



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, November 8, 2012

Chair George Dewey called the meeting to order at 2:05 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Annette Cain-Darnes
Keith Carson
George Dewey
Elizabeth Rogers
Donald White
David Safer (*Alternate*)
Darryl Walker (*Alternate*)

Trustees Excused: Liz Koppenhaver
George Wood

Staff Present: Victoria Arruda, Human Resources Officer
Vincent Brown, Chief Executive Officer
Robert Gaumer, Chief Counsel
Harsh Jadhav, Internal Auditor
Rose Kwong, Benefits Manager
Martha Richardson, Executive Secretary
Betty Tse, Chief Investment Officer
Latrena Walker, Project and Information Services Manager

Staff Excused: Kathy Foster, Assistant Chief Executive Officer
Catherine Walker, Assistant Chief Executive Officer

12-115

The minutes of the regular meeting of October 18, 2012 were accepted on a motion by Elizabeth Rogers, seconded by Dale Amaral and approved by a vote of 6 yes, 0 no, and 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

None

It was moved by Elizabeth Rogers, seconded by Keith Carson and approved by a vote of 5 yes, (Amaral recused), 0 no, 0 abstentions, that the following resolution is adopted:

12-116

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 October Committee meeting minutes are posted on the ACERA website (www.acera.org) after approval at the November 8, 2012 Board meeting. This month's Committee reports were presented in the following order:

Operations:

Elizabeth Rogers reported that the Operations Committee met on November 7, 2012 at 9:01 a.m., and highlighted the following:

Vince Brown, Chief Executive Officer, presented the draft 2013 Operating Expense Budget.

12-117

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board approve the 2013 Operating Expense Budget of \$18,436,000 and the Pension Reform Implementation Contingency Fund of \$148,000. The motion carried 9 yes, 0 no, and 0 abstentions.

Robert Gaumer, Chief Counsel, discussed the current approach to calculating member contribution rates and Staff's recommendation to use a single rate for new tiers that are effective January 1, 2013 for New Members, as a result of the Public Employees' Pension Reform Act (PEPRA – AB 340). Staff's recommendation is based on the advice of ACERA's actuary, as well as the efficiency and clarity that a flat rate approach provides for the calculation of contribution rates for New Members.

12-118

It was moved by Elizabeth Rogers and seconded by Annette Cain-Darnes that the Board adopt CERL code § 31621.11 (for non-safety members) and § 31639.26 (for safety members) for calculation of single rate of contributions for New Members. The motion carried 9 yes, 0 no, and 0 abstentions.

Robert Gaumer discussed the annual review and Staff's recommendation regarding the Travel Policy. In addition, the Chair directed Staff to follow-up on Staff's travel reporting, additional changes to the Board Travel Policy and Education Policy, and the Chair's signature for the CEO's travel reimbursement documents.

12-119

It was moved by Elizabeth Rogers and seconded by Annette Cain-Darnes that the Board renew the Travel Policy with the amendments recommended by Staff and the changes suggested by the Committee during the discussions. The motion carried 9 yes, 0 no, and 0 abstentions.

Chief Counsel Robert Gaumer recommended that elected active member ACERA Trustees Elizabeth Rogers and Dale Amaral recite the attached disclosure statements and recused themselves from discussions and Board actions related to the Voluntary Elected Member Employer Reimbursement Policy. After Ms. Rogers and Captain Amaral read and signed their disclosure statements, they left the Board Room. Mr. Gaumer then discussed the annual review and Staff's recommendation regarding the Voluntary Elected Member Employer Reimbursement Policy.

At the Board meeting ACERA Trustees Elizabeth Rogers, Dale Amaral, and Darryl Walker recited attached disclosure statements and recused themselves from the discussions and actions related to the Voluntary Elected Member Reimbursement Policy. Ophelia Basgal reported on this action item.

12-120

It was moved by Ophelia Basgal and seconded by David Safer that the Board renew the Voluntary Elected Member Employer Reimbursement Policy, without revisions. The motion carried 6 yes, 0 no, and 0 abstentions, (*Amaral, Rogers and Walker recused*).

12-121

It was moved by Ophelia Basgal and seconded by David Safer that the Board continue the voluntary elected member employer reimbursement for 2013. The motion carried 6 yes, 0 no, and 0 abstentions, (*Amaral, Rogers and Walker recused*).

Elizabeth Rogers resumed discussion of information items.

Vince Brown presented the quarterly financial statements as of September 30, 2012. For the period ending September 30, 2012 net assets held in trust for pension benefits total \$5,565,656,539.

Vince Brown presented the year-to-date operating expenses – budget vs actual. As of September 30, 2012 actual expenses are under budget \$511,515.

Vince Brown presented the Board Member Conference Attendance Report ending September 30, 2012.

Latrena Walker, Project and Information Services Manager, reported that the September 28, 2012 Business Continuity exercise was successful.

Robert Gaumer gave the Committee an oral update regarding the implementation of pension reform.

Robert Gaumer provided the Committee with an update on the legislation of interest to ACERA.

Sharen Stanek-Lowe, Assistant Benefits Manager, presented the 3rd Qtr. Call Center report.

12-122

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Board approve the November 7, 2012 Operations Committee minutes. The motion carried 9 yes, 0 no, and 0 abstentions.

The Board raised questions regarding GASB Statement 27 reporting requirements with respect to the adoption of the single rate of contributions for new members and possible impact on employer. Staff will request clarification from The Segal Company about this issue.

Investment:

Annette Cain-Darnes noted that the Investment Committee met on November 8, 2012 at 9:11 a.m., and highlighted the following:

Robert Gaumer presented the Amended ACERA Placement Agent Disclosure Policy for review and consideration.

12-123

It was moved by Annette Cain Darnes and seconded by Keith Carson that the Board adopt the Amended ACERA Placement Agent Disclosure Policy. The motion carried 9 yes, 0 no, and 0 abstentions.

Information Items included:

- Report on ACERA's PEARLS Investment – Debt-Related/Special Situations
- Review of Loomis, Sayles & Company
- Review of Mellon Capital Management

12-124

It was moved by Annette Cain-Darnes and seconded by Elizabeth Rogers that the Board approve the November 8, 2012 Investment Committee minutes. The motion carried 9 yes, 0 no, and 0 abstentions.

NEW BUSINESS

Pension Reform Update

Vince Brown and Robert Gaumer presented an oral update about the Pension Reform Legislation. Gaumer summarized ACERA's timeline for sharing information about the analysis of the pay codes.

Information regarding the schedule will be posted on the ACERA website at www.acera.org.

Discussion and Motion to Select ACERA Voting Delegate at SACRS Fall Meeting and Direct Delegate regarding Approval of SACRS Legislative Proposals

The Board took the following actions on Staff recommendations regarding the SACRS Fall meeting.

12-125

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Board designate Vincent P. Brown, CEO, as ACERA's voting delegate and direct him to approve the receipt and filing of the Treasurer's Report, Audit Committee Report, and minutes from the May SACRS Business Meeting. The motion carried 9 yes, 0 no, and 0 abstentions.

12-126

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Board direct its voting delegate to vote in favor of the Legislative Proposal regarding Los Angeles County Employees' Retirement Association (LACERA) #1 – Provided an amendment was included that mandated all phone calls be recorded, otherwise the voting delegate was directed to oppose LACERA #1. The motion carried 9 yes, 0 no, and 0 abstentions.

12-127

It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Board direct its voting delegate to oppose SACRS' sponsorship of the Legislative Proposal regarding LACERA – Disclosure of Real Estate Investments. The motion carried 9 yes, 0 no, and 0 abstentions.

12-128

It was moved by Ophelia Basgal and seconded by Annette Cain-Darnes that the Board direct its voting delegate to approve SACRS' sponsorship of the Legislative Proposal regarding San Joaquin County Employees' Retirement Association (SJCERA) – Alternative Investment and Public Disclosure (Issue #1). The motion carried 9 yes, 0 no, and 0 abstentions.

12-129

It was moved by Ophelia Basgal and seconded by David Safer that the Board direct its voting delegate to approve SACRS' sponsorship of the Legislative Proposal regarding San Joaquin County Employees' Retirement Association (SJCERA) – Alternative Investment and Public Disclosure (Issue #2). The motion carried 9 yes, 0 no, and 0 abstentions.

Vince Brown, Chief Executive Officer Report

The CEO reported on the following items:

- 2012 Board Offsite
- Joint County Board of Supervisors and ACERA Board Meeting
- Staff Communications
- Attendance at SACRS Fall Conference

BOARD/PUBLIC INPUT

Pete Albert announced the ACRE Fall Luncheon at Hs Lordship's on November 29. David Safer gave kudos to the award-winning movie "Waiting Room" that features Highland Hospital Emergency Room.

ESTABLISHMENT OF THE NEXT MEETING

Thursday, December 20, 2012 at 2 p.m.

ADJOURNMENT INTO CLOSED EXECUTIVE SESSION

The Board convened into Closed Executive Session regarding:

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to subdivision Government Code §54956.9(b)
(1 case)

Pursuant to Government Code Section 54957 to discuss:
Chief Executive Officer Performance Evaluation

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

The Board reported no action on the above-mentioned items.

ADJOURNMENT

The meeting adjourned at 3:10 p.m.

Respectfully Submitted,

Vincent P. Brown
Chief Executive Officer

Date Adopted

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

CUBLEY, Anne L. Effective: 6/2/2012 Health Care Services Agency	LOWE-THOMAS, Althea R. Effective: 6/30/2012 Superior Court - DEF
FUNG, Sook L Effective: 8/4/2012 Alameda County Medical Center	PIGG, Arthur Effective: 4/1/2010 Probation
GARFIELD, Nimfa A. Effective: 7/28/2012 Alameda County Medical Center	PORTER, Johnny P. Effective: 8/4/2012 Superior Court
GARNIER, Laurie E. Effective: 3/31/2012 Alameda County Medical Center	POTTER, Jane M. Effective: 3/31/2012 Public Health
KNOX, James E. Effective: 6/30/2012 Alameda County Medical Center	STORIN, James C. Effective: 9/1/2012 General Services Agency - DEF
LIVINGS, Cynthia D. Effective: 7/3/2012 Auditor - Controller	SZYMKIEWICZ, Eva Effective: 8/4/2012 Treasurer - Tax Collector

APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT

BIANCO, Frank
Sheriff's Office
Effective: 01/09/09

COX, John Collier
District Attorney
Effective: 06/27/05

DEREZIN, Lisa
Social Services Agency
Effective: 11/19/05

SCHRADER, Carol
Alameda County Medical Center
Effective: 03/11/05

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

CONWRIGHT, Craig D.
Risk Management
Effective: 06/17/05

BRENTS, Lekisha L.
Public Health
Effective: 03/13/06

DAVIS, Janella S.
Behavioral Health Care Services
Effective: 02/24/09

SIUFUA, Tauasosi K.
Social Services Agency
Effective: 09/22/07

**APPENDIX D
LIST OF DECEASED MEMBERS**

ANATALIO, Benjamin G.
10/2/2012
Alameda County Medical Center

GROVE, Troy
10/2/2012
Survivor of Magdalene A. Grove

CARLOS, Manuel
10/16/2012
Auditor-Controller

HAUSER, Helen
10/20/2012
Alameda County Medical Center

CROSS, Brian
9/29/2012
Health Care Services Agency

JACKSON, Rubye
10/7/2012
Alameda County Medical Center

DANIELSON, William F.
9/30/2012
County Administration

LEDFORD, Darrell
10/27/2012
Livermore Area Recreation & Park District

DOLIM, Abel
10/18/2012
Survivor of Mary N. Dolim

LEGGETT, Erma L
10/1/2012
Alameda County Medical Center

EDWARDS, Ray W.
9/24/2012
Behavioral Health Care Services

LILLY, Paul A.
10/17/2012
Alameda County Medical Center - DEF

FOREMAN M.D., Nadine
10/1/2012
Alameda County Medical Center

NETHERCOTT, Phyllis M.
11/10/2011
Survivor of Kieth N. Nethercott

GARCIA, Ramon
10/13/2012
Social Services Agency

O'NEILL, Margaret M.
10/16/2012
Survivor of James E. O'Neill

APPENDIX D
LIST OF DECEASED MEMBERS

PRATT, Leslie G.
10/16/2012
Behavioral Health Care Services

ROBINSON, Mildred
10/26/2012
Alameda County Medical Center

RAKESTRAW, Edgar M.
4/27/2012
Alameda County Medical Center

ROGERS, Ruth M.
10/18/2010
Library - DEF

REED, W G
9/26/2012
Public Works Agency

STASHIK, Lucille A.
9/12/2012
Alameda County Medical Center

REEL, Claudine N.
9/29/2012
Superior Court

TYLER, Frank
10/22/2012
Probation

RICHARDSON, Jeanette L.
10/1/2012
Survivor of Stuart E. Richardson

WEINBERG, Julian
9/20/2012
Alameda County Medical Center

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Baca, Elvira**

Type of Claim: Annual Review for SCD (Granted on 10/20/2011)

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 medical examinations and questionnaires.