



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, January 17, 2013

Chair George Dewey called the meeting to order at 2 p.m.

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

Trustees Excused: Ophelia Basgal

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

Staff Excused: Catherine Walker, Assistant Chief Executive Officer

Chair George Dewey opened the meeting with the annual election of Board Officers for 2013.

13-01

It was moved by George Wood and seconded by Annette Cain-Darnes to elect Dale Amaral as Chair of the Board of Retirement for 2013.

There were no further nominations. The nominations were closed.

Dale Amaral was elected as Board Chair by a vote of 7 yes, 0 no, and 0 abstentions.

13-02

It was moved by Annette Cain-Darnes and seconded by Elizabeth Rogers to elect Keith Carson as First Vice Chair of the Board of Retirement.

There were no further nominations. The nominations were closed.

Keith Carson was elected as Board First Vice Chair by a vote of 7 yes, 0 no, and 0 abstentions.

13-03

It was moved by Liz Koppenhaver and seconded by George Dewey to elect Elizabeth Rogers as Second Vice Chair of the Board of Retirement.

There were no further nominations. The nominations were closed.

Elizabeth Rogers was elected as Board Second Vice Chair by a vote of 7 yes, 0 no, and 0 abstentions.

13-04

The minutes of the regular meeting of December 20, 2012 were accepted on a motion by Elizabeth Rogers, seconded by George Dewey and approved by a vote of 7 yes, 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 Liz Koppenhaver, seconded by George Dewey and approved by a vote of 7 yes, (Amaral recused), 0 no, 0 abstentions, that the following resolution is adopted:

13-05

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 December Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the January 17, 2013 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 9, 2013 at 9 a.m., and highlighted the following:

Review of ACERA's Emerging Investment Manager Policy (EM Policy) and possible motion to recommend to the Board to adopt an amended EM Policy.

13-06

It was moved by Annette Cain-Darnes and seconded by George Dewey that the Board adopt the amended EM policy. The motion carried 7 yes, 0 no, and 0 abstentions.

Information items included:

- Review and discussion of Capital Market Condition and ACERA's Portfolio Asset Allocation
- Proposed Investment Committee Workplan for 2013

13-07

It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the January 9, 2013 Investment Committee minutes. The motion carried 7 yes, 0 no, and 0 abstentions.

Operations:

Elizabeth Rogers reported that the Operations Committee met on January 17, 2013 at 10:30 a.m., and highlighted the following:

Vince Brown, CEO, presented the year-to-date operating expenses – budget vs. actual. As of November 30, 2012 actual expenses are under budget \$590.432.

Victoria Arruda, Human Resources Director, reported on the 4th quarter position vacancies that are approved in the 2012 budget.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Pursuant to Government Code §54956.9(a) the meeting adjourned at 10:38 a.m. into Closed Executive Session to confer with legal counsel regarding pending litigation in the matter of:

- 1) Lehman Brothers Holdings In, Case No. 08 Civ. 5523; and
- 2) Alameda County Employees’ Retirement Association v. BP PLC, Case No. 4:12-CV-1256

RETURN TO OPEN SESSION

The Committee reconvened into open session at 10:55 a.m. and reported that no action was taken.

13-08

It was moved by Elizabeth Rogers and seconded by George Dewey that the Board approve the January 17, 2013 Operations Committee minutes. The motion carried 7 yes, 0 no, and 0 abstentions.

Retirees:

Liz Koppenhaver noted that the Retirees Committee met on January 17, 2013 at 11 a.m., and highlighted the following:

Kathy Foster, Assistant Chief Executive Officer, presented information on how reciprocity impacts eligibility for Supplemental Retiree Benefit Reserve (SRBR) benefits. The Trustees directed Staff to provide additional information regarding retirees with reciprocity. Staff will report on a timeline to complete the review at the February Retirees Committee meeting. The Trustees also requested Staff to place the years of service topic on the February meeting agenda for discussion.

Kathy Foster, Assistant Chief Executive Officer, provided a proposed 2013 Retirees Committee Work Plan highlighting the most notable changes to include: reviewing medical coverage and costs of plans through the California Health Exchange and determining if it is a viable option for early retirees; and working with The Segal Company to review and recommend a Funding Policy for the Supplemental Retiree Benefit Reserve (SRBR).

Keenan & Associates, ACERA's Benefits Consultant, provided information regarding the Affordable Care Act (ACA), the "Fiscal Cliff" and "Sequestration", Congressional budget deal, Covered California (California Health Benefit Exchange), and California legislation.

Kathy Foster, Assistant Chief Executive Officer, provided information on a plan available through Extend Health that will allow a separate reimbursement program for retirees with significant drug costs who go through the donut hole. Staff will continue to research options and provide additional information at the February Retirees Committee meeting.

Sharen Stanek-Lowe, Assistant Benefits Manager, presented enrollment statistics for retirees losing coverage through UnitedHealthcare and enrolling in Individual Plans through Extend Health. In addition, information regarding Extend Health's call volume for ACERA, unique plans selected, and average monthly premium were provided.

Rose Kwong, Benefits Manager, reported that the 2012 Form 1099-R is scheduled to be mailed to retirees the week of January 28th, prior to the IRS deadline of January 31st.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided information on the Open Enrollment trends and summarized the healthcare plans forms received for the six year period 2008 through 2013.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the 2nd quarter UnitedHealthcare manufacture discount, results of the annual dependent recertification, a recap of numerous healthcare mailings, and the upcoming Medicare part B certification project.

13-09

It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board approve the January 17, 2013 Retirees Committee minutes. The motion carried 7 yes, 0 no, and 0 abstentions.

NEW BUSINESS

Discussion and Possible Motion Regarding Staff's Recommendations to Board Related to Changes to Pay Codes Required by AB 197 and Administrative Appeals Process

At the December 20, 2012 Board Meeting, Staff presented several items for the Board's consideration regarding implementation of AB 197. These presentations included recommendations related to the elimination of on call, call-back and stand-by pay as pensionable pay elements. The Board requested at the December meeting that additional analysis be performed on the requirements of AB 197 and affected pay elements before it takes action to implement the new statute. Staff made a written and oral presentation addressing the Board's request at the December meeting, and again discussed its recommendation that the stand-by, on-call and call-back pay elements no longer be included as compensation earnable in conformity with AB 197. During the Board discussion, the discussion was opened to the public for comment. None was received.

13-10

George Wood moved and George Dewey seconded that for members retiring on or after January 1, 2013, and subject to any applicable court orders, payments for services rendered outside of normal working hours, such as stand-by pay, on-call pay and call-back pay, shall not be included in “compensation earnable,” as provided by sections 7522.34(c)(6) and 31461 (b)(3) and (4) of the Government Code. The motion carried 8 yes, 0 no, and 0 abstentions.

At the December 20, 2012 Board Meeting, Staff presented several items for the Board’s consideration regarding implementation of AB 197. These presentations included recommendations related to adoption and ratification of Staff’s due diligence process for evaluating and proposing changes to pay codes for current employees. The Board requested that additional analysis be performed before taking action. Staff made a written and oral presentation addressing the Board’s requests and again discussed its recommendation that the Board ratify and adopt the determinations of Staff as to the exclusion from compensation earnable certain pay codes for the County and other Participating Employers. During the Board discussion the discussion was opened to the public for comment. None was received.

13-11

Elizabeth Rogers moved and Liz Koppenhaver seconded that as to new members on or after January 1, 2013, the Board ratify and adopt the determinations of staff as to the exclusion from compensation earnable of elements of remuneration identified as pay codes for the County and other Participating Employers as shown in the Exhibit included with the minutes of the Board’s January 17, 2013 Board meeting, in compliance with sections 7522.34, 31460, 31461, 31462, 31462.1 and 31542 of the Government Code. The motion carried 8 yes, 0 no, and 0 abstentions.

The motion to ratify and adopt ACERA’s Administrative Procedures proposed by Staff was tabled to the February 21 Board meeting.

Discussion and Possible Motion Regarding Chief Executive Officer Compensation was moved to after the Closed Executive Session.

Vince Brown, Chief Executive Officer Report

The CEO reported on the following items:

- 2012 Board Offsite Survey
- Board Conference Expense Statement
- Senior Manager Training/Education
- Alameda County Leadership Executive Development Program
- CALAPRS Administrators Roundtable

CONFERENCE REPORT

Donald White reported on his attendance at the Opal Public Fund Summit held January 8-10, in Phoenix, AZ.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, February 21, 2013 at 2 p.m.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

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) DSA v. ACERA, Case No.: RG12658890

Pursuant to Government Code Section 54957 -- Public Employee Discipline/Dismissal/Release. This item was tabled and not discussed during the executive session.

Conference with Legal Counsel – Anticipated Litigation -- Significant exposure to litigation pursuant to subdivision Government Code §54956.9(b) (1 case).

RECONVENE INTO OPEN SESSION TO ANNOUNCE ANY ACTION TAKEN IN CLOSED EXECUTIVE SESSION:

Upon reconvening in open session, it came to the attention of the Board that it needed to take immediate action to finalize the performance evaluation and compensation process regarding the Chief Executive Officer (CEO) in order to comply as much as possible with the Board's written policies. The Board's Chief Executive Officer Annual Performance Evaluation Policy (Policy) which governs the annual review process states: "It is the Board's intent to complete the evaluation and compensation process by the end of December." The Board noted that the evaluation was incomplete and needed to be completed as the Policy indicates that the process should have been concluded the previous month. The Board also noted that the executive session agenda failed to notice that CEO performance evaluation would occur. The Board further acknowledged that the posted agenda had an item scheduled for public discussion of the CEO's compensation. The need to conclude the evaluation process came to light after the public agenda was posted. In order to conclude the evaluation process in executive session and permit the Board to discuss the publically agendaed compensation item, the Board voted unanimously (in excess of the required two-thirds majority required under Government Code Section 54954.2(b)(2)) that there was a need to adjourn into executive session and take immediate action to conclude the CEO performance evaluation.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Pursuant to Government Code Sections 54957 and 54954.2(b)(2) to discuss and finalize:
Chief Executive Officer Performance Evaluation

RECONVENE INTO OPEN SESSION TO ANNOUNCE ANY ACTION TAKEN IN CLOSED EXECUTIVE SESSION:

The Board reconvened into Open Session and announced the following:

The Board met with Counsel and discussed the identified litigation matter. There was no reportable action taken.

The Board consulted with Counsel regarding a potential litigation matter and took no action.

The Board concluded its annual CEO performance evaluation and took no action.

After reporting the events of the executive sessions, the Board discussed proposals regarding the CEO's compensation. Upon conclusion of the Board's discussion:

13-12

It was moved by Annette Cain-Darnes and seconded by Donald White that Vincent P. Brown, Chief Executive Officer, ACERA, receive a 7% increase to his salary effective January 1, 2013. The motion carried 5 yes (Amaral, Cain-Darnes, Dewey, White, Wood) 3 noes (Carson, Koppenhaver, Rogers), and 0 abstentions.

ADJOURNMENT

The meeting adjourned at 3:50 p.m.

Respectfully Submitted,

Vincent P. Brown
Chief Executive Officer

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

ABEL, Helen R
Effective: 9/1/2012
Behavioral Health Care Services

CUSHING, Barbara A.
Effective: 9/7/2012
Superior Court - DEF

BELLAS, Diana A.
Effective: 3/31/2012
Public Defender

DEVORE-FARRUGIA, Diane
Effective: 10/13/2012
Social Services Agency

BERMUDEZ, Edwin S.
Effective: 10/16/2012
Social Services Agency

GEISER, Elizabeth R.
Effective: 8/18/2012
Social Services Agency

BLYTHE, Willie J.
Effective: 9/29/2012
DRO - DEF

GETMANSKIY, Vladislav V.
Effective: 11/1/2012
Alameda County Medical Center

CAMARISTA, Lori J.
Effective: 11/20/2012
Probation -DEF

GONZALES, Cherry A.
Effective: 9/29/2012
Superior Court

CHAN, Franklin J.
Effective: 9/1/2012
Community Development Agency

GUESS, Brenda L.
Effective: 9/15/2012
Treasurer - Tax Collector

CHAN, Joseph
Effective: 8/18/2012
District Attorney

JIMENEZ, Ana M.
Effective: 8/20/2012
Alameda County Medical Center

DUCANES, Arturo M.
Effective: 10/27/2012
Social Services Agency

JOHNSON-CANNON, Deborah A.
Effective: 7/7/2012
Superior Court

EDWARDS, Janet A.
Effective: 9/5/2012
Sheriff's Office

JONES, Sandra J.
Effective: 10/25/2012
Social Services Agency - DEF

FOSTER, Mark R.
Effective: 10/27/2012
Sheriff's Office

LUNDBERG, Leonard S.
Effective: 9/1/2012
Social Services Agency

GANDSEY, Thomas C.
Effective: 10/13/2012
Sheriff's Office

MAAS, Wayne
Effective: 10/5/2012
DRO - DEF

CURRY, Golenia
Effective: 9/1/2012
Alameda County Medical Center

MAC NEIL, Rory N.
Effective: 9/29/2012
Public Works Agency

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

MANDEL, Susan L.
Effective: 8/13/2012
Behavioral Health Care Services - DEF

SAKAHARA, Teresa T.
Effective: 10/13/2012
Treasurer - Tax Collector

MONGE, Riki J.
Effective: 9/29/2012
District Attorney

SHERIDAN, Gary M.
Effective: 9/30/2012
General Services Agency - DEF

MOSMILLER, Thomas E.
Effective: 9/29/2012
Public Health

STARK, Diane
Effective: 7/10/2012
Community Development Agency - DEF

PATEL, Jagdish
Effective: 10/13/2012
District Attorney

STAROSCIAK, Allan
Effective: 10/13/2012
Sheriff's Office

PONTIFLET, Ruth
Effective: 9/15/2012
Social Services Agency

THOMAS, Marye L.
Effective: 10/27/2012
Behavioral Health Care Services

QUINN, Richard C.
Effective: 9/1/2012
Sheriff's Office

THOMSON, John P.
Effective: 10/27/2012
Assessor

RALPH, Catharine J.
Effective: 7/4/2012
Social Services Agency - DEF

THORNE, Rosemarie A.
Effective: 3/31/2007
Social Services Agency

RAMOS, Remigia S.
Effective: 11/10/2012
Social Services Agency

TOCCI, Kathleen M.
Effective: 9/20/2012
Child Support Services - DEF

REITAN, JoAnn C.
Effective: 10/3/2012
Probation

TURNQUIST, Mark A.
Effective: 9/15/2012
Sheriff's Office

RIVERA, Mariana
Effective: 8/24/2012
Alameda County Medical Center

WADE, Lisa B.
Effective: 12/9/2012
First 5 Alameda County - DEF

ROBERSON-OWENS, Maria E.
Effective: 9/1/2012
Alameda County Medical Center

WICHNER, Helene I.
Effective: 11/3/2012
Public Defender

**APPENDIX D
LIST OF DECEASED MEMBERS**

ASHWORTH, Daniel
10/4/2012
Alameda County Medical Center

GILLIE, Martha
9/29/2012
Public Health

BAKER, Annie
9/30/2012
Social Services Agency

HAWKINS, Floyd
11/26/2012
Probation

BAKER, Shirley J.
12/8/2012
Superior Court

HILL, Clara
12/3/2012
Health Care Services Agency

BAKKO, Evelyn
11/24/2012
Survivor of Orville Bakko

KENT, Kay
11/15/2012
Survivor of William Kent

BOYD, Maureen
12/24/2012
ACERA

KING, Thomas
9/19/2012
Probation

BOYD, Maureen
12/24/2012
Survivor of Milford O. Boyd

MENGISTU, Maaza
11/2/2012
Sheriff's Office

BULLUCK, Jacqueline
11/19/2012
Alameda County Medical Center

POCHE, Sharon
12/17/2012
Social Services Agency

CAMERON, Winifred
12/15/2012
Health Care Services Agency

ROBINSON, Kenneth
12/3/2012
Community Development

EVANS, Fayrene
12/8/2012
Alameda County Medical Center

SANDOVAL, Delfino
12/3/2012
General Services Agency

GIBSON, Helen
12/14/2012
Survivor of Donald Forbis

WHITE, Jeanette
11/22/2012
Alameda County Medical Center

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Furtado, Charlene**
Type of Claim: Annual Review for SCD (Granted on 9/15/2011)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report, to continue the allowance for service connected disability and to not require future annual medical examinations and questionnaires at this time.

Name: **Dessasau, Loretta**
Type of Claim: Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to grant Ms. Dessasau a service connected disability and to not require future annual medical examinations at this time.