



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

Thursday, March 19, 2015

Chair Elizabeth Rogers called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Keith Carson
Tarrell Gamble
Liz Koppenhaver
Elizabeth Rogers
Donald White
George Wood
David Safer (Alternate)
Darryl Walker (Alternate)

Trustees Excused: Annette Cain-Darnes

Staff Present: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resources Officer
Angela Bradford, Executive Secretary
Sandra Dueñas, Benefits Manager
Joseph Fletcher, Chief Counsel
Kathy Foster, Interim Chief Executive Officer
Harsh Jadhav, Chief of Internal Audit
Betty Tse, Chief Investment Officer

Staff Excused: Latrena Walker, Project and Information Services Manager

15-29

The minutes of the regular meeting of February 15, 2015, were accepted on a motion by Donald White, seconded by George Wood, and approved by a vote of 7 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstention.

**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

It was moved by George Wood, seconded by Liz Koppenhaver, and approved by a vote of 6 yes (*Basgal, Gamble, Koppenhaver, Rogers, White, Wood*), (*Amaral recused*), 0 no, 0 abstention, that the following resolution is adopted:

15-30

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 **March** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **March 19, 2015**, Board meeting. This month's Committee reports were presented in the following order:*

Operations:

Dale Amaral reported that the Operations Committee met on March 4, 2015, at 9:35 a.m. and highlighted the following:

Trustee L. Koppenhaver recused herself from the discussion.

Kathy Foster, Interim Chief Executive Officer, briefly explained that after staff's review of member, John Payne's application and records provided, staff deemed the application incomplete as there were no medical records to support that Mr. Payne was permanently and continuously disabled as of his last day of service. She also read aloud California Government Code Section 31722 of Article 10 Disability Retirement, pointing out that the application was not filed within the parameters indicated within it. She then introduced Mr. Payne and his attorneys, Mr. Dan Maguire and Mr. Paul Cummins and invited them to present Mr. Payne's appeal.

Mr. Maguire presented Mr. Payne's case to the Operations Committee, and Mr. Payne was provided the opportunity to explain his account of the situation and events leading up to filing for a disability retirement.

Marguerite Malloy, Associate Counsel, explained that ACERA's Disability Retirement Procedures and the County Employees' Retirement Law of 1937, as amended require that *competent medical evidence* be provided in determining whether a member is eligible for disability retirement.

15-31

It was moved by Dale Amaral and seconded by Elizabeth Rogers to deny John Payne's appeal of staff's decision to reject his submittal in connection with his application for service connected disability without prejudice, due to a finding that the information does not satisfy the requirements of the ACERA's Disability Retirement Procedures, because it does not establish the member was permanently incapacitated for service as required by GC 31722. The motion carried 7 yes (*Amaral, Basgal, Gamble, Rogers, Safer, White, Wood*), (*Koppenhaver Recused*), 0 no, and 0 abstentions.

Kathy Foster, Interim Chief Executive Officer, reported that since Vincent Brown is no longer the Chief Executive Officer, staff recommends that the Interim Chief Executive Officer be given the authority to sign contracts for annual expenditures greater than \$100,000.

Additionally, since Rose Kwong, Benefits Manager, has retired, staff recommends that Sandra Dueñas-Cuevas, the provisionally appointed Benefits Manager, be given authority to sign contracts for the Benefits Department for annual expenditures up to \$50,000.

15-32

It was moved by Dale Amaral and seconded by Tarrell Gamble that the Board adopt the revised signatory authority criteria for contract execution to remain in effect until the appointment of the next Chief Executive Officer. The motion carried 7 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Kathy Foster, Interim Chief Executive Officer, presented a request from the County of Alameda to review a new pay item for Team Leader– District Attorney’s Office (DA) – Code 41C to determine whether it meets the criteria of compensation earnable and pensionable compensation.

After staff’s evaluation, it was determined that since Pay Code 41C applies to more than one (1) member in this classification, it will be considered pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 based on Government Code Section 7522.34 and compensation earnable for members (legacy members) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

15-33

It was moved by Dale Amaral and seconded by Elizabeth Rogers that the Board approve the inclusion of pay item 41C – Team Leader (DA) as compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013. The motion carried 7 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Kathy Foster, Interim Chief Executive Officer, presented a request from the County of Alameda to review new pay item – Inspections of Tracks/others – Code 41D to determine whether it meets the criteria of compensation earnable and pensionable compensation.

After staff’s evaluation, it was determined that since Pay Code 41D applies to more than one (1) member in this classification, it will be considered pensionable compensation for members (PEPRA members) with entry dates on or after January 1, 2013 based on Government Code Section 7522.34 and compensation earnable for members (legacy member) with entry dates prior to January 1, 2013 based on Government Code Section 31461.

15-34

It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board approve the inclusion of pay item 41D – Inspections of Tracks/Others as compensation earnable and pensionable compensation for members with entry dates before and on or after January 1, 2013. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Margo Allen, Fiscal Services Officer, presented the year-to-date operating expenses – budget vs. actual. As of January 31, 2015 operating expenses are \$212,202 under budget.

Kathy Foster, Interim Chief Executive Officer, reported on the results of a survey requesting feedback on considerations and concerns regarding the possible change in the regular dates and times of the committee meetings. Ms. Foster noted that the majority was to keep the current committee schedule.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

Pursuant to Government Code §54956.9(a) the meeting adjourned at 10:17 a.m. into Closed Executive Session to confer with legal counsel regarding pending litigation in the matter of:

- (1) Alameda County Employees' Retirement Association v. BP PLC, Case No. 4:12-CV-1256; and
- (2) Trustees of the Mineworkers' Pension Scheme Limited and Others v The Royal Bank of Scotland Group plc – HC12D01192

RETURN TO OPEN SESSION

The Committee reconvened into open session at 10:37 a.m. and reported that no action was taken.

15-35

It was moved by Dale Amaral and seconded by Elizabeth Rogers that the Board approve the March 4, 2015, Operations Committee minutes. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.

Retirees:

David Safer reported that the Retirees Committee met on March 4, 2015, at 10:40 a.m. and highlighted the following:

Keenan & Associates, ACERA's Benefits Consultant, provided an update on private health care exchanges, and the current capability of the seven companies previously contacted to respond to our private health care exchange request for proposal in 2014.

Kathy Foster, Interim Chief Executive Officer, reported that the majority of the Trustees who responded to the survey regarding the possibility of holding some of the Committee meetings on the same day would like to keep the meeting dates/times as they are currently scheduled.

Kathy Foster, Interim Chief Executive Officer, provided additional information on the Centers for Medicare & Medicaid Services (CMS) Star Rating discussed at the February Committee meeting, and an update on the Anthem data breach.

A retired member expressed concerns regarding the recent delays in receiving reimbursement of his prescription drug plan through AARP. Staff explained that the delays were due to a recent process change in which AARP is notifying OneExchange of members' payments received at the end of the month, instead of at the beginning of the month as was done previously. Since this new process has been in effect for a few monthly cycles, the reimbursements should now be made within a 30-day period.

Kathy Foster, Interim Chief Executive Officer, announced that Janet Waring, REAC Director, plans to focus on a number of other projects with which she has been involved; therefore, will no longer be on REAC's Board. Staff and Trustee Koppenhaver acknowledged her 16 years of service as a REAC member and expressed their appreciation for all her work and input over the years.

15-36

It was moved by Liz Koppenhaver and seconded by Dale Amaral that the Board approve the March 4, 2015, Retirees Committee minutes. The motion carried 8 yes (Amaral, Basgal, Carson Gamble, Rogers, Koppenhaver, White, Wood), 0 no, and 0 abstentions.

Investment:

George Wood reported that the Investment Committee met on March 11, 2015, at 9:37 a.m. and highlighted the following:

Interview of Three Real Estate Investment Consultants included in the Short List of Candidates for ACERA's Real Estate Investment Consultant Search and Possible Motion by the Investment Committee to Recommend one Finalist to the Board.

In January, the Board of Retirement approved a motion to select Callan Associates (Callan), Courtland Partners, Ltd. (Courtland), and The Townsend Group (Townsend) as the short-listed candidates for ACERA's Real Estate Investment Consultant Search. After the on-site due diligence conducted last month, Staff and SIS still consider Callan, Courtland and Townsend as the top three candidates and have recommended them to the Investment Committee for consideration as finalists in this Real Estate Investment Consultant Search.

The following are highlights from each of the three finalists' presentations and their responses to the Committee's questions:

Callan

The Representatives from Callan were Jim Callahan, Avery Robinson, Lauren Sertich, and Jamie Shen. The following is a summary of their presentations and responses:

- Callan is a 100% employee-owned firm with 75 current owner-employees (Callan has about 180 employees), including all members of the team proposed for ACERA. General Investment Consulting is Callan's primary focus with over 360 clients representing \$2 trillion in assets, including \$34.6 billion in real estate assets.
- Callan's structure allows it to attract and retain skilled professionals, allowing Callan the opportunity to be selective. There have been no disruptions in the real assets consulting team in the last 6 years.
- The Real Assets Group is an important division within Callan to which the firm is committed. Over time, Callan has consistently added resources to the group and will continue to do so, as needed.
- Callan stated that the real estate consulting group does not have any conflicts of interest and that its entire real estate advisory consulting business is non-discretionary. Callan does not have, and is not planning to have, a discretionary real estate consulting business.
- Callan has a collaborative culture and supports "diversity" throughout the company. Callan stated it has the resources, breadth of research capabilities, and dedicated personnel to advise ACERA.
- Callan selected Mr. Robinson because Callan thought he would be a good fit for the ACERA portfolio, since he is the open-end product research lead. Mr. Robinson has 2 full advisory service clients, which are the Marin County Employees' Retirement Association and the Illinois Municipal Retirement Fund (IMRF). Mr. Robinson worked with IMRF to grow its portfolio from \$400 million to over \$1.4 billion through returns and increases to its real estate allocation.
- Mr. Robinson would represent ACERA at the Investment Committee meetings and would be supported by Ms. Shen and/or Ms. Sertich. As leader of the Real Assets Team, Ms. Shen would provide strategy and structure, and Ms. Sertich would be responsible for reporting and performance measurement. Callan has four additional real estate professionals who would work with ACERA. Accordingly, Callan customizes its recommendations and advises its clients based on their needs.
- Education and research are important components of what is offered to clients, including research from all of Callan's consulting practices.
- Callan shared its market overview and seeks to advise clients not to make the same mistakes made in 2007 when real estate prices were overvalued.
- Callan shared its observations on ACERA's portfolio. The representatives stated that the real estate target of 6% is low in comparison to other funds, making manager selection more important. Callan suggested that going forward, the real estate cycle has about 2 more years to run, and that it would consider positioning ACERA's portfolio to invest in global areas that are lagging the U.S. as it relates to the real estate cycle, like Europe, or look to real assets, such as infrastructure, agriculture and timber.

- Callan discussed its fiduciary role, its Ethics Policies and Procedures, and its philosophy of putting client interests first. Callan would contact ACERA immediately if there was ever a breach of contract.
- Callan stated that clients have full access to all of its research and white papers; they reiterated its (1) independence, (2) experience, (3) resources, and (4) custom solutions and innovation.

Courtland

The Representatives from Courtland were Michael Humphrey, Stanley Kim, Robert Negrelli, and Jack Novatney. The following is a summary of their presentations and responses:

- Courtland is an employee-owned firm –focused exclusively on real estate investment consulting. The company is owned 100% by two individuals; Michael Humphrey owns 90% and Steve Novick owns 10% of the firm.
- Mr. Humphrey was one of three founders of Courtland in 1995 and the firm has 30 institutional clients with a total of \$50 billion of assets under advisement, \$1.5 billion of which is discretionary assets. Currently 20 - 25% of Courtland’s revenue is from discretionary clients.
- Since 2000, Courtland has recommended investment commitments to over \$70 billion in real estate investment opportunities with over 40% invested in international investments.
- Mr. Humphrey described Courtland’s experience and evolving business platform. Courtland’s Staff members will always be fiduciaries first. Courtland has 30 employees and is headquartered in Cleveland, Ohio. It has additional offices in Los Angeles, San Francisco, Seattle, New York, Philadelphia, and London.
- Mr. Humphrey explained that Courtland needs to build its platform, either through relationships (partnership) with other firms or by building relationships internally through partners. The goal is to build a presence in international locations, with a deeper presence in Europe and office locations in Asia and Latin America. Control of the company will not change. Any new investor will be a minority investor in the firm.
- Regarding succession planning, there are younger people within Courtland that have been with the firm for several years and are taking on more senior responsibilities. The succession plan is for Mr. Humphrey to back out of the “in the trenches” role and for others to step up and take on more responsibilities, but Mr. Humphrey is not planning on stepping down anytime soon.
- In reviewing ACERA’s portfolio, Courtland would like to consider international and debt investments, as well as, other real assets. Some of Courtland’s top value managers are not in ACERA’s portfolio.
- Courtland runs a model portfolio for each client. It would look at the model and ask if any of the assumptions have changed (e.g. has the average asset size changed?). Courtland provides recommendations based on each client’s needs.

- Courtland incentivizes its employees through salaries and bonuses, and is looking at ways to increase employee ownership and expand resources in the firm. Courtland has had recent turnover in the team (one analyst is leaving to go to a real estate fund), and it expects turnover to continue sporadically in the future.
- Courtland discussed its fiduciary role, its Code of Ethics policy (which must be read and signed by every employee), which requires putting client interests first. If there were ever a breach of contract, Courtland would notify ACERA immediately.
- Courtland's view of the real estate market is that it is getting frothy, that the cycle is getting long in the tooth and that investors need to be aware of that. Courtland recommended being very selective, understanding the managers that a fund is invested in, and making sure value managers are focused on income.
- Courtland thinks its fee is fair given the work it expects to perform for ACERA.

Townsend

The Representatives from Townsend were Terry Ahern, Prashant Tewari, Jennifer Young, and John Schaeffer. The following is a summary of their presentations and responses:

- Townsend has grown institutionally, offering both non-discretionary and discretionary advice services as the real estate market has become more global. It has \$160 billion in non-discretionary assets under advisement. Townsend is the largest real-estate focused consultant as measured by number of clients, number of employees (105), dedicated research capabilities, and global footprint (London-12, Hong Kong-5).
- Across its platform, Townsend works collaboratively and has a team culture, plus it has developed many specialized business operations and investment processes.
- Ms. Young spoke to Townsend's three main business practices: (1) strategic planning and asset allocation, (2) manager and fund selection, and (3) advocacy and oversight for each of its clients.
- Because of its size and large clients, Townsend is able to help negotiate significantly reduced investment fees and cited three funds that have been accretive to returns in which ACERA has invested, namely, Jamestown Premier Property Fund, MetLife Property Fund, and CIM Fund IV (Urban REIT).
- Townsend sits as a member on many Advisory Boards, and can influence terms in the underwriting process. Ms. Young provided specific examples within ACERA's portfolio and referenced how ACERA's portfolio has grown to over 1,600 individual real estate assets and is diversified by property type and geography. Townsend pointed out that ACERA's portfolio has outperformed the ODCE over the past 1, 3, and 5 years during Townsend's tenure.

- Mr. Tewari provided the Committee with insight to the Global Macro Strategy group, its macro vision, and how the group operates. As an example, coming out of the financial crisis the group suggested clients would do better with equity ownership versus debt.
- Mr. Ahern spoke to (1) Townsend’s people, (2) evolution of the asset class, and (3) insights on how Townsend operates. Townsend looks for intellectually curious people who can work collaboratively, a “‘We’, not an ‘I’” culture, and a flat management structure. Townsend places a high value on creativity, value creation, and is merit based. The real estate asset class has gone from a controlled market with little data available to investors to a global asset class in both the public and private markets. Townsend strategically and purposefully evolved with this rapid change, including expanding its practice of discretionary management. The latter has greatly increased its resources and created synergies across Townsend’s platforms. Townsend has a competitive advantage given its size and resources.
- Mr. Ahern spoke to the “potential conflicts of interest” and to the advantages to clients within both non-discretionary, as well as, discretionary relationships with Townsend. Townsend has a Code of Ethics, and a Policy Regarding Conflicts of Interest. Townsend has a formal Compliance Department and a Compliance Officer with staff to support it. If any conflict should arise, such as a violation of these policies or a breach of its consulting contract, Townsend would advise the Board of Trustees.
- Townsend, like the others, suggested that as the real estate markets mature in its cycle, ACERA may want to begin (1) increasing its allocation to real estate (6% to 10%), (2) begin to emphasize value-add opportunities while changing the Core/Value-add weightings, and (3) consider international opportunities, e.g., Europe.

At the conclusion of the three presentations, and after discussion, Mr. Donald White moved, seconded by Mr. Tarrell Gamble, to recommend Callan to the full Board as ACERA’s Real Estate Investment Consultant.

The motion *did not pass* with 3 yes (Amaral, Gamble, and White), 3 no (Koppenhaver, Rogers, and Wood), and 0 abstention.

The matter will be included as an Action Item on the March 19, 2015 Board agenda.

For the fourth quarter, ACERA’s Total Fund returned 1.4% (gross) compared to the policy index of 1.7% and, for the year 2014, returned 4.7% (gross) compared to the policy index of 6.6%. The Total Fund ranked in the 48th and 78th percentile for the quarter and year, respectively.

For the quarter, ACERA's U.S. equity, international equity, fixed income, and Real Return Pool asset classes returned 5.9%, -2.9%, 1.2%, and -9.7% (gross) compared to their benchmarks 5.2 (Russell 3000 index), -3.8% (MSCI ACWI ex USA IMI), 0.8% (75% Barclays Aggregate 10% Barclays High Yield and 15% Citigroup WGBI ex US), and 0.6% (CPI-U Core+3%), respectively. On a 12-month trailing (gross) basis, U.S. Equities returned 9.5% (80th percentile), International Equity -3.9% (62nd percentile), Fixed Income 7.6% (25th percentile), and Real Return Pool -13.5%.

As of 12/31/14, the market value of the total Fund was \$6,779,956.556.

ACERA's real estate portfolio had gross returns of 2.7% (67th percentile) for Q4 2014 and 12.4% (55th percentile) for the latest one year period compared to the NCREIF-ODCE benchmark of 3.3% and 12.5%, respectively.

As of 12/31/14, the total market value of ACERA's real estate portfolio was about \$446.8 million; approximately 6.6% of ACERA's Total Fund.

Adjournment into Closed Session pursuant to California Government Code section 54956.81

- Due Diligence Update on Lighthouse Strategic Alpha Fund, LLC --Conference with Legal Counsel, Investment Staff and SIS.

RECONVENE INTO OPEN SESSION TO REPORT ANY ACTION TAKEN IN CLOSED EXECUTIVE SESSION

The Committee reconvened into Open Session and announced that no action had been taken during closed session.

15-37

It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the March 11, 2015, Investment Committee minutes. The motion carried 8 yes (Amaral, Basgal, Carson Gamble, Rogers, Koppenhaver, White, Wood), 0 no, and 0 abstentions.

NEW BUSINESS:

Since the motion to recommend one Real Estate Consultant *did not pass* at the March 11, 2015 Investment Committee, the item was brought to the full Board for consideration. The three Real Estate Investment Consultants included in the Short List of Candidates for ACERA's Real Estate Investment Consultant Search are: **Callan, Courtland, and Townsend.**

Trustee Wood stated he spoke to Trustee Cain-Darnes wherein she expressed concern about not having an opportunity to participate in the discussions regarding the three Real Estate Consultants' presentations during the March 11, 2015 Investment Committee meeting and, for that reason, did not want to offer her opinion on the selection. Trustee Basgal also expressed concern that she has not had an opportunity to review the materials that were provided to the Investment Committee.

After an in-depth discussion, the following motions occurred:

First Motion: It was moved by George Wood and seconded by Elizabeth Rogers to select Townsend as ACERA's Real Estate Consultant. The motion *did not pass* with 2 Yes (Rogers, Wood) 5 No (Amaral, Carson, Gamble, Koppenhaver, White), 1 abstention (Basgal).

Second Motion: It was moved by George Wood and seconded by Liz Koppenhaver to select Courtland as ACERA's Real Estate Consultant. The motion *did not pass* with 3 Yes (Koppenhaver, Rogers, Wood), 4 No (Amaral, Carson, Gamble, White), 1 abstention (Basgal).

Third Motion: It was moved by George Wood and seconded by Donald White to Select Callan as ACERA's Real Estate Consultant. The motion was thought to have passed with 4 Yes (Amaral, Carson, Gamble, White), 3 No (Koppenhaver, Rogers, Wood), 1 abstention (Basgal).

Kathy Foster, Interim Chief Executive Officer's Oral Report.

The Interim CEO reported on the following items:

Kathy Foster, Interim Chief Executive Officer, thanked the Senior Managers, Assistant Benefits Managers, and Staff for all of their support during her transition. Ms. Foster reported that although it's been very challenging, Staff has been working very diligently to reorganize the Benefits Management Team, which includes the following promotions:

- Sandra Dueñas was promoted to Benefits Manager due to her vast knowledge of our Pension system, her excellent relationships with our Employers and with her peers in other Departments;
- Ish Pena was promoted to Assistant Benefits Manager, on a temporary out-of-class basis, and will be responsible for the Call Center and the new Healthcare Unit; and
- Marcia Anderson was promoted to Assistant Benefits Manager, on a temporary out-of-class basis, and will be responsible for the Membership Unit.

Victoria Arruda, Human Resource Officer, notified the County that because ACERA has received approximately 101 applications for its April 1st retirements (members who want to receive the Cost of Living Increase) ACERA will be recruiting for some of its vacant Retirement Specialists (RS) positions. However, two (2) of these positions cannot be filled at this time, because filling Assistant Benefits Manager positions using the "out of class" process means the Retirement Specialist positions those staff persons currently hold are still filled and not vacant. Once the County recruitment process for Assistant Benefits Manager positions is complete, the Retirement Specialist positions could be vacant and available for appointment of permanent staff.

The Fiscal Services Department is working diligently on the Agency wide Audit and has responded to all audit related inquiries – Staff will provide a Draft Status Report to the Board in April.

ACERA will present its SACRS slates at the April 16, 2015 Board meeting; the SACRS Nominating Committee has submitted one (1) slate and their alternates. Candidates' Statements (Nominees) will be provided to the Board.

Ashley Dunning, ACERA's Fiduciary Counsel, moved from Manatt, Phelps & Phillips, LLP to Nossaman LLP. Ms. Dunning provided an informational flyer on a Public Pension and Investment Fiduciary forum that deals with court cases on PEPPRA, Investment rights, Trans-alternative Investments and Real Asset Investing. Nossaman will be hosting this forum in September 2015.

CALPRS Training concerning Principals, Pension Management for Trustees will be held in August 2015 in Malibu, CA. Information regarding the Nossaman forum and CALAPRS Training will be provided to the Board.

Upcoming Board Election (General, Seat No. 2) this year. Staff will provide a presentation to the Board at a future date. Some of the Trustees had concerns whether the mailing time would be extended; Staff is currently reviewing that process and will bring back a time-line for the Board's reference.

TRUSTEE/PUBLIC INPUT

Kathy Foster, Interim Chief Executive Officer, introduced Mr. Paul Cummins, Mr. John Payne's attorney. Mr. Cummins, stated he (and Mr. Payne) attended today's Board meeting since Mr. Payne's appeal was dismissed **without** prejudice. Mr. Cummins informed the Board that he (and Mr. Payne) will proceed with an Independent Medical Evaluation to be presented in a new disability application.

Because Trustee Basgal abstained on the Callan motion, Legal Department Staff reviewed ACERA's "Board Operations Policy," which reads in pertinent part: "Any motion passed or business transacted at a Board or Committee meeting must be approved by a **majority of the members of the Board or Committee present**, except as otherwise provided by law...." Therefore, *the Callan motion did not pass*, because there were eight (8) members present and for a majority, five (5) members would have had to vote "Yes" for the motion to pass [See Board Operations Policy, Page 3, Section II.C.1.].

Elizabeth Rogers, Board Chair, decided to postpone the selection of ACERA's Real Estate Consultant until the April 16, 2015 Board meeting in order to give Trustees Basgal and Cain-Darnes adequate time to review the Investment Committee recordings and/or materials.

Trustee Safer reported that he attended the CALAPRS General Assembly in Monterey and that Harvey Leiderman, ACERA's Fiduciary Counsel, gave an exceptional presentation.

Steve Scheinman, REAC President, announced that Rosalie Masuta replaced Janet Waring.

Pete Albert, ACRE President, said he is pleased to hear that some vacancies in the Benefits Department were being filled and he congratulated ACERA Staff on their promotions.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, April 16, 2015, at 2 p.m.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION:

- Conference with Legal Counsel--Existing Litigation: Pursuant to Government Code, section 54956.9(a):
 - *Shu vs. ACERA*, Alameda County Superior Court Case No. RG14712906

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

The Board reconvened into Open Session and announced that no action was taken by the Board.

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Respectfully Submitted,



Kathy Foster
Interim Chief Executive Officer

4/16/15

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

AYER, Hilary E.
Effective: 9/13/2014
Public Health

GRIFFIN, Maggie
Effective: 7/11/2014
Alameda Health System

BALANZA, Clamarosa B.
Effective: 3/29/2014
Community Development Agency

HUDACK, Patrick M.
Effective: 12/6/2014
Behavioral Health Care Services

CAMOZZI, Daniel P.
Effective: 9/23/2014
Sheriff's Office

KNOWLES, James A.
Effective: 7/11/2014
Probation

CURLETT, Craig
Effective: 8/20/2014
Sheriff's Office - DEF

MENDOZA, Minerva P.
Effective: 7/11/2014
Social Services Agency

DAVIS, Gregory K.
Effective: 5/30/2014
Alameda Health System

NASH-GILL, Ethelean D.
Effective: 11/1/2014
Alameda Health System

ENRIGHT, Richard
Effective: 8/2/2014
Sheriff's Office - DEF

NGUMEZI, Ngozi
Effective: 7/11/2014
Alameda Health System

ESPINOZA, Tonia D.
Effective: 8/4/2014
Human Resource Services

PERALES, Jay
Effective: 7/11/2014
Probation

FRADES, Joseph
Effective: 8/25/2014
Sheriff's Office - DEF

PERRY, Barbara Ann
Effective: 1/22/2015
Superior Court - DEF

FRANCISCO, Virginia R.
Effective: 7/11/2014
Assessor

RICHARDSON, Martha M.
Effective: 3/29/2014
ACERA

GAYFIELD, Phyllis A.
Effective: 11/11/2014
Probation

TAVARES, Abel P.
Effective: 8/31/2013
Public Health

**APPENDIX D
LIST OF DECEASED MEMBERS**

ALBRIGHT-SCOTT, Rita
2/13/2015
Survivor of Lloyd M. Albright

MIRAFTABI, Parviz
1/22/2015
Public Works Agency

DREYER, Helen M.
2/23/2015
Survivor of Clinton Dreyer

OSIBIN, Sandra L.
1/22/2015
Alameda Health System

ELLIS, Robert E.
2/22/2015
Public Works Agency

PAVLIK, Geraldine T.
1/14/2015
Social Services Agency

HAMILTON, Retha L.
2/13/2015
Survivor of Standelen M. Hamilton

QUARLES, Nancy F.
1/24/2015
Alameda Health System

HUNTER, Lilafay
2/17/2015
Alameda Health System

STRUBEL, Helen E.
2/13/2015
Survivor of Bernard Strubel

IRELAND, John F.
1/23/2015
Probation

WARD, William C.
1/22/2015
Information Technology Department

LAWSON, Peggy A.
1/27/2015
Alameda Health System

WHITLEY, Vernis S.
11/25/2014
Mental Health Services

LAWSON, Peggy A.
1/27/2015
Survivor of James L. Lawson

WILLIAMS, Shirley O.
2/3/2015
Social Services Agency

MARTINEZ, Manuel
2/9/2015
Superior Court - DEF

MAYNE, Gwendolyn
1/31/2015
Survivor of Roland B. Mayne

MICHENER, Lynn R.
1/24/2015
Survivor of Yvonne L. Michener

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Leung, Simon
Type of Claim: Supplemental Disability Allowance
(SCD Granted on 1/15/2015)

Staff's Recommendation:

Approve the recommendation contained in the memorandum to grant Mr. Leung a supplemental disability allowance in lieu of the disability retirement allowance.

Name: Martinez, Ruben
Type of Claim: Supplemental Disability Allowance
(SCD Granted on 9/10/2014)

Staff's Recommendation:

Approve the recommendation contained in the memorandum to grant Mr. Martinez a supplemental disability allowance in lieu of the disability retirement allowance.

Name: Underwood, Jeffrey
Type of Claim: Annual Review for SCD (Granted on 2/20/2014)

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 reviews at this time.
