



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

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

<sup>1</sup> Alternate Retired Member (Votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Elected Safety Member and an Elected General member, are absent.

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

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

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

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

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. PUBLIC COMMENT:**

**4. CONSENT CALENDAR:**

**A. APPLICATION FOR SERVICE RETIREMENT:**

*Appendix A*

**B. APPLICATION FOR RETIREMENT, DEFERRED:**

*Appendix B*

*Appendix B-1*

**C. APPLICATION FOR DEFERRED TRANSFER:**

*Appendix C*

**D. LIST OF DECEASED MEMBERS:**

*Appendix D*

**E. REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:**

*Appendix E*

**F. APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:**

*Appendix F*

**G. APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS:**

*Appendix G*

**H. APPROVAL OF COMMITTEE and BOARD MINUTES:**

*September 19, 2019 Minutes of the Regular Board Meeting*

*October 2, 2019 Operations Committee Meeting*

*October 2, 2019 Retirees Committee Meeting*

*October 9, 2019 Investment Committee Meeting*

*October 9, 2019 Minutes of the Special Board Meeting*

**I. MISCELLANEOUS MATTERS:**

*2<sup>nd</sup> Quarter 2019 Call Center Report*

*Approve the assignment of ACERA's Non-U.S. Large Cap Growth Investment Management Agreement from Capital Guardian Trust Company to Capital International, Inc.*

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

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

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

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

None.

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

**A. Operations:**

1. Summary of the October 2, 2019 Meeting.

**B. Retirees:**

1. Summary of the October 2, 2019 Meeting.
2. Motion to accept the December 31, 2018 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting.
3. Motion to affirm the *Supplemental Retiree Benefit Reserve Policy* without revisions.

**C. Investment:**

1. Summary of the October 9, 2019 Meeting.
2. Motion that the Board liquidate \$40 Million from its investment in the AQR Global Stock Selection Institutional Fund, L.P.

**7. NEW BUSINESS:**

**A.** Motion to direct ACERA's designated proxy voter how to vote for SACRS Business Meeting items (**Business Meeting Packet will be distributed under separate cover**).

**B.** Progress Report on the Internal Audit Plan.

**C.** Chief Executive Officer's Report.

**8. CONFERENCE/ORAL REPORTS:**

**9. ANNOUNCEMENTS:**

**10. BOARD INPUT:**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, November 21, 2019 at 2:00 p.m.**

**12. CLOSED SESSION:**

**A. Government Code section 54956.9(d)(1): Pending litigation, 2 matters:**

1. ACERA v. Reed, Alameda County Superior Court, No. RG 18923790
2. Rivera v. ACERA, Alameda County Superior Court, No. RG17877193

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

**C. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).**

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

**14. ADJOURNMENT:**

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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ADAMS, Susan  
Effective: 3/1/2018  
Alameda Health System

CRISOLO, Celedonia  
Effective: 8/2/2019  
Alameda Health System

BARNES, Delbert  
Effective: 7/27/2019  
Social Services Agency

CRISTOBAL, Marietta  
Effective: 8/17/2019  
Social Services Agency

BRAZIL, Patricia  
Effective: 8/23/2019  
Information Technology

DADONE, Patricia  
Effective: 8/1/2019  
Social Services Agency

CHAN, Elisa  
Effective: 7/28/2019  
Alameda Health System

DEGETTE, Richards  
Effective: 7/6/2019  
Health Care Services Agency

CHAUDARY, Prem  
Effective: 12/30/2017  
Alameda Health System

DELOSANTOS, Leticia  
Effective: 3/23/2019  
Alameda Health System

CLAYTON, Kimberley  
Effective: 8/13/2019  
Sheriff's Office

GEWALT, Kendall  
Effective: 7/13/2019  
Sheriff's Office

CONTRERAS, Alfredo  
Effective: 7/27/2019  
Alameda Health System

HEUER, Valerie  
Effective: 8/3/2019  
Alameda Health System

CLAYTON, Kimberley  
Effective: 8/13/2019  
Sheriff's Office

HUDSON, Leslie  
Effective: 8/9/2019  
General Services Agency

CONTRERAS, Alfredo  
Effective: 7/27/2019  
Alameda Health System

JACKSON, Andre  
Effective: 8/10/2019  
Probation

CORDERO, Nerissa  
Effective: 7/1/2019  
Auditor-Controller

JONES, Debra  
Effective: 7/27/2019  
Social Services Agency

CRAMER, Aubrey  
Effective: 3/3/2017  
Human Resource Services

LAUREN, Jason  
Effective: 8/19/2019  
County Counsel

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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LEONG, Dennis  
Effective: 8/29/2019  
Information Technology

MOSSET, Laurie  
Effective: 7/27/2019  
Alameda Health System

LEONG, Leland  
Effective: 8/24/2019  
Assessor

PIERCE, Ora  
Effective: 5/29/2019  
Alameda Health System

LUISTRO, Lorenzo  
Effective: 8/18/2019  
Sheriff's Office

ROGERS, Mary  
Effective: 8/10/2019  
Sheriff's Office

LYONS, Warren  
Effective: 8/8/2019  
Alameda Health System

SWIFT, Steven  
Effective: 3/30/2019  
Alameda Health System

MARTINEZ-GOMEZ, Valerie  
Effective: 7/8/2019  
Alameda Health System

TOLBERT, Victoria  
Effective: 9/17/2019  
Social Services Agency

TORRES, Ma Rhoderic  
Effective: 7/1/2019  
Superior Court

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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CHRISTOPHER, Lindsay M.  
Human Resource Services  
Effective Date: 8/9/2019

DE GUZMAN, Jessie D.  
Public Works Agency  
Effective: 8/9/2019

DEMONSANT, Erika L.  
Health Care Services Agency  
Effective: 8/2/2019

ELY, Iesha N.  
Alameda Health System  
Effective: 7/26/2019

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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HOM, Kevin M.  
Health Care Services Agency  
Effective: 8/9/2019

JENNEIAHN, Troy E.  
Sheriff's Office  
Effective: 8/24/2019

NAHM, Mary G.  
Alameda Health System  
Effective: 8/16/2019

SAECHAO, Steven C.  
Sheriff's Office  
Effective: 8/23/2019

SARRACH, Tiffancy F.  
Health Care Services Agency  
Effective: 8/1/2019

TURK, Eugenia  
Alameda Health System  
Effective: 8/9/2019

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

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BOTH, Tanya F.  
Superior Court  
Effective Date: 7/12/2019

HORRISBERGER, Christina J.  
Community Development Agency  
Effective: 8/9/2019

BUENO, Micah J.  
Information Technology  
Effective: 8/2/2019

LE, Joanne  
Alameda Health System  
Effective: 7/26/2019

DARTIS, Carla P.  
District Attorney  
Effective: 8/9/2019

LEE, Joanne S.  
Sheriff's Office  
Effective: 8/23/2019

FRAZIER, Monet G.  
Social Services Agency  
Effective: 8/9/2019

MAGLALANG YOUNG, Joy  
Health Care Services Agency  
Effective: 8/9/2019

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

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MATYGA, Marcia  
Alameda Health System  
Effective: 8/9/2019

SANDHU, Simranjeet  
Superior Court  
Effective Date: 7/8/2019

MEAGHER, Kevin R.  
Public Works Agency  
Effective: 8/1/2019

SINGH, Noor C.  
Probation  
Effective: 8/19/2019

PALMA, Robert M.  
Sheriff's Office  
Effective: 8/10/2019

SKEELE, Nicole R.  
Social Services Agency  
Effective: 8/2/2019

PINKNEY, Carolyn S.  
Alameda Health System  
Effective: 6/17/2019

SMITH, Daniel A.  
Information Technology  
Effective: 8/20/2019

REEDY, Megan J.  
County Counsel  
Effective: 8/9/2019

SULTANI, Wajma  
Alameda Health System  
Effective: 7/16/2019

REMOLADOR, Jeff L.  
Alameda Health System  
Effective: 6/27/2019

TAPIA, Michael  
Sheriff's Office  
Effective: 8/7/2019

ROBERTS, Craig A.  
Alameda Health System  
Effective: 7/1/2019

VALDIVIA FORTUNA, Maria Elena A.  
Social Services Agency  
Effective: 7/26/2019

ROSARIO, Diana A.  
Alameda Health System  
Effective: 8/16/2019

WALKER, Avis  
Superior Court  
Effective: 8/7/2019

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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BASS, Lois  
Non-Mbr Survivor of Darrell Bass  
8/15/2019

LEE, Nicole  
District Attorney  
9/1/2019

DINSON, Ann  
Non-Mbr Survivor of Fred Dinson  
9/2/2019

MEDAGLIA, Janice  
Non-Mbr Survivor of Alvin Medaglia  
9/13/2019

HANSEN, Carl  
Probation  
9/2/2019

O'DONNAN, Lorraine  
Social Services Agency  
9/12/2019

HARDIN, Irving  
Public Works Agency  
9/25/2019

RAUCH, Thomas  
Public Defender  
9/23/2019

HARRISON, Amelia  
Alameda Health System  
9/16/2019

SANTIAGO, Abelardo  
Social Services Agency  
7/23/2019

HENDRY, Louise  
Public Defender  
9/4/2019

SANTOS, Geraldine  
Probation  
9/5/2019

JUAREZ, Luis  
Health Care Services Agency  
9/1/2019

WINN, Valerie  
Non-Mbr Survivor of John Winn  
9/27/2019

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

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**Name:** Adams, Bruce  
**Type of Claim:** Non-Service Connected

Staff's Recommendation:

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

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

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**Name:** Jackson, Benita  
**Type of Claim:** Non-Service Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Jackson's application for a non-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. Jackson's ability to determine the permanency of her incapacity, to grant Ms. Jackson's request for an earlier effective date.

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**Name:** McCormick, Carl  
**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. McCormick's application for a service-connected disability. Since Mr. McCormick is over 55 years old, future annual medical examinations and questionnaires will not be required.

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

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**Name:** Ovalle, Esther  
**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. Ovalle’s application for a service-connected disability and waiving future annual medical examinations and questionnaires at this time.

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

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**Name:** Wong, Yee Ki  
**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. Wong’s application for a service-connected disability and waiving future annual medical examinations and questionnaires at this time.

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**APPENDIX G**  
**APPLICATION FOR DISABILITY RETIREMENT**  
**HEARING OFFICER RECOMMENDATIONS**

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**Name:** Torres, Norman  
**Type of Claim:** Service-Connected Disability

Staff’s Recommendation:

Adopt the findings, conclusions and recommendation of the Hearing Officer in the Hearing Officer’s report to deny Mr. Torres’s application for a Service-Connected Disability Retirement, to grant Mr. Torres a Non-Service-Connected Disability Retirement, and to advance the effective date of the Non-Service-Connected Disability Retirement from the application filing date of February 17, 2017 to the one his employment records show as most consistent with the “date following the last day for which the member received regular compensation”.

No opposition to the Hearing Officer’s recommendation was received from the parties.

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**September 19, 2019**  
**Minutes of the Regular Board Meeting**  
**For approval under October 17, 2019**  
**Board “Consent Calendar”**



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

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Thursday, September 19, 2019

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

Trustees Present: Dale Amaral  
Ophelia Basgal (*Arrived During Discussion of New Business Item No. 2*)  
Keith Carson  
Tarrell Gamble  
Jaime Godfrey  
Liz Koppenhaver  
Henry Levy  
Elizabeth Rogers  
George Wood  
Darryl Walker (*Alternate*)

Trustees Excused: Nancy Reilly (*Alternate*)

Staff Present: Margo Allen, Fiscal Services Officer  
Angela Bradford, Executive Secretary  
Kathy Foster, Assistant Chief Executive Officer  
Jessica Huffman, Benefits Manager  
Harsh Jadhav, Chief of Internal Audit  
Vijay Jagar, Retirement Chief Technology Officer, ACERA  
Kathy Mount, Chief Counsel  
David Nelsen, Chief Executive Officer  
Betty Tse, Chief Investment Officer

Staff Excused: Victoria Arruda, Human Resource Officer  
Sandra Dueñas-Cuevas, Benefits Manager

**PUBLIC INPUT**

None.

**CONSENT CALENDAR  
REPORTS AND ACTION ITEMS**

**APPLICATION FOR SERVICE RETIREMENT**

*Appendix A*

**APPLICATION FOR RETIREMENT, DEFERRED**

*Appendix B  
Appendix B-1*

**APPLICATION FOR DEFERRED TRANSFER**

*Appendix C*

**LIST OF DECEASED MEMBERS**

*Appendix D*

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

*Appendix E*

**APPLICATION FOR DISABILITY RETIREMENT – NON-CONTESTED ITEMS**

*Appendix F*

**APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER  
RECOMMENDATIONS**

*Appendix G*

**APPROVAL OF BOARD and COMMITTEE MINUTES**

*August 14, 2019 Investment Committee Minutes  
August 15, 2019 Budget Committee Minutes  
August 15, 2019 Governance Committee Minutes  
August 15, 2019 Minutes of the Regular Board Meeting  
September 4, 2019 Minutes of the Special Board Meeting  
September 11, 2019 Investment Committee Minutes*

**MISCELLANEOUS MATTERS:**

*Quarterly Report on Member Underpayments and Overpayments  
Operating Expenses as of July 31, 2019*

**19-64**

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

**BE IT RESOLVED BY THIS BOARD that the Consent Calendar is approved, with the exception of the September 4, 2019 minutes of the Special Board meeting.**

19-65

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board approve the amended minutes of the September 4, 2019 Special Board meeting. The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Koppenhaver*).

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

**DISABILITIES, CURRENT AND CONTINUING RECOMMENDATIONS AND MOTIONS**

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

None.

**COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

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

***Investment:***

Elizabeth Rogers gave an oral report stating that the Investment Committee met on September 11, 2019 and was presented with, reviewed information for and/or discussed adoption of an up to \$80 million Investment in Owl Rock First Lien Fund, L.P. as part of ACERA's Private Credit Portfolio.

19-66

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board adopt an up to \$80 million Investment in Owl Rock First Lien Fund, L.P. as part of ACERA's Private Credit Portfolio, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried 8 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.

The Committee was also presented with, reviewed information for and/or discussed adoption of amendments to ACERA's Emerging Investment Manager Policy.

19-67

It was moved by Elizabeth Rogers and seconded by Jaime Godfrey that the Board adopt the amendments to ACERA's *Emerging Manager Policy*. The motion carried 8 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 0 abstentions.

There were no Information Items.

It was noted that Trustee Gamble participated at the September 11, 2019 Investment Committee meeting at a remote location.

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

**NEW BUSINESS:**

**SACRS Proxy Voting**

Chief Executive Officer (CEO) Dave Nelsen presented his September 19, 2019, memo requesting to vote ACERA's Proxy on behalf of the Board of Retirement at the upcoming SACRS Fall Conference Business Meeting. Mr. Nelsen recommended that ACERA Assistant CEO Kathy Foster and Board Trustee Liz Koppenhaver be designated as first and second alternate voting delegates, respectively, in the event he is unable to vote.

**19-68**

**It was moved by Keith Carson and seconded by Elizabeth Rogers that the Board direct Dave Nelsen Chief Executive Officer to vote ACERA's proxy on behalf of the Board of Retirement at the upcoming SACRS Fall Conference Business Meeting. The Board also designates ACERA Assistant CEO Kathy Foster as the first alternate voting delegate and designates Board Trustee Liz Koppenhaver as a second alternate voting delegate in the event Mr. Nelsen is unable to vote. The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Koppenhaver*).**

Mr. Nelsen reported that the SACRS Business Packet will be provided to the Board Trustees for review prior to the October 2019 Board meeting at which time the Board can direct CEO Dave Nelsen on how to vote on the SACRS' business items.

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

Ms. Foster presented her September 19, 2019 memo summarizing the ACERA-Sponsored Medical Plans and Premiums for Plan Year 2020, and introduced Alameda County Human Resource Division Benefits Manager Ava Lavender who presented background information, overall blended and unblended individual and family medical premium rates for Plan Year 2020. The 2020 premium rates are as follows:

- Kaiser Permanente HMO increased 2.66% (monthly premium for retiree only is \$785.44);
- UnitedHealthcare (UHC) HMO Signature Value increased 3.88% (monthly premium for retiree only is \$1,087.80);
- UnitedHealthcare (UHC) HMO Signature Value Advantage decreased -15.19% (monthly premium for retiree only is \$831.92 ); and
- Kaiser Permanente Senior Advantage (KPSA) plan increased 4.4% (monthly premium for retiree only is \$411.54).

Ms. Lavender reported that Kaiser and UHC had no plan design changes for Plan Year 2020. Ms. Lavender also provided the low-income premium subsidy amounts. Staff reported that the additional per member per month premium cost Kaiser quoted to offer the Kaiser Permanente Silver&Fit® Exercise & Health Aging Program in the KPSA plan is \$2.65 for Plan Year 2020.

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

Communications Manager, Michael Fara presented a revised draft of the Supplemental Retiree Benefit Reserve Survey reporting that the only difference from the initial survey was that Question 2 was revised to ask responders to re-rank all the different benefits, considering that the Lump Sum Death Benefit could be increased and/or the Active Death Equity Benefit could be reinstated. Mr. Fara reported that a link to the Survey will be included on post cards and distributed via U.S. First Class Mail, with ACERA's Open Enrollment Packet and via email blast.

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

Mr. Nelsen presented his September 19, 2019, written CEO Report which provided an update on the following items: **1)** Senior Manager Recruitment, which included notice of recruitment for a new Chief Counsel. Mr. Nelsen reported he will be using an external Search Firm for the recruitment; **2)** Committee/Board Action Items; **3)** Conference/Event Schedule; **4)** Other Items: Mr. Nelsen reported that Staff is finalizing the speakers and the topics for the November 1, 2019 Board Off-Site; and **5)** Key Performance Indicators.

Mr. Nelsen reported that California Governor Gavin Newsome signed Assembly Bill (AB) 5 into law today, which codifies the California Supreme Court's decision in the *Dynamex* case and simplifies and clarifies California's independent contractor rules. Reed Smith LLC Attorney Harvey Leiderman will present more detailed information on this topic at the SACRS Fall Conference.

**CONFERENCE/ORAL REPORTS**

Trustees Ophelia Basgal, Henry Levy and Elizabeth Rogers attended the Nossaman Fiduciaries Forum and that the *Alameda County Deputy Sheriffs Association v. ACERA* case was discussed. It was noted that oral arguments in the *Alameda County Deputy Sheriffs Association v. ACERA* case could occur before the end of 2019 and the California Supreme Court could arrive at a decision by early 2020. Trustee Levy reported that he also attended the PIMCO Institute Event.

**ANNOUNCEMENTS**

None.

**BOARD INPUT**

None.

**ADJOURNMENT**

The meeting adjourned at approximately 2:34 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

10/17/19

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Date Adopted

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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BARRY, Timothy  
Effective: 7/6/2018  
LARPD

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

BELLO, Kamal  
Effective: 7/27/2019  
Assessor

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**APPENDIX B  
APPLICATION FOR DEFERRED RETIREMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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

LOCKHART, Marcus  
Alameda Health System  
8/6/2019

AGUILAR, Norma  
Alameda Health System  
8/5/2019

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

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

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

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

NELSON, Renee  
District Attorney  
8/16/2019

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

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

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

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

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

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

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

STEINBERG, Fred  
Probation  
8/5/2019

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

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

LAU, Donna  
Alameda Health System  
8/5/2019

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

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

ZIMA, Cathleen M.  
Probation  
8/20/2019

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

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**Name:** Costanzo, Angelo  
**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. Costanzo's application for a service-connected disability. Since Mr. Costanzo is over 55 years old, future annual medical examinations and questionnaires will not be required.

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**Name:** Piyamanothamkul, Jintapa  
**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. Piyamanothamkul's application for a service-connected disability, pending a determination on the earlier effective date, and waiving future annual medical examinations and questionnaires at this time.

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**Name:** Skoldqvist, Kathleen  
**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. Skoldqvist's application for a service-connected disability, and waiving future annual medical examinations and questionnaires at this time.

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**October 9, 2019**  
**Minutes of the Special Board Meeting**  
**For approval under October 17, 2019**  
**Board “Consent Calendar”**



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

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**Wednesday, October 9, 2019**

Vice Chair Elizabeth Rogers called the Special Board meeting to order at 10:17 a.m.

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

Trustees Excused: Ophelia Basgal  
Liz Koppenhaver  
Henry Levy

Staff Present: Kathy Mount, Chief Counsel  
David Nelsen, Chief Executive Officer  
Betty Tse, Chief Investment Officer  
Phil Guess, K&L Gates, ACERA's Outside Counsel  
Angela Bradford, Executive Secretary (Excused After Taking Roll Call)

**PUBLIC INPUT**

None.

**CLOSED SESSION**

- A. Conference with legal counsel - anticipated litigation (1 case) Government Code § 54956.9(d)(4).

**REPORT ON ACTION TAKEN IN CLOSED SESSION**

The Board reconvened into Open Session and Vice Chair Elizabeth Rogers announced that there was no action to report.

**ADJOURNMENT**

The meeting adjourned at approximately 10:35 a.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

10/17/19

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Date Adopted

**October 2, 2019  
Operations Committee Minutes  
For approval under October 17, 2019  
Board “Consent Calendar”**



Date: October 2, 2019  
To: Members of the Operations Committee  
From: Dale Amaral, Vice-Chair  
Subject: Summary of the October 2, 2019, Operations Committee Meeting

Operations Committee Vice-Chair Dale Amaral called the October 2, 2019, Operations Committee Meeting to order at 9:34 a.m. Committee members present were Dale Amaral, Vice-Chair; Tarrell Gamble; and Jaime Godfrey. Other Board members present were Keith Carson; Elizabeth Rogers; George Wood and Alternate Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Sandra Duenas, Benefits Manager; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Vijay Jagar, Chief Technology Officer.

### **ACTION ITEMS**

None

### **INFORMATION ITEMS**

#### **1. Operating Expenses as of August 31, 2019**

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of August 31, 2019, actual expenses were \$974K under budget. Budget overage noted was Professional Fees (\$34K over budget). Budget surpluses noted were Staffing (\$469K under budget) with 9 unfilled positions, Staff Development (\$131K under budget), Office Expense (\$34K under budget), Insurance (\$71K under budget), Member Services (\$109K under budget), Systems (\$90K under budget), Depreciation (\$5K under budget), and Board of Retirement (\$99K under budget).

#### **2. Statement of Reserves**

Staff reported the Statement of Reserves for the six months ending June 30, 2019. For the six-month period ending June 30, 2019, approximately \$216.1 million of total interest was credited to all the valuation reserve accounts, including the 401(h) account, and the SRBR at rate of 2.6474%.

#### **3. 2019 Board of Retirement Elections**

Staff provided an update regarding the 2019 Board of Retirement election. The nomination period ended September 9, 2019. There were three certifications for the Third seat, and two certifications for the Seventh seat. The Eighth seat incumbent and Alternate Eighth seat incumbent representing Retirees are both unopposed.

The drawing to determine lots was held on September 11, 2019, and the names and designations will appear on the ballots in the following order:

**Third Member** to represent the General Members

1. Rhian Pierce-Jones, Advanced Certified Appraiser
2. George Wood, Incumbent
3. Vishal Thacker, Chief Investment Officer, TTC

**Seventh Member** to represent Safety Members

1. Dale Amaral, Incumbent
2. Darryl Walker, Incumbent Alternate

The public review period was held for ten calendar days ending on September 20, 2019. The ballots will be mailed on November 14, and the election period is between November 14 and December 18. The end of the election and deadline for ballots to be returned to the Registrar of Voters office is December 18 at 5:00 p.m. Election results will be announced on December 19 at the Board Meeting.

There was discussion regarding the CEO's involvement in the distribution of nomination packets. Legal staff notified the committee that the Board Elections Policy will be reviewed at the next Governance Committee Meeting.

**4. Policy Discussion for Prepayment of Contributions**

Staff introduced the Prefunding of Retirement Contributions Policy to address the situation of an employer wishing to pre-pay contributions for up to a year in advance.

Staff will be presenting the Policy at the October 24, 2019 Participating Employers Meeting for feedback, before bringing the policy back to the Operations Committee for approval.

**TRUSTEE/PUBLIC INPUT**

None

**RECOMMENDATIONS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for December 4, 2019, at 9:30 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 10:16 a.m.

**October 2, 2019  
Retirees Committee Minutes  
For approval under October 17, 2019  
Board “Consent Calendar”**



October 2, 2019

To: Members of the Retirees Committee

From: Dale Amaral, Vice Chair

**Subject: Summary of the October 2, 2019 Retirees Committee Meeting**

Committee Vice Chair Dale Amaral called the October 2, 2019 meeting to order at 10:33 a.m. Committee members present were Dale Amaral, Keith Carson, Jaime Godfrey, and Elizabeth Rogers. Also present were Tarrell Gamble, and George Wood, and alternate member Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

### **PUBLIC INPUT**

None.

### **ACTION ITEMS**

#### **1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation**

Staff and Segal Consulting, ACERA's Actuary, presented the annual Actuarial Valuation of the OPEB and non-OPEB Benefits Provided by the Supplemental Retiree Benefit Reserve, Including Sufficiency of Funds, as of December 31, 2018. Based on this valuation report, the terminal year of the "Other Post-Employment Benefits" (OPEB) is projected to be 2040, with full benefits paid through 2039 for a total of 21 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2036, with full benefits paid through 2035 for a total of 17 full years and one partial year. As Segal reported during its preliminary presentation in June, the three main factors which resulted in extending the sufficiency period by one year were: 1) there were lower than expected number of members retiring and electing health plans; 2) the 2019 Implicit Subsidy was lower than projected; and 3) excess earnings were added for the June 30, 2018 crediting period. The main reason the terminal year for the non-OPEB benefits is projected to be two years earlier than last year's projection is the high actual inflation in the Bay Area from 2017 to 2018, which increased the Supplemental COLA.

It was moved by Jaime Godfrey and seconded by Elizabeth Rogers that the Committee recommend to the Board of Retirement that it accepts the December 31, 2018 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting.

The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Rogers, Walker, Wood*), 0 no, 0 abstentions.

## **2. 529 College Savings Plan**

Staff and 1<sup>st</sup> United Credit Union provided information on a college and education savings plan, which would allow retirees to enroll in a tax-advantaged savings plan for future college costs. Trustees directed Staff and 1<sup>st</sup> United Credit Union to provide information regarding this savings plan to the Alameda County Retired Employees (ACRE) and the Retired Employees of Alameda County, Inc. (REAC) retiree associations to get their feedback before moving forward. No action was taken on this item.

## **3. Supplemental Retiree Benefit Reserve Policy Update**

Staff provided a copy of the current Supplemental Retiree Benefit Reserve (SRBR) Policy, and stated that after review of the Policy, no changes are recommended.

It was moved by Elizabeth Rogers and seconded by Jaime Godfrey that the Committee recommend to the Board of Retirement that it affirms the Supplemental Retiree Benefit Reserve Policy without revisions.

The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Rogers, Walker, Wood*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Supplemental Retiree Benefit Reserve Financial Status**

Staff presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10-year period ending June 30, 2019. The ending balance of the SRBR as of June 30, 2019 was approximately \$914.0 million. The semi-annual interest crediting as of June 30, 2019 based on the rate of 2.6474% was completed on August 27, 2019; approximately \$24.3 million in interest was credited. During that same six-month period, the net deductions from the SRBR were approximately \$29.8 million.

### **2. Changes to Medicare Plan F Eligibility and Coverage**

Staff and Segal Consulting, ACERA's Benefits Consultant, provided information regarding the changes to the eligibility and coverage to Medicare Plan F for the 2020 Plan Year. Staff will communicate the changes to retirees.

### **3. Final Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements**

Staff provided information regarding the preparations being made for Open Enrollment for Plan Year 2020. Updates were also given on Via Benefits' preparations for its Open Enrollment period and the Retiree Health and Wellness Fair.

#### **4. Miscellaneous Updates**

Staff reported on three benefit items affecting ACERA retirees. First, ACERA will be sending out its annual Medicare Part D coverage certificate by October 15<sup>th</sup>. Second, the maximum Initial Deductible for Medicare part D will increase by \$20 to \$435 for 2020. Last, regarding Via Benefits updates, Medicare Fall Newsletters were mailed starting August 26<sup>th</sup>, the Pre-65 Fall Newsletters will be mailed starting October 2<sup>nd</sup>, and Balance Reminder Statements for Health Reimbursement Account holders were mailed in waves starting late September.

#### **TRUSTEE REMARKS**

None.

#### **FUTURE DISCUSSION ITEMS**

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2020
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

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

The next meeting is scheduled for November 21, 2019 at 11:00 a.m.

#### **MEETING ADJOURNED**

The meeting adjourned at 11:21 a.m.

**October 9, 2019  
Investment Committee Minutes Will Be  
Distributed at the October 17, 2019  
Board Meeting For approval under October  
17, 2019 Board “Consent Calendar”**

**2nd Quarter 2019 Call Center Report  
For approval under October 17, 2019  
Board “Consent Calendar”**



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MEMORANDUM TO THE OPERATIONS COMMITTEE

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DATE: October 17, 2019  
TO: Members of the Board of Retirement  
FROM: Ismael Piña, Assistant Benefits Manager  
SUBJECT: **2nd Quarter 2019 Call Center Report**

Attached is the Service Level Report for the second quarter of 2019. Our service levels continue to trend upward with the team handling a total of 11,786 incoming calls. In the month of April, 96.0% of the total 2,112 calls received were answered within the service standard of 60 seconds or less. The service levels then climbed to 97% for May and June where a total of 1,714 total calls and 1,580 total calls, respectively, were answered within 60 seconds or less.

The matrix below provides the five highest call volume categories for the first half of 2019.

Q1 Highest Volume	Categories of Calls	Q2 Highest Volume	Categories of Calls
26%	Retirement related Q's	31%	Retirement related Q's
25%	Health/Dental /Vision	20%	WMS
19%	WMS	18%	Direct Deposit/Checks
15%	1099R's	18%	Health/Dental /Vision
15%	Direct Deposit/Checks	13%	Taxes

Attachment

**ACERA**

**YTD 2019 Member Services and Reception Service Level Report**

Performance Indicators	Jan. 2019	Jan. 2019	Feb. 2019	Feb. 2019	Mar. 2019	Mar. 2019	Apr. 2019	Apr. 2019	May '2019	May '2019	June '2019	June '2019
	Member	Reception	Member	Reception								
Service Level	95.0%		96.0%		97.0%		96.0%		97.0%		97.0%	
Total Number of Call Offered	1,700	543	1,388	480	1,322	542	1,692	613	1,367	493	1,128	518
ACD Agent Handled Calls	1,480	508	1,206	448	1,147	497	1,554	558	1,265	449	1,095	485
Number of Abandoned Calls	36	38	48	37	51	47	25	61	15	47	13	46
Average Hold Time Before Abandon (minutes:seconds)	1:20	0:55	1:17	0:49	1:16	1:01	1:56	0:49	1:29	0:47	1:28	0:41
Abandon Call Rate (Goal: 3% or less)	3.6%	6.1%	3.4%	6.5%	3.8%	8.1%	5.8%	8.5%	6.4%	8.5%	0.7%	6.2%
Number of Interflow Calls	188	2	135	1	125	1	117	3	87	2	25	1
Interflow Rate (Goal: 3% or less)	11.06%	0.37%	9.73%	0.21%	9.46%	0.18%	6.91%	0.49%	6.36%	0.41%	2.22%	0.19%
Average Talk Time (minutes:seconds)	3:29	3:01	2:50	3:04	3:43	3:20	3:29	3:21	2:40	2:47	5:17	1:51

	<b>2019</b>
Total Member Calls	8,597
Total Reception Calls	<u>3,189</u>
TOTAL - Both	<b>11,786</b>

**Approval of Assignment of ACERA's Non-  
U.S. Large Cap Growth Investment  
Management Agreement from Capital  
Guardian Trust Company to Capital  
International, Inc.  
For approval under October 17, 2019  
Board "Consent Calendar"**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: October 17, 2019

TO: Members of the Board of Retirement

FROM: Betty Tse, Chief Investment Officer 

SUBJECT: **Capital Group Assignment**

As a result of a July 1, 2019, merger between Capital Guardian Trust Company (“CGTC”) and Capital International, Inc. (“CIInc”), CIInc became successor-in-interest to all of CGTC’s rights, obligations and liabilities. Accordingly, CIInc has assumed all responsibilities, rights, obligations and liabilities as set forth in the Investment Management Agreement dated August 28, 2007, as amended, between Alameda County Employees’ Retirement Association (“ACERA”) and CGTC (“the Agreement.”) All provisions of the Agreement remain in full force and effect. All references in the Agreement to CGTC shall now refer to CIInc.

Section XV of the Agreement requires that the Board approve such a transfer/assignment of rights, obligations or liabilities from CGTC to CIInc.

## **NEW BUSINESS**

- 7.A. Motion to direct ACERA's designated proxy voter how to vote for SACRS Business Meeting items (*Business Meeting Packet will be distributed under separate cover*).
- 7.B. Progress Report on the Internal Audit Plan.
- 7.C. Chief Executive Officer's Report.

## **NEW BUSINESS**

- 7.A. Motion to direct ACERA's designated proxy voter how to vote for SACRS Business Meeting items (*Business Meeting Packet will be distributed under separate cover*).

## **NEW BUSINESS**

**7.B. Progress Report on the Internal Audit Plan.**



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MEMORANDUM TO THE AUDIT COMMITTEE

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**DATE:** October 17, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Harsh Jadhav, Chief of Internal Audit  
**SUBJECT:** 2019 Internal Audit Program

**Executive Summary**

The Internal Audit Department is making steady progress in the 2019 Internal Audit Program. A few of the notable internal audits that were completed and will be presented at the meeting include the 30 Year Membership Verification Audit and the Medical Part B Premium Reimbursement (MBRP) Audit. After performing an initial assessment of the Underpayment/Overpayment (Vendor Payments) Audit, we determined that risk level was low and did not warrant the audit, and therefore removed it from the Audit Plan. The Internal Audit Department has been collaborating with the PRISM Department to improve the organization’s cybersecurity defenses by designing and implementing an internal phishing simulation to test employees and educate them on popular phishing schemes. We will present a high-level synopsis of the test results and employee cybersecurity education plan.

I am also pleased to report that the Internal Audit staff has implemented the Financial Fraud Hotline and delivered several fraud training sessions to educate staff on identifying and preventing fraud in the workplace.

**Update on the Employer Audit Strategy**

Participating Employer	2014	2015	2016	2017	2018	2019
Alameda County			X			
Superior Courts of California						X
Alameda Health System				X	→	
First 5 Alameda County	X					
Housing Authority of the County of Alameda		X				
Livermore Area Recreation and Park District	X					

The Alameda Health System (AHS) Employer Audit is under ACERA management and legal review to ensure it has been reviewed for quality control before we discuss it with the employer. We are also in the process of completing the employer audit of the Superior Courts, which we expect will be completed and presented in April 2020. We want to extend our thanks to both participating employers for their cooperation.

## 2019 Audit Plan

Internal Audit Program (2019)	Service Line	Assigned	Status	Q1	Q2	Q3	Q4
Medical Part B Premium Reimbursement (MBRP) Audit	Internal Audit	Lyndon	Complete				
Underpayments/Overpayments (Vendor Payments) Audit	Internal Audit	Lyndon	Removed				
Investment Watchlist Audit	Internal Audit	Harsh	Complete				
Cybersecurity and Data Security Review	Internal Audit	Harsh	Ongoing				
30 Year Membership Verification Audit	Internal Audit	Harsh	Complete				
Employer Audit Testing/Report - Alameda Health System	Employer Audit	Caxton	Delayed				
Employer Audit Testing/Report - Superior Courts	Employer Audit	Caxton	Delayed				
2019 Annual Internal Audit Risk Assessment	Administration	Harsh	Complete				
2020 Annual Internal Audit Risk Assessment	Administration	Harsh	Started				
Actuarial Data Conversion	Administration	Lyndon	Not Started				
Implement Fraud Hotline	Special Project	Lyndon	Complete				
Data Analytics Training for Staff	Special Project	Lyndon	Removed				
Fraud Training for Staff	Special Project	Caxton/Lyndon	Complete				

## 2019 Internal Audit Program

### *Internal Audits*

#### Audit – Medical Part B Premium Reimbursement (MBRP)

The objective of this audit is to ensure the monthly medical allowance (specifically related to the Medicare Benefit Reimbursement Plan) is paid to eligible retirees.

#### Audit – Underpayment/Overpayment Audits (Vendor and Taxing Authority) - Removed

The objective of this audit is to ensure business processes are in place and effective in preventing and recovering overpayments made to healthcare vendors and government taxing authorities. The review will include a walk-through of the business processes to determine how overpayments occur, the internal controls in place to mitigate them, and the recovery process.

#### Audit – Investment Watchlist Audit

The objective of this audit is to review the Investment Department's procedures for monitoring fund managers based on the criteria listed in the General Investment Guidelines, Policies, and Procedures. Our focus will be to assess whether the internal controls were designed effectively to ensure performance decisions related to the Watchlist, Probation, and Termination status, were made in accordance with the policy and established procedures.

#### Audit – Cybersecurity Review and Data Security

The objective of this review will be to work with the PRISM Department to determine if adequate firewall, access controls, employee training, and processes for incident response, business recovery, and threat analysis are in place to ensure sensitive organizational data and member data are protected and secure.

### Audit – 30-Year Membership Verification

The objective of this audit is to verify members granted 30-Year Membership have met the requirements for contributions to stop after 30 years of service credit. The scope of work will include reciprocity, membership entry dates for both safety and general members, and membership tiers.

### ***Employer Audits***

#### Audit – PEPRA Employer Audit of Alameda Health System

The employer audit of the Alameda Health System will assess the participating employer's compliance with state laws, rules, regulations and administrative policies regarding the enrollment of members, reporting of member data, and the reporting and remittance of employer contributions in accordance with the Public Employees' Pension Reform Act of 2013.

#### Audit – PEPRA Employer Audit of Superior Courts of California

The employer audit of Superior Courts of California will assess the participating employer's compliance with state laws, rules, regulations and administrative policies regarding the enrollment of members, reporting of member data, and the reporting and remittance of employer contributions in accordance with the Public Employees' Pension Reform Act of 2013.

### ***Special Projects***

#### Data Analytics Training - Removed

Internal Audit staff plans to hold internal training sessions to educate ACERA staff on various technology tools and processes to improve the use of data analytics for business decision making.

#### Fraud Training

Internal Audit staff is developing a fraud awareness program to educate team members on anti-fraud activities that can reduce the cost of fraud within the organization. The training will cover fraud areas related to lack of segregation of duties, unauthorized use of data, operations, financial transactions, and theft.

#### Fraud Hotline

As part of their annual fraud assessment, the external auditor recommended for ACERA to implement a Financial Fraud Hotline. We are expecting the hotline to be functional by Q3 2019.

### **Summary**

We are making steady progress on the 2019 Audit Program. This year the program includes seven audits/reviews and four key initiatives. I want to acknowledge my staff for their strong effort and dedication to delivering quality work. The Internal Audit Staff will continue to do a great job partnering with management, servicing the Board of Retirement, and protecting our members.



**Alameda County Employees' Retirement Association  
Internal Audit Department**



# **Internal Audit Department 2019 Internal Audit Plan**

**October 17, 2019**

# 2019 Internal Audit Plan

Internal Audit Program (2019)	Service Line	Assigned	Status	Q1	Q2	Q3	Q4
Medical Part B Premium Reimbursement (MBRP) Audit	Internal Audit	Lyndon	Complete				
Underpayments/Overpayments (Vendor Payments) Audit	Internal Audit	Lyndon	Removed				
Investment Watchlist Audit	Internal Audit	Harsh	Complete				
Cybersecurity and Data Security Review	Internal Audit	Harsh	Ongoing				
30 Year Membership Verification Audit	Internal Audit	Harsh	Complete				
Employer Audit Testing/Report - Alameda Health System	Employer Audit	Caxton	Delayed				
Employer Audit Testing/Report - Superior Courts	Employer Audit	Caxton	Delayed				
2019 Annual Internal Audit Risk Assessment	Administration	Harsh	Complete				
2020 Annual Internal Audit Risk Assessment	Administration	Harsh	Started				
Actuarial Data Conversion	Administration	Lyndon	Not Started				
Implement Fraud Hotline	Special Project	Lyndon	Complete				
Data Analytics Training for Staff	Special Project	Lyndon	Removed				
Fraud Training for Staff	Special Project	Caxton/Lyndon	Complete				

# Questions





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MEMORANDUM TO THE AUDIT COMMITTEE

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**DATE:** October 17, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Harsh Jadhav, Chief of Internal Audit  
**SUBJECT:** 30 Year Member Benefits Audit

**EXECUTIVE SUMMARY**

Alameda County active members who have earned 30 years of ACERA service credits and whose employment start dates were prior to January 1, 2013 (for safety members) or prior to March 7, 1973 (for general members) will no longer have to pay the employee's share of contributions. Alameda County safety and general members who entered service after the above dates are not eligible for this benefit.

**AUDIT OBJECTIVE**

This audit reviewed whether members currently receiving the 30 Year Member Benefit had met the eligibility requirements.

**KEY FINDINGS AND RECOMMENDATIONS:**

1. Good News!! All general and safety members reviewed in the audit were determined to be eligible for the benefit.
2. No ineligible members were discovered to be receiving the benefit in error.



ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

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# Benefit Verification Audit – 30 Year Members' Benefit

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## Audit Year 2019

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475 14th Street, Suite 1000  
Oakland, CA 94612

(510) 628-3000

[www.acera.org](http://www.acera.org)

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## **Executive Summary**

As fiduciaries, trustees have a responsibility to protect and preserve the assets of the plan for all participants. Alameda County active members who have earned 30 years of ACERA service credits and whose employment start dates were prior to January 1, 2013 (for safety members) or prior to March 7, 1973 (for general members) will no longer have to pay the employee's share of contributions. The employee's contributions would be paid in full or in part by the employer.

Alameda County safety and general members who entered service after the above dates are not eligible for this benefit.

## **Audit Objective**

This audit reviewed whether members currently receiving the 30-year member benefit had met the eligibility requirements. In addition, we tested whether there were any other members who met the eligibility requirements but were not receiving the benefit. Also, a sample of general members who entered service shortly after March 7, 1973 were reviewed to ensure that the benefit had not been given to ineligible members.

## **Scope**

This audit focused on active Alameda County active members as of July 2019. Both safety and general members were reviewed for their service time and their start date with ACERA. Five general members and thirteen safety members are currently receiving the benefit. An additional 939 safety members may become eligible to receive the benefit in the future. We performed testing on 100% of the population currently receiving the benefit.

## **Audit Process**

The verification process was performed by filtering the active member list in ACERA's Pension Gold database system for all Alameda County general and safety members with 30 or more years of service. That list was filtered again to reflect those members whose start date preceded the end of the benefit. From that new

list, the details of their contributions for Pay Period 19-16 were reviewed to observe who paid the contributions for each employee.

**Key Findings/Recommendations**

1. Good News!! All general and safety members reviewed in the audit were determined to be eligible for the benefit.
2. No ineligible members were discovered to be receiving the benefit in error.



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MEMORANDUM TO THE AUDIT COMMITTEE

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**DATE:** October 17, 2019  
**TO:** Members of the Board of Retirement  
**FROM:** Harsh Jadhav, Chief of Internal Audit  
**SUBJECT:** MBRP Benefit Audit

**EXECUTIVE SUMMARY**

ACERA provides a reimbursement toward Medicare Part B premiums (MBRP) which are deducted from retired member's Social Security checks. The benefit is only for the member and not for spouses or other dependents. To qualify for the MBRP reimbursement, the retiree must have ten years of ACERA service or be on a Service-Connected Disability Retirement.

**AUDIT OBJECTIVE**

Provide third-party certification that the internal controls for the MBRP Benefit process were effective and working as designed.

**KEY FINDINGS AND RECOMMENDATIONS:**

1. There were duplicate benefits given to three retirees in March 2019. The issues were researched and remediated by the Benefits Department.
2. Copies of documentation for four members who are receiving the benefit could not be found in the EDMS records system. The Benefits Department is investigating the issue and will remediate accordingly.
3. There were five members who are receiving the benefit using an incorrect start date. The Benefits Department has remediated these issues.
4. There was one member who had been given the benefit but had not recorded enough service time to qualify for the benefit. The Benefits Department has remediated the issue.
5. To enhance the monitoring process, the Internal Audit Department has provided the Benefits Department with a spreadsheet to monitor and correct, if necessary, future issues that may occur. This would also aid in communicating with and training new staff.



ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

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# Benefit Verification Audit – Medicare Reimbursement Part B Benefit

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## Audit Year 2019

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475 14th Street, Suite 1000  
Oakland, CA 94612

(510) 628-3000  
[www.acera.org](http://www.acera.org)

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## **Executive Summary**

As fiduciaries, trustees have a responsibility to protect and preserve the assets of the plan for all participants. ACERA provides a reimbursement toward Medicare Part B premiums (MBRP) which are deducted from retired member's Social Security checks. The benefit is only for the member and not for spouses or other dependents. To qualify for the MBRP reimbursement, the retiree must have ten years of ACERA service or be on a Service-Connected Disability Retirement. The retiree must complete and send in an application and provide proof of enrollment in Medicare Part B. The benefit terminates with the retiree's death or the retiree's withdrawal from Part B Coverage.

## **Audit Objective**

Starting in January 2019, the Benefits Department requested that the Internal Audit Department conduct a monthly audit to provide third-party certification that the internal controls for the MBRP Benefit process were effective and working as designed.

## **Scope**

This audit focused on retirees who had recently filed an application for the MBRP reimbursement or where changes were made to their health insurance coverage in 2019. Those retirees who changed coverage were also reviewed to ensure the retiree's Part B Coverage had not lapsed. We relied on internal documentation and member records obtained through EDMS, Pension Gold, and BERT Reports. We analyzed 264 Member Records from January to August 2019.

## **Audit Process**

Internal Audit reviewed retirees who could potentially receive an MBRP reimbursement to verify the following information was on file:

- A signed and dated application for the MBRP reimbursement benefit.
- A copy of the member's Medicare card, which included the date that Medicare Part B Coverage had or would start.
- Ten or more years of service credit on file with ACERA in Pension Gold.
- The start date for the benefit was timely.

The monthly verification process performed by the Internal Audit Department would flag the names of retirees whose benefit was inconsistent with what was required using ACERA's procedures. The Benefits Department would subsequently follow-up with the member for missing documents or make any other needed remediation.

### **Key Findings/Recommendations**

1. There were duplicate benefits given to three retirees in March 2019. The issues were researched and remediated by the Benefits Department.
2. Copies of required documentation for four members who are receiving the benefit could not be found in the EDMS records system. The Benefits Department is investigating the issue and will remediate accordingly.
3. There were five members who are receiving the benefit using an incorrect start date. The Benefits Department has remediated these issues.
4. There was one member who had been given the benefit but had not recorded enough service time to qualify for the benefit. The Benefits Department has remediated the issue.
5. To enhance the monitoring process, the Internal Audit Department has provided the Benefits Department with a spreadsheet to monitor and correct, if necessary, future issues that may occur. This would also aid in communicating with and training new staff.

## **NEW BUSINESS**

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



*Office of the Chief Executive Officer  
Office of Administration*

DATE: October 17, 2019  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Chief Executive Officer's Report**

**Senior Manager Recruitment**

I coordinated with County HR to get bids from interested recruiting firms, and received six bids. I will be working with Alliance RC to recruit for this position. Their bid was competitive and they have significant experience recruiting for executive pension positions for California retirement systems. The goal is to have the new person available to start in January.

**Committee/Board Action Items**

ASSIGNED FOLLOW-UP ITEMS				
Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop a policy regarding pre-payment of contributions by employers	Dave Nelsen	May 2019	This idea was brought to the Operations Committee in October. We will present it to participating employers on 10/24..	A law passed in 2017 expanding the circumstances regarding employers pre-paying retirement contributions. ACERA should consider developing a policy regarding this option.

**Conference/Event Schedule**

The SACRS Fall Conference is scheduled from November 12 through November 15, in Monterey, California.

**Other Items**

*Board Off-Site Event:* The speakers for the November 1, 2019 Board Off-Site event have been confirmed. The Off-Site will again be at Scott's in Jack London, topics include:

1. Macro-economic outlook from Eric Van Nostrund, Blackrock;
2. Presentation on China by Douglas Eu, Allianz;
3. Presentation on the links between firm diversity and performance by David P. Daniels, Hong Kong University;
4. Presentation on a possible new actuarial standard of practice by Paul Angelo, Segal Consulting; and
5. A presentation on governance best practices by Tom Iannucci, Cortex.

**Pension Administration System Update**

The primary focus for 2019 was the creation of the requirements document to submit to LRS and our On-Base vendor, which will allow them to cost out the proposal for Board approval. Those requirements have been submitted to LRS and we are still on track to have cost estimates to submit for Board approval in December 2019.

**Key Performance Indicators**

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

Scorecard KPI	2019 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
<b>Portfolio Performance vs. Policy Benchmark</b>	<i>Annualized 10-year return will meet or exceed policy benchmark at the total fund level Through June: +.06% (10.8% benchmark v. 11.4% actual)</i>
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
<b>Actual Spent vs. Approved Budget</b>	<i>On budget or 10% below 2019 approved budget As of end of August: 9.3% under budget</i>
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
<b>Employee Engagement Survey Results</b>	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?" As of last survey (spring of 2019): 50%</i>
<b>SUPERIOR CUSTOMER SERVICE</b>	
<b>Service Excellence Survey</b>	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?" As of 3<sup>rd</sup> Quarter: 93%</i>