



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, June 21, 2018

Chair Tarrell Gamble called the meeting to order at 2:02 p.m.

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

Trustees Excused: Nancy Reilly (*Alternate*)

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

Board Chair Tarrell Gamble announced that long-time Trustee Annette Cain-Darnes resigned from the Board of Retirement effective June 2018. Chair Gamble welcomed Trustee Jaime Godfrey who was appointed by the Board of Supervisors to serve Ms. Cain-Darnes' remaining term through November 30, 2018. Trustee Godfrey introduced himself.

18-64

The minutes of the regular meeting of May 24, 2018, were accepted on a motion, by Henry Levy, seconded by George Wood, and approved by a vote of 7 yes (*Amaral, Carson, Gamble, Koppenhaver, Levy, Walker, Wood*), 0 no, and 2 abstentions (*Basgal, Godfrey*).

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

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APPLICATION FOR DISABILITY RETIREMENT – NON-CONTESTED ITEMS:

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APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS

Appendix G

APPROVAL COMMITTEE MINUTES

May 24, 2018 Audit Committee Minutes

MISCELLANEOUS MATTERS:

None

18-65

It was moved by George Wood, seconded by Liz Koppenhaver, and approved by a vote of 6 yes (*Basgal, Carson, Gamble, Koppenhaver, Levy, Wood*), 0 no, and 2 abstentions (*Godfrey, Walker*) that the following resolution is adopted (*Dale Amaral recused because one or more of the consent calendar items involved his employing Department*):

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 **May/June** Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the **May 24, 2018**, Board meeting. This month's Committee reports were presented in the following order:*

Operations:

Dale Amaral reported that the Operations Committee met on June 6, 2018, at 9:32 a.m. and highlighted the following:

Staff reviewed the revisions to the *Recovery of Overpayment of Member Benefits and Underpayment of Member Contributions Policy*. The revisions focus on ensuring ACERA collects the money it should be paid, and pay the money it owes.

18-66

It was moved by Dale Amaral moved and seconded by Liz Koppenhaver that the Board renew the *Recovery of Over and Underpayment of Member Benefits & Underpayment of Member Contributions Policy* with revisions as recommended by Staff and the Committee. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Walker, Wood*), 0 no, and 1 abstention (*Godfrey*).

At today's Board meeting, Trustee Darryl Walker inquired about whether or not San Diego's recent Appellate Court Decision (Decision) had any impact on ACERA's revised *Recovery of Over and Underpayment of Member Benefits & Underpayment of Member Contributions Policy*. Chief Executive Officer Dave Nelsen responded that upon Staff's initial review, Staff believes the Decision has no impact on the *Policy*. ACERA Chief Counsel Kathy Mount reported that the Decision came out of San Diego City Retirement System and ACERA Legal Department Staff is currently conducting further research and analysis to confirm to what extent the Decision impacts'37 Act Counties (and ACERA), if at all.

Ms. Mount further reported that the Decision upholds the current process used for over/underpayments and that the standard contained in the Decision is consistent with what Staff proposed in ACERA's revised *Policy*. Following completion of review by the Legal Department, if needed, Staff will bring back a proposed revised *Policy* for discussion and approval at the August 2018 Operations Committee meeting.

Staff introduced the new *Administrative Hearing Policy*. The purpose of this policy is to provide guidance on how to handle administrative appeals on non-disability matters.

It was moved by Dale Amaral and seconded by Henry Levy to adopt the new *Administrative Appeal Policy* as recommended by the Committee and Staff. However, Trustee George Wood had some concerns regarding the process for challenging hearing officers for cause, which is contained in Section III., Subsection C.1.c. on page 2 of the policy (*Appointment of Hearing Officer*). After a brief discussion, Trustee Amaral withdrew his motion. The Board directed Staff to revise and bring back a proposed draft policy for discussion and approval at the July 2018 Operations Committee.

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of April 30, 2018, actual expenses were \$199K under budget. Budget overages noted were Systems (\$8K over budget). Budget surpluses noted were Staffing (\$9K under budget) with eleven unfilled positions, Staff Development (\$68K under budget), Professional Fees (\$11K under budget), Office Expense (\$22K under budget), Member Services (\$4K under budget), Depreciation (\$1K under budget), and Board Expenses (\$92K under budget).

Staff reported on the call center service levels for the 1st quarter of 2018.

18-67

It was moved by Dale Amaral and seconded by Liz Koppenhaver that the Board approve the June 6, 2018 Operations Committee minutes. The motion carried 8 yes (Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood), 0 no, and 1 abstention (Godfrey).

Retirees:

Liz Koppenhaver reported that the Retirees Committee met on June 6, 2018, at 10:35 a.m. and highlighted the following:

Staff reported on health care inflation factors for 2018 and 2019 based on the information provided by Segal Consulting, ACERA's Actuary, and Keenan & Associates (Keenan), ACERA's Benefits Consultant. The trend assumptions provided have been reset to start at 7.00% for non-Medicare plans and 6.50% for Medicare Advantage plans. The trend used for dental, vision and Medicare Part B is 4.50%. These trends will be used in accordance with ACERA's GASB 43 substantive plan definition. Keenan also provided an eight-year ACERA rate history for the period 2011 through 2018 for Kaiser Permanente and UnitedHealthcare.

Staff presented Group and Individual plan enrollment Monthly Medical Allowance (MMA) cost comparisons for the 2018 and 2019 Plan Years. This item will be brought back to the Retirees Committee for further discussion and possible approval of the 2019 MMA at the July 2018 meeting.

Via Benefits/OneExchange provided information on the 2018 current state of the marketplace related to Medicare, pre-65 retirees, and the Affordable Care Act. In addition, Via Benefits/OneExchange provided call statistics for its entire line of business, a statistical overview of ACERA's Medicare and pre-65 enrollments, average premiums, call metrics, carrier selections, Health Reimbursement Arrangement (HRA) account activity; claims information; service levels and customer satisfaction survey results.

Staff provided a timeline and information on the planning for ACERA's annual Open Enrollment and Retiree Health and Wellness Fair. At today's Board meeting, it was noted that the Retiree Health and Wellness Fair will take place at the Albert H. DeWitt Officer's Club in Alameda, California.

Staff reported that Via Benefits/OneExchange uploaded a new database configuration, which contained an error causing additional funds to be allocated to some participants' HRA accounts. There were 109 ACERA participants impacted by this issue; however, Via Benefits/OneExchange's data team was able to correct the problem immediately, so no ineligible reimbursements were made causing any overpayments.

18-68

It was moved by Liz Koppenhaver and seconded by Ophelia Basgal that the Board approve the June 6, 2018 Retirees Committee minutes. The motion carried 8 yes (Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood), 0 no, and 1 abstention (Godfrey).

Governance:

George Wood reported that the Governance Committee met on June 6, 2018, at 1:10 p.m. and highlighted the following:

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the *Board Operations Policy*. Staff consolidated three different policies, *Board Operations Policy*, *Committee Operations Policy*, and *ACERA Board Officers Policy* into a newly titled *Board and Committee Operations Policy*. The revisions focus on eliminating redundancy and inconsistency and the need to review multiple policies to resolve policy questions.

Following discussion on the policy, the Committee affirmed the *Board and Committee Operations Policy* as recommended by staff with revisions. The key revisions to staff recommendations were to:

1. Delete the provision related to appointing alternate members directly to committees. The Committee stated that this was a reflection of existing law and did not need to be in the policy.
2. Elect the alternative providing for replacement of absent committee members by alternate members in accordance with Board rules for substitution of an alternate for an absent Board member.
3. Provide that work plans can be approved by committees at the first or second meeting of the year to provide greater flexibility for Staff and Committee members.

18-69

It was moved by George Wood and seconded by Elizabeth Rogers that the Board adopt the *Board and Committee Operations Policy*, with revisions, as recommended by Staff and the Committee. The motion carried 8 yes (Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood), 0 no, and 1 abstention (Godfrey).

Chair Gamble requested clarification regarding when Board Trustees are eligible to vote during Committee meetings. Mr. Nelsen explained that if there is a quorum of the Board present (five regular members), then Board voting rules apply. If there isn't a quorum of the Board, such as three (3) members of a Committee and an additional Trustee, then there is a quorum of the Committee and the remaining Board Trustee present cannot vote. However, since most of the Board Trustees attend ACERA Committee meetings, there is usually a quorum of the Board and all eligible voting Board Trustees can vote.

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the *Trustee Communications Policy*. Staff advised the Committee that the purpose of this policy is to encourage open and effective communication by, to, and between trustees, and to ensure everyone has equal access to appropriate information. The policy continues to meet ACERA'S needs and should be renewed, with revisions.

The policy was last reviewed by the Board on December 18, 2014.

Following discussion on the policy, the Committee affirmed the *Trustee Communication Policy* as recommended by Staff with minor revisions. The key revision to the Staff recommendations was to delete the reference to pre-printed brochures in section IV.B.1.a.

18-70

It was moved by George Wood and seconded by Liz Koppenhaver that the Board adopt the *Trustee Communications Policy*, with revisions, as recommended by Staff and the Committee. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).

The Committee reviewed Staff's June 6, 2018, memo and its recommendation regarding the *Chief Executive Officer Job Description and Delegation of Authority*. Staff advised the Committee that the content of the policy continues to meet ACERA's needs. The policy was last reviewed by the Board on July 21, 2016.

Following discussion, the Committee affirmed the *Chief Executive Officer Job Description and Delegation of Authority* as recommended by Staff with revisions. The key revisions to the Staff recommendations were:

1. Under Leadership and Policy Analysis, include authority for the CEO to represent ACERA at trade and professional organizations, the County Board of Supervisors and the State Legislature.
2. Under Human Resources, include express authority for the CEO to set salaries for senior managers and unrepresented employees and to implement compensation changes for represented employees negotiated through the collective bargaining process.
3. Under Monitoring and Reporting, add express authority to hire and terminate service providers consistent with Board direction.

18-71

It was moved by George Wood and seconded by Liz Koppenhaver that the Board adopt the *Chief Executive Officer Job Description and Delegation of Authority*, with revisions, as recommended by Staff and the Committee. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).

Trustee Basgal requested clarification regarding Section II., Subsection C.6 on Page 2 of the policy, which lists the Chief Investment Officer (CIO) as the only position the Chief Executive Officer (CEO) employs. Mr. Nelsen explained that a person's position (title) depends on the agency's organizational changes (*e.g.*, Operational/Assistant CEO *vs* a Fiscal Services Officer, etc.). Mr. Nelsen reported that ACERA's CIO position is the only one that has consistently and historically employed one (1) person with a consistent title.

18-72

It was moved by George Wood and seconded by Liz Koppenhaver that the Board approve the June 6, 2018 Governance Committee minutes. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).

Investment:

Elizabeth Rogers reported that the Investment Committee met on June 13, 2018, at 9:31 a.m. and highlighted the following:

Before the meeting was called to order, the Chairwoman Rogers announced to the public that Trustee Gamble would be participating via telephone from a remote location listed on the agenda. She asked all presenters to identify themselves, and reminded staff to conduct roll call votes of all voting trustees in accordance with the Brown Act. Trustee Gamble confirmed that the agenda had been posted in a public setting for 72-hours as required by law, and that he was the only participant at the remote location.

Staff and representatives of Verus presented to the Committee findings from their on-site due diligence, which included updated scores for the two finalists, Newton and UBS. Staff stated that the site visits in London and Singapore had added new insights which resulted in the rescoring of the candidates. Updated performance data through March 31 combined with a better knowledge of geographic location, depth of research, and stock selection approaches resulted in an increase to UBS's score by 7.0 points (from 86.3 to 93.3) and a decrease in Newton's score by 2.3 points (from 91.9 to 89.6). Staff and Verus confirmed that both Newton and UBS are well-qualified to manage this mandate of \$210 million.

Representatives from Newton provided an overview of the firm’s culture, investment team, philosophy, process, and risk management. Newton is a wholly owned subsidiary of BNY Mellon, a publicly-traded company (NYSE: BK). Newton manages approximately \$70 billion in AUM and is located in London, UK. Their Global Emerging Markets equity strategy was formed in May 2011 and the team manages approximately \$3.3 billion in AUM in this strategy as of March 31, 2018. The Newton team discussed its emphasis on Environmental, Social & Governance (ESG) factors and provided examples of how these factors are incorporated into its investment process. Newton’s Global Emerging Markets strategy has outperformed the MSCI Emerging Markets Index by 1.1% and 3.6% on an annualized 3-year and 5-year basis (gross of fees), as of March 31, 2018.

Representatives from UBS provided an overview of the firm’s values, investment team, philosophy, process, and risk management. UBS Asset Management is a wholly-owned subsidiary of UBS Group AG, a publicly-traded company (NYSE: UBS), and manages approximately \$800 billion in AUM firm-wide. The Emerging Markets Equity HALO (High Alpha Long-term Opportunity) strategy was formed in August 2008 and manages approximately \$4.9 billion in AUM. The team is headquartered in Singapore.

The representatives provided investment examples of its “best ideas” approach, and discussed how it incorporates a company’s ESG evaluation into the investment process using its quality and risk assessment checklist. UBS’s EM Equity HALO strategy has outperformed the MSCI Emerging Markets Index by 6.1% and 3.9% on an annualized 3-year and 5-year basis (gross of fees), as of March 31, 2018.

During their discussion after the interview, Trustees identified a few factors important to their decision-making process: *e.g.* (1) the appearance of Newton’s CEO at the interview so that the Trustees could understand the future direction of the company, and (2) the emphasis of governance (as related to ESG) in Newton’s ongoing evaluation of companies.

At today’s Board meeting, Elizabeth Rogers moved and Liz Koppenhaver seconded that the Board approve Newton Investment Management as ACERA’s Emerging Markets – International Equities Fund manager. However, Trustees expressed their concerns regarding Newton versus UBS’ performance and had questions regarding diversity. CIO Betty Tse addressed the Trustees’ concerns regarding diversity and provided a comparison of Newton and UBS’ annualized return performance trends over the last several calendar years. It was noted that the information that was provided for discussion at the June 13, 2018 Investment Committee meeting reflected that both Newton and UBS were very diverse and that both firms were viable money managers that could manage ACERA’s Emerging Markets Equity allocation. It was further noted that Staff did not recommend to the Board which candidate (Newton or UBS) it should choose as ACERA’s money manager. After a brief discussion, the Board voted as follows:

18-73

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve Newton Investment Management as ACERA’s Emerging Markets – International Equities Fund manager pending completion of legal and investment due diligence, background investigations, and successful contract negotiation. The motion carried 4 yes (*Basgal, Gamble, Koppenhaver, Rogers*), 2 nos (*Amaral, Wood*), and 3 abstentions (*Carson, Godfrey, Levy*).

Representatives from CapVest presented to the Committee the history, background, and culture of the firm. In addition, the representatives discussed the current investment opportunity set and its investment strategy which is focused on control and middle-market buyout opportunities that present buying companies and building them through follow-on acquisitions. CapVest also discussed the success of its strategy based on its prior fund’s performance.

18-74

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve an up to \$34 million (€27 million) Investment in CapVest Equity Partners IV as part of ACERA’s Private Equity Portfolio – Buyout pending completion of legal and investment due diligence, background investigations, and successful contract negotiation. The motion carried 6 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, Wood*), 0 no, and 3 abstentions (*Carson, Godfrey, Levy*).

Staff requested an 18-month extension to the State Street Bank (SSB) Custody Contract based on the eight reasons stated in the staff memo. Some examples of these reasons were discussed in the meeting such as: (1) to minimize disruption to ACERA’s ongoing business, and (2) to maintain many aspects of SSB’s services such as performance analytics which continued to be in compliance.

18-75

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Board approve an 18-month Extension of the Custody Contract with State Street Bank and Trust Company. The motion carried 6 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, Wood*), 0 no, and 3 abstentions (*Carson, Godfrey, Levy*).

Chair Gamble expressed his concern regarding the extension of SSB’s contract for an additional 18-month period. Ms. Tse explained that the 18-month period is a reasonable amount of time to observe SSB’s performance going forward, as SSB now has a new experienced CEO overseeing the Kansas City Office and stated that extending the contract for the 18-month time period also minimizes the disruption to ACERA’s ongoing business. It was noted that ACERA has grandfathered in the 15 year-old, same fees it will pay SSB, which are lower than the other candidates. Ms. Tse reminded the Board that ACERA can terminate the contract, in writing, at any time if Staff and/or the Board is dissatisfied with SSB’s performance.

For 1Q2018, ACERA's Total Fund returned 0.91% gross (0.87% net of fees), compared to the Policy Index return of 0.0%. For the year ending 03/31/2018, the Total Fund returned 14.0% gross (13.7% net of fees) compared to the Policy Index of 12.6%. The Total Fund's results ranked in the top 10th and 3rd percentile for the quarter and one year periods, respectively.

As of 03/31/2018, the market value of the Total Fund was \$8,125,417,975.

Verus provided a brief overview of the Private Equity Program through December 31, 2017. As of that date, the Private Equity Portfolio had a total market value of \$463.6 million. This reported market value represents 5.7% of the Total Fund in comparison to the 9.0% asset allocation target for Private Equity. For the one-year period ending December 31, 2017, ACERA's Private Equity Portfolio returned 14.1% vs. the Thomson Reuters C|A Global All Private Equity Benchmark return of 19.5%

Total commitments (active and inactive) in the Private Equity Program, as of 12/31/2017¹, aggregated \$1,008.8 million or 12.4% of its class target. The Private Equity Portfolio has produced 15.3% (net) IRR since its inception in 2008, including all inactive funds.

Verus provided a brief overview of the Absolute Return Program through December 31, 2017. As of that date, the Absolute Return Portfolio had a total market value of \$303.7 million. This reported market value represents 3.7% of the Total Fund as compared to the 9.0% asset allocation target for Absolute Return. For the one-year period ending December 31, 2017, ACERA's Absolute Return Portfolio returned 3.2% vs. the HFRI Fund of Funds Composite Index Benchmark of 7.8%

Total commitments in the Absolute Return Program, as of 12/31/2017, aggregated \$332.4 million. The Absolute Return Portfolio has produced 4.2% (net) time-weighted return since its inception in 2011, including redeemed fund results.

Verus provided a brief overview of the Real Assets program as of December 31, 2017. As of that date, the Real Assets asset class had a total market value of \$300.0 million; representing about 3.7% of ACERA's Total Fund (class target is 5.0%). For the one-year period ending December 31, 2017, ACERA's Real Assets Portfolio returned -0.1% vs. the blended S&P Global Natural Resources/S&P Global Infrastructure/Bloomberg Commodities Benchmark of 18.6%.²

Total commitments to the Real Assets Portfolio, as of 12/31/2017 were \$456.7 million (5.6%). Since inception through the period ending 12/31/2017, the Real Assets asset class has returned -5.2% (net) IRR.

ACERA's Real Estate portfolio, including the Oakland Building, returned 2.26% gross (1.95% net) for 1Q2018 and 10.14% gross (8.99% net) for the 1-year period ending 03/31/2018 versus the NCREIF-ODCE benchmark of 2.20% gross (1.97% net) and 8.07% gross (7.11% net), respectively.

¹ The Total Fund Market Value as of December 31, 2017 was \$8,108,480,756.

² The weak Real Assets Portfolio return resulted from losses in the Sheridan Production Partners II Fund.

As of 03/31/2018, the market value of ACERA's real estate portfolio was \$523.5 million comprising 6.4% of the Total Fund (class target is 8.0%).

18-76

It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board approve the June 13, 2018 Investment Committee minutes. The motion carried 6 yes (*Amaral, Basgal, Gamble, Koppenhaver, Rogers, Wood*), 0 no, and 3 abstentions (*Carson, Godfrey, Levy*).

Audit:

Henry Levy gave an oral report stating that the Audit Committee met today at approximately 1:00 p.m. wherein the Committee discussed and accepted the audited Schedule of Employer Allocations and Schedule of Pension Amounts by Employer with Related Notes and the audited Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer with Related Notes, based on the Addenda to Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74 as of December 31, 2017.

18-77

It was moved by Henry Levy and seconded by Keith Carson that the Board adopt the audited Schedule of Employer Allocations and Schedule of Pension Amounts by Employer with Related Notes, based on the Addendum to GASB Statement No. 67 Valuation as of December 31, 2017. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).

18-78

It was moved by Henry Levy and seconded by Liz Koppenhaver that the Board adopt the audited Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer with Related Notes, based on the Addendum to GASB Statement No. 74 Valuation as of December 31, 2017. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, and 1 abstention (*Godfrey*).

Trustee Levy reported that Staff provided a peer review and presented information on cybercrime/security.

NEW BUSINESS:

Presentation on Remote Access by Trustees to Board and Committee Meetings

Chief Counsel Kathy Mount presented her June 21, 2018 memo which provided a broad overview of the specific legal requirements if the Board so chooses to allow Trustees to appear at Committee and/or Board meetings from a remote location. Ms. Mount reported that, in compliance with the *Brown Act*, the Committee and/or Board agenda must be posted at the Trustee's remote location 72 hours prior to the meeting, visible to the public for the 72 hour period and that the meeting location must be made accessible to the public so they have an opportunity to participate in the meeting, if they so choose to do so. It was noted that all Trustees' votes must be taken via roll call. Ms. Mount reported that since the statute does not cover all possibilities that could occur, she consulted with other '37 Act Counties and public agencies to determine what "Best Practices" are currently being followed by these agencies, which are: **1)** the agenda must be visible to the public; **2)** posted at the specific room where the teleconference is occurring; **3)** the agenda lists the name of the Trustee who is appearing via teleconference and give the public notice that that Trustee is appearing remotely and his/her location; and **4)** the teleconference should take place on a landline phone, not a cell phone, because a landline phone is tethered to the location (building). It was noted that a quorum of the Board must be located in Alameda County.

Mr. Nelsen announced that a presentation will be given at ACERA's Board Off-Site in October 2018 to introduce meeting and agenda management software which will help facilitate Staff to offer to its stakeholders video and/or audio recorded meetings, remote access so Trustees can attend meetings via teleconference and reduction in paper waste by conducting paperless meetings. After discussion, the Board decided to table this item and instructed Staff to bring back a proposed draft policy for discussion at a future Committee and/or Board meeting.

Review, Discussion and Possible Motion to Modify the Board Travel Policy Regarding Travel by Trustees Outside the United States

Mr. Nelsen reported that he conducted a survey of other '37 Act Systems to find out what their policies are regarding foreign travel. Eighteen Systems responded as follows:

1. Thirteen Systems reported that they allow foreign travel with prior approval by their full Boards – ACERA's current practice;
2. Two Systems reported they do not allow foreign travel;
3. Two Systems reported they allow one foreign travel trip per year; and
4. One System reported they allow a trip to Scotland once every four years to attend a conference. After discussion, the Board tabled this item and will bring back a proposed revised policy for discussion and approval at a future Board meeting.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his June 21, 2018, written Chief Executive Officer's Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference Schedule; and **4)** Other Items.

Mr. Nelsen confirmed that the *Diminishing Employer Payroll Policy* listed in his CEO Report was in response to Alameda Health System's (AHS) current situation.

Mr. Nelsen provided an update on the status of the ACERA Board Off-Site stating that Staff secured Scott's Restaurant located in Jack London Square, Oakland, California, for the location. Mr. Nelsen will bring a proposed draft meeting agenda to the next Operations and/or Board meeting for review and approval, which will include the following topics: **1)** broader investment overview; **2)** emerging market investments; **3)** the impact of new technology; **4)** in-board and pension administration software; and **5)** Bitcoin Technology.

CONFERENCE REPORTS

Trustee Darryl Walker reported that he attended the National Association of Securities Professionals (NASP) Conference, which was a very interesting and informative Conference.

ANNOUNCEMENTS

None.

PUBLIC INPUT

None.

BOARD INPUT

Due to the resignation of former Trustee Cain-Darnes' from the Board of Retirement, Chair Gamble assigned Trustee Dale Amaral as the Chair for the By-Laws Committee and assigned newly appointed Trustee Jaime Godfrey to replace Ms. Cain-Darnes on all of her previous Committee assignments.

ADJOURNMENT

The meeting adjourned at approximately 3:40 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

7/19/18

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

AINSWORTH, Deborah J
Effective: 12/30/2017
Probation

CASTANEDA, Melwida
Effective: 7/29/2017
Alameda Health System

ANTES, Michael P
Effective: 10/21/2017
Sheriff's Office

CHAVEZ, Arnold
Effective: 3/24/2018
Health Care Services Agency

AYERS, James L.
Effective: 3/29/2018
Sheriff's Office

COLE, Patricia
Effective: 10/29/2017
LARPD

BANKS, Thomas L
Effective: 4/1/2016
Social Services Agency

ESTRADA, Graciela
Effective: 3/29/2018
Public Defender

BASS, Janice L.
Effective: 3/24/2018
Public Works Agency

FIELDS, Anthony W.
Effective: 3/10/2018
Sheriff's Office

BELANGER, L. Peter
Effective: 3/24/2018
Community Development Agency

FOY, Rozanne D.
Effective: 5/15/2018
Sheriff's Office

BENEDICT, Harold W.
Effective: 3/30/2018
Public Works Agency

FRITZ, Barbara J.
Effective: 3/31/2018
Health Care Services Agency

BROWN, Donovan N.
Effective: 10/7/2017
Sheriff's Office

FUDENNA, Keith H
Effective: 1/26/2018
Superior Court - DEF

BRYANT-WILLAIMS, Gertrude L.
Effective: 3/10/2018
Probation

GATCHALLAN, Lisa A.
Effective: 12/5/2017
Community Development Agency

CAMPANA, Susan C.
Effective: 3/24/2018
Superior Court

GORDON, Joseph H.
Effective: 3/31/2018
Board of Supervisors

CARTER, Hazel S.
Effective: 3/31/2018
Auditor-Controller

HART, Kelle
Effective: 5/1/2018
House Keeping

APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT

BELL, Christine M.
Sheriff's Office
Effective: 02/14/2018

BELL, Ryan P.
General Services Agency
Effective: 05/04/2018

DENZEL, Alexis C. D.
First 5
Effective: 04/20/2018

FORDELON, Annabelle F. S.
Superior Court
Effective: 03/28/2018

LEE, Eileen H.
Assessor
Effective: 01/24/2018

ROUFA, Kara P.
Public Defender
Effective: 03/12/2018

SIMON, Tomaiah, A.
General Services Agency
Effective: 03/02/2018

THOMPSON, Michelle
Health Care Services Agency
Effective: 03/30/2018

WATSON, Lennie A.
Alameda Health System
Effective: 01/02/2018

APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED

BAEZA, Laura A.
Alameda Health System
Effective: 02/12/2018

MOORE, Gloria
Alameda County
Effective: 01/01/2018

MUNAR, Mae A. B.
Alameda Health System
Effective: 04/22/2018

POGUE, Jacqueline A.
Alameda County
Effective: 03/21/2018

PRYOR, Carolyn D.
Social Services Agency
Effective: 02/16/2018

SOLIS, Nichole M.
Alameda Health System
Effective: 01/26/2018

ZIEGLER, Dolores
District Attorney
Effective: 04/06/2018

MOLL, Mary A.
Social Services Agency
Effective: 05/25/2018

APPENDIX C
APPLICATION FOR DEFERRED TRANSFER

CARRERA, Maria L.
Superior Court
Effective: 04/13/2018

APPENDIX D
LIST OF DECEASED MEMBERS

AINSLOW, William
General Services Agency
05/08/2018

MILLER, Jill
Social Services Agency
04/15/2018

BIFANO, Alfred
Sheriff's Office
05/16/2018

NELSON, Beadie
Alameda Health System
04/28/2018

BOZZONE, Christine
District Attorney
03/25/2018

RICHARSON, Essie
Alameda Health System
04/28/2018

CARMICHAEL, Larry
Social Security Agency
04/21/2018

SMITH, Laurence
General Services Agency
04/04/2018

CLAYTON, Dempsey
Alameda Health System
04/08/2018

THOMAS, Leon
Health Care Services Agency
03/09/2018

DAVIS, E. S.
Community Development Agency
03/29/2018

TODD, Leroy
Health Care Services Agency
03/28/2018

DAVIS, Eugene B.
Non-Member Survivor of Amelia Davis
05/02/2018

WILLIAMS, Harold
Sheriff's Office
04/08/2018

HILL, Edward C.
Alameda Health System
05/19/20/2018

ZEGGAI, Teka
Social Services Agency
05/07/2018

McLAUGHLIN, Richard J.
Sheriff's Department
04/07/2018

McBRIDE, Davie
Alameda Health System
04/14/2018

McGRAIL, James
Sheriff's Office
04/29/2018

MEMMER, Howard
Sheriff's Office
01/03/2018

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Bowling, Asha**
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. Bowling'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. Bowling's ability to determine the permanency of her incapacity, to deny Ms. Bowling's request for an earlier effective date.

Name: **Chen, Ivy**
Type of Claim: **Annual Review for NSCD (Granted on 8/18/16)**

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Chen's non-service connected disability. Since Ms. Chen is over 55 years old, staff recommends waiving future annual medical examinations and questionnaires.

Name: **Forbes, Alicia**
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. Forbes'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. Forbes's ability to determine the permanency of her incapacity, to grant Ms. Forbes's request for an earlier effective date.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Gonzalez, Esdras**

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. Gonzalez's application for a service connected disability and requiring future annual medical examinations and questionnaires.

Name: **Hoos, Todd**

Type of Claim: Annual Review for SCD (Granted on 4/20/17)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Hoos's service connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Kvikstad, Lynn**

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. Kvikstad's application for a service connected disability and requiring future annual medical examinations and questionnaires.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Morales, Daniel
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. Morales's application for a service connected disability and requiring future annual medical examinations and questionnaires.

Name: Nevarez, Jaime
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. Nevarez's application for a service connected disability. Since Mr. Nevarez is over 55 years old, future annual medical examinations and questionnaires will not be required.

Based on the Medical Advisor's and Staff's review and determination of Mr. Nevarez's ability to determine the permanency of his incapacity, to grant Mr. Nevarez's request for an earlier effective date.

Name: Peterson, Shawn
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. Peterson's application for a service connected disability and requiring future annual medical examinations and questionnaires.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Winston, Cynthia
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. Winston's application for a non-service connected disability and waiving future annual medical examinations and questionnaires at this time.

Name: Wright, Thomas
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. Wright's application for a service connected disability and waiving annual medical examinations and questionnaires at this time.
