



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

NOTICE and AGENDA

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Thursday, March 16, 2023
 2:00 p.m.**

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT - MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574 The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number. Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	JAIME GODFREY	APPOINTED
	CHAIR	
	OPHELIA BASGAL	APPOINTED
	FIRST VICE-CHAIR	
	KELLIE SIMON	ELECTED GENERAL
	SECOND VICE-CHAIR	
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	GEORGE WOOD	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED¹
	KEVIN BRYANT	ALTERNATE SAFETY²

1 The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General Members, or the Safety Member and an Elected General Member, are absent.

2 The Alternate Safety Member votes in the absence of the Elected Safety Member, either of the two Elected General Members, or both the Retired and Alternate Retired Members.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice.

Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT CALENDAR:

The Board will adopt the entire Consent Calendar by a single motion, unless one or more Board members remove one or more items from the Consent Calendar for separate discussion(s) and possible separate motion(s).

A. REPORT ON SERVICE RETIREMENTS:

Appendix A

B. LIST OF DEFERRED RETIREMENTS:

Appendix B

C. LIST OF DECEASED MEMBERS:

Appendix C

D. APPROVE REQUEST(S) FOR UP TO 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:

None

E. APPROVE UNCONTESTED STAFF RECOMMENDATIONS ON DISABILITY RETIREMENTS AND DEATH BENEFITS:

None

F. APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS AND DEATH BENEFITS:

None

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

February 16, 2023 Audit Committee Minutes

February 16, 2023 Minutes of the Regular Board Meeting

March 8, 2023 Investment Committee Minutes

H. MISCELLANEOUS:

- *Operating Expenses as of January 31, 2023*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Retention Pay – 74E*

**-----End of Consent Calendar-----
(MOTION)**

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Investment: [See March 8, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of March 8, 2023 Meeting.
2. Motion to approve an up to \$50 Million Investment in Clayton, Dubilier, and Rice (CD&R) XII as part of ACERA's Private Equity Portfolio – Buyouts, pending completion of Legal and Investment due diligence and successful contract negotiations.

7. OLD BUSINESS:

- A.** Discussion and possible motion to amend the February 16, 2023 Supplemental COLA Board Resolution to clarify that the Supplemental COLA increase effective with April 1, 2023 monthly retirement allowances will apply to Tier 2 members who retired on or before April 1, 2001, rather than April 1, 2007.

8. NEW BUSINESS:

- A.** Motion to direct the Chief Executive Officer (or his designee) to vote ACERA's Proxy on behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Spring Conference Business Meeting.
- B.** Chief Executive Officer's Report.

9. CONFERENCE/ORAL REPORTS

10. ANNOUNCEMENTS

11. BOARD INPUT

12. ESTABLISHMENT OF NEXT MEETING:

Thursday, April 20, 2023 at 2:00 p.m.

13. CLOSED SESSION:

- A. Conference With Legal Counsel—Existing Litigation (Gov't Code § 54956.9(d)(1)): Preciosa Bachan v. Alameda County Employees' Retirement Association, Alameda County Superior Court Case No: 23CV028214.

14. REPORT ON ACTION TAKEN IN CLOSED SESSION

15. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ADDY, Nii
Effective: 12/30/2022
Alameda Health System

FERNANDEZ, Janet
Effective: 10/19/2022
Public Defender

AHERN, Gregory
Effective: 1/3/2023
Sheriff's Office

GALLEGOS, Dolores
Effective: 12/24/2022
Health Care Services Agency

BERBER, Michelle
Effective: 10/4/2022
Superior Court

GALLEGOS, Joel
Effective: 1/10/2023
LARPD

BOLLING, Letitia
Effective: 1/7/2023
Health Care Services Agency

GATMAITAN, Jocelyn
Effective: 12/10/2022
Social Services Agency

BONSTEEL, Nichole
Effective: 12/10/2022
Sheriff's Office

GREAR, Robin
Effective: 12/10/2022
Alameda Health System

CARSON-WALKER, Delean
Effective: 12/22/2022
Probation

GRUBER, Eleanor
Effective: 12/20/2022
Alameda Health System

CHUNG, Nora
Effective: 12/10/2022
Social Services Agency

HARRIS, Connie
Effective: 12/28/2022
Health Care Services Agency

CONTRERAS, Gloria
Effective: 1/7/2023
Superior Court

HATHCOX, Malary
Effective: 1/1/2023
District Attorney

CSIKESZ, Rebecca
Effective: 12/10/2022
District Attorney

KUSNIERCZYK, Peter
Effective: 12/2/2022
Alameda Health System

DOMAGUING, Joseph
Effective: 11/29/2022
General Services Agency

LEE WONG, Wai Yin
Effective: 12/10/2022
Assessor

EDWARDS, Lucile
Effective: 12/23/2022
Alameda Health System

LEFUEL, Mary
Effective: 12/10/2022
Social Services Agency

ELLIS, Steven
Effective: 1/7/2023
Zone 7 Water Agency

LOPEZ, Yvonne
Effective: 1/7/2023
Health Care Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

MACARAIG, Benchito
Effective: 12/10/2022
Community Development Agency

RAZZANO, Theresa
Effective: 1/7/2023
Health Care Services Agency

MADERO, Alma
Effective: 12/10/2022
Social Services Agency

SANCHEZ, Sonia
Effective: 1/7/2023
Social Services Agency

MC GEHEE-WRIGHT, Teresa
Effective: 12/10/2022
District Attorney

SMITH, Rudolph
Effective: 1/7/2023
Health Care Services Agency

MILLER, Lavina
Effective: 12/10/2022
Probation

TOLEDO, Linda
Effective: 1/7/2023
Alameda Health System

O'MALLEY, Nancy
Effective: 1/3/2023
District Attorney

TORRES, Hiram
Effective: 12/31/2022
Superior Court

OSEYE, Ayofemi
Effective: 12/10/2022
Social Services Agency

TRENOFF, Dolores
Effective: 11/18/2022
Health Care Services Agency

QUAN, Sue
Effective: 1/7/2023
Alameda Health System

WALSH, Stephen
Effective: 1/1/2023
County Administrator's Office

RATCLIFF, Philippa
Effective: 12/24/2022
District Attorney

WARREN, Cynthia
Effective: 12/30/2022
Superior Court

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

MADRID, Alexander
Public Works Agency
Effective Date: 1/23/2023

MIMS-COCHRAN, Toni
Superior Court
Effective: 12/23/2022

MENDEZ-PAJARITO, Marisol
Sheriff's Office
Effective: 1/6/2023

MOODY-DAVIS, Asher
Alameda Health System
Effective: 1/5/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

MORADI, Tamana
Social Services Agency
Effective: 1/6/2023

TECSON, Ian
Library
Effective: 1/16/2023

OZENE, Nicole
Social Services Agency
Effective: 1/6/2023

VELANDIA CELY, Cyndy
Retirement (ACERA)
Effective: 1/13/2023

PEREZ, Rebecca
Health Care Services Agency
Effective: 1/11/2023

WALKER, Shauniqua
Superior Court
Effective: 1/13/2023

ROMO, Marco
Sheriff's Office
Effective: 1/20/2023

WALTON, Tammy
Alameda Health System
Effective: 1/11/2023

SALVADOR, Eloisa
Alameda Health System
Effective: 12/31/2022

WATTS, Shanel
Superior Court
Effective: 1/6/2023

SUAREZ, Eduardo
Alameda Health System
Effective: 1/2/2023

WAZWAZ, Abdullah
Sheriff's Office
Effective: 12/20/2022

WEYGANDT, Suzann
Alameda Health System
Effective: 1/12/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

BAILEY, Frank
Probation
12/9/2022

FOSTER, Judy
District Attorney
2/2/2023

BUCKMAN, Robert
Probation
1/18/2023

GARCIA, Cecil
Public Works Agency
1/31/2023

COSTELLO, Betty
Alameda Health System
12/6/2022

HILL, Peggy
Non-Mbr Survivor of Edward Hill
1/31/2023

DOWNING, Bonnie
Social Services Agency
1/17/2023

JONES, Shirley
Non-Mbr Survivor of John Jones
2/1/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

MOORE, Pamela
Social Services Agency
12/9/2022

RUBIN, Gary
Sheriff's Office
12/15/2020

PETERSEN, Neil
Alameda Health System
2/2/2023

SANTOS, Justita
Social Services Agency
2/26/2023

RAUGUST Margherita
Social Services Agency
1/21/2023

SWANN, Irene
Public Health
1/29/2023

REPPOND, George
Public Works Agency
2/25/2023

THOMAS, Bessie
Social Services Agency
2/16/2023

REYES, Luzviminda
Social Services Agency
2/2/2023

TOMLINSON, Stanley
Non-Mbr Survivor of Cheryl Tomlinson
2/23/2023

RICHARDSON, Gerald
Sheriff's Office
1/16/2023

TORNHEIM, Mark
Assessor
1/21/2023

WILCOX, Gordon
Sheriff's Office
2/15/2023

CONSENT CALENDAR ITEM

**February 16, 2023
Minutes of the Regular Board Meeting
For approval under March 16, 2023
Board “Consent Calendar”**



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

Thursday, February 16, 2023

Chair Jaime Godfrey called the meeting to order at 2:01 p.m.

Trustees Present: Ophelia Basgal (*Arrived After Roll Call*)
Keith Carson
Tarrell Gamble (*Arrived After Roll Call*)
Jaime Godfrey
Henry Levy (*Arrived After Roll Call*)
Elizabeth Rogers
Kellie Simon
George Wood
Cynthia Baron (*Alternate*)
Kevin Bryant (*Alternate*)

Trustees Excused: Ross Clippinger

Staff Present: Carlos Barrios, Assistant Chief Executive Officer-Benefits
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
Erica Haywood, Fiscal Services Officer
Jessica Huffman, Benefits Manager
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
Lisa Johnson, Assistant Chief Executive Officer-Operations
David Nelsen, Chief Executive Officer
Jeff Rieger, Chief Counsel
Betty Tse, Chief Investment Officer

Staff Excused: Victoria Arruda, Human Resource Officer

PUBLIC INPUT

During the discussion regarding the Committee and Board Meeting Logistics in March 2023 and Thereafter, Retired Member and ACRE President Pete Albert stated that retirees still prefer attending ACERA's Committee and Board meetings via Zoom and suggested that in order to control the number of the public's questions, comments and/or disruptions during Committee and Board meetings that Staff could make the Chat function in the Zoom Program available for the public's use. Chief Counsel Jeff Rieger stated that there are additional tools that Staff can use to control public comments and/or disruptions and that ACERA's *Board and Committee Operations Policy* states that public comment is limited to four (4) minutes per speaker.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

REPORT ON SERVICE RETIREMENTS

Appendix A

LIST OF DEFERRED RETIREMENTS

Appendix B

LIST OF DECEASED MEMBERS

Appendix C

**APPROVE REQUEST(S) FOR UP TO 130 BI-WEEKLY PAYMENTS TO
RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

None

**APPROVE UNCONTESTED STAFF RECOMMENDATIONS ON
DISABILITY RETIREMENTS AND DEATH BENEFITS**

Appendix E

**APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR
DISABILITY RETIREMENTS AND DEATH BENEFITS**

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

January 19, 2023 Minutes of the Regular Board Meeting

February 1, 2023 Operations Committee Minutes

February 1, 2023 Retirees Committee Minutes

February 8, 2023 Investment Committee Minutes

MISCELLANEOUS

- *Quarterly Memo and Reports for the Member Under/Overpayments*
- *4th Quarter 2022 Call Center Report*
- *Approve Staff Recommendation regarding the County of Alameda's Pay Item/Code Shift 2 Straight Overtime – S2S*

23-06

It was moved by Elizabeth Rogers and seconded by Keith Carson that the Board adopt the Consent Calendar. The motion carried 9 yes (*Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

**REGULAR CALENDAR
REPORTS AND ACTION ITEMS**

DISABILITY AND DEATH BENEFIT CLAIMS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

This month's Committee reports were presented in the following order:

Operations:

Kellie Simon gave an oral report stating that the Operations Committee met on February 1, 2023 and that the Committee was presented with Staff's request to approve the 2022 discharge of benefits overpayments in the amount of \$33,647.12. Staff responded to Trustee Levy's question.

23-07

It was moved by Kellie Simon and seconded by Elizabeth Rogers that the Board approve the 2022 discharge of benefits overpayments in the amount of \$33,647.12. The motion carried 8 yes (*Basgal, Bryant, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Carson*).

Trustee Simon reported that the Committee was presented with the following Information Items: **1)** Un-Audited Financial Statements, Operating Expenses, and Actual Cash Report as of 12/31/2022; **2)** Board Member Conference Expense Report and Senior Manager Conference and Training Expense Report for 4th Qtr. 2022; **3)** Proposed 2023 Operations Committee Work Plan; **4)** Board Travel Policy-Annual Board travel increase by the Consumer Price Index; and **5)** Technology Report.

Trustee Simon reported that the Trustees requested additional information from Staff regarding an Expense Management Program and that Staff is to prepare a graph reflecting the negative cash balance for the past ten years.

Minutes of the meeting were approved as part of the Consent Calendar.

Retirees:

Elizabeth Rogers gave an oral report stating that the Retirees Committee met on February 1, 2023 and that the Committee was presented with the Information Item regarding the Annual Cost of Living Adjustment (COLA) before considering the Supplemental Cost of Living Adjustment Action Item. Trustee Rogers reported that inflation was approximately 5% and that Tier 1 and Tier 3 retirees/payees will receive a 3.0% increase, and all Tier 2 and Tier 4 retirees/payees will receive a 2.0% increase.

After discussion of the Annual COLA, the Committee was presented with information regarding the Supplemental Cost of Living Adjustment increase for Tier I members who retired on or before April 1, 1982, and Tier 2 members who retired on or before April 1, 2007, effective with the April 1, 2023 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

23-08

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Board adopt the Supplemental Cost of Living Adjustment increase for Tier I members who retired on or before April 1, 1982, and Tier 2 members who retired on or before April 1, 2007, effective with the April 1, 2023 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve. The motion carried 9 yes (*Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Rogers reported that the Committee was presented with the following additional Information Items: *1) 2023 Annual Retirees Committee Work Plan Review; 2) Annual Health Care Planning Meeting with Retiree Representatives/Date Announcement; 3) Proposal to Conduct a Request for Information (RFI) for Individual Medical Plans Coverage and Services; 4) Report on 1099-R Processing; 5) Report on Open Enrollment Activity; and 6) Semi-Annual Report on ACERA's Wellness Program.*

Trustee Rogers announced that the Annual Health Care Planning Meeting will take place on Wednesday, April 5 2023 following the Retirees Committee meeting.

Minutes of the meeting were approved as part of the Consent Calendar.

Investment:

Tarrell Gamble reported that the Investment Committee met on February 8, 2023 and that the Committee was presented with and discussed the Proposed New Manager Structure for the International Equity Asset Class.

23-09

It was moved by Tarrell Gamble and seconded by Keith Carson that the Board approve an International Equity Asset Class Structure of 62% developed markets (of which 33% is passively managed and 29% actively managed), 28% emerging markets (all actively managed) and 10% international small cap (all actively managed), with the understanding that Staff and Verus will revisit active-manager weightings in this structure with the Investment Committee at a later date. The motion carried 9 yes (*Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Gamble further reported that the Committee was presented with and discussed the 2023 – 2029 Investment Plan for ACERA’s Real Assets Asset Class.

23-10

It was moved by Tarrell Gamble and seconded by Keith Carson that the Board adopt the 2023 – 2029 Investment Plan for ACERA’s Real Assets Asset Class. The motion carried 9 yes (*Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Gamble further reported that the Committee was presented with and discussed the 2023 - 2026 Updated Private Equity Investment Plan.

23-11

It was moved by Tarrell Gamble and seconded by Kellie Simon that the Board adopt the 2023 - 2026 Updated Private Equity Investment Plan, the sub-asset class weightings will remain neutral, which is 60% in buyout, 20% in venture capital, and 20% in debt/special situations. The motion carried 9 yes (*Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Gamble reported that the Committee was presented with the following Information Items: *1) 2023 Capital Market Assumptions; and 2) 2023 Investment Committee Workplan.*

Trustee Gamble announced that the May Investment Committee meeting will take place on Wednesday, May 17, 2023 (The SACRS Spring Conference is scheduled for May 9 thru May 12, 2023).

Minutes of the meeting were approved as part of the Consent Calendar.

Audit:

Henry Levy reported that the Audit Committee met earlier today and that the Committee was presented with the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2022, to be performed by Williams, Adley & Company-CA, LLP.

23-12

It was moved by Henry Levy and seconded by Kellie Simon that the Board approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2022, to be performed by Williams, Adley & Company-CA, LLP. The motion carried 8 yes (*Basgal, Bryant, Carson, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Gamble*).

Trustee Levy reported that there will be further discussion regarding the responsibilities of the Audit Committee Trustees and how they can be more pro-active.

Trustee Levy reported on the following Information Items: *1) 2023 Audit Committee Work Plan; 2) Review of Annual Risk Assessment; 3) Presentation of the 2023 Internal Audit Plan; 4) Trustee Education on the Annual Comprehensive Financial Report (ACFR); and 5) Presentation on Cybersecurity.*

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the March 16, 2023 Board meeting.

NEW BUSINESS

Discussion regarding Committee and Board Meeting Logistics in March 2023 and Thereafter

Chief Executive Officer Dave Nelsen reminded the Board that as of February 28, 2023, the Governor will lift the State of Emergency Order, which would require Board Trustees and Staff to attend on-site Committee and Board meetings starting in March 2023. However, ACERA will continue to allow the Public to participate at Committee/Board remotely. Mr. Nelsen stated that Trustees who are unable to attend a Committee/Board meeting but would like to hear what's going on at a meeting can listen via Zoom during and/or after a meeting. However, Trustees are prohibited from participating in a Zoom Committee/Board meeting unless they have met one of the new rule exception requirements or have followed the normal *Brown Act* rules (posting the agenda in the remote location, allowing public access at the remote location, etc.).

Mr. Nelsen reported that Staff has taken several safety precautions to ensure anyone entering the building is safe and that anyone attending a Committee and/or Board meeting will be required to wear a mask in compliance with the County's rules unless Staff receives information from the County that the use of face coverings/masks by County employees is now optional. Mr. Nelsen further reported that the Board Room will be set-up to accommodate hybrid Committee and Board meetings and that Staff is also looking into possibly reconfiguring cameras, etc. in the Board Room for more effective hybrid experience.

Trustee Keith Carson reported that the Alameda County Board of Supervisors (BOS) meet for their meetings in-person and that everyone attending the meetings are required to wear a mask in compliance with the County's rules. The public can also participate at BOS meetings via Zoom. Trustee Carson gave an account of his observations during his attendance at BOS meetings and at other Board meetings he serves on. Trustee Carson stated that most of their meetings are held outside of the BOS Chambers, which makes it difficult for the public to participate. Trustee Carson further stated that some of the public members have been disruptive at the BOS, which causes the meetings to conclude at 10 p.m. It was noted that public disruptions have also occurred during other legislative bodies' meetings throughout the Country. Mr. Nelsen reported that Staff controls the Zoom functions during ACERA's Committee and Board meetings and that public comment is restricted to four (4) minutes per speaker. Mr. Nelsen and Trustees explained how hybrid Committee and Board meetings work.

Presentation from Chief Counsel regarding new rules for Trustees' Remote Attendance at Board and Committee Meetings

Chief Counsel Jeff Rieger explained the new rules and the exception requirements regarding Trustee remote attendance at Committee and Board meetings in response to Trustees' questions on how to apply the limitations on the exception requirements. Mr. Rieger stated that ACERA's Zoom option is necessary in the event a Trustee needs to participate at a Committee/Board meeting remotely. Mr. Rieger stated that the main thing Trustees need to know if they plan on attending a Committee/Board meeting remotely is listed on Page 3 of his February 16th memo under: "What This All Means For ACERA" and "All Trustees Really Need To Know". In order to ensure that a Trustee is in compliance with the normal *Brown Act* and/or new rules, Mr. Rieger requested that the Trustee contact him or Mr. Nelsen if the Trustee plans to participate at a Committee/Board meeting remotely. Mr. Rieger explained the 20% Time Limit regarding the new exceptions and responded to Trustees' questions.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his February 16, 2023 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Other Items: a) COVID-19 Responses; b) Pension Administration System; c) Business Planning; d) Virtual Meetings; and 3) Key Performance Indicators.**

Mr. Nelsen reported that after the State Emergency Order is lifted, members will be able to schedule in-person meetings with Staff Monday through Friday starting in March 2023 and that Staff has moved back into pre-Pandemic operational levels to ensure Staff and the public are safe. Mr. Nelsen also reported that Staff is working with the County and the Labor Organizations regarding the development of ACERA's *Telecommuting Policy*.

Mr. Nelsen congratulated ACERA Chief of Internal Audit Harsh Jadhav for his published article regarding IRS Tax Delinquencies. Mr. Nelsen will forward the link to Mr. Jadhav's publication to the Trustees. Trustees and Staff congratulated Mr. Jadhav.

Mr. Nelsen addressed the issue of challenges and/or "growing pains" regarding Staff being required to return to the Office as necessary. Mr. Nelsen stated that ACERA Managers/Supervisors continue to make improvements regarding team-building opportunities and monitoring employees' productivity, work, etc. when employees work remotely.

Mr. Nelsen confirmed that the cost for the SACRS Conferences are not excluded from the *Board Travel Policy*.

CONFERENCE/ORAL REPORTS

Trustees Gamble and Levy stated they are attending the Council of Institutional Investors (CII) Spring Conference in March 2023.

Trustee Levy stated he is working with Investment Department Staff to gather information regarding Proxy Voting.

ANNOUNCEMENTS

None.

BOARD INPUT

Trustee Levy stated that Milken has been more inclusive regarding public plans and that he may possibly attend this year's Global Conference. Trustees who attend the Milken Global Conference expressed their reasons for attending and indicated Milken is a very informative Conference.

To view the February 16, 2023 Board meeting in its entirety, click on the link below:
<https://youtu.be/m-kr0d7T6Eo>.

ADJOURNMENT

The meeting was adjourned at approximately 3:03 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

03/16/23

Date Adopted

APPENDIX A
REPORT ON SERVICE RETIREMENTS

AINDOW, Dena M.
Effective: 9/17/2022
Social Service Agency

NOBLES, Donald R.
Effective: 12/7/2022
District Attorney

ALDRIDGE, Leonard E.
Effective: 12/10/2022
Public Works Agency

OZUNA, Luz
Effective: 12/10/2022
Alameda Health System

CHANG, Chi J.
Effective: 11/26/2022
Social Service Agency

RODGER, Gary L.
Effective: 12/10/2022
Sheriff's Office

CHENG, Kit Y.
Effective: 12/10/2022
Sheriff's Office

SAETEURN, Nai F.
Effective: 11/29/2022
Alameda Health System

DOZIER, Cynthia S.
Effective: 11/24/2022
Social Service Agency

SPROUL, Gary D.
Effective: 11/15/2022
Health Care Service Agency

LASSO, Chanthal P.
Effective: 11/19/2022
Probation

SWISHER, Scott A.
Effective: 11/24/2022
District Attorney

LEWIS, Kevin
Effective: 11/29/2022
Sheriff's Office

TABET, Christine M.
Effective: 12/10/2022
Alameda Health System

LOCHIN, Glenford A.
Effective: 12/1/2022
Alameda Health System

VALENCIA, Carlos
Effective: 12/1/2022
Auditor-Controller

MARAMREDDY, Neeraja
Effective: 11/19/2022
Alameda Health System

WALKER, Ellen
Effective: 11/29/2022
Health Care Service Agency

MCINTYRE, Jean L.
Effective: 11/27/2022
Alameda Health System

WILKINS, Vicki L.
Effective: 12/10/2022
Public Defender

MEDEIROS, Brian K.
Effective: 12/9/2022
District Attorney

WONG, Jack
Effective: 12/10/2022
Treasurer -Tax Collector

WU, Joanne
Effective: 12/13/2022
Treasurer -Tax Collector

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

BATES, Marcus D.
General Services Agency
Effective: 10/19/2022

MITLO, Jennifer G.
District Attorney
Effective: 11/7/2022

HERETH, Kristi L.
Superior Court
Effective: 10/31/2022

MOMOH, Imoudu
Health Care Services Agency
Effective: 11/11/2022

JACKSON, Malik R.
Sheriff's Office
Effective: 12/9/2022

NEVILLE, Nichele L.
Superior Court
Effective: 11/3/2022

JAUREGUI, Patricia E.
Alameda Health System
Effective: 11/21/2022

PETERSON-FISHER, Gretchen E.
Superior Court
Effective: 11/30/2022

JOHNSON, Jeaneen
Health Care Services Agency
Effective: 10/2/2022

PORTILLANO, Criza A.
Social Services Agency
Effective: 10/28/2022

KARANKI, Divya
Information Technology
Effective: 11/14/2022

QUINTERO, Raul I.
Sheriff's Office
Effective: 11/26/2022

KUDILIL, Nelson
Alameda Health System
Effective: 11/25/2022

RAJU, Justin
Housing Authority
Effective: 11/11/2022

LEMASTERS, Shannan R.
Alameda Health System
Effective: 11/29/2022

RAMOS, Giovanna F.
District Attorney
Effective: 12/16/2022

LOVILLE, La'jae S.
Social Services Agency
Effective: 11/1/2022

REYNOSO, Gladys
Probation
Effective: 11/29/2022

MANTERNACH, Bryan S.
Information Technology
Effective: 11/30/2022

RIAZ, Sheetal
Alameda Health System
Effective: 11/23/2022

MCGUINNESS, Sophie A.
Community Development Agency
Effective Date: 11/14/2022

ROMERO, Alex
Social Services Agency
Effective: 11/30/2022

MCNAMEE, Robert F.
Superior Court
Effective: 12/16/2022

RUIZ, Genesis M.
Probation
Effective: 12/13/2022

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

SANTAMARIA, Vicente
Public Works Agency
Effective: 12/30/2022

SIMPSON, Quintera K.
District Attorney
Effective: 12/26/2022

SMITH-GRADY, Tyrisha G.
Social Services Agency
Effective: 11/21/2022

SOU, Mary
Social Services Agency
Effective: 12/9/2022

TAI, Charlotte
Superior Court
Effective: 12/16/2022

THOMAS, Shane D.
Probation
Effective: 12/9/2022

TING, Sarah W.
Board of Supervisors
Effective: 1/2/2023

TUMMINGS, Bianca M.
Information Technology
Effective: 12/23/2022

URBANO, Chona A.
Alameda Health System
Effective: 11/30/2022

URZUA, Sonia
Community Development Agency
Effective: 1/6/2023

VONG, Vien J.
Human Resource Services
Effective: 12/23/2022

WASTENEY, Lauren M.
Social Services Agency
Effective: 12/23/2022

WEEKES, Camille C.
Superior Court
Effective: 12/2/2022

WILCOX, Elizabeth A.
Human Resource Services
Effective: 1/6/2023

WILLIAMS, Tiffany G.
Social Services Agency
Effective: 11/28/2022

WINTERS THOMAS, Liana K.
Human Resource Services
Effective: 1/6/2023

WONG, Jay C.
Sheriff's Office
Effective: 12/23/2022

YAN, Qi Y.
Public Works Agency
Effective Date: 11/25/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

ALEXANDER JR., Jason
Non-Mbr Survivor of Charlene Alexander
12/25/2022

LAUREL, Maria
Non-Mbr Survivor of John Laurel
1/7/2023

ANDERSON, David
Non-Mbr Survivor of Sharon M. Anderson
12/31/2022

MARR, Nancy
Non-Mbr Survivor of William Marr
11/20/2022

ANDERSON, David
Sheriff's Office
12/31/2022

MARTIN, Earnesteen
Alameda Health System
12/23/2022

BANNISTER, Rufina
Alameda Health System
12/8/2022

MATZEK, Mary
Non-Mbr Survivor of George Matzek
12/23/2022

BELLERIVE, James
District Attorney Office
1/24/2023

RAPP, Linda
Probation Department
9/10/2022

CAMPBELL, Jessie
Non-Mbr Survivor of Edward Campbell
12/10/2022

REID, Robert
Non-Mbr Survivor of Christel Reid
12/30/2022

CRARY, Eleanor
Library
12/24/2022

RENO, Deborah
Non-Mbr Survivor of Robert Reno
12/2/2022

FULLER, Lawrence
Sheriff's Office
1/10/2023

SERVATKA, Barbara
Superior Court
1/20/2023

JACOBS, Alberta
Behavioral Health Care Services
1/21/2023

SUURONEN, Norma
District Attorney Office
1/9/2023

VILLANUEVA, Amado
General Services Agency
1/8/2023

APPENDIX E
APPROVE UNCONTESTED STAFF RECOMMENDATIONS ON
DISABILITY RETIREMENTS AND DEATH BENEFITS

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

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

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

CONSENT CALENDAR ITEM

**March 8, 2023
Investment Committee Minutes
For approval under March 16, 2023
Board “Consent Calendar”**

**The March 8, 2023
Investment Committee Minutes
will be distributed under separate cover**

CONSENT CALENDAR ITEM

**February 16, 2023
Audit Committee Minutes
For approval under March 16, 2023
Board “Consent Calendar”**



MINUTES OF FEBRUARY 16, 2023 AUDIT COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

Date: February 16, 2023
To: Members of the Audit Committee
From: Henry Levy, Chair
Subject: **Summary of the February 16, 2023 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the February 16, 2023, Audit Committee meeting to order at 12:30 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were, Ross Clippinger and Henry Levy. Other Board members present were Ophelia Basgal, Jaime Godfrey, Elizabeth Rogers, and alternates Cynthia Baron and Kevin Bryant. Keith Carson and Kellie Simon arrived after the roll call.

Staff present were David Nelsen, Chief Executive Officer; Lisa Johnson, Assistant Chief Executive Officer; Carlos Barrios, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Erica Haywood, Fiscal Services Officer; Jessica Huffman, Benefits Manager; Sandra Dueñas, Benefits Manager; Vijay Jagar, Retirement Chief Technology Officer; and Betty Tse, Chief Investment Officer.

PUBLIC COMMENT

None

ACTION ITEMS

External Audit:

- 1. Presentation, discussion, and possible motion to approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2022, to be performed by Williams, Adley & Company-CA, LLP**

Robert Griffin and Kenneth Yu of Williams, Adley & Company-CA, LLP. (WACO), presented and discussed the 2023 external audit scope of work and timeline of the 2022 external audit.

After discussion, it was moved by Ophelia Basgal and seconded by Jaime Godfrey, that the Audit Committee recommend to the Board of Retirement that the Board approve the external audit scope of work and timeline of services for the Financial Statements ended December 31, 2022, to be performed by Williams, Adley & Company-CA, LLP.

The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Bryant*), 0 no, 0 abstentions.

INFORMATION ITEMS

External Audit

1. 2023 Audit Committee Work Plan (Proposed)

Staff presented the proposed 2023 Audit Committee work plan.

Internal Audit

1. Review of Annual Risk Assessment

Staff reviewed the Annual Risk Assessment.

2. Presentation of the 2023 Internal Audit Plan (Proposed)

Staff presented the proposed 2023 Internal Audit Plan.

3. Trustee Education (ACFR Review)

Chair, Henry Levy provided an education on the Annual Comprehensive Financial Report. Staff provided a presentation on cybersecurity.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

April 20, 2023 at 1:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 1:38 p.m.

CONSENT CALENDAR ITEM

**Operating Expenses and Budget
Summary as of 1/31/23**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: March 16, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Operating Expenses and Budget Summary for the period ended January 31, 2023

ACERA's operating expenses are \$12K over budget for the period ended January 31, 2023. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Staffing*: Staffing is \$37K over budget. This amount comprised surpluses in fringe benefits of (\$26K), and staff vacancies of (\$17K), offset by an overages in temporary staffing of \$15K and vacancies adjustments of \$65K.
2. *Professional Fees*: Professional Fees is \$11K over budget in legal fees.

Budget Surpluses

3. *Staff Development*: Staff Development is \$11K under budget due to savings from unattended staff trainings and conferences.
4. *Office Expense*: Office Expense is \$6K under budget. This amount comprises surpluses in bank charges of (\$3K), building expenses of (\$4K), and equipment lease/maintenance of (\$1K), offset by an overage in communication expenses of \$2K.
5. *Member Services*: Member Services are \$10K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$4K), disability medical expense of (\$4K), and members printing and postage of (\$2K).
6. *Systems*: Systems are \$9K under budget. This amount comprises surpluses in software maintenance and support of (\$5K), business continuity expense of (\$2K) and minor computer hardware of (\$2K).

Staffing Detail

Vacant positions as of January 31, 2023:

Department	Position	Qty	Comments
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Sr. Retirement Technician	2	Vacant - currently budgeted for the year
Benefits	Retirement Support Specialist	1	Vacant - currently budgeted for the year
Fiscal Services	Retirement Accountant III	1	Vacant - currently budgeted for the year
Investments	Investment Analyst	1	Vacant - currently budgeted for the year
PRISM	Retirement System Program Analyst	1	Vacant – currently budgeted for the year
Total Positions		7	

Pension Administration System Project - as of January 31, 2023					
	Year-To-Date			2023 Budget	2019-22 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	28,337	125,000	(96,663)	1,500,000	2,533,989
Segal and other consultant fees	47,878	40,000	7,878	480,000	1,632,042
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	76,215	165,000	(88,785)	1,980,000	4,266,501
Staffing	53,077	58,000	(4,923)	696,000	2,158,220
TOTAL	129,293	223,000	(93,707)	2,676,000	6,424,721

Attachments:

- Total Operating Expenses Summary
- Professional Fees – Year-to-Date – Actual vs. Budget
- Actual Operating Expenses comparison with last year



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL OPERATING EXPENSES SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>January 31, 2023</u>					
	Actual	Budget	YTD	2023	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 1,394,142	\$ 1,357,600	\$ 36,542	\$ 16,224,000	8.6%
Staff Development	14,162	24,990	(10,828)	367,000	3.9%
Professional Fees (Next Page)	107,857	96,560	11,297	1,301,000	8.3%
Office Expense	32,178	38,630	(6,452)	469,000	6.9%
Insurance	46,924	46,930	(6)	579,000	8.1%
Member Services	33,567	43,470	(9,903)	522,000	6.4%
Systems	87,494	96,390	(8,896)	1,223,000	7.2%
Depreciation	9,961	9,980	(19)	120,000	8.3%
Board of Retirement	39,014	38,970	44	614,000	6.4%
Uncollectable Benefit Payments	-	-	-	53,000	0.0%
Total Operating Expense	\$ 1,765,299	\$ 1,753,520	\$ 11,779	\$ 21,472,000	8.2%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

January 31, 2023

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2023 Annual Budget</u>	<u>% Actual to Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 27,667	\$ 27,820	\$ (153)	\$ 354,000	7.8%
Actuarial Fees ²	32,150	32,150	-	653,000	4.9%
External Audit ³	24,100	24,100	-	144,000	16.7%
Legal Fees ⁴	23,940	12,490	11,450	150,000	16.0%
Total Professional Fees	\$ 107,857	\$ 96,560	\$ 11,297	\$ 1,301,000	8.3%

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2023 Annual Budget</u>	<u>% Actual to Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Benefits					
Alameda County HRS (Benefit Services)	10,500	10,500	-	126,000	8.3%
Segal (Benefit Consultant/Retiree Open Enrollment)	10,750	10,920	(170)	131,000	8.2%
Total Benefits	21,250	21,420	(170)	257,000	8.3%
Fiscal Services					
Cashlog	-	-	-	20,000	0.0%
Total Fiscal Services	-	-	-	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	6,417	6,400	17	77,000	8.3%
Total Human Resources	6,417	6,400	17	77,000	8.3%
Total Consultant Fees - Operations	27,667	27,820	(153)	354,000	7.8%
² ACTUARIAL FEES					
Actuarial Valuation	-	-	-	85,000	0.0%
Actuarial Audit	11,250	11,250	-	135,000	8.3%
GASB 67 & 68 Valuation	-	-	-	52,000	0.0%
GASB 74 & 75 Actuarial	-	-	-	16,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	20,900	20,900	-	251,000	8.3%
Supplemental Retiree Benefit Reserve valuation	-	-	-	44,000	0.0%
Triennial Experience Study	-	-	-	40,000	0.0%
Total Actuarial Fees	32,150	32,150	-	653,000	4.9%
³ EXTERNAL AUDIT					
External audit	20,100	20,100	-	121,000	16.6%
GASB 67 & 68 audit	2,000	2,000	-	11,000	18.2%
GASB 74 & 75 audit	2,000	2,000	-	12,000	16.7%
Total External Audit Fees	24,100	24,100	-	144,000	16.7%
⁴ LEGAL FEES					
Fiduciary & Litigation	21,580	6,250	15,330	75,000	28.8%
Tax and Benefit Issues	2,080	2,080	-	25,000	8.3%
Miscellaneous Legal Advice	281	4,160	(3,880)	50,000	0.6%
Total Legal Fees	23,940	12,490	11,450	150,000	16.0%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the One Month Ending 1/31/2023

	<u>For the Month of January 2023</u>	<u>For the Month of January 2022</u>	<u>Variance</u>	<u>Year-To-Date 2023</u>	<u>Year-To-Date 2022</u>	<u>Variance</u>
STAFFING						
Salaries	884,672	756,431	128,241	884,672	756,431	128,241
Fringe Benefits	481,607	440,335	41,272	481,607	440,335	41,272
Temporary Staffing Cost	27,863	30,507	(2,644)	27,863	30,507	(2,644)
Staffing Total	<u>1,394,142</u>	<u>1,227,273</u>	<u>166,869</u>	<u>1,394,142</u>	<u>1,227,273</u>	<u>166,869</u>
STAFF DEVELOPMENT	14,162	25,345	(11,183)	14,162	25,345	(11,183)
PROFESSIONAL FEES						
Actuarial Fees	32,150	16,600	15,550	32,150	16,600	15,550
Consultant Fees - Operations	27,667	35,817	(8,150)	27,667	35,817	(8,150)
Consultant Fees - Legal	23,940	9,169	14,771	23,940	9,169	14,771
External Audit	24,100	23,600	500	24,100	23,600	500
Professional Fees Total	<u>107,857</u>	<u>85,186</u>	<u>22,671</u>	<u>107,857</u>	<u>85,186</u>	<u>22,671</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	5,251	10,659	(5,408)	5,251	10,659	(5,408)
Building Expenses	3,301	452	2,849	3,301	452	2,849
Communications	9,509	10,380	(871)	9,509	10,380	(871)
Equipment Lease/Maintenance	8,113	8,271	(158)	8,113	8,271	(158)
Minor Equipment and Furniture	702	1,423	(721)	702	1,423	(721)
Office Supplies/Maintenance	4,159	1,056	3,103	4,159	1,056	3,103
Printing & Postage	1,143	971	172	1,143	971	172
Office Expense Total	<u>32,178</u>	<u>33,212</u>	<u>(1,034)</u>	<u>32,178</u>	<u>33,212</u>	<u>(1,034)</u>
INSURANCE	46,924	44,286	2,638	46,924	44,286	2,638
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	(800)	7,942	(8,742)	(800)	7,942	(8,742)
Disability Medical Expense	12,000	4,000	8,000	12,000	4,000	8,000
Disability Claims Management	3,850	3,850	0	3,850	3,850	0
Health Reimbursement Acct. (HRA)	5,280	5,004	276	5,280	5,004	276
Member Training & Education	517	601	(84)	517	601	(84)
Printing & Postage - Members	7,318	2,214	5,104	7,318	2,214	5,104
Virtual Call Center	5,402	0	5,402	5,402	0	5,402
Member Services Total	<u>33,567</u>	<u>23,611</u>	<u>9,956</u>	<u>33,567</u>	<u>23,611</u>	<u>9,956</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the One Month Ending 1/31/2023

	<u><i>For the Month of January 2023</i></u>	<u><i>For the Month of January 2022</i></u>	<u>Variance</u>	<u><i>Year-To-Date 2023</i></u>	<u><i>Year-To-Date 2022</i></u>	<u>Variance</u>
SYSTEMS						
Business Continuity Expense	15,123	15,987	(864)	15,123	15,987	(864)
County Data Processing	10,892	10,375	517	10,892	10,375	517
Minor Computer Hardware	1,492	3,333	(1,841)	1,492	3,333	(1,841)
Software Maintenance & Support	59,987	57,474	2,513	59,987	57,474	2,513
Systems Total	<u>87,494</u>	<u>87,169</u>	<u>325</u>	<u>87,494</u>	<u>87,169</u>	<u>325</u>
DEPRECIATION						
Depreciation Expense	9,961	10,392	(431)	9,961	10,392	(431)
BOARD OF RETIREMENT						
Board Compensation	1,100	1,100	0	1,100	1,100	0
Board Conferences & Training	6,944	667	6,277	6,944	667	6,277
Board Employer Reimbursement	29,660	28,250	1,410	29,660	28,250	1,410
Board Miscellaneous Expense	1,310	1,140	170	1,310	1,140	170
Board Software Maint. & Support	0	986	(986)	0	986	(986)
Board of Retirement Total	<u>39,014</u>	<u>32,143</u>	<u>6,871</u>	<u>39,014</u>	<u>32,143</u>	<u>6,871</u>
GRAND TOTALS	<u>1,765,299</u>	<u>1,568,617</u>	<u>196,682</u>	<u>1,765,299</u>	<u>1,568,617</u>	<u>196,682</u>

CONSENT CALENDAR ITEM

**Approve Staff Recommendation regarding the
County of Alameda's New Pay Item/Code Retention
Pay – 74E**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: March 16, 2023
TO: Members of the Board of Retirement
FROM: Sandra Dueñas-Cuevas, Benefits Manager
SUBJECT: New Pay Item/Code: Approve as "Compensation Earnable" and Exclude from "Pensionable Compensation" – County of Alameda

The County of Alameda (County) requested that new pay item/code Retention Pay – 74E be reviewed to determine whether it qualifies as "compensation earnable" and "pensionable compensation". This new pay code provides a retention pay stipend program effective December 20, 2022 for eligible employees in the classifications of Child Welfare Worker I (Job Code 6740) and Child Welfare Worker II (Job Code 6745) in the amounts ranging from \$1,000 to \$5,000 based on the required length of service in the Emergency Response (ER) field units as described below.

On January 10, 2023, the Board of Supervisors approved amending Article 3, Section 3-18, by adding Subsection 3-18.45 to the County of Alameda Salary Ordinance as follows:

"Effective December 20, 2022, employees in Job Codes 6740NM and 6745NM assigned to work in the Emergency Response ("ER") field units who are 1) continuously employed and working in the ER field units and complete the Required Length of Service in the ER Field Units as noted below; and 2) who are in active status during the pay per ("PP") ending date as specified in the Payment Period Determination End Date below, shall be eligible to receive the corresponding Retention Pay Stipend Amount.

Table with 2 columns: Required Length of Service in ER Field Units, Retention Pay Stipend Amount. Rows include 12, 18, 24, 36, and 60 months with corresponding amounts from \$1,000 to \$5,000.

Thereafter, on an annual basis, said employees who complete the above-referenced Required Length of Service in the ER Field Units shall receive said Retention Pay Stipend Amount in accordance with the Payment Period Determination End Date below:

Table with 2 columns: Payment Year, Payment Period Determination End Date. Rows for years 2022 through 2025 with specific end dates and periods.

This subsection shall sunset and be deleted from the Salary Ordinance the earliest of June 30, 2025 or when SSA no longer receives said grant funds from the State of California as appropriated in the Budget Act of 2021.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that this new pay code does not qualify as “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members). However, this pay code does qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members).

“Pensionable compensation” is comprised of a member’s “normal monthly rate of pay or base pay” and it expressly does not include any one-time or ad hoc payments, or any bonus paid in addition to an employee’s normal monthly rate of pay or base pay. See Government Code Section 7522.34(a),(c)(3),(c)(10).

Government Code Section 31461(a) states that “compensation earnable” means “the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay.” In *Ventura County Deputy Sheriffs' Assn. v. Board of Retirement* (1997) 16 Cal.4th 483, the court held that ACERA must look to “the average pay of the individual retiring employee computed on the basis of the number of hours worked by other employees in the same class and pay rate--that is the average monthly pay, excluding overtime, received by the retiring employee for the average number of days worked in a month by the other employees in the same job classification at the same base pay level.” *Id.* at 504. Thus, in general, cash payments, other than payments that fall under certain express exclusions are included in “compensation earnable.” The pay at issue here satisfies the basic definition of “compensation earnable” and it is not excluded by any of the express statutory exclusions.

The two relevant Government Code sections are attached for the Board of Retirement’s (Board) reference.

Staff informed the County that its determination will be included on the Board’s Consent Calendar for its March 16, 2023 meeting. If this item is not pulled from the Consent Calendar for discussion, then the Board will approve Staff’s determination to exclude pay item/code Retention Pay – 74E from “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members) and include it as “compensation earnable” under Government Code Section 31461 (for Legacy members).

Attachments



ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
MELISSA WILK
AUDITOR-CONTROLLER/CLERK-RECORDER

REQUEST FOR ACERA'S REVIEW OF A NEW PAY ITEM/CODE

Employer Name:	County of Alameda
Date of Request	01/31/2023
Employer Department Submitting the Request	Auditor-Controller's Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510)272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	74E Retention Pay
Pay Item Effective Date per authorization:	December 20, 2022
State if additional documentation is attached	Yes – Board Letter

NOTE: The following information is required before ACERA can review and respond to the request. To meet ACERA's requirements, please provide substantive responses below or on a separate paper and return, with this form, all of the supporting documentation prior to issuing (paying) the pay item to any employee who is an ACERA member.

1. State the job classification of employees eligible for the pay item (i.e. Job Code 0499-Nurse Practitioners II may receive this pay item)

RESPONSE #1: Employees in following Job Codes assigned to work in the Emergency Response (ER) field units who are 1) continuously employed and working in the ER field units and complete the Required Length of Service in the ER Field Units and 2) who are in active status during the Pay Period ending as specified in the Payment Period Determination End Date

Job Code #6740 Child Welfare Worker I
Job Code #6745 Child Welfare Worker II

2. State employment status of employees eligible to receive the pay item (i.e. full time employees, part time employees)

RESPONSE #2: Full Time Employees

3. State the number of members or employees who are eligible to receive the pay item (i.e. all members or employees in a job classification eligible to receive the pay item, or "not to exceed one employee")

RESPONSE #3: Employees in Job Codes #6740 and Job Codes #6745 who are 1) continuously employed and working in the ER field units and complete the Required Length of Service in the ER Field Units as specified in the Required Length of Service in ER Field Units and 2) who are in active status during the Pay Period ending as specified in the Payment Period Determination End Date

4. State whether pay item is for overtime or regular base pay

RESPONSE #4: One Time Payment

Office of the Auditor-Controller
1221 Oak St., Suite 249
Oakland, CA 94612
Tel: (510) 272-6565
Fax: (510) 272-6502

Central Collections Division
1221 Oak St., Suite 220
Oakland, CA 94612
Tel: (510) 208-9900
Fax: (510) 208-9932

Clerk-Recorder's Office, Main
1106 Madison St., 1st Floor
Oakland, CA 94607
Tel: (510) 272-6362
Fax: (510) 208-9858

Clerk-Recorder's Office, Tri-Valley
7600 Dublin Blvd.
Dublin, CA 94568
Tel: (510) 272-6362
Fax: (510) 208-9858

5. State whether pay item is calculated as a fixed amount or percentage of the base pay

RESPONSE #5: Fixed Amount

6. State whether the pay item is paid one time (i.e. incentive pay, referral pay, bonus, award)

RESPONSE #6: Yes

7. State whether the pay item is an ad hoc payment (i.e, stipend, payment for attending a meeting during the working hours, payment for attending a meeting during non-working hours)

RESPONSE #7: No

8. State whether the pay item is a reimbursement (i.e., car allowance, housing allowance, uniform allowance, mileage payment, cell phone allowance)

RESPONSE #8: No

9. State regular working hours of the employees who will receive the pay item (i.e., 37.5 hour workweek employees, 40 hour workweek employees)

RESPONSE #9: 37.5 Hour Workweek

10. State whether pay item is for work performed outside of the regular workweek (i.e., payment for work or services performed outside of the employee's 37.5 hour workweek, or outside the employee's 40 hour workweek)

RESPONSE #10: No

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

13. State whether the pay item is for accrued unused leaves (i.e., sick leave, annual leave, floating holiday, vacation, comp time)

RESPONSE #13: No

14. State whether the payment is compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member or employee

RESPONSE #14: No

15. State whether the payment is severance or other payment in connection with or in anticipation of a separation from employment (and state if this payment is made while employee is working)

RESPONSE #15: No

16. State whether the pay item is paid in one lump sum or biweekly (or over some other time period-monthly, quarterly, annually)

RESPONSE #16: Lump Sum

17. State the basis for eligibility for the pay item (i.e., certification of completion of training program conducted by an accredited university, or employee assigned as supervisor of badge distribution)

RESPONSE #17: Per Salary Ordinance Section 3-18.45

- ii. Update Article 3, Section 3-18 (Social Services Agency) by adding 1) subsection 3-18.45 to provide retention pay stipends of \$1,000, \$2,500, \$3,000, \$4,000, and \$5,000 based on the required length of service in the Emergency Response ("ER") field units of 12-, 18-, 24-, 36-, and 60-months, respectively, to eligible employees in the classifications of Child Welfare Worker I (Job Code ("JC") #6740) and Child Welfare Worker II (JC #6745) in active status as of December 20, 2022; and 2) subsection 3-18.46 to provide a one-time stipend of \$1,200 to eligible employees in the classifications of Adult Protective Services Worker I (JC #6760), Adult Protective Services Worker II (JC #6765), and Adult Protection Supervisor (JC #6770) who were employed in the Social Services Agency ("SSA") Adult Protective Services ("APS") Unit during the pay period beginning March 8, 2020 and remained in paid status during the pay period ending August 6, 2022.

3-18.45 – Effective December 20, 2022, employees in Job Codes 6740NM and 6745NM assigned to work in the Emergency Response ("ER") field units who are 1) continuously employed and working in the ER field units and complete the Required Length of Service in the ER Field Units as noted below; and 2) who are in active status during the pay period ("PP") ending date as specified in the Payment Period Determination End Date below, shall be eligible to receive the corresponding Retention Pay Stipend Amount.

Required Length of Service in ER Field Units	Retention Pay Stipend Amount
Completion of 12-months	\$1,000
Completion of 18-months	\$2,500
Completion of 24-months	\$3,000
Completion of 36-months	\$4,000
Completion of 60-months	\$5,000

Thereafter, on an annual basis, said employees who complete the above-referenced Required Length of Service in the ER Field Units shall receive said Retention Pay Stipend Amount in accordance with the Payment Period Determination End Date below:

Payment Year	Payment Period Determination End Date
2022	The full PP following ACERA pensionability determination.
2023	The PP ending November 25, 2023 (PP 23-25).
2024	The PP ending November 23, 2024 (PP 24-25).
2025	The PP ending June 21, 2025 (PP 25-14).

This subsection shall sunset and be deleted from the Salary Ordinance the earliest of June 30, 2025 or when SSA no longer receives said grant funds from the State of California as appropriated in the Budget Act of 2021. ([BOS approved 1/10/23](#))

SECOND READING - CONTINUED FROM 12/20/2022



AGENDA NO. 30 December 20, 2022

Lakeside Plaza Building
1401 Lakeside Drive, Suite 200
Oakland, CA 94612-4305
TDD: (510) 272-3703

Human Resource Services

December 20, 2022

2nd reading 1/10/23
File 30913
Ø - 2023-1

Honorable Board of Supervisors
County of Alameda
1221 Oak Street, Suite 536
Oakland, California 94612-4305

SUBJECT: ADOPT A SALARY ORDINANCE AMENDMENT TO 1) UPDATE SUBSECTION 1-1.1 TO INCREASE THE SALARIES FOR CERTAIN UNREPRESENTED M-DESIGNATED AND NON-MANAGEMENT CLASSIFICATIONS RELATED TO CLASSIFICATIONS REPRESENTED BY ACMEA GENERAL GOVERNMENT & CONFIDENTIAL UNITS; AND 2) ADD NEW SUBSECTIONS 3-18.45 AND 3-18.46 TO PROVIDE STIPENDS TO ELIGIBLE EMPLOYEES IN THE SOCIAL SERVICES AGENCY ("SSA")

Dear Board Members:

RECOMMENDATIONS:

Adopt the following Salary Ordinance amendments:

- i. Update Article 1, Section 1-1 (Pay Rate Schedules), subsection 1-1.1, to increase the salaries for certain Unrepresented M-designated and Non-Management classifications related to classifications represented by the Alameda County Management Employees Association ("ACMEA") General Government and Confidential Units by three and one-half percent (3.5%) effective December 25, 2022; and

3-18.45
New
Pay code
74E

- ii. Update Article 3, Section 3-18 (Social Services Agency) by adding 1) subsection 3-18.45 to provide retention pay stipends of \$1,000, \$2,500, \$3,000, \$4,000, and \$5,000 based on the required length of service in the Emergency Response ("ER") field units of 12-, 18-, 24-, 36-, and 60-months, respectively, to eligible employees in the classifications of Child Welfare Worker I (Job Code ("JC") #6740) and Child Welfare Worker II (JC #6745) in active status as of December 20, 2022; and 2) subsection 3-18.46 to provide a one-time stipend of \$1,200 to eligible employees in the classifications of Adult Protective Services Worker I (JC #6760), Adult Protective Services Worker II (JC #6765), and Adult Protection Supervisor (JC #6770) who were employed in the Social Services Agency ("SSA") Adult Protective Services ("APS") Unit during the pay period beginning March 8, 2020 and remained in paid status during the pay period ending August 6, 2022.

DISCUSSION/SUMMARY:

Historically, certain Unrepresented M-designated and Non-Management classifications related to classifications represented by ACMEA General Government and Confidential Units have received the same salary increases and benefit changes. As such, staff recommends increasing the salaries of the specified Unrepresented M-designated and Non-Management classifications in the attached Salary Ordinance amendment by three and one-half percent (3.5%) effective December 25, 2022.

The State of California Budget Act of 2021 included State-funded grants ("ER Enhancement Funds") that allows the County to enhance child welfare ER services, including to address staff retention, by providing a retention pay stipend to eligible employees. At the request of SSA, staff completed an analysis of the ER Enhancement Funds and recommends establishing

a retention pay stipend program ("Program") for eligible employees in the classifications of Child Welfare Worker I (JC #6740) and Child Welfare Worker II (JC #6745). The Program consists of a \$1,000, \$2,500, \$3,000, \$4,000, and \$5,000 stipend for eligible employees who are active and assigned to work continuously in SSA ER field units for a required length of service, 12-, 18-, 24-, 36-, and 60-months, respectively. The Service Employees International Union, Local 1021 ("SEIU") did not request to meet and confer and on October 26, 2022, staff notified SEIU of the Program implementation logistics as outlined in the attached Salary Ordinance amendment. Therefore, staff recommends your Board adopt a Salary Ordinance amendment to provide said retention pay stipend as outlined in the attached.

Further, the federal government appropriated funds through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 to enhance and improve protective services provided by APS programs in response to the COVID-19 pandemic. To enhance and improve SSA's APS programs, including to provide an incentive for staff retention, and to acknowledge the efforts of employees working in APS programs during the COVID-19 pandemic, staff recommends to provide a one-time stipend of one thousand two hundred dollars (\$1,200) to employees in the classifications of Adult Protective Services Worker I (JC #6760), Adult Protective Services Worker II (JC#6765), and Adult Protection Supervisor (JC # 6770), assigned to the APS Unit in SSA during the pay period beginning March 8, 2020 and remained in paid status during the pay period ending August 6, 2022. On October 3, 2022, staff informed both the ACMEA and SEIU of the one-time stipend. ACMEA responded that they did not have any objections with said stipend and SEIU did not request to meet and confer on the matter. As such, staff recommends your Board adopt a Salary Ordinance amendment to provide the one-time stipend of one thousand two hundred dollars (\$1,200) as outlined in the attached.

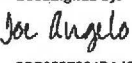
FINANCING:

Funds are available from the Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act of 2021 and in the 2022-2023 Approved Budget to cover the costs resulting from the recommendations.

VISION 2026 GOAL:

The Salary Ordinance amendments meet the 10x goal pathways of **Employment for All** in support of our shared vision of a **Prosperous and Vibrant Economy**.

Yours very truly,

DocuSigned by:

2CC022F934DA404...

Joe Angelo, Director
Human Resource Services

c: CAO
Auditor-Controller
County Counsel
Agency/Department Heads

1st reading 12/20/22
 2nd reading 1/10/23

Φ - 2023 - 1

Job Code	Classification Title	Unit Code	Step 1	Step 2	Step 3	Step 4	Step 5	FLSA
0482	PA Train ad Ed Ctr Cus Srv Spec	U15	2190.40				2936.00	X
0483	PA Trg Ctr Cust Srv andSalesCo	U15	2805.60				3757.60	X
0485	PA Training and System Specialist	U15	3022.40				3869.60	X
0601	PA Management Consultant	U15	2020.80				11152.00	X
1090	NM Retired Annuitant I	095	15.53				89.55	N
1091	NM Retired Annuitant II	095	15.53				89.55	N
1092	NM Retired Annuitant – Safety I	095	26.65				159.60	N
1093	NM Retired Annuitant – Safety II	095	30.92				159.60	N

SECTION II

Article 3, Section 3-18 of the County of Alameda Salary Ordinance is hereby amended by the addition of subsections 3-18.45 and 3-18.46 as follows:

3-18.45 – Effective December 20, 2022, employees in Job Codes 6740NM and 6745NM assigned to work in the Emergency Response ("ER") field units who are 1) continuously employed and working in the ER field units and complete the Required Length of Service in the ER Field Units as noted below; and 2) who are in active status during the pay period ("PP") ending date as specified in the Payment Period Determination End Date below, shall be eligible to receive the corresponding Retention Pay Stipend Amount.

New
Pay code
74E

Required Length of Service in ER Field Units	Retention Pay Stipend Amount
Completion of 12-months	\$1,000
Completion of 18-months	\$2,500
Completion of 24-months	\$3,000
Completion of 36-months	\$4,000
Completion of 60-months	\$5,000

Thereafter, on an annual basis, said employees who complete the above-referenced Required Length of Service in the ER Field Units shall receive said Retention Pay Stipend Amount in accordance with the Payment Period Determination End Date below:

Payment Year	Payment Period Determination End Date
2022	The full PP following ACERA pensionability determination.
2023	The PP ending November 25, 2023 (PP 23-25)
2024	The PP ending November 23, 2024 (PP 24-25)
2025	The PP ending June 21, 2025 (PP 25-14).

This subsection shall sunset and be deleted from the Salary Ordinance the earliest of June 30, 2025 or when SSA no longer receives said grant funds from the State of California as appropriated in the Budget Act of 2021.

3-18.46 – Effective December 20, 2022, employees in Job Codes 6760NM, 6765NM, and 6770SM assigned to work in the Adult Protective Services ("APS") Program, who were continuously employed (no break in service) and in paid status in the APS Program during the pay period beginning March 8, 2020 through the pay period ending August 6, 2022, shall receive a one-time stipend of \$1,200. This subsection shall sunset effective January 31, 2023 and be deleted from the Salary Ordinance upon the sunset date.

Gov. Code Sec. 31461. (a) "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.

(b) "Compensation earnable" does not include, in any case, the following:

(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned in each 12-month period during the final average salary period regardless of when reported or paid.

(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned in each 12-month period during the final average salary period, regardless of when reported or paid.

(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(4) Payments made at the termination of employment, except those payments that do not exceed what is earned in each 12-month period during the final average salary period, regardless of when reported or paid.

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

(b) Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid.

(c) "Pensionable compensation" does not include the following:

(1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments made to a member.

(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.

(9) Employer contributions to deferred compensation or defined contribution plans.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation a public retirement board determines should not be pensionable compensation.

OLD BUSINESS


- 7.A. Discussion and possible motion to amend the February 16, 2023 Supplemental COLA Board Resolution to clarify that the Supplemental COLA increase effective with April 1, 2023 monthly retirement allowances will apply to Tier 2 members who retired on or before April 1, 2001, rather than April 1, 2007.**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: March 16, 2023

TO: Members of the Board of Retirement

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Amendment to Annual Supplemental Cost of Living Adjustment Recommendation**

At the February 16, 2023 Board of Retirement meeting, the Board adopted the Retirees Committee's recommendation to approve the Supplemental COLA increase for Tier 1 and Tier 2 members effective with the April 1, 2023 monthly retirement allowance. Staff recently discovered that the recommendation to adopt the Supplemental COLA for Tier 2 members who retired on or before April 1, 2007 is incorrect. The recommendation should have been for Tier 2 members who retired on or before April 1, 2001, instead of 2007.

The April 1, 2001 retirement date is the same as that used for Tier 2 eligible members last year, so there are no additional retirees/payees for 2023. There is an estimated decrease of 18 Tier 2 retirees/payees who will receive this benefit. Also, no Supplemental COLA was granted to the members between the 2001 and 2007 dates, so this amendment has no financial impact.

Attached is the amended memo from the February 1, 2023 Retirees Committee meeting for discussion and possible motion to adopt the amended recommendation.


Attachment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 1, 2023 (revised for March 16, 2023 meeting)

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Annual Supplemental Cost of Living Adjustment**

In 1998, by the Board of Retirement action, the Supplemental Cost of Living Adjustment (COLA) benefit was restructured to provide a benefit that maintained retiree purchasing power at no less than 85% of the member's original benefit. Therefore, those retirees who have an accumulated loss of purchasing power beyond 15% due to inflation are eligible to receive this benefit. There is an average of 649 retirees/payees (156 Tier 1 and 493 Tier 2) receiving the Supplemental COLA. The cost of this benefit for 2022 was \$941,730.91.

Annually, the actuary reviews the accumulated carry-over in conjunction with the annual cost of living calculation. Based on the accumulated loss of purchasing power as of December 31, 2022, those Tier 1 members who retired on or before April 1, 1982, and those Tier 2 members who retired on or before April 1, 2001, will receive the Supplemental COLA increase effective with their April 1, 2023 monthly allowance. Tier 1 members who will be eligible to receive the Supplemental COLA have been expanded by one year, resulting in an estimated additional 11 retirees/payees who will receive this benefit. There is no change in the retirement range for Tier 2 members. An estimated decrease of 18 Tier 2 retirees/payees will receive this benefit.

This benefit is provided in accordance with Government Code Section 31618 and is paid out of the Supplemental Retiree Benefit Reserve.

For your information, attached is the updated Supplemental COLA matrix.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1982, and Tier 2 members who retired on or before April 1, 2001, effective with the April 1, 2023 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

Attachment

Supplemental Cost of Living Adjustment (COLA) Matrix

Below is a matrix showing the number of recipients receiving the Supplemental Cost of Living Adjustment (COLA) and the annual costs for this benefit over the last five-year period. Included in the matrix is the annual regular COLA increases provided to Tiers 1 and 3 and Tiers 2 and 4, if applicable. Any banked amounts are not included, or added to the COLA increase percentages.

Year	Supplemental COLA		Regular COLA Increase	
	Average No. of Recipients	Annual Cost	Tiers 1 & 3	Tiers 2 & 4
2023	N/A	N/A	3.0%	2.0%
2022	649	\$0.9 M	3.0%	2.0%
2021	578	\$0.9 M	2.0%	2.0%
2020	591	\$1.1 M	2.5%	2.0%
2019	538	\$1.2 M	3.0%	2.0%
2018	458	\$1.1 M	3.0%	2.0%

The median Supplemental COLA amount received in 2022 is \$74.31.

NEW BUSINESS

8.A. SACRS Proxy Voting.



*Office of the Chief Executive Officer
Office of Administration*

DATE: March 16, 2023
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: SACRS Proxy Voting

Twice each year, the State Association of County Retirement Systems (SACRS) requests submission of a Voting Proxy Form which, designates the member agency's representative(s) who will vote for the Board of Retirement at the business meeting during the conference. The items for vote at the Spring Conference Business Meeting were not available for this Board of Retirement meeting, but will be presented and direction can be provided at the April Board meeting.

Recommendation

Staff recommends that the Board of Retirement direct the Chief Executive Officer (or his designee) to vote ACERA's proxy on behalf of the Board at the SACRS Spring Conference Business Meeting.

Enclosure: 1) SACRS Proxy Voting Form

ENCLOSURE 1



SACRS VOTING PROXY FORM

The following are authorized by the _____ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

(If you have more than one alternate, please attach the list of alternates in priority order):

_____ Voting Delegate

_____ Alternate Voting Delegate

These delegates were approved by the Retirement Board on ____ / ____ / ____.

The person authorized to fill out this form and submit electronically on behalf of the Retirement Board:

Signature: _____

Print Name: _____

Position: _____

Date: _____

Please send your system's voting proxy by April 28, 2023 to Sulema H. Peterson, SACRS Executive Director at Sulema@sacrs.org.

NEW BUSINESS

8.B. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: March 16, 2023
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer’s Report**

Senior Manager Recruitment

None

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS

Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop ACERA Re-Opening Plan.	Dave Nelsen	April 2023	On-going	We will be implementing our Post-Covid Staffing Plan in March.
ACERA Business Plan	Lisa Johnson	March of 2023		ACERA Senior leaders will develop the projects for the Business Plan to support the adopted strategic vision.

Conference/Event Schedule

None upcoming.

Other Items

COVID-19 Responses

We continue to move forward with our re-opening plan. We are now open to the public every day of the week. Counseling remains by appointment, but walk-ins can be accommodated for questions, and an appointment scheduled. We will continue to use virtual means as the primary source of customer service, but in-person meetings will remain an option for service delivery. We are still working with County labor and the employee unions regarding our regular Staffing Plan. As you know, the County lifted the COVID mask and social distancing requirements in County Offices for employees and the public, but they are optional, and we will still be cognizant of this in our scheduling for meetings and such. Our customers are continuing to use alternative means of service, and feedback has been generally positive that their service needs are being met.

As I have mentioned previously, our Post-COVID Staffing Plan for the organization will include remote work as a team member's work requirements allow. We are not planning to mandate a set number of days in the Office for all team members, such as Monday, Wednesday and Friday. Alternatively, we will allow eligible team members to work from home to the extent their work allows, based upon classification and acceptable performance. Some will need to be on-site more or less than others.

Pension Administration System (PAS) Update

LRS is currently providing designs for Deliverable 4, which is Payroll and Health Care based. Upon receipt of the designs, ACERA reviews and meets with LRS for discussion in order to finalize. This process will continue through March. We are awaiting a test transmittal file from one last employer in order to finalize this portion of project. We have processed employer transmittal files from all the other employers. Data conversion clean-up has re-started and is going well. Work on the On-base system programming is continuing with the current focus on a large, complex Disability Case Manager and an Active Member Death process workflow.

Business Planning Update

The Strategic Plan was adopted in December. Staff has begun identifying potential projects to undertake to support the Strategic Plan. We are looking at the projects with an eye to fulfilling the vision, while balancing resources which are strained due to the PAS Project. We will present this plan to the Board in April.

Legislative Update

The new session has begun and a near record number of bills have been introduced. I have included in the packet a monthly legislative update from the SACRS Lobbying firm. I will try to include this update each month during legislative session.

City of Oakland Ransomware Update

Vijay discussed this at the last Audit Committee meeting. The City of Oakland was victim to a ransomware attack. The latest update is that the City refused to pay the attackers so they released private information on current and former employees of the city, including social security numbers.

Key Performance Indicators

Below are the high level performance indicators for ACERA, with the latest scores included:

Scorecard KPI	2022 Performance Goal
PRUDENT INVESTMENT PRACTICES	
Portfolio Performance vs. Policy Benchmark	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> November of 2022: We were .05% short of the benchmark.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2022 approved budget</i> As of end of 2023: We finished the year 8% under budget.
COMPREHENSIVE ORGANIZATION DEVELOPMENT	
Employee Engagement Survey Results	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> As of the latest survey (October of 2022): 71%.
SUPERIOR CUSTOMER SERVICE	
Service Excellence Survey	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 4th Quarter of 2022: 93%



March 2, 2023

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – March 2023**

General Update

The bill introduction deadline was on February 17. By this date, over 2,600 bills were introduced. Many of these bills are “spot” or “intent” bills that do not yet have substantive language and are serving as placeholders until formal bill language is finalized. For these bills to move forward, they will need to be amended with substantive language before being heard in a policy committee.

Legislation of Interest

AB 1020 (Grayson) – CERL Spot Bill. While this bill does not have substantive language at this point in time, we have heard that the author intends to pursue a bill that relates to firefighters and disability retirement. We will keep the Legislative Committee apprised of any movements on this proposal.

AB 739 (Lackey) – PEPRRA Defined Benefit Funding. Under the requirements for suspending contributions to a defined benefit plan, this bill would increase the threshold percentage amount of plan funding from more than 120 percent to more than 130 percent. However, after inquiring about the bill, the author’s office informed us that the bill is a “spot” bill (placeholder bill) that will not be moving this year.

SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment. Senator Gonzalez reintroduced her SB 1173 from last session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of package of climate legislation.

Public Meeting Bills

Since the onset of the COVID-19 pandemic, teleconferencing flexibilities have become a subject of interest in California’s Legislature, with local government

groups sponsoring various bills on the topic since 2021. This session is no exception, and a handful of bills have been introduced:

AB 557 (Hart) - AB 361 Sunset Extension. This bill would remove the sunset established in AB 361 (R. Rivas) as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days. The provisions would allow Boards to utilize the flexibilities during times of public health emergencies.

SB 411 (Portantino) - Teleconferencing for Appointed Bodies. This bill would allow local legislative bodies with appointed members to use teleconferencing indefinitely regardless of the presence of an emergency. We have heard however that the author intends for this bill to apply only to Los Angeles Neighborhood Councils.

Bills without substantive language:

SB 537 (Becker) - Intent for Brown Act Teleconference Flexibilities. Senator Becker introduced a bill that declares his intent to expand public meetings through teleconference and remote access. We will monitor the bill for when substantive language is included.

AB 817 (Pacheco) – Open Meetings Spot Bill. Assemblymember Pacheco introduced a spot bill on open meetings. The bill does not yet have substantive language, and like SB 537, we will monitor for amendments.

13. CLOSED SESSION:

- A. Conference With Legal Counsel—Existing Litigation(Gov't Code § 54956.9(d)(1)): Preciosa Bachan v. Alameda County Employees' Retirement Association, Alameda County Superior Court Case No: 23CV028214.

IF THERE ARE ANY ADDITIONAL MATERIALS TO BE DISTRIBUTED FOR AGENDA ITEM 13.A. ABOVE, THEY WILL BE DISTRIBUTED UNDER SEPARATE COVER.