



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

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Thursday, May 17, 2012

Chair George Dewey called the meeting to order at 2:00 p.m.

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

Trustees Excused: Keith Carson  
David Safer (*Alternate*)

Staff Present: Victoria Arruda, Human Resources Officer  
Vincent Brown, Chief Executive Officer  
Kathy Foster, Assistant Chief Executive Officer  
Robert Gaumer, Chief Counsel  
Harsh Jadhav, Internal Auditor  
Rose Kwong, Benefits Manager  
Martha Richardson, Executive Secretary  
Betty Tse, Chief Investment Officer

Staff Excused: Catherine Walker, Assistant Chief Executive Officer  
Latrena Walker, Project and Information Services Manager

12-44

**The minutes of the regular meeting of April 19, 2012 were accepted on a motion by Annette Cain-Darnes, seconded by Liz Koppenhaver and approved by a vote of 6 yes (Amaral recused), 0 no, moreover 0 abstentions.**

**CONSENT CALENDAR  
REPORTS AND ACTION ITEMS**

**APPLICATION FOR SERVICE RETIREMENT**

*Appendix A*

**APPLICATION FOR RETIREMENT, DEFERRED**

*Appendix B  
Appendix B-1*

**APPLICATION FOR DEFERRED TRANSFER**

*Appendix C*

**LIST OF DECEASED MEMBERS**

*Appendix D*

**REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT  
CONTRIBUTIONS AND GAIN CREDIT**

*Appendix E*

**APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:**

*Appendix F*

**APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER  
RECOMMENDATIONS**

*Appendix G*

**DISABILITIES STATUS REPORT**

**APPROVAL OF COMMITTEE MINUTES**

It was moved by George Wood, seconded by Elizabeth Rogers, and approved by a vote of 6 (Amaral recused), yes, 0 no, 0 abstentions, that the following resolution is adopted:

**12-45**

**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, detailed copies of the Committee meeting minutes were available for attendees. All **May** Committee meeting minutes are posted on the ACERA website ([www.acera.org](http://www.acera.org)) after approval at the **May 17, 2012** Board meeting. This month's Committee reports were presented in the following order:*

***Investment:***

Annette Cain-Darnes noted that the Investment Committee met on May 16, 2012 at 9:03 a.m. and made the following motions:

**12-46**

**It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Board adopt an amended Proxy Voting Guidelines and Procedures. The motion carried 7 yes, 0 no, and 0 abstentions.**

**12-47**

**It was moved by Annette Cain-Darnes and seconded by Dale Amaral that the Board grant Staff the authority to negotiate an extension to the current amended Custody Contract with ACERA's custodian bank – State Street Bank and Trust Company. The motion carried 7 yes, 0 no, and 0 abstention.**

Information Items Included:

Annual review of Next Century Growth Small Cap Growth and Ultra Growth

Introduction to Asset Liability Study – Part III

- This item was postponed and will be presented on June 11, 2012 at the Actuarial Committee Meeting

Report on ACERA's PEARLS Investment – Venture Capital

**12-48**

**It was moved by Annette Cain-Darnes and seconded by Liz Koppenhaver that the Board approve the May 16, 2012 Investment Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.**

***Audit:***

Dale Amaral noted that the Audit Committee met on May 16, 2012 at 1 p.m., and reported the following:

Vincent Brown, Chief Executive Officer, proposed to take up the first information item, concerning the presentation by Williams Adley & Company, LLP (WACO) of the December 31, 2011 audited Financial Statements, before taking action on this item.

**12-49**

**It was moved by Dale Amaral and seconded by Annette Cain-Darnes that the Board accept and file the December 31, 2011 audited Financial Statements and the Independent Auditors' Report. The motion carried 8 yes, 0 no, and 0 abstentions.**

ACERA's external auditor, William Adley & Company (WACO), presented the Audit Results for the year ending December 31, 2011.

In the external auditors' presentation Robert Griffin, WACO's Engagement Partner, discussed the required communications, and Audrey Elbert, WACO's Engagement Manager, referred to the Audit Scope, and Audit Results. With regards to the Audit Results, the audit is substantially completed and external auditors will be providing an unqualified opinion on the Financial Statements.

Robert Griffin referred to GASB 25 update which will change the layout of the Financial Statements.

Harsh Jadhav, Internal Auditor, presented an update to the 2012 Internal Audit work plan. He presented a status report on "Vendor Compliance Remediation Audit", "Cash Management Audit", and "Wire Transfer Audit".

**12-50**

**It was moved by Dale Amaral and seconded by Elizabeth Rogers that the Board approve the May 16, 2012 Audit Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.**

***Operations:***

Elizabeth Rogers reported that the Operations Committee met on May 16, 2012 at 2 p.m., and reported the following:

The meeting adjourned at 2:01 p.m. into Closed Executive Session

Pursuant to Government Code §54956.9 to confer with legal counsel regarding pending litigation in the matter of Alameda County Employees' Retirement Association v. BP PLC, Case No. 4:12-CV-1256

Pursuant to subdivision Government Code §5495639(b) to confer with legal counsel regarding significant exposure to litigation in the matter of (1) case

The Committee reconvened into open session at 2:18 p.m. and reported that no action was taken.

Robert Gaumer, Chief Counsel and Kathy Foster, Assistant CEO discussed the matter of Mr. Lincoln Edmond's request to receive Unmodified Option continuance benefits as the spouse of our late member Mary Edmond. Mr. Edmond was not designated as her beneficiary.

**12-51**

**It was moved by Elizabeth Rogers and seconded by Liz Koppenhaver that the Board affirm ACERA's decision to deny the request for Unmodified Option continuance benefits to spouse Lincoln Edmond who was not designated as a beneficiary of our late member Mary Edmond. The motion carried 6 yes (Walker, Wood recused), 0 no, and 1 abstention (White).**

Vince Brown, CEO, presented the quarterly financial statements as of March 31, 2012. For the period ending March 31, 2012 net assets held in trust for pension benefits total \$5,527,475,816.

Vince Brown presented the year-to-date operating expenses – budget vs actual. As of March 31, 2012 actual expenses are under budget \$201,216.

Vince Brown presented the Board Member Conference Attendance Report ending March 31, 2012.

Sharen Stanek-Lowe presented the 1<sup>st</sup> quarter Call Center report. As a result of a recent upgrade to ACERA's telephone system, a new reporting tool has the ability to graph by month for calls answered, abandoned and interflowed.

**12-52**

**It was moved by Elizabeth Rogers and seconded by Annette Cain-Darnes that the Board approve the May 16, 2012 Operations Committee minutes. The motion carried 8 yes, 0 no, and 0 abstentions.**

***Retirees:***

Liz Koppenhaver reported that the Retirees Committee met on May 17, 2012 at 10 a.m., and made the following motions:

**12-53**

**It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2012-2013 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers' governing bodies. The motion carried 8 yes, 0 no, and 0 abstentions.**

**12-54**

It was moved by Liz Koppenhaver and seconded by Dale Amaral that the Board authorize Staff to transfer \$4,411,206 from the Supplemental Retiree Benefit Reserve (SRBR) account to the County Advance Reserve to be amortized over 21 years as the Implicit Subsidy payment for plan year 2011. The motion carried 8 yes, 0 no, and 0 abstentions.

**12-55**

It was moved by Liz Koppenhaver and seconded by Annette Cain-Darnes that the Board adopt a Statement of Commitment to continue the Implicit Subsidy Program for health Plan Year 2013, following a determination by ACERA at the end of plan year 2013 that the amount is not greater than the actual retiree Implicit Subsidy. The motion carried 8 yes, 0 no, and 0 abstentions.

The official May 17, 2012 Retirees Committee minutes will be included on the June 21, 2012 Board Consent Calendar for approval.

**NEW BUSINESS**

***Vince Brown, Chief Executive Officer Report***

The CEO reported on the following items:

- Zone 7 Separation Update – The County Board of Supervisors has not approved a separation resolution and is waiting on the outcome of pending legislation.
- The Bay Citizen Public Records Act Request – Staff acknowledged receipt of a request from a reporter and will provide disclosable information within ten days. Staff does not initiate calls to the media. Staff only responds to PRA requests.
- Conferences and Meetings Attended  
California Actuarial Advisory Panel (CAAP), April 2, Sacramento  
15<sup>th</sup> Annual Milken Global Institute, April 29-May 2, Beverly Hills  
SACRS Spring Conference, May 8-11, Lake Tahoe

**CONFERENCE REPORTS / ANNOUNCEMENTS / PUBLIC /BOARD INPUT**

Several trustees reported on their attendance at the following conferences:

Milken 2012 Global Conference, April 29 – May 2, Beverly Hills  
SACRS Spring Conference, May 8-11, Lake Tahoe  
NCEPRS 2012 Annual Conference, May 5-8, New York

**ESTABLISHMENT OF THE NEXT MEETING**

Thursday, June 21, 2012 at 2:00 p.m.

**ADJOURNMENT INTO CLOSED EXECUTIVE SESSION**

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

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

The Board met with the Staff and discussed employee Discipline /Dismissal/Release. The Board reconvened and took no action.

**ADJOURNMENT**

The meeting adjourned at 3:30 p.m.

Respectfully Submitted,

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Vincent P. Brown  
Chief Executive Officer

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Date Adopted

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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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ALFARO, Annette E.  
Effective: 3/19/2011  
Public Works Agency

GORDILLO, Mark J.  
Effective: 3/3/2012  
Sheriff's Office

ALVEY, Sharon M.  
Effective: 2/2/2012  
DRO - DEF

HODGES, Nathelia  
Effective: 2/21/2012  
Alameda County Medical Center

AMERINE, Myron H.  
Effective: 12/21/2011  
Public Health - DEF

JARIN, Estela  
Effective: 1/16/2010  
Alameda County Medical Center - DEF

ARMSTRONG, Beth A.  
Effective: 1/20/2012  
Behavioral Health Care Services

JOSHI, Chevie J.  
Effective: 1/14/2012  
Alameda County Medical Center

BROCCHINI, Allen  
Effective: 12/16/2011  
Sheriff's Office - DEF

LEE, Robin H.  
Effective: 3/1/2012  
Alameda County Medical Center

CHENEY-COHEN, Renee  
Effective: 1/21/2012  
Behavioral Health Care Services

LYTLE, George C.  
Effective: 2/4/2012  
Sheriff's Office

COLIN, Ralph J.  
Effective: 12/31/2011  
Sheriff's Office - DEF

MACDONALD, David G.  
Effective: 2/25/2012  
Information Technology Department

CORNEJO, Victoria  
Effective: 1/10/2012  
Alameda County Medical Center - DEF

MADUENO, Amadeo Magno  
Effective: 1/10/2012  
Superior Court - DEF

DE CLARE, Valerie F.  
Effective: 1/24/2012  
Superior Court

MALL, Athel  
Effective: 11/1/2011  
Alameda County Medical Center

EDWARDS, Constance E.  
Effective: 3/13/2012  
Alameda County Medical Center - DEF

MEDLOCK, Ronnie G.  
Effective: 1/14/2012  
Assessor - DEF

ESCANDOR-NOBIDA, Anita  
Effective: 11/11/2011  
County Administrator

NATHANSON, Ellen J.  
Effective: 1/4/2012  
Alameda County Medical Center

FANNING, Nancy D.  
Effective: 2/4/2012  
Health Care Services Agency

OLIVER, Christine Frances  
Effective: 1/19/2012  
Superior Court



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**APPENDIX A  
APPLICATION FOR SERVICE RETIREMENT**

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SANTOS, Mary J.  
Effective: 6/8/2011  
Public Health - DEF

THUMAN, Linda J.  
Effective: 1/26/2012  
Sheriff's Office

SHABY, Rita J.  
Effective: 1/7/2012  
Assessor

USISON, Raquel M.  
Effective: 2/4/2012  
Auditor-Controller

SICKLES, Dale G.  
Effective: 12/30/2011  
Public Health

WALLEN, Robert M.  
Effective: 2/1/2012  
Sheriff's Office

TAYLOR, Charles A.  
Effective: 2/4/2012  
Social Services Agency

WHITEHOUSE, Donna Rae  
Effective: 2/4/2012  
Superior Court

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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COUTHER, Willie E.  
4/21/2012  
Public Health

LA FLEUR, Ronald J.  
4/16/2012  
Probation

CREEDEN, Agnes A.  
8/7/2011  
Alameda County Medical Center

MURPHEY, John J.  
4/27/2012  
Probation

DAVIS, Pauletta  
4/1/2012  
Social Services Agency

O' NEILL, Doris L.  
3/21/2012  
Survivor of Thomas F. O'Neill

DE PIETRO, James A.  
4/12/2012  
Social Services Agency

PENQUITE, Lewis A.  
4/17/2012  
Superior Court

DINSON, Fred G.  
4/17/2012  
Social Services Agency

RISHER, Raymond C.  
4/4/2012  
Social Services Agency

JEWELL, Mary L.  
4/18/2012  
Alameda County Medical Center

SILVA, Leonard E.  
3/21/2012  
Sheriff's Office

KOKOLETSOS, Basil  
4/10/2012  
Sheriff's Office

THOMAS, Henrietta  
4/1/2012  
Health Care Services

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**APPENDIX D  
LIST OF DECEASED MEMBERS**

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WHITE, Roy  
3/20/2012  
Survivor of Loine M. Anderson

YEE, Laura M.  
3/31/2012  
Treasurer-Tax Collector

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**APPENDIX F  
APPLICATION FOR DISABILITY RETIREMENT**

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**Name:** Canning, Madeleine  
**Type of Claim:** Non-Service Connected

Staff's Recommendation:

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

Based on Dr. Wagner's review and determination of Ms. Canning's knowledge of permanency, to deny Ms. Canning's request for an earlier effective application date.

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**Name:** Christopulos, Jesse  
**Type of Claim:** Non-Service Connected

Staff's Recommendation:

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

Approve Mr. Christopulos's request to pursue a service connected disability retirement.

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

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**Name:** **Murray, Kimberly**  
Type of Claim: Annual Review for NSCD (Granted on 3/17/2011)

Staff's Recommendation:

Approve the recommendation contained in Dr. Wagner's report, to continue the allowance for non-service connected disability and to not require future annual medical examinations and questionnaires at this time.

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**Name:** **Scott, Brenda Anne**  
Type of Claim: Service Connected

Staff's Recommendation:

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