



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

NOTICE and AGENDA

**THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE
[GOV'T CODE § 54953(e)]**

ACERA MISSION:

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

**Thursday, January 19, 2023
2:00 p.m.**

ZOOM INSTRUCTIONS	BOARD OF RETIREMENT - MEMBERS	
<p>The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Webinar ID: 879 6337 8479 Passcode: 699406 Call-In Number: 1 (669) 900-6833 US For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	JAIME GODFREY	APPOINTED
	CHAIR	
	OPHELIA BASGAL	APPOINTED
	2ND VICE-CHAIR	
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	KELLIE SIMON	ELECTED GENERAL
	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. 72 hours prior to the meeting at accommodation@acera.org or at 510-628-3000.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

The order of agendized items 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 available online at www.acera.org.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. ELECTION OF BOARD OFFICERS FOR 2023:

Chair

First Vice-Chair

Second Vice-Chair

5. 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:

Appendix D

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

Appendix E

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

None

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

December 14, 2022 Investment Committee Minutes

December 15, 2022 Minutes of the Regular Board Meeting

January 11, 2023 Investment Committee Minutes

H. MISCELLANEOUS:

- *Proposed Findings Regarding State of Emergency Pursuant to Gov't Code §54953(e)(3): **Staff Recommendation:** The Board finds that it has reconsidered the circumstances of the state of emergency and (1) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (2) state or local officials continue to impose or recommend measures to promote social distancing.*
- *Operating Expenses as of November 30, 2022*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

6. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS

None.

7. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Investment: [See January 11, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of January 11, 2023 Meeting.

8. NEW BUSINESS:

- A.** Presentation: New Rules for Trustee Remote Attendance at Meetings.
- B.** Chief Executive Officer's Report.
- C.** Possible Discussion and Motion regarding Chief Executive Officer Compensation.

9. CONFERENCE/ORAL REPORTS

10. ANNOUNCEMENTS

11. BOARD INPUT

12. ESTABLISHMENT OF NEXT MEETING:

Thursday, February 16, 2023 at 2:00 p.m.

13. CLOSED SESSION:

- A.** Conference with Designated Representative (Jamie Godfrey) regarding Compensation Negotiations with the Chief Executive Officer (Cal. Gov't Code § 54957.6).
- B.** Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

14. REPORT ON ACTION TAKEN IN CLOSED SESSION

15. ADJOURNMENT

APPENDIX A
REPORT ON SERVICE RETIREMENTS

ARCAYENA, Raymond
Effective: 11/13/2022
Information Technology Department

KELLMAN, Bernie
Effective: 10/31/2022
Alameda Health System

BLACK, Nancy
Effective: 4/1/2018
Non-Member

KRIEBL, Olivia
Effective: 10/5/2022
Alameda Health System

BROUILLETTA, Leslie
Effective: 11/15/2022
Health Care Services Agency

LE, Tuan
Effective: 10/22/2022
Social Services Agency

BURNLEY, Deborah
Effective: 10/15/2022
Health Care Services Agency

LEE, Hiram
Effective: 10/30/2022
Alameda Health System

COLLINS, Classie
Effective: 11/11/2022
Superior Court

LEVINE, Hal
Effective: 10/29/2022
Health Care Services Agency

DANIELS, Michael
Effective: 10/29/2022
Probation Department

LINDER, Sarah
Effective: 12:00:00 AM
Health Care Services Agency

FISHER, Linda
Effective: 10/15/2022
Superior Court

LOCKHART, Noli
Effective: 10/11/2022
District Attorney

FONG, Debra
Effective: 10/15/2022
Probation Department

MARTINEZ, Denise
Effective: 10/8/2022
Superior Court

GALLAHER, Ellen
Effective: 10/29/2022
Superior Court

MARTINEZ, Frederick
Effective: 10/15/2022
Sheriff's Office

GURO, Gina
Effective: 10/25/2022
Social Services Agency

MCDANIEL, Pamela
Effective: 10/29/2022
Child Support Services

HOWARD, Cecelia
Effective: 10/19/2022
Alameda Health System

NAAMANI, Amy
Effective: 10/15/2022
Zone 7

JONES, Yvonne
Effective: 10/15/2022
Health Care Services Agency

PERETTI, Adrienne
Effective: 10/29/2022
Superior Court

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

RENDRADJAJA, Ivo
Effective: 10/29/2022
Health Care Services Agency

TAYLOR, Jeanette
Effective: 11/1/2022
Sheriff's Office

ROSAS, Gonzalo
Effective: 10/12/2022
General Services Agency

THOMAS, David
Effective: 10/29/2022
Sheriff's Office

SO, Lai
Effective: 10/29/2022
Auditor-Controller

VIGIL, Rebecca
Effective: 11/10/2022
Sheriff's Office

SPENCER, Shalom
Effective: 11/15/2022
Alameda Health System

WILLIS, Kevin
Effective: 10/30/2022
Sheriff's Office

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ARCHIE, Temia S.
Social Services Agency
Effective Date: 10/5/2022

FARRAR, Loren M.
First 5
Effective: 10/3/2022

BALASUBRAMANIAN, Priyamvadha
Health Care Services Agency
Effective: 10/28/2022

FOLTA, Jennette Y.
Social Services Agency
Effective: 9/16/2022

BALDERAMA SANCHEZ, Charles P.
Social Services Agency
Effective: 10/7/2022

GAMIAO, Rocel Grace M.
Social Services Agency
Effective: 10/14/2022

BONACORSO, James R.
Alameda Health System
Effective: 9/24/2022

GONZALEZ, Blanca C.
Sheriff's Office
Effective: 10/9/2022

CHERR, Sara E.
Health Care Services Agency
Effective: 10/21/2022

GRANT, Erica K.
Human Resource Services
Effective: 10/28/2022

CULBERTSON, Angelique A.
Human Resource Services
Effective: 10/7/2022

HA, Monica J.
District Attorney
Effective: 10/21/2022

DIAZ CONTRERAS, Ellit J.
Sheriff's Office
Effective: 10/15/2022

HARE, Milele C.
Social Services Agency
Effective: 9/2/2022

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

HOLMES, Kevin
Superior Court
Effective: 10/14/2022

IMARA, Charsina H.
Sheriff's Office
Effective: 9/23/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

ASTEN, Elfriede
Non-Mbr Survivor of Vernon Asten
12/13/2022

HARLAN, William
Sheriff's Office
12/9/2022

BONETE, Jesus
Non-Mbr Survivor of Josefina Bonete
11/25/2022

HOLLOWAY, Marjorie
Behavioral Health Care Services
12/6/2022

BULLOCK, Norman
Non-Mbr Survivor of Dolores Bullock
11/29/2022

HULL, Jay
Social Services Agency
12/24/2022

COLBERT Leslie
Probation Department
12/1/2022

JONES, Liza
Non-Mbr Survivor of Terence Jones
11/29/2022

COLLINS, Russell
Non-Mbr Survivor of Isabell Collins
11/28/2022

LAZANEO, Michael
General Services Agency
12/5/2022

CURRY Joan
Alameda Health System
12/4/2022

MAHAN, Helen
Sheriff's Office
12/9/2022

CUTERRY, Grandville
Probation Department
11/24/2022

MC KONE, Richard
Probation Department
12/3/2022

FOSTER, Barbara
Non-Mbr Survivor of Clyde Foster
11/29/2022

MORENO, Jesus
Public Works Agency
12/7/2022

HALL, Geraldine
Social Services Agency
11/30/2022

MURRAY, Marie
Health Care Services Agency
12/9/2022

HAMILTON, Bernice
Information Technology Department
12/1/2022

PETERSEN, Donna
Alameda Health System
11/22/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

QUAN, Jane
Sheriff's Office
12/12/2022

TUBBY, Janice
Alameda Health System
11/23/2022

SITZMANN, Robert
Sheriff's Office
11/23/2022

WILLIAMS, Rosemary
Social Services Agency
12/7/2022

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

KOHYAR, Jila
Government Code § 31641.5 Part Time & Days Prior

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

Name: De La Cruz, Tamara
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, denying Ms. De La Cruz's application for a service-connected disability.

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

CONSENT CALENDAR ITEM

**December 15, 2022
Minutes of the Regular Board Meeting
For approval under January 19, 2023
Board “Consent Calendar”**



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

Thursday, December 15, 2022

Chair Jaime Godfrey called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Keith Carson (*Arrived After Roll Call*)
Tarrell Gamble
Jaime Godfrey
Liz Koppenhaver
Henry Levy
Kellie Simon (*Arrived After Roll Call*)

Trustees Excused: George Wood
Nancy Reilly (*Alternate*)

Staff Present: Victoria Arruda, Human Resource Officer
Carlos Barrios, Assistant Chief Executive Officer-Benefits
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
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: Erica Haywood, Fiscal Services Officer

PUBLIC INPUT

During the *2023-2027 ACERA Strategic Plan* discussion, Retired Member and ACRE President Pete Albert stated he sent a memo to Staff with his suggestions for changes to the *Strategic Plan*. Mr. Albert discussed the items in his memo which included a request to change the phrase in the *Strategic Plan* from “members and retirees” to “members” or “active and retired members,” a request for ACERA Staff to continue its excellent proactive outreach with the recognized Retiree Associations and a request to consider including a Wellness Program in the *Strategic Plan*. Chief Counsel Jeff Rieger suggested that the phrase in the *Strategic Plan* be changed from “members and retirees” to “members and beneficiaries,” which is the phrase reflected in ACERA’s governing documents. Chief Executive Officer Dave Nelsen stated that a Wellness Program will be included in ACERA’s *Annual Business Plan*.

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

None

APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS AND DEATH BENEFITS

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

November 17, 2022 Governance Committee Minutes

November 17, 2022 Operations Committee Minutes

November 17, 2022 Minutes of the Regular Board Meeting

December 7, 2022 Operations Committee Minutes

December 7, 2022 Retirees Committee Minutes

MISCELLANEOUS

- *Proposed Findings Regarding State of Emergency Pursuant to Gov't Code § 54953(e)(3): **Staff Recommendation:** The Board finds that it has reconsidered the circumstances of the state of emergency and (1) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (2) state or local officials continue to impose or recommend measures to promote social distancing.*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code HCSA Emergency Disaster Planning – 42X.*

22-76

It was moved by Ophelia Basgal and seconded by Liz Koppenhaver that the Board adopt the Consent Calendar. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

After the Board made its motion on the Consent Calendar, Board Trustees, Staff, Members and Family Members expressed their appreciation to Trustees Dale Amaral, Liz Koppenhaver, Nancy Reilly and Darryl Walker for their dedication, support and service while on the ACERA Board of Retirement. The terms for these Trustees will end on December 31, 2022. Trustees and Staff also congratulated Mr. Walker on his retirement and Mr. Walker expressed his appreciation to the Board and Staff for their support. Trustees Amaral, Koppenhaver, Reilly and Walker received Appreciation Plaques for their dedication and service on the Board. Mr. Nelsen stated that ACERA will host a celebratory event after the first of the year to honor the departing Trustees.

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:

Mr. Rieger explained the purpose of the *Employer Reimbursement Policy* and recommended that the Active Elected Board Trustees recuse themselves from the discussions and Board actions related to the *Employer Reimbursement Policy* agenda item.

Ophelia Basgal gave an oral report stating that the Operations Committee met on December 7, 2022 and that Staff presented a recommendation to renew the benefits consulting services agreement with Segal.

22-77

It was moved by Ophelia Basgal and seconded by Dale Amaral that the Board approve Segal's annual Benefits Consultant Agreement for \$129,000.00 effective, January 1, 2023. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

Trustee Basgal further reported that the Committee considered renewing the *Employer Reimbursement Policy*, without revision. Active Elected Board Trustees Dale Amaral and Kellie Simon recused themselves from the discussion and Board actions by turning off their microphones and video cameras. Trustee George Wood was not present at today's meeting.

22-78

It was moved by Ophelia Basgal and seconded by Liz Koppenhaver that the Board renew the *Employer Reimbursement Policy*, without revision. The motion carried 5 yes (*Basgal, Gamble, Godfrey, Koppenhaver, Levy*), 2 recusals (*Amaral, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

Active Elected Board Trustees Amaral and Simon returned to the meeting by turning on their microphones and video cameras.

Trustee Basgal further reported that the Committee considered adopting the *Board Reciprocity Policy*.

22-79

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Board adopt the *Board Reciprocity Policy*, as presented to and recommended by the Operations Committee. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

Trustee Basgal reported that the Committee reviewed ACERA's Operating Expenses as of October 31, 2022.

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

Retirees:

Liz Koppenhaver gave an oral report stating that the Retirees Committee met on December 7, 2022 and that the Committee considered continuing the Medicare Part B Reimbursement Plan (MBRP) benefits to current eligible retirees at the lowest standard monthly premium rate.

22-80

It was moved by Liz Koppenhaver and seconded by Kellie Simon that the Board continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2023, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$164.90. The MBRP benefit is a non-vested benefit funded by contributions from ACERA Employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

Trustee Koppenhaver further reported that the Committee reviewed and considered revisions to 401(h) Account Resolution 07-29, Appendix A, amended to reflect Plan Year 2023 benefit amounts.

22-81

It was moved by Liz Koppenhaver and seconded by Kellie Simon that the Board adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2023. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions. *Trustee Carson was not present for the vote on the motion.*

Trustee Koppenhaver reported on the following Information Items: *1) Annual Retired Member (Lump Sum) Death Benefit Report; 2) Virtual Retiree Health and Wellness Fair Results and Open Enrollment Activity; and 3) Miscellaneous Updates.*

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

Investment:

Tarrell Gamble reported that the Investment Committee met on December 14, 2022 and that the Committee discussed an up to \$36 Million Investment in Angelo Gordon (AG) CSF2A (Annex) Dislocation Fund as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations.

22-82

It was moved by Tarrell Gamble and seconded by Dale Amaral that the Board adopt an up to \$36 Million Investment in Angelo Gordon (AG) CSF2A (Annex) Dislocation Fund as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 0 abstentions.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the January 19, 2023 Board meeting.

NEW BUSINESS:

2023-2027 ACERA Strategic Plan

Chief Executive Officer Dave Nelsen reported on the *2023-2027 ACERA Strategic Plan* which was developed based on feedback from the Board, ACERA’s Consultants, ACERA Senior Leadership and Member surveys. Mr. Nelsen explained that the *Strategic Plan* is a five-year, high-level, over-arching concept of strategic goals that Staff will review to determine which items should to be included in ACERA’s *Annual Business Plan*. Mr. Nelsen stated that the details (timelines, goals, measures, etc.) that support ACERA’s strategic vision will be included in ACERA’s *Annual Business Plan*. Mosaic Governance Advisors (Mosaic) Consultant Catherine Jackson reported that the feedback received during the October Special Board meeting was incorporated into the draft *Strategic Plan* which now consists of four (4) goals that address the *Strategic Plan*’s critical themes. The 4 goals are as follows: **1)** Financial Position; **2)** People Transition; **3)** Technology and Operational Optimization; and **4)** Cost-Effective Service Improvement. Ms. Jackson explained that the *Annual Business Plan* guides the implementation of the objectives contained in the *Strategic Plan* and stated that the draft *Strategic Plan* is the only document being discussed today for the Board’s further direction and/or consideration. Mosaic Consultant Amy McDuffee and Mr. Nelsen responded to Trustee Basgal’s concerns regarding legislative and/or regulatory changes being included in the *Strategic Plan*. Trustees provided feedback. Staff will bring back a final draft *Strategic Plan* with the revision changing the phrase from “members and retirees” to “members and beneficiaries.” Staff will provide the Board with monthly and/or quarterly updates on the *Annual Business Plan Initiatives* and the *Strategic Plan* will be reviewed on an annual basis. The following motion was made:

22-83

It was moved by Henry Levy and seconded by Ophelia Basgal that the Board approve the 2023-2027 ACERA Strategic Plan, with the revision changing the phrase from “members and retirees” to “members and beneficiaries.” The motion carried 8 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon), 0 no, and 0 abstentions.

Length of Terms for Board Officers (Chair, 1st Vice-Chair and 2nd Vice-Chair)

Trustee Henry Levy explained the reasons why he believes the Board should consider changing the length of terms for Board Officers in ACERA’s *Policy (Board and Committee Policy)* from a one-year term to two-year terms. Trustees provided feedback and Mr. Nelsen explained that ACERA’s current *Policy* only mandates that an annual election for Board Officers take place and that the Board can re-elect its Board Officers for another year or it may elect new Board Officers. Mr. Rieger reminded the Board that the *Policy* states that the term shall be for either one year, or until their successors are duly elected and qualified. After discussion, no action was taken in this matter.

David Nelsen, Chief Executive Officer's Report

Chief Executive Officer Dave Nelsen presented his December 15, 2022 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) Strategic Planning; d) Virtual Meetings; e) CALAPRS Board; and 3) Key Performance Indicators.**

Mr. Nelsen provided an update on the Board Election stating that the preliminary results of the Board Election will be available the morning of Thursday, December 22, 2022. Mr. Nelsen will share the preliminary results with the Board and will have them posted to the ACERA Website.

Mr. Nelsen stated that in January 2023, Staff will give a presentation on any legislative changes; specifically, changes to AB 2449 regarding disability accommodations and changes to the *Brown Act* regarding (Committee/Board) virtual meetings.

Mr. Nelsen announced that in December 2022, the California Association of Public Retirement Systems' (CALAPRS) Board elected him to serve as President of CALAPRS for 2023. Trustees congratulated Mr. Nelsen on his new appointment.

Chief Executive Officer Compensation

Chair Jaime Godfrey reported that he was designated as the Board's Designated Representative regarding compensation negotiations with Chief Executive Officer Dave Nelsen. The Board went into Closed Session (see below) and thereafter the following motion was made:

22-84

It was moved by Ophelia Basgal and seconded by Dale Amaral that the Board Chair and Designated Representative Jaime Godfrey be directed to forward a letter to the Alameda County Board of Supervisors requesting that ACERA Chief Executive Officer Dave Nelsen be added to the Designation Positions in the County's 401(a) Plan. The motion carried 7 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Simon*), 0 no, and 1 abstention (*Carson*).

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

During the call for Conference/Oral Reports, Trustee Levy congratulated Mr. Nelsen on becoming the CALAPRS President and encouraged Trustees to seek out similar opportunities to serve on other Boards in order to gain additional leadership skills. Trustee Gamble expressed his appreciation to Trustees Amaral, Koppenhaver and Walker for all their support during their tenure on the ACERA Board. The Trustees also expressed their appreciation to Trustee Gamble for his support. Trustee Amaral stated he will send each Trustee a personal note expressing his appreciation for their support.

CLOSED SESSION

12.A. Conference with Designated Representative regarding Compensation Negotiations with the Chief Executive Officer (Cal. Gov't Code § 54957.6).

The Board reconvened into Open Session and the following Trustees returned:
Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, and Simon

Chair Godfrey announced that there was no reportable action taken in Closed Session and the Board returned to the Open Session discussion of the Chief Executive Officer's Compensation (see above).

The Trustees and Staff wished everyone a happy and safe holiday season.

To view the December 15, 2022 Board meeting in its entirety, click on the link below:
<https://youtu.be/-VjgDE6ir9Q>.

ADJOURNMENT

The meeting was adjourned at approximately 3:56 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

01/19/23

Date Adopted

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

BROWN, April
Effective: 10/1/2022
Social Services Agency

MILES, Sharon
Effective: 10/1/2022
Social Services Agency

BUGAY, Susan
Effective: 10/1/2022
Alameda Health System

MONTERO, Patricia
Effective: 9/30/2022
Social Services Agency

CRAIG, Kellye
Effective: 10/1/2022
Health Care Services Agency

NASSER, Abdulhakim
Effective: 9/20/2022
Retirement (ACERA)

DUGAN, Marilyn
Effective: 10/1/2022
Social Services Agency

PETTIS-SHIPPI, Norma
Effective: 10/1/2022
Sheriff's Department

EATON-MAY, Denise
Effective: 10/15/2022
Human Resource Services

SCHULTZ, Rosemarie
Effective: 10/1/2022
County Counsel

FLETCHER Patricia
Effective: 10/1/2022
District Attorney

SMOCHKO, Robert
Effective: 10/15/2022
Information Technology Dept

FOSTER, Kathleen
Effective: 10/1/2022
Retirement (ACERA)

STRUM, Therese
Effective: 10/3/2022
Superior Courts

JAMES, Nancy
Effective: 9/3/2022
Social Services Agency

TRUONG, My
Effective: 10/15/2022
Health Care Services Agency

KETELES, Arleen
Effective: 8/24/2022
Sheriff's Department

VANDAGRIFF, Amy
Effective: 10/20/2022
Non-Member

LUCAS-HARRIS, Sonya
Effective: 10/4/2022
Superior Courts

WALKER, Darryl
Effective: 9/21/2022
Probation Department

MCCOY, Elizabeth
Effective: 9/23/2022
Health Care Services Agency

WELLENKAMP, Jane
Effective: 9/7/2022
First 5

MCKINNEY, Yvette
Effective: 5/23/2022
Superior Courts

WILLIAMS, Gladys
Effective: 9/30/2022
Alameda Health System

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

JOHNSON, Tamara M.
Social Services
Effective Date: 10/19/2022

RAMIREZ, Vanessa G.
Auditor-Controller
Effective: 10/25/2022

JONES, Cassandra D.
Alameda Health System
Effective: 10/20/2022

SADJADI, Kirsten R.E.
Alameda Health System
Effective: 10/14/2022

KOCI TAMAYO, Jaqueline
Superior Courts
Effective: 10/14/2022

SALGADO, Raul R.
Public Works Agency
Effective: 10/27/2022

LAWSON, Tamara J.
Health Care Services Agency
Effective: 10/21/2022

SALIHVIC, Fikreta
Alameda Health System
Effective: 9/23/2022

LLAMAS Jr., Pelayo A.
Superior Courts
Effective: 11/4/2022

SANDERS, Jamari T.
Probation Department
Effective: 11/7/2022

MALAE, Abel P.
Probation Department
Effective: 11/11/2022

SCHAFIR, Paulette
Health Care Services Agency
Effective: 10/14/2022

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

SCHURIG, Michelle L.
Probation Department
Effective: 10/14/2022

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

SCOTT, Krysta M.
Superior Courts
Effective: 9/15/2022

OLOGBOSELE, Anne A.
Sheriff's Department
Effective: 10/20/2022

SHEEHY-WILKINS, Emily M.
Social Services
Effective: 8/4/2022

PASTRAN, Armando
District Attorney
Effective: 11/11/2022

SINGLETON, Vivian A
Health Care Services Agency
Effective: 9/2/2022

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

SKILLERN, Veronica A.
District Attorney
Effective: 10/7/2022

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

SMITH, Nicole M.
Dept of Child Support Svcs
Effective: 10/27/2022

VASQUEZ, Christina N.
Alameda Health System
Effective: 10/5/2022

SNEED, David R.
General Services Agency
Effective: 10/31/2022

VO, Duy
Sheriff's Department
Effective: 9/11/2022

SNYDER, Vivian S.
Sheriff's Department
Effective: 9/16/2022

VOELLM, Cherilyn G.
Public Works Agency
Effective: 8/26/2022

SOMMOVILLA, Rachel H.
County Counsel
Effective: 8/26/2022

WALKER, Maya M.
Superior Courts
Effective: 9/16/2022

SUNDEEN, Ruben
Superior Courts
Effective: 10/7/2022

WALLER, Stephen L.
Alameda Health System
Effective: 8/12/2022

TAIE, Nazgol
District Attorney
Effective: 8/19/2022

WASHINGTON, Rashida N.
County Administrator
Effective: 8/26/2022

TORRECILLA, Fernando M.
Alameda Health System
Effective: 10/13/2022

WHITE, Troy H.
Sheriff's Department
Effective: 10/24/2022

TRAN, Truyen N.
Information Technology Dept
Effective: 8/19/2022

WILLIAMS, Aisha A.
Alameda Health System
Effective: 9/2/2022

TUMLINSON, Anna C.G.
District Attorney
Effective: 11/11/2022

WILLIAMS, Devin T.
Sheriff's Department
Effective Date: 9/21/2022

URIARTE, Monica P.
Probation Department
Effective: 10/7/2022

WILLIAMS, Javonn E.
Sheriff's Department
Effective: 10/24/2022

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

WILLIAMS, Melanie R.
Alameda Health System
Effective: 11/3/2022

YU, Yeung K.
Assessor
Effective: 9/5/2022

YEUNG, Rick P.
Public Works Agency
Effective: 9/2/2022

ZHANG, Stacy J.Y.
Assessor
Effective: 10/14/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

DUTELL, Barbara
Superior Courts
11/7/2022

KURTZ, Phyllis
Non-Mbr Survivor of Gerald Kurtz
10/12/2022

GARRIDO, Noel
Non-Mbr Survivor of Virginia Garrido
11/7/2022

MOORE, Mary
Social Services Agency
11/3/2022

GRAVES-PUYOL, Jacqueline
Social Services Agency
10/20/2022

MOTTON, Maxine
Child Support Services
10/13/2022

JACOBS, Gloria
Sheriff'S Department
11/10/2022

MURAMOTO, Barbara
Non-Mbr Survivor of Roy Muramoto
11/10/2022

CONSENT CALENDAR ITEM

**December 14, 2022
Investment Committee Minutes
For approval under January 19, 2023
Board “Consent Calendar”**



MINUTES OF THE DECEMBER 14, 2022, INVESTMENT COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Board of Retirement
From: Tarrell Gamble – Chair
Subject: Summary of December 14, 2022, Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, December 14, 2022 at 9:34 a.m. The Committee members present were Dale Amaral, Keith Carson, Tarrell Gamble, Liz Koppenhaver, and Henry Levy. ACERA Senior Managers and Presenting Staff present were, David Nelsen – Chief Executive Officer, Carlos Barrios – Assistant Chief Executive Officer, Betty Tse – Chief Investment Officer, Jeff Rieger – Chief Counsel, Vijay Jagar – Chief Technology Officer, Harsh Jadhav – Chief of Internal Audit; Julius Cuaresma – Investment Analyst, Clint Kuboyama – Investment Officer, Serafin Lim – Investment Operations Officer, John Ta – Investment Officer, and Thomas Taylor – Investment Officer.

Action Item: Matters for discussion and possible motion by the Committee

1. Discussion of and Possible Motion to Recommend that the Board Approve an up to \$36 Million Investment in AG CSF2A (Annex) Dislocation Fund as part of ACERA’s Private Equity Portfolio – Debt-Related/Special Situations, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations
 - Staff and Verus discussed with the Trustees the rationale behind the investment recommendation, ACERA’s existing and historical investments with Angelo Gordon that are in good standing, and the key-man risk involved with the recommended fund.
 - Representatives from Angelo Gordon provided an overview of the fund’s investment strategy and investment team, and the performance of predecessor funds. The representatives also discussed the market opportunities the fund has capitalized on thus far, the fund’s existing portfolio, and the management of the fund going forward.
 - The Trustees, Staff and Verus also considered the financial penalty ACERA would be charged (estimated to be \$180,000) by coming into the fund at its December close and buying into the fund’s existing portfolio at cost, as well as the embedded gains the portfolio likely has following the recent declines in interest rates and narrowing of credit spreads.
 - After further discussion, Trustee Koppenhaver moved, seconded by Trustee Amaral to recommend that the Board approve an up to \$36 million investment in AG CSF2A (Annex) Dislocation Fund as part of ACERA’s Private Equity Portfolio – Debt-Related/Special

Situations, pending completion of legal and investment due diligence and successful contract negotiations

- The motion carried with 5 Yes (Amaral, Carson, Gamble, Koppenhaver, and Levy) 0 No, and 0 Abstention.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Education Session on the International Investment Manager Structure Decision Making Process and Framework

- Staff and Verus discussed the importance of periodically reviewing the manager structure and application of an appropriate structure for ACERA and the Total Fund. Furthermore, it is best to track performance and risk by assigning the appropriate benchmark which to measure by. After a recent review of International Equity Asset Class and its overall underperformance and current structure, Staff and Verus are considering a thorough review of Individual International managers.
- Investment structure decision framework is nearly identical to asset allocation decision framework, i.e., mean-variance optimization with objective assumptions and constraints for the Total Fund. Asset allocation drives 90+% of ACERA fund performance and risk experience. Investment structure (manager structure) impacts approximately 7%. Manager selection provides approximately 3%. Per Policy, Staff and the Consultant review the Asset Allocation once every 3-5 years, Investment structure, and manager selection over shorter periods.
- The investment structure decision process includes determining the strategies to be included, developing expected excess returns and excess risk, and calculating correlations of the investment managers versus the asset class benchmark.
- A couple of examples of lagging the strategy benchmark and style benchmark are the Large Cap Value manager and the International Equity Small Companies fund. These managers have been put on the Watchlist.
- Verus will work with Staff to determine the timing for the process and delivery of preliminary results of the thorough review of individual managers as well as the resulting recommendations, if any, to the Committee.

2. Semiannual Performance Review for the Period Ending September 30, 2022 – Total Fund Review Highlighting Public Markets Asset Classes and Absolute Return

- For the 6-month period ending 09/30/2022, ACERA's Total Fund returned -13.43% net, compared to the Policy Index return of -13.65%. For the year ending 09/30/2022, the Total

Fund returned -12.98% net compared to the Policy Index of -11.41%. The Total Fund's results ranked in the 57th and 55th percentile for the semi-annual and one year periods, respectively.

- Specific to equities, the U.S. Equity asset class was net -20.43% (vs. its benchmark of -20.42%) and net -18.34% (vs. its benchmark of -17.63%) for the 6-month and 1-year periods ending 09/30/2022, respectively. The International Equity asset class was net -22.47% (vs. its benchmark of -22.33%) and net -28.74% (vs. its benchmark -25.34%) for 6-month and 1-year periods ending 09/30/2022, respectively.
- Specific to Fixed Income, the asset class return was net -10.84% (vs. its benchmark of net -11.21%) and net -16.17% (vs. its benchmark of -16.72% for the 6-month and 1-year periods ending 09/30/2022, respectively.
- Specific to the Absolute Return asset class, the 6-month and 1-year returns for the periods ending 09/30/2022 were net 4.82% (vs. its benchmark of -4.10%) and net 9.82% (vs. its benchmark of -6.35%), respectively.
- As of 09/30/2022, the market value of the Total Fund was \$9,793,654,498.

3. Update on ESG Implementation

- Staff provided a semi-annual update on the Board-approved Environmental, Social, and Governance (ESG) Implementation Plan. This update shared the following: 1) Components 1 and 2 are complete, with the caveat that, given the dynamic ESG environment, Staff expects to continue to improve ACERA's ESG Evaluation Framework, including modifying the Compliance Checklist; 2) Components 3 and 4 are near completion, as Staff continues to aggregate required Manager Questionnaire responses to ACERA's Ten ESG Questions – with these aggregated responses, Staff plans to present ACERA's 1st Annual ESG Risk Disclosure Report at the June 2023 Investment Committee Meeting.
- Trustees, Legal, and Investments Staff, discussed recent ESG regulatory developments. Due to the fluid regulatory landscape, they continued to discuss ACERA's ESG Policy and the need for continued due diligence from Investments, Legal, and ACERA's Consultants.

4. CA Gov. Code § 7514.7 Information Report

- Staff discussed its annual CA Gov. Code § 7514.7 Alternative Investment Vehicles Information Report with the Investment Committee.

5. Status Update on the General Investment Consultant Search

- Staff updated the Committee that in order to capture the attention of the best qualified candidates; Staff decided to extend the search timeline to provide prospective consultant firms more time to respond to ACERA's RFP.

- The RFP was posted last December 5, 2022. There are about 110 questions on the RFP. Other than revising the search timeline, Staff have made no changes to any other documents that the Board has approved such as the minimum qualifications.

Public Input:

- Betty Tse (CIO), recognized Margaret Jadallah, Verus Consultant for her contribution to the ACERA Total Fund since she came on board about five years in 2017 to guide us in addition to help grow our Total Fund from then about \$7B to today's \$10+B. Margaret has been very professional and responsive to ACERA's needs. Staff and the Board have benefited from her knowledge and patience. ACERA congratulates Margaret on her retirement.

TRUSTEE REMARKS:

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, January 11, 2023

ADJOURNMENT

The meeting ended at 12:25 p.m.

CONSENT CALENDAR ITEM

**January 11, 2023
Investment Committee Minutes
For approval under January 19, 2023
Board “Consent Calendar”**

**The January 11, 2023
Investment Committee Minutes
will be distributed under separate cover**

CONSENT CALENDAR ITEM

Operating Expenses as of 11/30/22



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: January 19, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer

SUBJECT: Operating Expenses and Budget Summary for the period ended November 30, 2022

DS
EH

ACERA's operating expenses are \$1,625K under budget for the period ended November 30, 2022. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Depreciation*: Depreciation is \$8K over budget.

Budget Surpluses

2. *Staffing*: Staffing is \$1,141K under budget. This amount comprises surpluses in staff vacancies of (\$311K), and fringe benefits of (\$922K), offset by an overage in temporary staffing of \$92K due to vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$26K under budget due to savings from unattended staff trainings and conferences.
4. *Professional Fees*: Professional Fees are \$11K under budget. This amount comprises an overage in actuarial fees of \$60K and operations consultant fees of \$20K, offset by surpluses in legal fees of (\$86K) and external audit of (\$5K).
5. *Office Expense*: Office Expense is \$194K under budget. This amount comprises surpluses in printing and postage of (\$13K) and office maintenance and supplies of (\$38K) both due to savings in usage, communication expenses of (\$32K), building expenses of (\$92K), minor equipment and furniture of (\$6K), and equipment lease and maintenance of (\$13K).
6. *Member Services*: Member Services are \$52K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$17K), disability medical expense of (\$48K), and member training and education of (\$16K), offset by overages in members printing and postage of \$20K and health reimbursement account of \$9K.
7. *Systems*: Systems are \$71K under budget. This amount comprises surpluses in software maintenance and support of (\$92K), county data processing of (\$4K), offset by overage in business continuity expense of \$9K and minor computer hardware of \$16K.
8. *Board of Retirement*: Board of Retirement is \$136K under budget. This amount comprises surpluses in board conferences and trainings of (\$92K) mainly due to unattended trainings and conferences, board miscellaneous expenses of (\$10K), board compensation of (\$3K), board software maintenance and support of (\$8K), board election of (\$19K), and board

strategic planning of (\$10K), offset by an overage in board employer reimbursement of \$6K.

Staffing Detail

Vacant positions as of November 30, 2022:

Department	Position	Qty	Comments
Administration	Clerk II	1	Vacant - currently budgeted for the year
Benefits	Retirement Benefits Specialist	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 November 30, 2022					
	Year-To-Date			2022 Budget	2019-21 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	492,382	481,250	11,132	525,000	2,041,606
Segal	402,502	375,833	26,669	410,000	1,203,390
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	894,884	857,083	37,801	935,000	3,345,466
Staffing	577,260	648,083	(70,824)	707,000	1,515,887
TOTAL	1,472,144	1,505,167	(33,023)	1,642,000	4,861,353

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>November 30, 2022</u>					
	Actual	Budget	YTD	2022	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 14,327,453	\$ 15,468,130	\$ (1,140,677)	\$ 16,941,000	84.6%
Staff Development	238,675	264,560	(25,885)	279,000	85.5%
Professional Fees (Next Page)	1,073,109	1,084,200	(11,091)	1,146,000	93.6%
Office Expense	407,671	602,140	(194,469)	659,000	61.9%
Insurance	500,338	501,840	(1,502)	550,000	91.0%
Member Services	313,594	365,800	(52,206)	393,000	79.8%
Systems	1,036,920	1,108,030	(71,110)	1,207,000	85.9%
Depreciation	112,158	104,620	7,538	114,000	98.4%
Board of Retirement	454,423	590,200	(135,777)	656,000	69.3%
Uncollectable Benefit Payments	-	-	-	56,000	0.0%
Total Operating Expense	\$ 18,464,341	\$ 20,089,520	\$ (1,625,179)	\$ 22,001,000	83.9%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 PROFESSIONAL FEES
 YEAR TO DATE - ACTUAL VS. BUDGET
 November 30, 2022

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 375,683	\$ 356,080	\$ 19,603	\$ 384,000	97.8%
Actuarial Fees ²	462,903	402,600	60,303	420,000	110.2%
External Audit ³	136,912	142,000	(5,088)	142,000	96.4%
Legal Fees ⁴	97,611	183,520	(85,909)	200,000	48.8%
Total Professional Fees	\$ 1,073,109	\$ 1,084,200	\$ (11,091)	\$ 1,146,000	93.6%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
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¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:

Administration					
Banking transition consultant fees	50,000	50,000	-	50,000	100.0%
Strategic Planning	23,000		23,000	-	0.0%
Total Administration	73,000	50,000	23,000	50,000	146.0%
Benefits					
Alameda County HRS (Benefit Services)	115,500	115,500	-	126,000	91.7%
Segal (Benefit Consultant/Retiree Open Enrollment)	116,600	120,080	(3,480)	131,000	89.0%
Total Benefits	232,100	235,580	(3,480)	257,000	90.3%
Human Resources					
Lakeside Group (County Personnel)	70,583	70,500	83	77,000	91.7%
Total Human Resources	70,583	70,500	83	77,000	91.7%
Total Consultant Fees - Operations	375,683	356,080	19,603	384,000	97.8%

² ACTUARIAL FEES

Actuarial valuation	81,000	81,000	-	81,000	100.0%
GASB 67 & 68 Valuation	50,500	51,000	(500)	51,000	99.0%
GASB 74 & 75 Actuarial	15,000	15,000	-	15,000	100.0%
Actuarial Standard of Practice 51 Pension Risk	27,500	30,000	(2,500)	30,000	91.7%
Supplemental Consulting	245,903	182,600	63,303	200,000	123.0%
Supplemental Retiree Benefit Reserve valuation	43,000	43,000	-	43,000	100.0%
Total Actuarial Fees	462,903	402,600	60,303	420,000	110.2%

³ EXTERNAL AUDIT

External audit	118,747	119,000	(253)	119,000	99.8%
GASB 67 & 68 audit	10,026	11,000	(974)	11,000	91.1%
GASB 74 & 75 audit	8,139	12,000	(3,861)	12,000	67.8%
Total External Audit Fees	136,912	142,000	(5,088)	142,000	96.4%

⁴ LEGAL FEES

Fiduciary & Litigation	54,782	114,600	(59,818)	125,000	43.8%
Tax and Benefit Issues	5,333	22,920	(17,588)	25,000	21.3%
Miscellaneous Legal Advice	37,496	46,000	(8,504)	50,000	75.0%
Total Legal Fees	97,611	183,520	(85,909)	200,000	48.8%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Eleven Months Ending 11/30/2022

	<u>For the Month of November 2022</u>	<u>For the Month of November 2021</u>	<u>Variance</u>	<u>Year-To-Date 2022</u>	<u>Year-To-Date 2021</u>	<u>Variance</u>
STAFFING						
Salaries	863,039	807,883	55,156	9,308,395	8,704,907	603,488
Fringe Benefits	372,827	367,102	5,725	4,687,154	4,241,863	445,291
Temporary & Other Staffing Cost	29,016	25,647	3,369	331,904	428,638	(96,734)
Staffing Total	<u>1,264,882</u>	<u>1,200,632</u>	<u>64,250</u>	<u>14,327,453</u>	<u>13,375,408</u>	<u>952,045</u>
STAFF DEVELOPMENT	11,786	14,368	(2,582)	238,675	147,331	91,344
PROFESSIONAL FEES						
Actuarial Fees	16,600	23,758	(7,158)	462,903	514,736	(51,833)
Consultant Fees - Operations	27,517	27,517	0	375,683	303,467	72,216
Consultant Fees - Legal	20,283	27,782	(7,499)	97,611	187,420	(89,809)
External Audit	(5,088)	0	(5,088)	136,912	152,127	(15,215)
Professional Fees Total	<u>59,312</u>	<u>79,057</u>	<u>(19,745)</u>	<u>1,073,109</u>	<u>1,157,750</u>	<u>(84,641)</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	10,737	9,545	1,192	123,563	106,552	17,011
Building Expenses	1,498	6,639	(5,141)	(11,200)	74,810	(86,010)
Communications	14,667	5,718	8,949	140,767	75,847	64,920
Interest expense on lease liability - GASB-87	623	1,098	(475)	9,102	14,026	(4,924)
Amortization expense of lease assets - GASB-87	3,548	3,548	0	39,024	39,024	0
Equipment Lease/Maintenance	5,141	3,755	1,386	49,755	43,659	6,096
Minor Equipment and Furniture	1,838	518	1,320	10,563	3,227	7,336
Office Supplies/Maintenance	5,922	3,911	2,011	33,884	28,922	4,962
Printing & Postage	920	923	(3)	12,213	10,436	1,777
Office Expense Total	<u>44,894</u>	<u>35,655</u>	<u>9,239</u>	<u>407,671</u>	<u>396,503</u>	<u>11,168</u>
INSURANCE	46,924	(32,083)	79,007	500,338	615,844	(115,506)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	7,840	0	7,840	24,392	5,000	19,392
Disability Medical Expense	(150)	5,013	(5,163)	63,974	112,949	(48,975)
Disability Claims Management	3,850	3,850	0	42,350	42,350	0
Health Reimbursement Acct. (HRA)	5,178	4,953	225	63,874	55,815	8,059
Member Training & Education	418	341	77	5,218	5,186	32
Printing & Postage - Members	3,083	2,216	867	113,786	99,615	14,171
Virtual Call Center	0	5,245	(5,245)	0	54,195	(54,195)
Member Services Total	<u>20,219</u>	<u>21,618</u>	<u>(1,399)</u>	<u>313,594</u>	<u>375,110</u>	<u>(61,516)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Eleven Months Ending 11/30/2022


	<i>For the Month of November 2022</i>	<i>For the Month of November 2021</i>	<i>Variance</i>	<i>Year-To-Date 2022</i>	<i>Year-To-Date 2021</i>	<i>Variance</i>
SYSTEMS						
Business Continuity Expense	15,694	15,836	(142)	198,913	199,680	(767)
County Data Processing	10,854	10,373	481	116,650	111,342	5,308
Minor Computer Hardware	4,107	1,506	2,601	51,806	27,480	24,326
Software Maintenance & Support	58,136	77,110	(18,974)	669,551	699,772	(30,221)
Systems Total	<u>88,791</u>	<u>104,825</u>	<u>(16,034)</u>	<u>1,036,920</u>	<u>1,038,274</u>	<u>(1,354)</u>
DEPRECIATION						
Depreciation Expense	9,961	10,720	(759)	112,158	110,216	1,942
BOARD OF RETIREMENT						
Board Compensation	1,500	1,800	(300)	21,500	24,200	(2,700)
Board Conferences & Training	7,386	14,504	(7,118)	90,419	64,376	26,043
Board Election	7,831	0	7,831	11,363	3,422	7,941
Board Employer Reimbursement	28,250	20,917	7,333	316,355	180,014	136,341
Board Miscellaneous Expense	1,825	1,085	740	10,843	7,477	3,366
Board Software Maint. & Support	0	986	(986)	3,943	11,054	(7,111)
Board of Retirement Total	<u>46,792</u>	<u>39,292</u>	<u>7,500</u>	<u>454,423</u>	<u>290,543</u>	<u>163,880</u>
GRAND TOTALS	<u><u>1,593,561</u></u>	<u><u>1,474,084</u></u>	<u><u>119,477</u></u>	<u><u>18,464,341</u></u>	<u><u>17,506,979</u></u>	<u><u>957,362</u></u>

NEW BUSINESS

- 7.A. Chief Counsel Presentation: New Rules for Trustee Remote Attendance at Meetings.**



To: Board of Retirement
From: Jeff Rieger, Chief Counsel
Meeting: January 19, 2023
Subject: **New Rules For Trustees' Remote Participation In Public Meetings**



Effective January 1, 2023, new legislation relaxed some of the rules regarding Trustees' remote participation in Board and Committee Meetings. This memorandum summarizes those new rules. The Governance Committee will consider revisions to the Remote Access to Meetings Policy at its first meeting in 2023, to reflect these new rules in that Policy.

At this January 19, 2023 Board meeting, the Board is operating under the rules that apply during a state of emergency. The below rules will be relevant once the Board is not operating under those emergency rules. This likely will occur, at the latest, at the March 16, 2023 meeting, because the state of emergency is set to end on February 28, 2023.

Normal Rules

Under Gov't Code Section 54953(b)(3), when a Trustee wishes to attend a public meeting remotely, ACERA and the Trustee normally are required to:

- Post agendas at all teleconference locations.
- Each teleconference location shall be identified in the notice and agenda.
- Each teleconference location shall be accessible to the public.
- During the teleconference, at least a quorum of the members of the Board shall participate from locations within Alameda County.

New Exceptions To The Normal Rules

Effective January 1, 2023, subdivision (f) of Section 54953 provides an exception to the requirements stated above if:

- At least a quorum the Board participates in person in the Board Room or other appropriate physical location that is open to the public.
- ACERA provides means by which the public can remotely hear, watch and participate in the meeting (e.g., Zoom) and the agenda explains how to do so.

A Trustee may participate remotely only in “emergency circumstances” or for “just cause.”

- “Emergency circumstances” means a physical or family medical emergency that prevents a member from attending in person. The Board needs to approve a Trustee’s request at the beginning of the meeting for this exception to apply.
- “Just cause” means caring for family members, having a contagious illness that prevents attendance in person, having a need related to a physical or mental disability, or travel while on official business of the Board or another state or local agency. The Board does not need to approve “just cause” remote attendance (the Trustee just notifies the Board), but a Trustee can invoke the “just cause” basis only twice per calendar year.

When a Trustee attends remotely, the Trustee must:

- “Publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.”
- Participate through both audio and visual technology.

Remote attendance for Trustees is limited to no more than three consecutive months or 20 percent of the Board meetings within a calendar year.

The above is a summary of the new law, which includes other details not covered in this memorandum. The main takeaway is that, if a Trustee needs to attend a meeting remotely, the Trustee should inform the CEO or the Chief Counsel of that need as soon as possible. The Chief Counsel will then determine whether remote attendance is permitted and inform the Trustee about what steps need to be taken to comply with the law.

NEW BUSINESS

7.B. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: January 19, 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 2022	On-going	We will be implementing our post-Covid plan in March.
Board Strategic Planning	Dave Nelsen	Summer and Fall 2022	December of 2022	The Board approved the plan in December of 2022.
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 have opened for appointments and walk-ins on Tuesday through Thursday. We are planning to be at our new normal operations by the time the Governor's COVID Emergency Declaration ends in February. At this time, masks and social distancing awareness are still required in County Offices for employees and the public. Our customers are continuing to use alternative means of service, and feedback has been generally positive that their service needs are being met. We will continue to monitor the information available and consult with the County regarding opening plans.

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

The project is continuing to work through its phases. We are nearly complete with User Acceptance Testing (UAT) for Phase 3. We are 93% complete which is significant as these are the most complex areas of benefit calculations. It is mostly going well with very few issues reported to our PAS vendor, LRS. UAT is targeted for completion on January 20, 2023. We are working with the Participating Employers testing their prototype files for Pension Gold V3. We have tested files from the County, the Housing Authority, and the Courts, and have received files from First Five and LARPD. We have begun review of Phase 4 designs. Additionally, we are working on our On-Base enhancements and integration into the PAS Project schedule.

Business Planning Update

The Strategic Plan was adopted in December. Staff will begin brainstorming potential projects to undertake to support the Strategic Plan later this month. We will be looking at the projects with an eye to fulfilling the vision, while balancing resources which are strained due to the PAS. We will present this plan to the Board in the early Spring.

Virtual Meetings

The Governor has announced that he will be lifting the COVID Emergency Order effective February 28, 2023. At this time, the authority for Board members to meet virtually will be subject to the provisions of the *Brown Act*, which are significant. We will have a briefing during this Board meeting on the provisions of AB 2449 and the new requirements for meetings, but it is likely that any public meeting on or after March 1, 2023 will need to be held in on-site for Trustees. Customers and others will continue to have the ability to watch and interact during the meetings virtually.

Committee Assignments

After the Board meeting, I will consult with the Chair regarding the Committee leadership and membership assignments. I will send out a document asking each of you what Committee you would like to be a member and/or leader of. The Chair typically reviews that input when choosing Committee assignments.

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 November 2022: 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%

NEW BUSINESS

- 7.C. Possible Discussion and Motion regarding Chief Executive Officer Compensation.

13. CLOSED SESSION:

- A. Conference with Designated Representative (Jamie Godfrey) regarding Compensation Negotiations with the Chief Executive Officer (Cal. Gov't Code § 54957.6).**
- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).**

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