



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

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**Thursday, June 18, 2015**

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

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

Trustees Excused: Ophelia Basgal  
David Safer (Alternate)

Staff Present: Margo Allen, Fiscal Services 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  
Latrena Walker, Project and Information Services Manager

Staff Excused: Victoria Arruda, Human Resources Officer

**15-62**

**The minutes of the regular meeting of May 21, 2015, were accepted on a motion by Annette Cain-Darnes, seconded by George Wood, and approved by a vote of 6 yes (*Amaral, Cain-Darnes, Carson, Rogers, White, Wood*), 0 no, and 1 abstention (*Koppenhaver*).**

**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**

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**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 COMMITTEE MINUTES**

*April 16, 2015 Actuarial Committee Minutes*

*May 21, 2015 Actuarial Committee Minutes*

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

**15-63**

**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 **June** Committee meeting minutes are posted on the ACERA website ([www.acera.org](http://www.acera.org)) after approval at the **June 18, 2015**, Board meeting. This month's Committee reports were presented in the following order:*

***Governance:***

George Wood reported that the Governance Committee met on June 3, 2015, at 9:30 a.m., and highlighted the following:

The Committee reviewed Staff's June 3, 2015, memo and its recommendation regarding the *Media Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on March 21, 2013.

The Trustees discussed the proposed changes to the *Media Policy* and recommended the following revisions, in addition to accepting Staff's suggestions:

- Section II.A.: Describe ACERA as a public retirement system.
- Section III.B.: Delete "Every effort will be made..." and replace it with more direct language.
- Section III.E.: Place the last sentence "Staff is not authorized to speak on behalf of ACERA." as the first sentence in that section.
- Section III.F.: Delete "and avoid making any unilateral commitments" be stricken.
- Section III.H.: Insert that "member records are confidential to the extent permitted by the law."

**15-64**

**It was moved by George Wood and seconded by Annette Cain-Darnes to affirm the *Media Policy*, with revisions, as recommended by the Committee and Staff. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

The Committee reviewed Staff's June 3, 2015, memo and its recommendation regarding the *Conflict of Interest Code*. Staff advised the Committee that the content of the Code continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Code was last reviewed by the Board on September 19, 2013.

**15-65**

**It was moved by George Wood and seconded by Dale Amaral to affirm the *Conflict of Interest Code*, with revisions, as recommended by the Committee and Staff and that Staff forward the Code to the Alameda County Board of Supervisors for approval. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

The Committee reviewed Staff's June 3, 2015, memo and its recommendation regarding the *Conflict of Interest Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on September 19, 2013.

The Trustees discussed the proposed changes to the *Conflict of Interest Policy*. The Trustees approved Staff's recommendations and suggested the following revisions:

- Section VI. "Biennial Ethics Training": Delete the date and reference to the date as the date is old and has no bearing on the policy as it applies today.
- Section IV.D: Delete this section from the Policy as it is no longer relevant.

**15-66**

**It was moved by George Wood and seconded by Liz Koppenhaver to affirm the *Conflict of Interest Policy*, with revisions, as recommended by the Committee and Staff. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

The Committee reviewed Staff's June 3, 2015, memo and its recommendation regarding the *Board Elections Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on April 17, 2014.

**15-67**

**It was moved by George Wood and seconded by Annette Cain-Darnes to affirm the *Board Elections Policy*, with revisions, as recommended by the Committee and Staff. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

The Committee reviewed Staff's June 3, 2015, memo and its recommendation regarding the *ACERA Membership Policy*. Staff advised the Committee that the content of the Policy continues to meet the needs of ACERA and should be renewed, with revisions, as recommended by Staff. The Policy was last reviewed by the Board on December 19, 2013.

The Trustees discussed the proposed changes to the *ACERA Membership Policy*. The Committee approved Staff's suggestions and recommended additional following revisions:

- Section II.B. "Guidelines" for "First Date of Membership": Revise this section so that the requirements for entry date of membership are stated more clearly.
- Section II.I.3. Military Leave: Confirm how much leave can be purchased.

**15-68**

**It was moved by George Wood and seconded by Dale Amaral to affirm the *ACERA Membership Policy*, with revisions, as recommended by the Committee and Staff. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

**15-69**

**It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the June 3, 2015, Governance Committee minutes. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

***CEO Succession:***

George Wood reported that the CEO Succession Committee met on June 3, 2015, at 1:03 p.m., and highlighted the following:

Staff presented its March 24, 2015 Memo regarding the status of the Request for Chuck Rohre, Senior Vice President, Waters & Company Executive Recruitment presented information regarding Waters & Company's experience and strategies for a successful executive recruitment. Mr. Rohre discussed similar positions which his company has recruited: Texas Municipal Retirement System, State-Boston Retirement System, and the Los Angeles Police & Fire Retirement System. Mr. Rohre stated his company does not specialize in pension recruitments, but they have extensive experience recruiting for other high-level governmental executive positions. Mr. Rohre stated that in his opinion the most successful recruitments were those that emphasized organizational savvy, managerial style, and political acumen, rather than technical skills.

Ophelia Basgal, Vice Chair stated one of the tough issues for recruiting for this position is the cost of housing in the area. She asked Mr. Rohre how he would present this issue to potential candidates and at what part of the recruitment process would that conversation be had.

Mr. Rohre responded that he thought it best to be upfront and honest of the high cost of living, because he didn't want to bring potential candidates that would not be fully interested in the position. He also stated that, if chosen, he would discuss with the Committee what type of relocation assistance and/or housing allowance could be provided to potential candidate. It would be easier to recruit from California or another part of the country with a high cost of living.

Staff stated the standard for the County is to offer \$2500 in relocation assistance and does not provide any housing allowance.

Mr. Rohre closed his presentation by stating his company believes the candidate pool should be reflective of the community, and he would work with his contacts to bring the Board of Trustees a diverse group of candidates. Additionally, he informed the Committee that his company guarantees the placement for two years, guarantees that they will keep working until the Board of Trustees finds a candidate that they want to hire, and guarantees that they will not come back and solicit the candidate the Board hires while the candidate is employed with ACERA.

Sherill Uyeda, Founding Partner, Alliance Resource Consulting LLC presented information regarding her company's experience and strategies for a successful executive recruitment. Currently, Alliance Resource Consulting is recruiting Retirement Administrators for both Imperial County Employees' Retirement System and the City of Fresno Employee Retirement System. Ms. Uyeda highlighted other recent experience recruiting for Chief Executive Officer and other senior management positions at various CERA '37 Pension Act Systems. Ms. Uyeda stated that they customize each recruitment to meet the needs of their client. Ms. Uyeda highlighted four main steps to the recruitment: strategy/assessment meeting with stakeholders, proactive recruitment, candidate evaluation, back ground checks and client interviews.

Ophelia Basgal, Vice Chair noted that Alliance has a lot of experience working with CERA '37 Pension Act Systems and that they seem to have an expertise and reputation for successful recruitments for these types of positions.

Ms. Uyeda informed the Committee that, if selected, she would provide weekly updates with potential candidates and their resumes. Additionally, Ms. Uyeda stated that her company provides one year placement guarantee and agrees not to solicit the candidate the Board hires while they are employed with ACERA. Ms. Uyeda concluded her presentation by stating that her company has a great reputation and a lot of relevant experience to bring to ACERA's CEO recruitment.

Daniel J. Cummings, Vice President, EFL Associates presented information regarding EFL Associates' experience and strategies for a successful executive recruitment. Mr. Cummings noted that his firm was in the top 2% of all firms nationwide. He stated that they have the database to recruit candidates from across the country, but his firm is small enough meet ACERA's individual needs. Additionally, Mr. Cummings stated that his firm specializes in public pension recruitments. He noted that EFL just completed the Chief Investment Officer search for San Diego County Employees' Retirement Association and is working on their Chief Executive Officer recruitment now. Mr. Cummings acknowledged that his firm is often not the cheapest option, but believes there is a value proposition that EFL delivers. Mr. Cummings noted that EFL has the capacity and the interest to perform the search as quickly as possible for the Board. Mr. Cummings informed the committee that it is EFL's standard practice to update clients weekly on the status of the recruitment, including a confidential applicant list.

George Wood, Chair inquired if EFL's current work on San Diego County Employees' Retirement Association CEO Recruitment would present a conflict of interest for EFL.

Mr. Cummings responded that he would not present the same candidate for both positions. He stated that if a candidate met the qualifications for both, he would ask the candidate to select which recruitment they would like to continue with. Mr. Cummings closed his presentation by stating that he would work diligently to present a diverse pool of candidates for consideration and included that EFL gives a one year guarantee.

The Committee discussed the presentations of the three executive recruitment firms.

The Committee members commended all the presenters for doing a wonderful job.

### **15-70**

**It was moved by George Wood and seconded by Liz Koppenhaver to select Alliance Resource Consulting LLC to assist with the recruitment and selection of ACERA's Chief Executive Officer. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

The Committee discussed the Chief Executive Officer County Job Description. The Committee directed staff to work with the Trustees to begin the process of changing the Job Description and bring information to the Board regarding suggested changes.

George Wood, Committee Chair, discussed the Chief Executive Officer County Job Description and commented that he believed it put too much emphasis on investment experience rather than experience administrating a pension plan and/or managing executive level staff.

The Committee inquired how long the Civil Service Commission process would take. Staff responded that depending on the workload of the Civil Service Commission it could take up to two months.

Ophelia Basgal, Committee Vice-Chair, noted the representatives of retiree groups in the audience and stated that she would like to involve them in the process in some form or fashion.

Pete Albert, ACRE President, commented that ACERA is unique in the amount of benefit administration it undertakes when compared to other CERL '37 pension systems and hopes the Committee will balance the need for investment experience with plan or benefit administration experience when selecting the next CEO.

**15-71**

**It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the June 3, 2015, CEO Succession Committee minutes. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

***Retirees:***

Liz Koppenhaver noted that the Retirees Committee met on June 16, 2015 at 1:05 p.m., and made the following motions: (*Note: The formal Retirees Committee minutes will be included for approval on the July 16, 2015 Board Consent Calendar.*)

Motion to award the contract to the finalist of the dental care provider Request for Proposal for plan year 2016.

**15-72**

**It was moved by Liz Koppenhaver and seconded by George Wood to continue ACERA's retiree dental care coverage through Delta Dental, and to award the dental care coverage contract to Delta Dental for plan year 2016. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

Motion to award the contract to the finalist of the vision care provider Request for Proposal for plan year 2016.

**15-73**

**It was moved by Liz Koppenhaver and seconded by George Wood to continue ACERA's retiree vision care coverage through Vision Service Plan (VSP), and to award the vision care coverage contract to VSP for plan year 2016. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

Motion to approve the termination of the group multi-site contracts with Kaiser Permanente and instead provide individual medical coverage for impacted retirees through OneExchange effective with the 2016 plan year.

**15-74**

**It was moved by Liz Koppenhaver and seconded by George Wood to approve the termination of the group multi-site contracts with Kaiser Permanente and instead provide individual medical coverage for impacted retirees through OneExchange effective with the 2016 plan year. The motion carried 7 yes (*Amaral, Cain-Darnes, Carson, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**



***Audit:***

Donald White noted that the Audit Committee met on June 18, 2015 at 10:30 a.m., and made the following motion: ***(Note: The formal Audit Committee minutes will be included for approval on the July 16, 2015 Board Consent Calendar.)***

Motion to approve the Employer Audit of Alameda County.

**15-75**

**It was moved by Donald White and seconded by Tarrell Gamble to approve the Employer Audit of Alameda County. The motion carried 8 yes (*Amaral, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

***Investment:***

George Wood reported that the Investment Committee met on June 16, 2015, at 9:32 a.m., and highlighted the following:

Barry Dennis of Strategic Investment Solutions (SIS), ACERA's general investment consultant, announced the departure of Patrick Thomas and that he would be assuming the lead responsibilities for its relationship with ACERA. Mr. Dennis introduced his supporting team: Teresa Cutter and Stephen Quirk. Mr. Dennis, a co-founder of SIS, worked closely with ACERA's Board from 2000 to 2006.

SIS reviewed current capital market conditions and discussed possible changes to ACERA's target asset allocation based on SIS's Capital Market Expectations Process.

SIS presented the projected ACERA portfolio return and risk expectations based on the current target as of May 2015. The projected long-term expected total return of ACERA's target portfolio would be 7.4%. While the proposed long-term expected total <sub>risk</sub> is 15.3%. SIS discussed ACERA's new projected alternate target asset allocation which is as follows: US Equity at 27% (down 5%), International Equity at 25% (down 2%), Fixed Income at 15% (no change), Real Estate at 8% (up 2%), PEARLS at 18% (up 3%), and the Real Return Pool at 7% (up 2%).

SIS also provided a thorough analysis on ACERA's "Active versus Passive" investments in the three traditional asset classes (U.S. Equity, Int'l. Equity, and Fixed Income). SIS noted the total return characteristics of the portfolio under a classic Plan Management Framework which are attributed as follows; Asset Allocation selection represents about 80-90% of the total return, Manager Structure represents 10-15%, and Manager Selection represents 5-10%. The objective of the named Framework is to diversify the portfolio and control risk.

SIS discussed the market environments where active and passive investment strategies perform well. SIS advised ACERA to continue to be both active and passive and be smart where it is active and passive. In general, ACERA has done well with its active managers across US and International Equities and Fixed Income.

SIS continued that specifically, active investment management outperforms its benchmark six out of ten years. Nonetheless, ACERA's active managers have not done well in four of the last five years, especially in large cap stocks partially due to the market environments. SIS discussed variations to active and passive management, e.g., factor portfolios. SIS encouraged ACERA to think about these issues and consider addressing them in its policies. SIS commented on the Boards' patience and how this has been beneficial to ACERA's portfolio. Mr. Dennis noted that ACERA may need to add Alpha Managers to enhance future returns, and SIS would continue discuss the Manager Structure after the next Asset Allocation presentation in July.

In conclusion, SIS agreed and Staff concurred, that they will follow its process and look closely at asset allocation, manager structure, and manager selection within each asset class tentatively starting as soon as next investment committee meeting.

Baird's gross return for the one-year period ending 4/30/15 was 5.9%, and 5.7% annualized since inception (2001), outperforming its account benchmark (Barclays Capital Aggregate Bond Index) by 1.42% and 0.86%, respectively. Baird has not changed its investment strategy or style and has been in compliance with ACERA's reporting requirements.

As of 4/30/15, Baird managed about \$540.7 million, representing about 7.7% of ACERA's total assets. The representative from Baird discussed its investment outlook, investment strategy, portfolio characteristics, and the bond market environment.

Loomis Sayles' gross return for one-year period ending 4/30/15 was 6.4%, and 9.3% annualized since inception (2001), outperforming its account benchmark (Barclays Capital Baa Credit Index) by 1.7% and 2.4%, respectively. Loomis Sayles has not changed its investment strategy or style, and has been in compliance with ACERA's reporting requirements.

As of 4/30/15, Loomis Sayles managed about \$293.7 million, representing about 4.0% of ACERA's total assets. The representative from Loomis Sayles discussed its investment outlook, investment strategy, portfolio characteristics, and the bond market environment.

For 1Q2015, ACERA's Total Fund returned 2.3% (gross), the same as the policy index. For the year ending on March 31, 2015, the Total Fund returned 5.2% (gross) compared to the policy index of 7.1%. The Total Fund ranked in the 45<sup>th</sup> and 80<sup>th</sup> percentile for the quarter and one year period, respectively.

For 1Q2015, ACERA's U.S. Equity, International Equity, Fixed Income, and Real Return Pool asset classes returned 1.9%, 4.0%, 1.4%, and -4.9% (gross) compared to their benchmarks 1.8%, 3.6%, 0.8%, and 0.1%, respectively.

As of 03/31/2015, the market value of the Total Fund was \$6,903,566,099.

**15-76**

**It was moved by George Wood and seconded by Donald White that the Board approve the June 16, 2015, Investment Committee minutes. The motion carried 8 yes (*Amaral, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

***Actuarial:***

Trustee Carson noted that the Actuarial Committee met on June 18, 2015 at 12:35 p.m., and stated that the Committee proposed two motions to adopt the Actuarial Valuation and Review as of December 31, 2014, including the employer and employee contribution rates. *Both motions failed to receive the necessary number of votes to pass, which are as follows:*

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Actuarial Committee recommends to the Board of Retirement that the Board adopt the Actuarial Valuation and Review as of December 31, 2014, excluding Section 1, page iv, full paragraphs 1 and 2, and including the employer and employee contribution rates. The motion did *not* pass with 3 yes (*Carson, Koppenhaver and Rogers*), 1 no (*Wood*), and 3 abstentions (*Amaral, Cain-Darnes, and Gamble*).

Afterwards, it was moved by Liz Koppenhaver and seconded by Elizabeth Rogers that the Actuarial Committee recommends to the Board of Retirement that the Board adopt the valuation results in the Actuarial Valuation and Review as of December 31, 2014, including the employer and employee contribution rates, and excluding the valuation summary. The motion did *not* pass with 3 yes (*Koppenhaver, Rogers, and Wood*), 0 no, and 4 abstentions (*Amaral, Cain-Darnes, Carson, and Gamble*).

Trustee Carson suggested that the County and ACERA's Actuaries meet and confer regarding the Actuarial Funding Valuation and that Staff schedule another Actuarial Committee meeting to review, make revisions to, and take possible action on the *revised* Actuarial Funding Valuation. (***Note: The formal Actuarial Committee minutes will be included for approval on the July 16, 2015 Board Consent Calendar.***)

***NEW BUSINESS:***

Staff presented the year-to-date operating expenses – budget vs. actual and reported as of April 30, 2015, ACERA's actual expenses were \$892,000 under budget. Staff also reported that it has 14 vacant positions, which impacts the Benefits, Fiscal Services, Legal, Investment, and PRISM Departments-one vacant position is due to an employee on leave. It was noted that the next Budget Committee meeting is scheduled for August 20, 2015.

After a brief explanation, Staff made the following Motion:

Motion to approve the annual contract for \$126,000, effective July 1, 2015, for ACERA's Benefits Consultant, Keenan & Associates.

**15-77**

**It was moved by Donald White and seconded by Liz Koppenhaver that the Board approve the annual contract for \$126,000, effective July 1, 2015, for ACERA's Benefits Consultant, Keenan & Associates. The motion carried 8 yes (*Amaral, Cain-Darnes, Carson, Gamble, Koppenhaver, Rogers, White, Wood*), 0 no, and 0 abstentions.**

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

The Interim CEO reported on the following items:

Kathy Foster, Interim Chief Executive Officer, announced that Harvey Leiderman, ACERA's Fiduciary Counsel, would present information on and explain the *Voter Empowerment Act of 2016* (proposed Measure).

Harvey Leiderman, ACERA's Fiduciary Counsel, briefly reported to the Board on a proposed initiative designed to require voter approval for establishment or continuance of defined benefit pension plans. The initiative has been filed with the Attorney General's (AG) for public comment, retitling, and to obtain a description [See AG's Website, Reference No. 15-0033.] Mr. Leiderman further reported that the Legislative Analyst's Office, in conjunction with the Office of Finance, has 30-days to perform and complete a fiscal analysis to determine whether the Act would have any fiscal impact at the State and/or local levels and could also affect compensation benefits, with the exception of disability or death benefits. The primary proponents of the Act are Former Mayor Chuck Reed, San Jose, and Former Councilman Carl DeMaio of San Diego.

**TRUSTEE/PUBLIC INPUT**

Trustee Koppenhaver introduced Laurie Anderson-Jones as the new Benefits Analyst for the County.

Trustee Walker inquired whether Barry Dennis's two assistants (Teresa Cutter and Stephen Quirk) were new employees of Strategic Investment Solutions (SIS). Trustee Wood explained that Teresa Cutter was a new employee, coming from CalSTRS, but that Stephen Quirk had been working at SIS for about four years as an analyst. Barry Dennis had recently brought him over to the consulting side. Betty Tse, Chief Investment Officer, said that staff's expectation is that Barry Dennis would be the new Patrick Thomas on the ACERA account. He will be assisted on ACERA's account by Ms. Cutter and Mr. Quirk.

Trustee Walker also asked about the poor performance of the Real Return Pool. Staff explained that it is reasonable to view the Real Return Pool asset class as an insurance policy for which ACERA pays a premium to hedge against inflation surprise and inflation trends. There will be further discussion at the July 8, 2015 Investment Committee meeting regarding the status of ACERA's asset classes.

### **CONFERENCE REPORTS**

Trustee White attended two Conferences:

- ConsortiumEast which focused on Portfolio Performance and Diversity. Trustee White displayed the ConsortiumEast Brochure which featured ACERA's Chief Investment Officer Betty Tse.
- National Association of Securities Professionals which focused on Diversity, and Access/Inclusion in Public Pension Funds.

### **ESTABLISHMENT OF THE NEXT MEETING**

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

### **ADJOURNMENT INTO CLOSED EXECUTIVE SESSION:**

A) Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section § 54956.9:

- *Hubble vs. ACERA*, Alameda County Superior Court Case No. RG15765775
- *Alameda County Deputy Sheriffs' Assn. et al. v. ACERA. et al.*, Case No. A141913, in the Court of Appeal of the State of California, First Appellate District

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

The Board reconvened into Open Session and announced the following:

Staff advised the Board regarding the existing litigation, the Board took no action.

**ADJOURNMENT**

The meeting adjourned at 3:20 p.m.

Respectfully Submitted,



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Kathy Foster  
Interim Chief Executive Officer

7/16/15

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Date Adopted

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**APPENDIX A**  
**APPLICATION FOR SERVICE RETIREMENT**

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ADAMI, Adam H.  
Effective: 7/7/2012  
Auditor-Controller

HOSKINS, Beverly  
Effective: 12/31/2013  
Alameda Health System

AKBARIAN, Barbara  
Effective: 2/28/2015  
Social Services Agency

JONES, Susan  
Effective: 3/28/2015  
Social Services Agency

AMMAY, Reynaldo O.  
Effective: 3/1/2015  
Social Services Agency

JUNI, Fredi S.  
Effective: 1/31/2015  
Social Services Agency

ANDERSEN, Dena E.  
Effective: 12/18/2014  
Public Health - DEF

KWONG, Rosemarie M.  
Effective: 2/14/2015  
ACERA

CAGE, Lenward L.  
Effective: 8/13/2014  
Alameda Health System

LA FRANCA, Cynthia A.  
Effective: 1/31/2015  
Superior Court - DEF

CHAVEZ, Irene A.  
Effective: 3/7/2015  
Social Services Agency

LAPORTA, Jennifer R.  
Effective: 3/14/2015  
Environmental Health

CHUNG, Fred C.  
Effective: 2/1/2015  
Environmental Health

MOSS, Lawrence J.  
Effective: 3/21/2015  
County Administrator - DEF

CIRIELLO, Elisa Z.  
Effective: 2/28/2015  
Public Health

NAVARRO, Ray N.  
Effective: 3/28/2015  
Social Services Agency

COREY, Steven F.  
Effective: 1/3/2015  
Sheriff's Office

NURRE, Patrick A.  
Effective: 3/31/2015  
Auditor-Controller - DEF

EMERY, Karen  
Effective: 1/22/2015  
Alameda Health System

PALERMINI, Robert J.  
Effective: 12/27/2014  
Sheriff's Office - DEF

ENDO, Shizue  
Effective: 3/31/2015  
Alameda Health System

PATTERSON, James  
Effective: 2/28/2015  
Probation

**APPENDIX A**  
**APPLICATION FOR SERVICE RETIREMENT**

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TRAMIEL, Sandra M.  
Effective: 1/10/2015  
Public Health

WANZO, Deborah A.  
Effective: 12/31/2014  
Superior Court

WARREN, Mary E.  
Effective: 1/1/2015  
Alameda Health System

YEARWOOD, Dayna A.  
Effective: 11/8/2014  
Alameda Health System

YOUNG, Cecelia E.  
Effective: 1/1/2015  
Alameda Health System



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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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ADAMS, Colonel H.  
5/12/2015  
Social Services Agency

DOCTOR, Thomas  
5/14/2015  
Assessor - DEF

ANDERSON, Ann S.  
5/22/2015  
Public Health

DOWNING, Gilbert R.  
4/28/2015  
General Services Agency

ANDERSON, Jack B.  
5/5/2015  
Public Health

GONZALES, William R.  
5/2/2015  
Sheriff's Office

ARCIBAL, Mario S.  
5/8/2015  
General Services Agency

GRISSO, Edna R.  
4/17/2015  
Social Services Agency

ARELLANO, Benito  
5/11/2015  
Alameda Health System

HARMON, Karen A.  
5/20/2015  
Probation

BAKER, Floyd L.  
2/13/2015  
DRO

HARMON, Karen A.  
5/20/2015  
Survivor of James R. Harmon

BEHNKE, Doyne W.  
5/18/2015  
Social Services Agency

JOHNSON, David C.  
5/16/2015  
Sheriff's Office

BESSER, Ruth E.  
5/22/2015  
Superior Court

LENDRUM, Earl C.  
4/22/2015  
Probation

CULLOM, Cordilla R.  
4/14/2015  
Alameda Health System

LUCAS, James B.  
5/20/2015  
Sheriff's Office

DE LUCHEY, Jo Ann  
5/4/2015  
Social Services Agency

RABENER, Mary P.  
4/30/2015  
ACERA

VEGA, Margaret L.  
5/9/2015  
Survivor of Roberto Vega

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**

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**Name:** **Briggs, Jeffrey**  
**Type of Claim:** Service Connected

Staff's Recommendation:

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

Based on Dr. Wagner's and Staff's review and determination of Mr. Briggs' ability to determine the permanency of his incapacity, to deny Mr. Briggs' request for an earlier effective date.

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**Name:** **Brooks, Michael**  
**Type of Claim:** Service Connected

Staff's Recommendation:

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

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**Name:** **Featherstone, Suzanne**  
**Type of Claim:** Service Connected

Staff's Recommendation:

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

Based on Dr. Wagner's and Staff's review and determination of Ms. Featherstone's ability to determine the permanency of her incapacity, to deny Ms. Featherstone's request for an earlier effective date.

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**

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**Name:** Prescott, Ta-Tanisha  
Type of Claim: Annual Review for SCD (Granted on 2/16/2012)

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.

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**Name:** Toralba, Catalina  
Type of Claim: Non-Service Connected

Staff's Recommendation:

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

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**Name:** Yuen, Allen  
Type of Claim: Service Connected – Reciprocal Member

Staff's Recommendation:

Approve staff's recommendation to grant Mr. Yuen a service connected disability retirement in conjunction with reciprocal agency California Public Employees' Retirement System (CalPERS) and in accordance with Section 31837.

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