



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, September 20, 2012

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

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

Trustees Excused: Donald White

Staff Present: Victoria Arruda, Human Resources Officer
Vincent Brown, Chief Executive Officer
Robert Gaumer, Chief Counsel
Harsh Jadhav, Internal Auditor
Martha Richardson, Executive Secretary
Betty Tse, Chief Investment Officer

Staff Excused: Kathy Foster, Assistant Chief Executive Officer
Rose Kwong, Benefits Manager
Catherine Walker, Assistant Chief Executive Officer
Latrena Walker, Project and Information Services Manager

12-88

The minutes of the regular meeting of August 16, 2012 were accepted on a motion by George Wood, seconded by Ophelia Basgal 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 Elizabeth Rogers, seconded by Liz Koppenhaver, and approved by a vote of 7 yes, (Amaral recused), 0 no, 0 abstentions, that the following resolution is adopted:

12-89

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 **September** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **September 20, 2012** Board meeting. This month's Committee reports were presented in the following order:*

Operations:

Elizabeth Rogers reported that the Operations Committee met on September 5, 2012 at 9:03 a.m., and highlighted the following:

Kathy Foster, Assistant CEO, stated that the action item regarding an appeal of ACERA's decision to deny a member's request for reciprocity between ACERA and CalPERS was removed from the agenda.

The Board requested an update on the status of Ronald Overholt's request for reciprocity. The Board would also like to review documentation from Superior Court regarding final resolution on this issue. Additional information will be presented at the October 3, 2012 Operations Committee meeting.

Robert Gaumer, Chief Counsel, presented a draft of the proposed ACERA iPad Usage Policy (Policy). Mr. Gaumer explained that if the Policy is adopted by the Board, the PRISM Department will introduce a pilot project during the fourth quarter of 2012 that allows Trustees to have access to Committee and Board materials through a web based electronic platform when using an iPad. The Trustees requested several modifications to the language of the Policy, including a name change.

The Board had additional questions regarding the policy language. Therefore, the motion to adopt the Policy was deferred to the October 3, 2012 Committee meeting.

Ann-Marie Gutierrez, Assistant Accounting Manager, presented the year-to-date operating expenses – budget vs. actual. As of July 31, 2012 actual expenses are under budget \$375,198.

Following a question from Supervisor Keith Carson, Staff agreed to review the presentation of the Trustee's Conference Expense Statement concerning which expenses go towards the \$7,500 per year allotment for business related conference expenses and which expenses are excluded.

Ms. Basgal suggested that Staff include a Q&A in a newsletter to give members an opportunity to find out how much the member understands about ACERA benefits and regulations.

Robert Gaumer, Chief Counsel, gave an oral update about the proposed California pension reform law. He informed the Committee that there will be a formal presentation at the Board meeting on September 20, 2012. Mr. Amaral asked how the pension reform law impacts the SRBR. Pat O'Connell, Alameda County Auditor-Controller requested that ACERA Staff meet with the Participating Employers to determine if the new pension reform law has any impact on the pay codes.

12-90

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the September 5, 2012 Operations Committee Minutes. The motion carried 8 yes, 0 no, and 0 abstentions.

Retirees:

Liz Koppenhaver reported that the Retirees Committee met on September 5, 2012 at 10:10 a.m., and highlighted the following:

Kathy Foster, Assistant Chief Executive Officer, provided draft revised language for the Monthly Medical Allowance (MMA) section of the Supplemental Retiree Benefit Reserve (SRBR) policy and other non-technical and clarifying changes for consideration.

12-91

It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board adopt the changes to the Supplemental Retiree Benefit Reserve (SRBR) Policy. The motion carried 7 yes, 1 no (Amaral), and 0 abstentions.

Kathy Foster provided information on the Active Death Equity Benefit (ADEB), and a recommendation to discontinue the benefit as requested by members of the Retirees Committee. The Trustees directed Staff to gather additional information in response to questions that were raised, and to provide this information for further discussion at the November or December Committee meeting.

The Segal Company, ACERA's Actuary, provided an updated preliminary report of the Supplemental Retiree Benefit Reserve (SRBR) financial status using actual 2013 benefit information, which indicates that the lifespan of the SRBR has increased to 15 full years and one partial year.

Kathy Foster provided a summary of current Supplemental Retiree Benefit Reserve (SRBR) benefit information including costs, eligibility, action taken by the Retirees Committee and the Board of Retirement over the last 12 months, and considerations for changes. The Trustees directed Staff to prepare additional information based on years of service and reciprocity, and to provide this information at the November or December Committee meeting.

Kathy Foster provided information regarding renewal rates from Kaiser Permanente and UnitedHealthcare for the plan year February 1, 2013 through January 31, 2014. In addition, Keenan & Associates, ACERA's Benefits Consultant, presented a report on renewal and analysis of Alameda County medical plan contracts for the 2013 plan year.

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a timeline of milestones for ACERA's annual Open Enrollment and Retiree Health Fair activities, and a summary of the "What's New for 2013" section of the Enrollment Guide.

Sharen Stanek-Lowe provided a timeline and information regarding the communications pieces related to the implementation of the Medicare Exchange.

Ken Moresi, REAC Board President, reminded Trustees and Staff of its fall luncheon to be held on October 8, 2012. The guest speaker will be Alex Briscoe.

12-92

It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board approve the September 5, 2012 Retirees Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.

Investment:

Annette Cain-Darnes noted that the Investment Committee met on September 12, 2012 at 9:02 a.m., and highlighted the following:

SIS presented the Asset Liability Study Results and Recommendation dated September 2012.

12-93

It was moved by Annette Cain Darnes and seconded by Keith Carson that the Board adopt the Amended 7¾% Mix Target Asset Allocation, specifically, 32% to US Equity, 27% to International Equity, 15% to Fixed Income, 6% to Real Estate, 15% to PEARLS, and 5% to Real Return Pool. The motion carried 8 yes, 0 no, and 0 abstentions.

After discussion and motion to recommend to the Board to adopt the proposed Amended Real Estate Strategic Plan, Objectives, Policies, and Procedures, the Committee requested that their comments be incorporated in the named policy before they take action.

Townsend and Staff agreed to re-schedule this item for the next Investment Committee meeting.

The Committee postponed the discussion and the motion to recommend to the Board to adopt the 2012 – 2013 Investment Plan for ACERA's Real Estate Portfolio to the next Investment Committee meeting.

The representative from Warburg Pincus LLC outlined its organization, investment philosophy, strategy, process, performance objectives, and other key characteristics. He also addressed the Committee's comments and questions.

12-94

It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Board adopt a \$50.0 million commitment to the Warburg Pincus Private Equity XI, L.P. pending completion of legal due diligence and successful contract negotiation. The motion carried 8 yes, 0 no, and 0 abstentions.

Information Items included:

- Quarterly Performance Review for the Second Quarter of 2012 – Equities, Fixed Income, and Real Return Pool
- Quarterly Performance Review for the Second Quarter of 2012 – Real Estate

12-95

It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the September 12, 2012 Investment Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.

NEW BUSINESS

Vince Brown and Robert Gaumer gave an overview of the state-wide Pension Reform enacted by the Legislature and signed by the Governor.

Robert Gaumer's memo dated September 20, 2012 to the Board summarized the impact the legislation will have on ACERA's current, new and retired members effective January 1, 2013.

Staff will conduct a series of educational workshops with employers starting in October to discuss the implementation of the new legislation. Updates regarding the legislation will be regularly posted on the ACERA website at www.acera.org.

Vince Brown, Chief Executive Officer Report

The CEO reported on his attendance at the Pension Journal Seminar on September 19 in Sacramento.

Upcoming conferences will include a SACRS Workshop on September 24 and the CALAPRS Administrators Institute, September 26-28.

CONFERENCE REPORTS

Ophelia Basgal reported on her attendance at a recent session sponsored by the Public Policy Institute of California regarding Pension Reform.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, October 18, 2012 at 2 p.m.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Pursuant to Government Code Sections 54957.1 and 54956.9 the Board convened into Closed Executive Session to discuss and make recommendations regarding disability applications:

- Timothy Bartholomew
- Ta-Tanisha Prescott

The Board convened into Closed Executive Session regarding:

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to subdivision Government Code §54956.9(b)
(1 case)

Conference with Legal Counsel – Existing Litigation:

Pursuant to Government Code §54956.9(a) to confer with legal counsel regarding pending litigation in matters of:

- 1) Macaulay v. ACERA, Case No.: RG11583736

Pursuant to Government Code Section 54957 – Public Employee
Discipline/Dismissal/Release.

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

The Board reconvened and reported following action:

12-96

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Board adopt the Hearing Officer's recommendation to deny Tony Bartholomew a Service Connected Disability Retirement and to grant a Non Service Connected Disability retirement. The motion carried 5 yes (Basgal, Cain-Darnes, Carson, Dewey and Rogers), ~~2 nos~~ 0 no, 2 recusals (Koppenhaver and Wood), and 0 abstentions.

12-97

It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board adopt the Hearing Officer's recommendation to deny Ta-Tanisha Prescott an Earlier Effective Application Filing Date. The motion carried 7 yes, 0 no, and 0 abstentions

The Board reported no action on the above-mentioned anticipated and existing litigation items.

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Respectfully Submitted,

Vincent P. Brown
Chief Executive Officer

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

ALVAREZ, Mario
Effective: 3/31/2012
Behavioral Health Care Services

FISCHER, David J.
Effective: 5/9/2012
Sheriff's Office

AMAYA, Adrienne L.
Effective: 5/11/2012
Social Services Agency

FOWLER-JONES, Deborah L.
Effective: 12/24/2011
Public Health

BAUMAN, Janice L.
Effective: 6/29/2012
Superior Court - DEF

HENDERSON, Randall J.
Effective: 6/23/2012
Sheriff's Office - DEF

BROWN, Kevin B.
Effective: 3/31/2012
Sheriff's Office

GONZALES, Antonio L.
Effective: 6/8/2012
General Services Agency

BRYAN, Michael L.
Effective: 6/10/2012
Sheriff's Office

GONZALES, Joyce H.
Effective: 6/12/2012
Superior Court

CAMPBELL, Colleen M.
Effective: 3/31/2012
Health Care Services Agency

HEDANI-MORISHITA, Barbara
Effective: 3/24/2012
General Services Agency

CARRALEZ, Karen G.
Effective: 3/10/2012
Social Services Agency

JACKSON, Rubye J.
Effective: 2/16/2012
Alameda County Medical Center

CASHEN, Penny M.
Effective: 3/30/2012
Superior Court

KELSAW, Patricia A.
Effective: 6/16/2012
Public Health - DEF

CELESTINE, Deborah L.
Effective: 3/31/2012
Social Services Agency

KESNER, Shirley A.
Effective: 6/9/2012
Social Services Agency

CLEMENTE, Vicente L.
Effective: 5/31/2012
Sheriff's Office

MARISCAL, Guadalupe
Effective: 3/31/2012
Behavioral Health Care Services

DAYBELL, Vicki A.
Effective: 3/22/2012
Superior Court

MARTINIS, Katherine J.
Effective: 5/5/2012
County Administrator

EVANS, Carl F.
Effective: 12/31/2011
Probation

MASUDA, Rosalie B.
Effective: 3/31/2012
Public Health

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

MC KEAN, Roberta L.
Effective: 3/31/2012
Behavioral Health Care Services

SANTOS, Geraldine A.
Effective: 3/31/2012
Probation

MURRAY, Mary
Effective: 7/30/2011
Social Services Agency

SINGH, Jatinder P.
Effective: 6/29/2012
Alameda County Employees' Retirement Assn.

NARDOR, Donna I.
Effective: 2/27/2012
Alameda County Medical Center

SMITH, Joseph
Effective: 2/4/2012
Sheriff's Office

RAM, Ramakrishna S.
Effective: 6/4/2012
Public Health

TOMLINSON, Cheryl R.
Effective: 1/6/2012
Alameda County Medical Center

PENDERGAST, Debra J.
Effective: 6/9/2012
District Attorney

WILLIAMS, Carol L.
Effective: 3/31/2012
Sheriff's Office

QUE, Lynn S.
Effective: 3/31/2012
Alameda County Medical Center

WOO, Hebe K.
Effective: 7/10/2010
Alameda County Medical Center

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

MORD, Steven C.
Assessor
Effective: 05/04/2012

TRAN, Tuyen X.
Sheriff's Office
Effective: 02/10/2012

**APPENDIX C
APPLICATION FOR DEFERRED TRANSFER**

DURYEA, Gary W.
Assessor
Effective: 01/08/2010

TRAN, Tuyen X.
Sheriff's Office
Effective: 02/10/2012

APPENDIX D
LIST OF DECEASED MEMBERS

CASTRO, Richard J.
8/29/2012
General Services Agency

HARRISON, Shirley M.
8/28/2012
Alameda County Medical Center

COPLAND, Mae E.
8/18/2012
District Attorney

HOLLOWAY, Vincie L.
8/14/2012
Probation

CURTI, Darlene A.
8/6/2012
Survivor of Vincent G. Curti

JOHNSON, Gerald A.
8/21/2012
Sheriff's Office

DALY, Jerome
7/22/2012
Probation

KASTEN, George W.
7/22/2012
Assessor

DU VAL, Virgil L.
8/11/2012
Survivor of Jean M. Du Val

LEWIS, Lillian I.
8/1/2012
Public Defender

EARLY, Ronald D.
8/26/2012
Alameda County Medical Center

MC CRAY, Sandra M.
7/27/2012
Housing Authority

ELDREDGE, Mary D.
8/16/2012
Social Services Agency - DEF

MORGAN, Julia L.
8/18/2012
Social Services Agency

FRENTZEL, Martha
8/9/2012
Alameda County Medical Center

RODES, Mary B.
8/13/2012
Alameda County Medical Center

GULSETH, Charles L.
7/29/2012
Public Defender

VELASQUEZ, Leodegario M.
8/3/2012
General Services Agency – DEF

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Harris, David**
Type of Claim: Service Connected

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report to grant Mr. Harris a service connected disability based on heart presumption established under Government Code §31720.5 and to require future annual medical examinations and questionnaires.