



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

**OPERATIONS COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE PER 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.

**Wednesday, April 6, 2022
9:30 a.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
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 Call-In Number: 1 699 900 6833 Meeting ID: 879 6337 8479 Password: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	OPHELIA BASGAL, CHAIR	APPOINTED
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	HENRY LEVY	TREASURER
	GEORGE WOOD	ELECTED GENERAL

This is a meeting of the Operations Committee if a quorum of the Operations Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Operations Committee and the Board if a quorum of each attends.

The order of agenda 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.

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

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – April 6, 2022

Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Medical Advisor & Disability Claims Management Services RFI Response

-Sandra Dueñas-Cuevas

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve new contract negotiations with MMRO for Medical Advisor and Disability Claims Management Services for five years.

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

1. Statement of Reserves as of 12/31/2021

-David Nelsen

2. Operating Expenses as of 02/29/2022

-David Nelsen

Trustee Remarks

Future Discussion Items

May (*Presented at Board Meeting*)

- Quarterly Financial Statements as of 03/31/22
- Operating Expenses as of 03/31/22
- Quarterly Cash Forecast Report
- Board Member Conference Expense Report for 1st Qtr. 2022
- Senior Manager Conference and Training Expense Report for 1st Qtr. 2022

June

- Operating Expenses as 04/30/22
- Technology Update
- MMRO Annual Report

Establishment of Next Meeting Date

June 1, 2022, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: April 6, 2022

TO: Members of the Operations Committee

FROM: Sandra Dueñas-Cuevas, Benefits Manager *SDC*

CC: Kathy Foster, Assistant Chief Executive Officer

SUBJECT: **Medical Advisor & Disability Claims Management Services RFI Response**

ACERA released a Request for Information (RFI) on February 1, 2022 to service providers who could potentially provide both Medical Advisor and Disability Claims Management services.

Managed Medical Review Organization (MMRO) was the only provider to respond to the RFI. ACERA had anticipated a response from at least one other provider, however, they were unable to submit a response for the services of Medical Advisor and Disability Claims Management. MMRO's RFI response proposes access to their expanded network of Independent Medical and Psychiatric Evaluators for the review and recommendation of member applications. While there is no proposed monthly administrative fee increase, the response includes adjustments to the application, annual review, independent medical and psychiatric evaluations, and appearance fee. In response to the occasional larger volume application file, MMRO is proposing an increase for large page volume review.

MMRO has provided services to ACERA since May of 2017. Under MMRO's oversight of disability retirement claims management, recommendation response to the Board has decreased from one year to under five months on average. Staff, trustees', and members' confidence in the timeliness of the disability application process have improved and Staff believes service under this platform should continue.

In accordance with the Service Provider Policy, Staff is recommending the Board approve new contract negotiations with MMRO for Medical Advisor and Disability Claims Management Services with assistance from ACERA's Legal Department. Staff would like to negotiate a five year contract with performance guarantees.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve new contract negotiations with MMRO for Medical Advisor and Disability Claims Management Services for five years.

Attachments: Medical Advisor and Disability Claims Statistics 2021

Medical Advisor and Disability Claims Statistics 2021

I. Medical Advisor Performance from 2016-2021

Process	ACERA/ Dr. Wagner 2016-2017	MMRO 2017-2018	MMRO 2018-2019	MMRO 2019-2020	MMRO 2020-2021
Phase 1	263	69	54	52	59
Phase 2	45	28	40	34	27
Total Days	308	97	94	86	86

Phase 1: Duration of time to review, exhibit, and conduct member outreach before disability packet is distributed to applicant and employer for comment review period

Phase 2: Duration of time from completion of comment period to production and receipt of medical recommendation report

II. Disability Applications Status as of 12/31/21

Completed Cases	Cases Pending	Annual Exams
36	19	1

III. Current Medical Advisor Fees

Monthly administration fee:	\$3,850 per month
Fee per New Case:	\$1,950 per case
Fee per Annual Review Case:	\$1,250 per case
Appearance fee (Board Meetings, Disability Hearings, etc.) ^{1,2}	\$445 per hour
Fee per case review of disability packet and reporting:	INCLUDED

Other fees, please describe in detail:

• Independent Medical Evaluations (IME) ^{3,4,6}	\$2,250–\$2,950
• Independent Psychiatric Evaluations (IPE) ^{3,4}	\$2,500–\$3,250
• Specialist Medical Review (SMR) ^{3,4,5}	\$765 per review
• Recommendation Report Addendum fees	\$385 per addendum
• Essential Job Function Analysis (EFJA), if applicable	\$335 per analysis



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: April 6, 2022

TO: Members of the Operations and Retiree Committee

FROM: David Nelsen, Chief Executive Officer *DN*

SUBJECT: Statement of Reserves and Supplemental Retirees Benefit Reserve (SRBR)
Status as of December 31, 2021

Statement of Reserves

The Statement of Reserves as of December 31, 2021, is attached for your review. The semi-annual interest crediting as of December 31, 2021, was completed on February 28, 2022.

For the six-month period ended December 31, 2021, approximately \$569.3 million of total interest (\$353.4 million in regular earnings and \$215.9 million in excess earnings) was credited to all the valuation reserve accounts, including the 401(h) account, the advanced UAAL contribution reserve and the SRBR.

- Regular earnings of \$353.4 million were credited to the valuation reserve accounts, the 401(h) account, the advance UAAL contribution reserve and the SRBR at one half of the assumed crediting rate of return of 3.5000%.
- 50% of the \$215.9 million earnings above the assumed rate of return (excess earnings) or \$108.0 million were posted to SRBR at the crediting rate of 10.6810%.
- The remaining 50% of the \$215.9 million earnings above the assumed rate of return (excess earnings) or \$107.9 million were posted to the valuation reserve accounts, the 401(h) account and the advance UAAL contribution reserve. The excess earning crediting rate for the valuation reserve accounts and the 401(h) account was 1.2756%. The excess earning crediting rate for the advance UAAL contribution reserve account was 0.2993%; as it's not eligible to share crediting from earnings that were deferred on or before the June 30, 2021 interest crediting cycle.

The total interest crediting rates were 4.7756% to the valuation reserve accounts and the 401(h) account, 3.7993% to the advance UAAL contribution reserve, and 14.1810% to the SRBR (see table below).

Earnings Classification	Valuation Reserve & 401(h) Accounts		Advance UAAL Contribution Reserve		SRBR	
	Amount	Rate	Amount	Rate	Amount	Rate
Regular Earnings	\$289,541,224	3.5000%	\$28,441,394	3.5000%	\$ 35,376,074	3.5000%
Excess Earnings	105,525,481	1.2756%	2,432,335	0.2993%	107,957,817	10.6810%
Total Interest Credited	\$395,066,705	4.7756%	\$30,873,729	3.7993%	\$143,333,891	14.1810%

Interest Crediting Methodology as of December 31, 2021	
Expected Actuarial Earnings for the period	\$ 397,125,337.23
10 % Amortization of deferred amounts – (Sum of the last 10 periods)	176,890,287.75
Actuarial earnings on a smoothed basis	574,015,624.98
CRA adjustment to 1% of total assets as of 12/31/2021	(4,741,300.19)
Actuarial earnings available for interest crediting	569,274,324.79
Interest credited at the assumed return rate of 3.5000%	353,358,691.56
Excess Earnings - Earnings above the assumed rate of return	\$ 215,915,633.23
50% of Excess Earning credited to the SRBR at the rate of 10.6810%	\$ 107,957,816.62
Excess Earning credited to the other reserves at the rate of 1.2756%	\$ 105,525,481.37
Excess Earning credited to the advance UAAL contribution reserve at the rate of 0.2993%	\$ 2,432,335.24

The process for crediting interest as of December 31, 2021, is presented in the table above. Note that for this semi-annual interest crediting period, the Contingency Reserve Account (CRA) was restored to 1% of total assets, \$120.2 million as of December 31, 2021, and there was no subsequent withdrawal of funds from the CRA to meet interest crediting shortfalls.

There was a market *gain* of approximately \$550.8 million for the six-month period ended December 31, 2021, which was higher than the expected actuarial earnings of approximately \$397.1 million. As a result, \$153.6 million in *gains* were added to the market stabilization reserve (the difference of the actual market gain and the expected actuarial earnings). In addition, \$176.9 million of net *gains* from the previous ten (10) interest crediting cycles were recognized in the current interest crediting period. Thus, the market stabilization reserve decreased from net deferred *gain* of \$1,156.2 million as of June 30, 2021, to \$1,132.9 million in deferred *gains* as of December 31, 2021.

Supplemental Retiree Benefit Reserve (SRBR) Status Report

The 10-year history of SRBR activity through December 31, 2021, is attached for your review. The December 31, 2021, ending balance of the SRBR account is approximately \$1.1 billion.

The break-down of the December 31, 2021 total interest crediting rate is as follows:

- Regular earnings were credited at the assumed rate of return of 3.5000%.
- Earnings above the assumed rate of return (excess earning) were credited at the rate of 10.6810%.

The total interest credited to the SRBR for the six-month period ended December 31, 2021, was approximately \$35.4 million of regular earning and \$108.0 of excess earnings. For the year ended December 31, 2021 approximately \$69.2 million of regular earnings and \$184.1 excess earnings were credited to the SRBR.

For the six-month period ended December 31, 2021, the net deductions from SRBR were approximately \$23.1 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$22.5 million as well as payments of supplemental COLA and retired death benefits of \$0.6 million. For the year ended December 31, 2021, the net deductions from SRBR were approximately \$53.9 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$45.2 million and \$7.5 million transfer for implicit subsidy as well as payments of supplemental COLA and retired death benefits of \$1.2 million.

Attachments:

- Statement of Reserves as of December 31, 2021
- SRBR Status as of December 31, 2021

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Six Months Ended December 31, 2021

	Beginning Balances 6/30/2021	Net Contributions Benefits, Refunds & Transfers 7/1 - 12/31/2021	Transfer Employers UAAL Adv Rsrv 7/1 - 12/31/2021	Interest Crediting Process 7/1 - 12/31/2021 (3.5000%)	Allocation of Excess Earnings 7/1 - 12/31/2021 (1.2756%)	Ending Balances 12/31/2021
Member Reserves:						
Active Member Reserves	\$ 1,679,602,849	\$ (3,193,020)	\$ -	\$ 55,873,800 ¹	20,363,627 ¹	\$ 1,752,647,256
Employer Advance Reserve	1,346,611,240	36,323,104	21,624,448	44,546,143	16,235,178	1,465,340,113
401(h) Account - OPEB	9,327,514	(543,674)	-	326,463	118,982	9,229,285
Total Employer Reserves	1,355,938,754	35,779,430	21,624,448	44,872,606 ¹	16,354,160 ¹	1,474,569,398
Retired Member Reserves	5,266,051,365	(116,047,339)	6,786,382	188,794,818 ¹	68,807,694 ¹	5,414,392,920
Supplemental Retiree Benefit Reserve:	1,010,744,983	(23,030,400)		35,376,074 ¹	107,957,817 ¹	1,131,048,474
Contingency Reserve	115,442,293			4,741,300 ²		120,183,593
Market Stabilization Reserve	1,156,207,289			-	(23,260,183)	1,132,947,106
Total Reserves at Fair Value / Fiduciary Net Position	10,583,987,533	(106,491,329)	28,410,830	329,658,598	190,223,115	11,025,788,747
Advance UAAL Contribution Reserve						
County-Safety UAAL Advance Reserve	800,000,000		(28,065,335)	28,000,000	2,394,587	802,329,252
LARPD-General UAAL Advance Reserve	12,611,250		(345,495)	441,394	37,748	12,744,897
Total Fiduciary Net Position	\$ 11,396,598,783	\$ (106,491,329)	\$ -	\$ 358,099,992	\$ 192,655,450	\$ 11,840,862,896

Notes: 1. Interest credited as of 12/31/21 includes \$353,358,691.56 of regular earnings and \$215,915,633.23 excess earning allocation to the SRBR Reserve, advance UAAL contribution reserves, and all other Non-SRBR reserves.

2. Amount includes an increase of the CRA by \$4,741,300.19 to restore the balance at 1% total assets as of 12/31/21. There was no subsequent withdrawal of funds from the CRA to fund semi-annual interest crediting shortfall.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Year Ended December 31, 2021

	Beginning Balances 1/1/2020	Net Contributions Benefits, Refunds & Transfers 1/1 - 12/31/2021	Transfer Employers UAAL Adv Rsrv 1/1 - 12/31/2021	Interest Crediting Process 6/30/21 & 12/31/2021 (3.6250%) & (3.5000%)	Allocation of Excess Earnings 6/30/21 & 12/31/2021 (0.9527%) & (1.2756%)	Ending Balances 12/31/2021
Member Reserves:						
Active Member Reserves	\$ 1,640,497,313	\$ (34,448,997)	\$ -	\$ 111,591,428 ¹	35,007,512 ¹	\$ 1,752,647,256
Employer Advance Reserve	1,268,411,514	60,438,906	21,624,448	87,373,931	27,491,314	1,465,340,113
401(h) Account - OPEB	9,051,620	(682,139)	-	654,584	205,220	9,229,285
Total Employer Reserves	1,277,463,134	59,756,767	21,624,448	88,028,515 ¹	27,696,534 ¹	1,474,569,398
Retired Member Reserves	5,067,782,705	(158,529,855)	6,786,382	379,440,014 ¹	118,913,674 ¹	5,414,392,920
Supplemental Retiree Benefit Reserve:	931,754,157	(53,907,901)	-	69,152,162 ¹	184,050,056 ¹	1,131,048,474
Contingency Reserve	68,984,336		-	51,199,257 ²		120,183,593
Market Stabilization Reserve	643,285,705				489,661,401	1,132,947,106
Total Reserves at Fair Value / Fiduciary Net Position	9,629,767,350	(187,129,986)	28,410,830	699,411,376	855,329,177	11,025,788,747
Advance UAAL Contribution Reserve						
County-Safety UAAL Advance Reserve	-	800,000,000	(28,065,335)	28,000,000	2,394,587	802,329,252
LARPD-General UAAL Advance Reserve	-	12,611,250	(345,495)	441,394	37,748	12,744,897
Total Fiduciary Net Position	\$ 9,629,767,350	\$ 625,481,264	\$ -	\$ 727,852,770	\$ 857,761,512	\$ 11,840,862,896

Notes: 1. Interest credited as of 06/30/21 and 12/31/21 were \$323,294,820.90 and \$353,358,691.56, respectively. The allocation of earnings above the assumed rate of return were \$152,184,478.49 and \$215,915,633.23 as of 6/30/21 and 12/31/21, respectively.

2. Net amount includes addition to the CRA of \$46,457,957.40 as of 6/30/21 and \$4,741,300.19 as of 12/31/21, to restore the balance at 1% total assets. There were no subsequent withdrawals of funds from the CRA to fund semi-annual interest crediting shortfall. As a result, the CRA balance at 12/31/21 was \$120,183,593.26, which is 1.00% of total assets.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUPPLEMENTAL RETIREES' BENEFIT RESERVE (SRBR)
For the Ten Years Ended December 31, 2012 - December 31, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Beginning Balance	\$ 602,906,726	\$570,878,929	\$643,056,500	\$ 789,826,877	\$853,842,371	\$874,385,246	\$893,770,614	\$919,488,617	\$924,709,823	\$ 931,754,157
Deductions:										
Transferred to Employers Advance Reserve	33,353,151	32,240,449	34,039,593	36,528,264	33,818,832	38,327,914	43,777,409	44,858,371	45,456,100	46,772,130
Employers Implicit Subsidy	4,411,206	7,370,466	6,992,822	5,320,953	6,021,451	8,787,596	5,800,563	6,899,139	6,446,702	7,484,411
Supplemental Cost of Living	2,345,527	2,067,218	1,849,140	1,555,924	1,350,784	1,231,500	1,134,613	1,181,244	1,116,523	932,177
Death Benefit - Burial - SRBR	791,492	5,525	223,529	213,909	187,081	187,060	196,576	216,834	230,747	256,683
ADEB (Active Death)	426,640	-	-	-	-	-	-	-	-	-
Total Deductions	<u>41,328,016</u>	<u>41,683,658</u>	<u>43,105,084</u>	<u>43,619,050</u>	<u>41,378,148</u>	<u>48,534,070</u>	<u>50,909,161</u>	<u>53,155,588</u>	<u>53,250,072</u>	<u>55,445,401</u>
Additions:										
Interest Credited to SRBR	9,300,219	38,786,516	54,031,947	62,722,797	60,730,023	66,715,938	64,827,682	57,022,294	58,878,406	69,152,162
Excess Earnings Allocation	-	75,074,713 (1)	132,455,002	43,770,247	-	-	10,574,982	-	-	184,050,056
Transferred from Employers Advance Reserve	-	-	3,388,512 (2)	1,141,500	1,191,000	1,203,500	1,224,500	1,354,500	1,416,000	1,537,500
Total Additions	<u>9,300,219</u>	<u>113,861,229</u>	<u>189,875,461</u>	<u>107,634,544</u>	<u>61,921,023</u>	<u>67,919,438</u>	<u>76,627,164</u>	<u>58,376,794</u>	<u>60,294,406</u>	<u>254,739,718</u>
Ending Balance	<u>\$ 570,878,929</u>	<u>\$643,056,500</u>	<u>\$789,826,877</u>	<u>\$ 853,842,371</u>	<u>\$874,385,246</u>	<u>\$893,770,614</u>	<u>\$919,488,617</u>	<u>\$924,709,823</u>	<u>\$931,754,157</u>	<u>\$ 1,131,048,474</u>

Notes

(1) The Excess Earnings allocation of \$75,074,713.03 is a total of \$72,013,436.53 from investment earning above the assumed rate of return and \$3,061,276.50 from additional excess earning made available from the dispersal of the Death Benefit-Burial Reserve as of 12/31/13.

(2) These amounts include reclassification of OPEB Administrative Expense contribution reimbursement activities and interest from January 2012 through June 2014; and normal activities for the six month period of July 2014 through December 2014. The SB 1479 reimbursements from the Employer Advance Reserve were inadvertently booked to the 401(h) account instead of SRBR. A total misclassified balance of \$2,649,500 and regular credited interest of \$182,511.54 were transferred from the 401(h) account to SRBR.

Amounts are rounded to the nearest dollar and include <\$1 rounding differences.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: April 6, 2022

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer

SUBJECT: Operating Expenses and Budget Summary for the period ended February 28, 2022

DS
EH

ACERA's operating expenses are \$338K under budget for the period ended February 28, 2022. Budget overages and surpluses worth noting are as follows:

Budget Overages

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

Budget Surpluses

2. *Staffing*: Staffing is \$245K under budget. This amount comprises surpluses in staff vacancies of (\$112K), and fringe benefits of (\$148K), offset by an overage in temporary staffing of \$15K due to some vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$5K under budget due to timing difference.
4. *Professional Fees*: Professional Fees are \$16K under budget related to legal fees.
5. *Office Expense*: Office Expense is \$38K under budget. This amount comprises surpluses in printing and postage of (\$3K) and office maintenance and supplies of (\$10K) both due to savings in usage, communication expenses of (\$10K), building expenses of (\$13K), minor equipment and furniture of (\$1K), and equipment lease and maintenance of (\$1K).
6. *Member Services*: Member Services are \$8K under budget. This amount comprises surpluses in members' printing and postage of (\$3K), and disability medical expense of (\$5K).
7. *Systems*: Systems are \$18K under budget. This amount comprises surpluses in software maintenance and support of (\$19K), and county data processing of (\$1K), offset by overage in business continuity expense of \$2K.
8. *Board of Retirement*: Board of Retirement is \$9K under budget. This amount comprises surpluses in board conferences and trainings of (\$5K) mainly due to unattended trainings and conferences, board miscellaneous expenses of (\$2K), and board compensation of (\$2K).

Staffing Detail

Permanent vacant positions as of February 28, 2022:

Department	Position	Qty	Comments
Administration	Assistant Chief Executive Officer	1	Vacant - currently budgeted for the year
Benefits	Senior Retirement Technician	3	Vacant - currently budgeted for the year
Fiscal	Retirement Accountant II	1	Vacant - currently budgeted for the year
Investments	Investment Analyst	1	Vacant - currently budgeted for the year
Total Positions		6	

Pension Administration System Project as of February 28, 2022					
All amounts are in \$	Year-To-Date			2022 Budget	2019-21 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	28,337	87,500	(59,163)	525,000	2,041,606
Segal	53,805	68,333	(14,528)	410,000	1,203,390
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	82,142	155,833	(73,691)	935,000	3,345,466
Staffing	96,134	117,833	(21,699)	707,000	1,515,887
TOTAL	178,276	273,667	(95,390)	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					
<i>February 28, 2022</i>					
	Actual	Budget	YTD	2022	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>% Actual to</u>
			<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 2,393,641	\$ 2,638,660	\$ (245,019)	\$ 16,941,000	14.1%
Staff Development	33,806	38,690	(4,884)	279,000	12.1%
Professional Fees (Next Page)	169,847	186,000	(16,153)	1,146,000	14.8%
Office Expense	70,398	107,780	(37,382)	659,000	10.7%
Insurance	88,572	88,820	(248)	550,000	16.1%
Member Services	53,261	61,120	(7,859)	393,000	13.6%
Systems	177,246	195,480	(18,234)	1,207,000	14.7%
Depreciation	20,784	19,460	1,324	114,000	18.2%
Board of Retirement	66,560	75,800	(9,240)	656,000	10.1%
Uncollectable Benefit Payments	-	-	-	56,000	0.0%
Total Operating Expense	\$ 3,074,115	\$ 3,411,810	\$ (337,695)	\$ 22,001,000	14.0%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PROFESSIONAL FEES
YEAR TO DATE - ACTUAL VS. BUDGET
February 28, 2022

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2022 Annual Budget</u>	<u>% Actual to Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 71,633	\$ 72,200	\$ (567)	\$ 384,000	18.7%
Actuarial Fees ²	33,116	33,200	(84)	420,000	7.9%
External Audit ³	47,200	47,200	-	142,000	33.2%
Legal Fees ⁴	17,898	33,400	(15,502)	200,000	8.9%
Total Professional Fees	\$ 169,847	\$ 186,000	\$ (16,153)	\$ 1,146,000	14.8%

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2022 Annual Budget</u>	<u>% Actual to Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Banking transition consultant fees	16,600	16,600	-	50,000	
Total Administration	16,600	16,600	-	50,000	0.0%
Benefits					
Alameda County HRS (Benefit Services)	21,000	21,000	-	126,000	16.7%
Segal (Benefit Consultant/Retiree Open Enrollment)	21,200	21,800	(600)	131,000	16.2%
Total Benefits	42,200	42,800	(600)	257,000	16.4%
Human Resources					
Lakeside Group (County Personnel)	12,833	12,800	33	77,000	16.7%
Total Human Resources	12,833	12,800	33	77,000	16.7%
Total Consultant Fees - Operations	\$ 71,633	\$ 72,200	\$ (567)	\$ 384,000	18.7%
² ACTUARIAL FEES					
Actuarial valuation	-	-	-	81,000	0.0%
GASB 67 & 68 Valuation	-	-	-	51,000	0.0%
GASB 74 & 75 Actuarial	-	-	-	15,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	33,116	33,200	(84)	200,000	16.6%
Supplemental Retiree Benefit Reserve valuation	-	-	-	43,000	0.0%
Total Actuarial Fees	\$ 33,116	\$ 33,200	\$ (84)	\$ 420,000	7.9%
³ EXTERNAL AUDIT					
External audit	39,200	39,200	-	119,000	32.9%
GASB 67 & 68 audit	4,000	4,000	-	11,000	36.4%
GASB 74 & 75 audit	4,000	4,000	-	12,000	33.3%
Total External Audit Fees	\$ 47,200	\$ 47,200	\$ -	\$ 142,000	33.2%
⁴ LEGAL FEES					
<u>Fiduciary Counseling & Litigation</u>					
Nossaman - Fiduciary Counseling	34	2,918	(2,884)	17,500	14%
Reed Smith - Fiduciary Counseling	2,706	1,458	1,248	8,750	7%
Nossaman - Litigation	3,876	6,460	(2,584)	38,750	31%
Reed Smith - Litigation	5,002	10,004	(5,002)	60,000	48%
Subtotal	11,618	20,840	(9,222)	125,000	9.3%
<u>Tax and Benefit Issues</u>					
Hanson Bridgett	2,080	4,160	(2,080)	25,000	
Subtotal	2,080	4,160	(2,080)	25,000	8.3%
<u>Miscellaneous Legal Advice</u>					
Meyers Nave	4,200	8,400	(4,200)	50,000	
Subtotal	4,200	8,400	(4,200)	50,000	8.4%
Total Legal Fees	\$ 17,898	\$ 33,400	\$ (15,502)	\$ 200,000	8.9%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Two Months Ending 2/28/2022

	<u>For the Month of February 2022</u>	<u>For the Month of February 2021</u>	<u>Variance</u>	<u>Year-To-Date 2022</u>	<u>Year-To-Date 2021</u>	<u>Variance</u>
STAFFING						
Salaries	748,805	728,007	20,798	1,505,236	1,469,632	35,604
Fringe Benefits	389,358	370,172	19,186	829,693	776,021	53,672
Temporary & Other Staffing Cost	28,205	47,765	(19,560)	58,712	99,456	(40,744)
Staffing Total	<u>1,166,368</u>	<u>1,145,944</u>	<u>20,424</u>	<u>2,393,641</u>	<u>2,345,109</u>	<u>48,532</u>
STAFF DEVELOPMENT	8,461	7,589	872	33,806	22,772	11,034
PROFESSIONAL FEES						
Actuarial Fees	16,516	12,506	4,010	33,116	28,336	4,780
Consultant Fees - Operations	35,817	37,972	(2,155)	71,633	55,033	16,600
Consultant Fees - Legal	8,730	15,320	(6,590)	17,898	22,663	(4,765)
External Audit	23,600	27,000	(3,400)	47,200	49,000	(1,800)
Professional Fees Total	<u>84,663</u>	<u>92,798</u>	<u>(8,135)</u>	<u>169,847</u>	<u>155,032</u>	<u>14,815</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	11,333	9,421	1,912	21,992	18,679	3,313
Building Expenses	843	6,115	(5,272)	1,294	12,511	(11,217)
Communications	11,371	7,590	3,781	21,751	14,550	7,201
Interest expense on lease liability - GASB-87	986	1,412	(426)	2,011	2,858	(847)
Amortization expense of lease assets - GASB-87	3,548	3,548	0	7,095	7,095	0
Equipment Lease/Maintenance	5,716	4,120	1,596	9,412	7,056	2,356
Minor Equipment and Furniture	1,066	0	1,066	2,490	(115)	2,605
Office Supplies/Maintenance	1,134	1,559	(425)	2,190	3,167	(977)
Printing & Postage	1,192	847	345	2,163	1,752	411
Office Expense Total	<u>37,189</u>	<u>34,612</u>	<u>2,577</u>	<u>70,398</u>	<u>67,553</u>	<u>2,845</u>
INSURANCE	44,286	65,736	(21,450)	88,572	131,471	(42,899)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	0	0	0	7,942	0	7,942
Disability Medical Expense	11,664	20,200	(8,536)	15,664	29,300	(13,636)
Disability Claims Management	3,850	3,850	0	7,700	7,700	0
Health Reimbursement Acct. (HRA)	5,058	4,384	674	10,062	8,830	1,232
Member Training & Education	510	419	91	1,111	839	272
Printing & Postage - Members	8,568	2,156	6,412	10,782	9,975	807
Virtual Call Center	0	4,708	(4,708)	0	9,351	(9,351)
Member Services Total	<u>29,650</u>	<u>35,717</u>	<u>(6,067)</u>	<u>53,261</u>	<u>65,995</u>	<u>(12,734)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Two Months Ending 2/28/2022

	<i>For the Month of February 2022</i>	<i>For the Month of February 2021</i>	<i>Variance</i>	<i>Year-To-Date 2022</i>	<i>Year-To-Date 2021</i>	<i>Variance</i>
SYSTEMS						
Business Continuity Expense	15,848	15,194	654	31,835	31,156	679
COVID-19 Related Expenses	0	0	0	0	877	(877)
County Data Processing	10,385	9,903	482	20,761	19,827	934
Minor Computer Hardware	3,354	887	2,467	6,687	6,126	561
Software Maintenance & Support	60,490	61,167	(677)	117,963	120,663	(2,700)
Systems Total	<u>90,077</u>	<u>87,151</u>	<u>2,926</u>	<u>177,246</u>	<u>178,649</u>	<u>(1,403)</u>
DEPRECIATION						
Depreciation Expense	10,392	9,752	640	20,784	19,506	1,278
BOARD OF RETIREMENT						
Board Compensation	2,100	3,000	(900)	3,200	4,200	(1,000)
Board Conferences & Training	2,305	375	1,930	2,971	2,936	35
Board Employer Reimbursement	28,250	30,000	(1,750)	56,500	60,000	(3,500)
Board Miscellaneous Expense	777	689	88	1,917	1,385	532
Board Software Maint. & Support	986	988	(2)	1,972	1,977	(5)
Board of Retirement Total	<u>34,418</u>	<u>35,052</u>	<u>(634)</u>	<u>66,560</u>	<u>70,498</u>	<u>(3,938)</u>
GRAND TOTALS	<u><u>1,505,504</u></u>	<u><u>1,514,351</u></u>	<u><u>(8,847)</u></u>	<u><u>3,074,115</u></u>	<u><u>3,056,585</u></u>	<u><u>17,530</u></u>