



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
REVISED MINUTES

Thursday, January 16, 2014

Chair Dale Amaral called the meeting to order at 2:05 p.m.

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

Trustees Excused: George Dewey
David Safer (*Alternate*)

Staff Present: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resources Officer
Vincent Brown, Chief Executive Officer
Kathy Foster, Assistant Chief Executive Officer
Harsh Jadhav, Internal Auditor
Rose Kwong, Benefits Manager
Marguerite Malloy, Associate Counsel
Martha Richardson, Executive Secretary
Betty Tse, Chief Investment Officer
Latrena Walker, Project and Information Services Manager

Chair Dale Amaral opened the meeting with the annual election of Board Officers for 2014. The nominations were held in the following order.

14-01

It was moved by Dale Amaral and seconded by Donald White to nominate George Dewey as Second Vice Chair of the Board of Retirement for 2014.

There were no further nominations. The nominations were closed.

George Dewey was elected as Second Vice Chair of the Board of Retirement by a vote of 7 (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*) yes, 0 no, and 0 abstentions.

14-02

It was moved by Dale Amaral and seconded by Annette Cain-Darnes to nominate Elizabeth Rogers as First Vice Chair of the Board of Retirement.

There were no further nominations. The nominations were closed.

Elizabeth Rogers was elected as First Vice Chair of the Board of Retirement by a vote of 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

14-03

It was moved by George Wood and seconded by Elizabeth Rogers to nominate Annette Cain-Darnes as Chair of the Board of Retirement.

There were no further nominations. The nominations were closed.

Annette Cain-Darnes was elected as Chair of the Board of Retirement by a vote of 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

14-04

The minutes of the regular meeting of December 19, 2013 were accepted on a motion by Elizabeth Rogers, seconded by George Wood and approved by a vote of 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

APPLICATION FOR SERVICE RETIREMENT

Appendix A

APPLICATION FOR RETIREMENT, DEFERRED

Appendix B

Appendix B-1

APPLICATION FOR DEFERRED TRANSFER

Appendix C

LIST OF DECEASED MEMBERS

Appendix D

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

Appendix E

APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:

Appendix F

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

Appendix G

DISABILITIES STATUS REPORT

APPROVAL OF COMMITTEE MINUTES

None

It was moved by Elizabeth Rogers, seconded by George Wood and approved by a vote of 7 yes (*Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Walker, Wood*), (*Amaral recused*), 0 no, 0 abstentions, that the following resolution is adopted:

14-05

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

Investment:

Annette Cain-Darnes noted that the Investment Committee met on January 8, 2014 at 9 a.m., and highlighted the following:

Loomis Sayles' gross return for one-year period ending 9/30/13 was 5.98%, outperforming its account benchmark (Barclays Capital Baa Credit Index) by 7.74%. Loomis Sayles has not changed its investment strategy or style, and has been in compliance with ACERA's reporting requirements.

As of 9/30/13, Loomis Sayles managed about \$253.2 million, representing about 4.0% of ACERA's total assets. A representative from Loomis Sayles discussed its investment outlook, investment strategy, portfolio characteristics and the bond market environment.

Staff offered the proposed Investment Committee Workplan for 2014 (Workplan). The committee members will forward any comments to staff and the final or

approved Workplan will be included in the February Investment Committee meeting package.

ACERA's monthly Investment Committee meeting (ICM) is regularly scheduled on the second Wednesday of each month. However, the second Wednesday in February (February 12, 2014) is a County Holiday (in observance of Lincoln's birthday). Staff proposes to postpone the February ICM to Thursday, February 13th, 2014. Staff further proposes to postpone the time to convene ACERA's monthly Investment Committee Meeting (ICM) to 9:30 am from 9:00 am, effective February 13th, 2014. The Committee concurred.

14-06

It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the January 8, 2014 Investment Committee minutes. The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Operations:

Elizabeth Rogers reported that the Operations Committee met on January 16, 2013 at 9:14 a.m., and highlighted the following:

Rose Kwong, Benefits Manager, presented a request from Alameda County to review new pay item – Broad Safety Programs Functions – Code 40X.

After staff's evaluation, it was determined since Pay Code 40X is for one member in this classification it will not be considered pensionable compensation, according to Government Code Section 7522.34 which applies to new members (PEPRA members) as of January 1, 2013. However, it will be considered compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

14-07

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board approves the non-inclusion of the newly created pay item Broad Safety Programs Functions – Code 40X in pensionable compensation for a member (PEPRA member) with an entry date on or after January 1, 2013. The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

14-08

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board approves the inclusion of the newly created pay item Broad Safety Programs Functions – Code 40X in compensation earnable for a member (legacy member) with an entry date prior to January 1, 2013. The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Margo Allen, Fiscal Services Officer, presented a request for authorization to negotiate a two-year extension of the audit contract with Williams, Adley through December 31, 2016.

14-09

It was moved by Elizabeth Rogers and seconded by Donald White that the Board approves extending the contract with Williams, Adley & Co. LLP until December 31, 2016, and that an RFP for an audit firm be issued no later than 2016. The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Carson, Rogers, White, Wood*), 0 no, and 1 abstention (*Koppenhaver*).

Margo Allen, Fiscal Services Officer, presented the proposed 2014 Operations Committee work plan. Ms. Allen stated that the demonstration of the cash management tool and policy discussion is being moved to March. Mr. Safer requested that a presentation of the fiduciary liability insurance be added to the work plan.

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of November 30, 2013 actual expenses are under budget \$1,445,779.

Margo Allen, Fiscal Services Officer, gave a report on the 2013 Board election process. After a discussion, Ms. Allen conveyed that the Registrar of Voters (ROV) suggested ACERA consider adding one week to the next election schedule in order to allow additional time for the USPS to deliver the ballots.

Victoria Arruda, Human Resources Director reported on the 4th quarter position vacancies that are approved in the 2013 budget.

Michael Fara, Communications Manager, and Vijay Jagar, PC & Network Services Analyst gave a demonstration of the redesigned website – ACERA.org. ACERA hired Digital Deployment to redesign, develop, support and host the new website. Carson Anthonisen represented Digital Deployment at the meeting. The content, navigation, and image work was completed by the Communications office, and the PRISM department managed the project. Strategic direction of the website will continue to be given by the web governance team, and designated staff will be responsible for updating the content of the new website. A soft launch of the redesigned ACERA.org begins on January 17th. A hard launch of the website is expected in 3 to 4 weeks along with marketing efforts to advertise the new website to our membership.

14-10

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the January 16, 2014 Operations Committee minutes. The motion carried 8 yes (*Amaral, Basgal, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Retirees:

Liz Koppenhaver noted that the Retirees Committee met on January 16, 2014 at 11 a.m., and highlighted the following:

Kathy Foster, Assistant Chief Executive Officer, provided a proposed 2014 Retirees Committee Work Plan highlighting the most notable changes to include: providing a presentation regarding the Health Exchange and the issuance of a Request for Proposal (RFP) for Early Retiree coverage through a Private Exchange; and reporting on the results of the RFP responses and possibly making a recommendation for Early Retiree coverage to be provided through the Health Exchange. Trustees discussed the possibility of changing the name of the Retirees Committee to include “Benefits” so the new name would be Retirees/Benefits Committee. Trustee Cain-Darnes will submit a proposal to the Governance Committee to change the name of the Committee.

Keenan & Associates, ACERA’s Benefits Consultant, provided information regarding enrollment statistics of Covered California (California Health Benefit Exchange), and additional information on the Cadillac Tax.

Keenan & Associates, ACERA’s Benefits Consultant, provided information on the components of the private and public exchanges, Covered California and companies that are providing private exchange services. Also, Kathy Foster, Assistant Chief Executive Officer, provided information on how providing coverage through the Health Exchange could impact early retirees and the timeline for the Request for Proposal process.

Rose Kwong, Benefits Manager, reported that the 2013 Form 1099-R is scheduled to be mailed to retirees the week of January 21st, prior to the IRS deadline of January 31st.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided information on a project plan with Kaiser Permanente to have current ACERA Kaiser members enroll in Medicare Part B. She also provided a cost analysis of unassigned members and possible savings by moving them into a Kaiser Senior Advantage Plan.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the Health Reimbursement Arrangement (HRA) through November 30, 2013, and provided clarification on the HRA report requested by the Trustees at the December meeting. She also reported on Extend Health’s Dallas facilities, which were impacted by the ice storm; the required annual mailings by Extend Health and Kaiser Permanente; and the agreement entered into by Kaiser Permanente and Salmon Creek Medical Center.

14-11

It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board approve the January 16, 2014 Retirees Committee minutes. The motion carried 8 yes (*Amaral, Basgal, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

NEW BUSINESS

Vince Brown, Chief Executive Officer's Report

The CEO reported on the following items:

- Senior Management Strategic Thinking Retreat
- GFOA Certificate of Achievement for Financial Reporting
- CALAPRS Administrators' Roundtable
- NCPERS Conference
- CalPERS Audit Training

PUBLIC INPUT

Pete Albert inquired about the Judge's decision regarding PEPRA and its impact on ACERA. Associate Counsel Marguerite Malloy provided a summary of the current status of the litigation, and reminded all the February 11th hearing may provide more information on the Court's decision as it relates to ACERA.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, February 20, 2014 at 2 p.m.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Conference with Legal Counsel—Existing Litigation: Government Code, Section 54956.9.

- *Walker v. Brown and ACERA*, U.S. District Court, Northern District of California, Case No. C13-4261

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

The Board reconvened into Open Session and announced the following:

The Board resolved to tender claim to the insurance company.

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Respectfully Submitted,



Vincent P. Brown
Chief Executive Officer

2/20/14

Date Adopted

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

CHAN, Samuel C.
Effective: 9/28/2013
Social Services Agency

PLOTT, Patrick V.
Effective: 9/28/2013
Social Services Agency

COURTNEY, Jeffrey A.
Effective: 12/7/2012
Sheriff's Office - DEF

RAMSUNDAR, Nagarajan
Effective: 10/29/2013
Information Technology Department -
DEF

ENNIS, Michael L.
Effective: 9/28/2013
Social Services Agency

RUTTER, Norma
Effective: 10/4/2013
Alameda Health System

FERREIRA, Dorothy L.
Effective: 11/5/2013
Sheriff's Office - DEF

SANDERS, Susan S.
Effective: 10/5/2013
Public Health

FOSTER, Keith D.
Effective: 6/1/2013
Probation

SCARBROUGH, Robert W.
Effective: 7/6/2013
General Services Agency

HARNETT, Joyce M.
Effective: 9/14/2013
Social Services Agency

SMITH, Ronda J.
Effective: 9/27/2013
Housing Authority

HAWLEY, Gloria J.
Effective: 9/28/2013
Probation

SPOTSWOOD, Marian R.
Effective: 8/15/2013
Alameda Health System

LEPE, Oscar H.
Effective: 10/14/2013
Probation - DEF

STEPHENS, Winfred L.
Effective: 10/5/2013
Probation

MC KAIG, June
Effective: 10/4/2013
DRO - DEF

OSBORNE, Steven M.
Effective: 11/1/2013
Alameda Health System - DEF

PALADINO, Shari A.
Effective: 4/1/2012
Sheriff's Office

**APPENDIX D
LIST OF DECEASED MEMBERS**

ADAMS, Helen J.
11/30/2013
Social Services Agency

KENNEDY, Mary M.
11/19/2013
Social Services Agency

AHUERO, David
12/8/2013
Survivor of Kathleen M. Ahuero

LA BRASH, Marilyn E.
10/28/2013
Social Services Agency

CARISS, Sophie L.
12/5/2013
Health Care Services Agency

LIND, Jeffery A.
12/9/2013
Sheriff's Office

CRANE, S. Joy
12/3/2013
Assessor

MOORE, Agnes K.
11/28/2013
Survivor of Harold I. Moore

DUTRA, Alice D.
11/25/2013
Survivor of Manuel M. Dutra

NICHOLSON, Irene A.
12/10/2013
Assessor

FOSTER, Keith D.
6/6/2013
Probation

NOEL, Joseph C.
12/11/2013
Alameda Health System

GREER, George W.
11/27/2013
Public Works Agency

STEGER, Naomi R.
12/14/2013
Survivor of Emil J. Steger

HAGEN, Richard O.
12/14/2013
Information Technology Department

STRONG, James E.
11/29/2013
District Attorney

HANSEN, Louis R.
11/29/2013
Sheriff's Office

SWETNAM, Clifton B.
12/14/2013
Sheriff's Office

HATOFF, Esther G.
11/19/2013
Survivor of Alexander Hatoff

**APPENDIX E
REQUEST FOR 130 BI-WEEKLY PAYMENTS TO
RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

COELHO, Ken R.
Government Code § 31641.1

CRAIG, Sylvia M.
Government Code § 31652

GONZALES, Ricardo M.
Government Code § 31641.1

PONCE, Laura Y.
Government Code § 31641.5

RANGEL, Cecilia
Government Code § 31652

RANGEL, Cecilia
Government Code § 31652

SMITH, Freddie L.
Government Code § 31652

VALENTINO, Tanya L.
Government Code § 31641.5

**APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT**

Name: Harris, David
Type of Claim: Annual Review for SCD (Granted on 9/20/2012)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report, to continue the allowance for service connected disability and to require future annual medical examinations and questionnaires at this time.

Name: Monge, Riki
Type of Claim: Service Connected

Staff's Recommendation:

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

Name: Underwood, Jeffrey
Type of Claim: Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to grant Mr. Underwood a service connected disability and to require future annual medical examinations and questionnaires at this time.