



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

Thursday, October 17, 2019

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

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

Trustees Excused: Liz Koppenhaver

Staff Present: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resource Officer
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer
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: Jessica Huffman, 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

*September 19, 2019 Minutes of the Regular Board Meeting
October 2, 2019 Retirees Committee Meeting
October 2, 2019 Operations Committee Meeting
October 9, 2019 Investment Committee Meeting
October 9, 2019 Minutes of the Special Board Meeting*

MISCELLANEOUS MATTERS:

*2nd 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.*

19-69

George Wood requested removal of the October 2, 2019 Operations Committee Minutes from the Consent Calendar. It was moved by Elizabeth Rogers seconded by George Wood to approve the remaining items on the Consent Calendar, and approved by a vote of 7 yes (Carson, Gamble, Godfrey, Levy, Reilly, 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 October 2, 2019 Operations Committee meeting minutes.

19-70

It was moved by Elizabeth Rogers and seconded by Tarrell Gamble to allow Trustees to make edits to the October 2, 2019 Operations Committee minutes for review by the Operations Committee Chair and Vice Chair; and bring back the revised October 2, 2019 Operations Committee minutes to the Board for approval on the Consent Calendar at a future Board meeting. The motion carried 8 yes (*Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 1 no (*Amaral*), and 0 abstentions.

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:

Operations:

Dale Amaral gave an oral report stating that the Operations Committee met on October 2, 2019, that there were no Action Items; however, the Committee was presented with updates on the following Information Items: **1)** Operating Expenses as of August 31, 2019; **2)** Statement of Reserves; **3)** 2019 Board or Retirement Elections; and **4)** Policy Discussion for Prepayment of Contributions. Staff will present the Policy at the October 24, 2019 Participating Employers Meeting for feedback, before bringing the Policy back to the Operations Committee for approval.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at a future Board meeting.

Retirees:

Dale Amaral gave an oral report stating that the Retirees Committee met on October 2, 2019, and that the Committee was presented with, reviewed information for and/or discussed and accepted the 2018 Supplemental Retiree Benefit Reserve Funding Report/Valuation.

19-71

It was moved by Dale Amaral and seconded by Tarrell Gamble to accept the December 31, 2018 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

Trustee Amaral reported that the Committee was presented with, reviewed information for and/or discussed information regarding the 529 College Savings Plan. Trustees directed Staff and 1st 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. The Board took no action on this item.

Trustee Amaral reported that the Committee was presented with, reviewed information for and/or discussed the *Supplemental Retiree Benefit Reserve (SRBR) Policy*, and stated that after review of the *Policy*, no changes were recommended.

19-72

It was moved by Dale Amaral and seconded by Tarrell Gamble to affirm the *Supplemental Retiree Benefit Reserve Policy* without revisions. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

The Committee reviewed, was presented with and/or discussed the following Information Items: *1) Supplemental Retiree Benefit Reserve Financial Status; 2) Changes to Medicare Plan F Eligibility and Coverage; 3) Final Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements; and 4) Miscellaneous Updates which included information regarding Medicare Part D and Via Benefits.*

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

Investment:

Elizabeth Rogers gave an oral report stating that the Investment Committee met on October 9, 2019, and that the Committee was presented with, reviewed information for and discussed liquidating \$40 million from its investment in the AQR Global Stock Selection Institutional Fund, L.P.

19-73

It was moved by Elizabeth Rogers and seconded by George Wood to liquidate \$40 million from ACERA's investment in the AQR Global Stock Selection Institutional Fund, L.P. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

There were no Information Items.

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

NEW BUSINESS:

Direction to ACERA's Designated Proxy Voter on How to Vote for SACRS Business Meeting Items

Chief Executive Officer (CEO) Dave Nelsen reminded the Board of the upcoming SACRS Fall Conference and need for the Board's authorization for Mr. Nelsen (or his designee) to vote ACERA's proxy on behalf of the Board of Retirement at the SACRS Business Meeting. The SACRS Business Meeting Packet that was distributed on October 14, 2019 contained two bills up for vote, which are:

1) SACRS Legislative Committee's Proposal for an omnibus bill that deals with a variety of changes to the California Employees' Retirement Law (CERL), from correcting statutory references to ensuring the CERL meets federal requirements for Interruptive Military Service (purchase of paternal and maternity leave, etc.); and

2) Los Angeles County Employees' Retirement Association's (LACERA) proposed bill which would remove the "...intemperate use of alcoholic liquor or drugs..." language currently under Government Code Sections 31726 and 31726.5, respectively, that limits a member's non-service connected disability retirement allowance due to "intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part. It was noted that the intemperate use of alcohol and drugs... language is outdated and because most of the use of alcohol and drugs in this day and age deals with addiction, it is now considered a medical issue.

Both the SACRS Board of Directors and the SACRS Legislative Committee voted in favor of both the SACRS and LACERA bills.

19-74

It was moved by Elizabeth Rogers and seconded by Nancy Reilly that the CEO (or his Designee) communicate to SACRS Representatives that the ACERA Board of Retirement directs the CEO (or his Designee) to vote ACERA's proxy in support of the SACRS Legislative Committee's proposed bill. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

19-75

It was moved by Elizabeth Rogers and seconded by Nancy Reilly that the CEO (or his Designee) communicate to SACRS Representatives that the ACERA Board of Retirement directs the CEO (or his Designee) to vote ACERA's proxy in support of LACERA's proposed bill. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Rogers, Wood*), 1 no (*Gamble*), and 0 abstentions.

Progress Report on the Internal Audit Plan

Chief of Internal Audit, Harsh Jadhav, presented information on the status of the internal audit plan, stating that the Internal Audit Staff completed the following audits: 1) Medical Part B Premium Reimbursement; 2) Watchlist; and 3) 30-Year Membership. The Under/Over Vendor Payment audit was removed from this year's scheduled audits. Mr. Jadhav reported that the Alameda Health System and Superior Courts audits are in process to be completed. Mr. Jadhav reported that ACERA also implemented the Financial Fraud Hotline in April 2019 and provided staff training on financial fraud during the year.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his October 17, 2019, written CEO Report which provided an update on the following items: 1) Senior Manager Recruitment; 2) Committee/Board Action Items; 3) Conference/Event Schedule; 4) Other Items, which included the names of the speakers and topics of discussion at the November 1, 2019 Board Off-Site; 5) Pension Administration System Update; and 6) Key Performance Indicators.

Mr. Nelsen reported that he is working with Alliance Resource Consulting LLC regarding the recruitment for ACERA's Chief Counsel position and stated that the notification for the recruitment is scheduled to go out next week. Mr. Nelsen also reported that he is finalizing/confirming the speakers for the November 1, 2019 Board Off-Site and that the Trustees would be receiving information from Staff with the topics, speakers, location, date and time of the Board Off-Site.

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

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).

REPORT ON ACTION TAKEN IN CLOSED SESSION

The Board reconvened into Open Session and Chair Henry Levy announced that the Board:

- A) Pursuant to Government Code section 54956.9(d)(1):
 - 1. Provided direction to Staff regarding the *ACERA v. Reed* matter.
 - 2. Took no action on the *Rivera v. ACERA* matter.
- B) Adopted an up to \$40 million investment in a Two Sigma Advisers Fund.

19-76

It was moved by Jaime Godfrey and seconded by Keith Carson that the Board adopt an up to \$40 million Investment in a Two Sigma Advisers Fund, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried by a vote of 8 yes (*Basgal, Carson, Godfrey, Levy, Rogers, Reilly, Walker, Wood*), 0 no and 0 abstentions.

- C) No action was taken regarding the Chief Executive Officer’s Public Employee Evaluation matter.

ADJOURNMENT

The meeting adjourned at approximately 4:15 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

11/21/19

Date Adopted

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

JACKSON, Andre
Effective: 8/10/2019
Probation

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

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

LAUREN, Jason
Effective: 8/19/2019
County Counsel
LEONG, Dennis
Effective: 8/29/2019
Information Technology

LEONG, Leland
Effective: 8/24/2019
Assessor

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

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

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

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

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

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

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

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

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

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**APPENDIX D
LIST OF DECEASED MEMBERS**

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

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

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.

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.

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.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

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.

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.

APPENDIX G
APPLICATION FOR DISABILITY RETIREMENT
HEARING OFFICER RECOMMENDATIONS

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.
