Pool asset classes returned 3.2%, 4.2%, 3.4%, 3.6%, 2.4%, and 4.9% (gross), respectively.

ACERA's real estate portfolio returned 2.4% (gross) for Q2 2014 and 13.6% (gross) for the latest one year period compared to the NCREIF-ODCE benchmark of 2.9% and 12.7%, respectively.

As of 06/30/14, the total market value of ACERA's real estate portfolio was about \$392 million; approximately 5.7% of ACERA's total Fund.

Staff updated the Committee on the name selected for the approved \$100 million PEARLS investment in Lighthouse Strategic Alpha Fund, LLC, which is to be managed by Lighthouse Investment Partners.

ACERA's monthly Investment Committee Meeting (ICM) is regularly scheduled on the second Wednesday of each month. However, the second Wednesday in November (November 12) coincides with SACRS Fall Conference which will be held from November 12 – 14, 2014. Staff proposed to postpone the November ICM to Wednesday, November 19, 2014 at 9:30 a.m.

14-134

It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the October 8, 2014 Investment Committee minutes. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Audit:

George Wood reported that the Retirees Committee met on October 1, 2014 at 10:30 a.m., and highlighted the following:

Harsh Jadhav, Chief of Internal Audit presented the Audit of Employer Compensation and Retirement Policy. Discussion followed regarding the wording of F. under the IV Policy Guidelines section. Specifically the “rule of law” and the due date of 15 days prior to the presentation of the final audit report. Staff will work with the Legal Department to make appropriate changes.

14-135

It was moved by George Wood and seconded by Liz Koppenhaver that the Board accept the Audit of Employer Compensation and Retirement Information Policy as modified. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Internal Audit

Harsh Jadhav, Chief of Internal Audit, presented the status update for the 2014 Internal Audit Plan, and the 2014 Participating Employers Audit Plan.

Harsh Jadhav, Chief of Internal Audit, reviewed the 2014 Employer Audit Plan and the status of the audit deliverables.

Harsh Jadhav, Chief of Internal Audit, reviewed the results of the Investment Management Fees Audit. Staff from Investments and Fiscal Services discussed remediation plans.

Alameda County staff requested that Internal Audit staff be sensitive to The County’s workload in the second quarter when scheduling future County audits. This is a busy time due to the budget and other time and staffing constraints.

14-136

It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the October 8, 2014 Audit Committee minutes. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

NEW BUSINESS

Vince Brown, Chief Executive Officer, presented Staff's recommendation to support SACRS sponsored legislation concerning disability retirement beneficiary designations and requested the Board's authority to vote in support of the SACRS sponsored legislation on behalf of the ACERA Board at the Fall SACRS Conference. Marguerite Malloy, Associate Counsel, outlined the proposed change to amend Government Code (GC) Section 31760, which will allow ACERA members to change beneficiary designations at the time of disability retirement, regardless of what the member selected at service retirement. It was noted that presently the majority of the 20 County Employees' Retirement Systems allow its members to change beneficiary designations.

14-137

It was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Board accept Staffs' recommendation to support SACRS sponsored legislation to amend GC §31760 during the 2015-2016 California Legislative Session and to give the ACERA CEO authority to vote on the SACRS sponsored legislation on behalf of the ACERA Board. The motion carried 6 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*), 0 no, and 0 abstentions.

Vince Brown, Chief Executive Officer's Oral Report.

The CEO reported on the following items:

- The Actuarial Experience Study will be discussed at the Participating Employers meeting on Thursday, October 30, 2014
- The Proposed 2015 DRAFT Budget will be further discussed and finalized at the October 17, 2014 Board Off-Site
- CEO's vacation begins on Wednesday, October 22 thru Friday, October 24, 2014

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION:

1. Pursuant to Government Code Sections 54957.1 and 54956.9 to discuss and make recommendations regarding disability applications:
 - A) Discussion and possible motion regarding application for **1.** Service Connected Disability Retirement, **2.** Non-Service Connected Disability Retirement, **AND 3.** Request for an Earlier Effective Date for:

Shelly Robinson

- B) Conference with Legal Counsel-Existing Litigation: The Board will convene into Closed Session pursuant to Government Code §54956.9(a) to confer with legal counsel regarding pending litigation in matter of:
- 1) *Walker v. Brown*, Case No.: U.S. District Court, Northern District of California, Case No.: C13-4261 JCS
- C) Pursuant to Government Code Section 54957 to discuss:
- 1) Personnel Chief Executive Officer Performance Evaluation Process Update.
- D) Pursuant to Government Code Section 54956.9(b) Conference with Legal Counsel – Anticipated Litigation (one case).

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

The Board reconvened into Open Session and announced the following:

14-138

It was moved by Liz Koppenhaver and seconded by George Wood that the Board 1) adopt the Hearing Officer’s recommendation to deny Shelly Robinson a Service Connected Disability benefit; 2) adopt the Hearing Officer’s recommendation to deny Shelly Robinson a Non-Service Connected Disability benefit; and 3) adopt the Hearing Officer’s recommendation to deny Shelly Robinson an Earlier Effective Date. The motion carried 6 yes, 0 no, and 0 abstention (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, Wood*).

No other action was taken.

TRUSTEE/PUBLIC INPUT

Ms. Koppenhaver announced that the ACERA Health Fair will be at the Airport Hilton, Oakland, California, on Friday, October 31, 2014 from 9 a.m. to 2 p.m.

Annette Cain-Darnes, Board Chair, explained that due to the implementation of the new guidelines under the Public Employees’ Pension Reform Act, ACERA may establish a Participating Employers Audit Plan. Under the Plan, ACERA will conduct audits of its employers’ processes regarding payment of compensation, collection of contributions, and other matters described in GC 31543.

Liz Koppenhaver, Board Trustee, thanked Staff for their participation and attendance at the October 13, 2014 REAC Luncheon.

ADJOURNMENT

The meeting adjourned at 2:43 p.m.

Respectfully Submitted,



Vincent P. Brown
Chief Executive Officer

11/20/14

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

AARON, Wanda M.
Effective: 7/11/2014
Social Services Agency

GORDON, Scarlet R.
Effective: 7/10/2014
Social Services Agency - DEF

ASKAR, Inam T.
Effective: 6/27/2014
Environmental Health

GUTIERREZ, Rosemary
Effective: 3/29/2014
Health Care Services Agency

BARDALES, Javier H.
Effective: 6/28/2014
Public Health - DEF

HILL, Arthur W.
Effective: 7/4/2014
Probation

BERGENDAHL, Lavoy J. H.
Effective: 3/29/2014
Social Services Agency

HUTCHINSON, Devra J.
Effective: 7/4/2014
Public Health

BRASIL, Cheryl F.
Effective: 3/4/2014
District Attorney - DEF

MACH, Judith L.
Effective: 5/20/2014
Community Development Agency

CHILDRESS, Lisa A.
Effective: 4/1/2014
Social Services Agency

MARTENS, Kathleen
Effective: 3/15/2014
Alameda Health System

DICKSON, David
Effective: 3/29/2014
Sheriff's Office

MAYBLUM, Dawn M.
Effective: 5/31/2014
Social Services Agency

FORD, Susan D.
Effective: 3/28/2014
Behavioral Health Care Services

NEVAREZ, Bertha
Effective: 3/13/2014
Alameda Health System

FOSTER, Charles J.
Effective: 6/21/2014
Sheriff's Office

ORWIG, Gail L.
Effective: 7/6/2014
Library

GEREAUX, Edelwina L.
Effective: 6/17/2014
Public Health

PEDERSEN, Peter H.
Effective: 10/13/2012
General Services Agency

GOODMAN, Stephen P.
Effective: 7/1/2014
LARPD - DEF

PEREZ, John
Effective: 7/19/2014
Information Technology Department

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

PEREZ, Olga
Effective: 5/11/2014
General Services Agency

RUIZ, Diane L.
Effective: 7/5/2014
Child Support Services

SANTOS, Eduardo D.
Effective: 8/31/2013
Sheriff's Office

TAN, Harris
Effective: 1/11/2014
Alameda Health System

WAUGH, Alan J.
Effective: 8/2/2014
Probation

WEINSTEIN, Phillip
Effective: 6/21/2014
Sheriff's Office

WESLEY, Mary A.
Effective: 3/11/2014
Alameda Health System - DEF

WILSON, Godfrey L.
Effective: 3/29/2014
Health Care Services Agency

YOUNG, Barbara C.
Effective: 12/17/2013
Superior Court - DEF

APPENDIX D
LIST OF DECEASED MEMBERS

Ball, Charles W.
9/19/2014
Sheriff's Office

Nastari, Eda V.
9/14/2014
Survivor of Michael A. Nastari

Connors, Mary A.
9/3/2014
Alameda Health System

Taylor, Charles A.
9/7/2014
Social Services Agency

Considine, Dorothy
8/2/2014
Survivor of Daniel J. Considine

Thiry, Sheila M.
7/25/2014
Alameda Health System

Elliott, George
8/30/2014
Housing Authority

Towne, Helen P.
9/19/2014
Social Services Agency

Hawkins, Beatrice
9/13/2014
Alameda Health System

Walker, Linda C.
7/30/2014
Superior Court

Jagroop, Patrick
9/12/2014
Alameda Health System

Lozano, Regalado A.
8/30/2014
Survivor of Florinia B. Lozano

Mc Cormick, George T.
8/15/2014
Social Services Agency

Mitchell, Lila R.
9/20/2014
Alameda Health System

Monette, Billie J.
9/1/2014
Survivor of Earl P. Monette

Nastari, Eda V.
9/14/2014
Alameda Health System

**APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT**

Name: **Batiste-Beaty, Lynda**
Type of Claim: Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to deny Ms. Batiste-Beaty a service connected disability.

Name: **Taylor-Owens, Janice**
Type of Claim: Service Connected

Staff's Recommendation:

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