



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, May 18, 2023
2:00 p.m.

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT TRUSTEES	
<p>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</p> <p>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.</p> <p>Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406</p> <p>For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	JAIME GODFREY CHAIR	APPOINTED
	OPHELIA BASGAL FIRST VICE-CHAIR	APPOINTED
	KELLIE SIMON SECOND VICE-CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	GEORGE WOOD	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED ¹
KEVIN BRYANT	ALTERNATE SAFETY ²	

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:

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:

April 20, 2023 Minutes of the Regular Board Meeting

April 20, 2023 Governance Committee Minutes

April 20, 2023 Actuarial Committee Minutes

April 20, 2023 Audit Committee Minutes

H. MISCELLANEOUS:

- *Operating Expenses as of 3/31/23*
- *Quarterly Financial Statements as of 3/31/23*
- *Quarterly Cash Forecast as of 3/31/23*
- *Board Conference Expense Report as of 3/31/23*
- *Senior Manager Conference & Training Report as of 3/31/23*
- *Quarterly Report on Member Underpayments and Overpayments*
- *1st Quarter 2023 Call Center Report*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

- A. The following item will be addressed in Open Session, but the Board may go into Closed Session to receive advice from counsel, per Gov't Code § 54956.9(d)(2):**

Jean Luevano's Service-Connect Death Benefit Application (Deceased Member Kenneth Ryken): Consideration of Full Administrative Hearing Record, per Gov't Code § 31534(b).

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

- A. Investment: [See May 17, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of May 17, 2023 Meeting.
2. Motion to approve an up to \$38 million investment in Davidson Kempner Opportunities Fund VI as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations.
3. Motion to approve an up to \$50 million investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts, pending completion of Legal and Investment due diligence and successful contract negotiations.

- B. Actuarial: [See May 18, 2023 Actuarial Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of May 18, 2023 Meeting.
2. Motion to adopt the Actuarial Valuation and Review as of December 31, 2022 (The Segal Group).

C. Audit: [See May 18, 2023 Audit Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of May 18, 2023 Meeting.
2. Motion to approve the December 31, 2022 Audited Financial Statements and Independent Auditor’s Report (Williams, Adley & Company CA, LLP).
3. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022 (The Segal Group).
4. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022 (The Segal Group).

7. NEW BUSINESS:

- A.** Motion that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2023-2024 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers’ governing bodies.
- B.** Discussion and Possible Motion to Hold the Operations, Retirees, and Investment Committee Meetings on the Same Day Each Month in Order to Streamline the Number of Board and Committee Meetings Days to Two Days Each Month.
- C.** Chief Executive Officer’s Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, June 15, 2023 at 2:00 p.m.

12. CLOSED SESSION:

A. See Item 5A above.

B. Significant exposure to litigation and potential initiation of litigation, pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9: (two potential cases).

13. REPORT ON ACTION TAKEN IN CLOSED SESSION

14. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ALFORD, Kimberly
Effective: 2/18/2023
Sheriff's Department

DOMINGO, Pete
Effective: 3/4/2023
Social Services Agency

BELFER, John
Effective: 3/5/2023
Sheriff's Department

DUNN, Ellen
Effective: 3/18/2023
Health Care Services Agency

BRESHEARS, Lynne
Effective: 2/18/2023
District Attorney

EMERSON, Lisbon
Effective: 3/18/2023
Alameda Health System

BUTLER, Douglas
Effective: 3/29/2023
District Attorney

GOLDE, Julie
Effective: 3/1/2023
Non-Member

CAMPBELL-JONES, Lillan
Effective: 3/2/2023
Alameda Health System

GOTO, David
Effective: 3/4/2023
Sheriff's Department

CARDONA, Raymundo
Effective: 3/24/2023
Probation Department

GREENE, Carl
Effective: 3/4/2023
Social Services Agency

CLEMONS, Carol
Effective: 3/18/2023
Assessor

HAMMERGREN, Marina
Effective: 3/18/2023
District Attorney

COLE, John
Effective: 3/18/2023
General Services Agency

HART, Naima
Effective: 3/20/2023
Social Services Agency

COOK, John
Effective: 3/18/2023
General Services Agency

HODGE, Cathleen
Effective: 1/7/2023
Child Support Services

DAVIS, James
Effective: 3/4/2023
Sheriff's Department

JENEZON, Bonnie
Effective: 3/4/2023
District Attorney

DAWDY, Daniel
Effective: 3/4/2023
Sheriff's Department

JOE, Heidi
Effective: 3/18/2023
Assessor

DIXON, Daniel
Effective: 3/4/2023
Sheriff's Department

JONES, Kimberly
Effective: 2/13/2023
Social Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

KELLEY, Darrell
Effective: 2/15/2023
District Attorney

SALCIDO, Linda
Effective: 3/1/2023
Superior Court

KUROIWA, Michael
Effective: 2/18/2023
Alameda Health System

SHAMBLIN, Julie
Effective: 3/18/2023
Sheriff's Department

LANDSBOROUGH, William
Effective: 2/18/2023
Public Works Agency

SHIEH, Michael
Effective: 3/29/2023
Assessor

LU, Quan
Effective: 3/4/2023
Assessor

SIEGEL, Lee
Effective: 3/4/2023
Health Care Services Agency

NGUYEN, Thuan
Effective: 3/4/2023
Sheriff's Department

SNOWDEN, Shelah
Effective: 3/1/2023
District Attorney

O'DELL, Christine
Effective: 2/26/2023
Alameda Health System

SUEN, Wing
Effective: 2/18/2023
Health Care Services Agency

PONS, Marivic
Effective: 3/18/2023
Superior Court

YOUNG, Lucille
Effective: 3/30/2023
ACERA

RAYSON, Lisa
Effective: 2/16/2023
Social Services Agency

YUSBA, Roberta
Effective: 4/1/2023
Information Technology Department

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

KO, Warren
District Attorney
Effective Date: 3/17/2023

VEGA, Christina
Superior Court
Effective: 2/3/2023

TRAN, Binh Q.
Sheriff's Department
Effective: 1/20/2023

WATSON, Deandre
Superior Court
Effective: 1/17/2023

ULLOM, John
District Attorney
Effective: 3/17/2023

WIESE, Evelyn A.
Public Defender
Effective: 1/31/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ZHANG, Wei Y.
Assessor
Effective: 2/17/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

CORRECTION: ACERA incorrectly reported JORDAN, ALBERT (Public Works Agency) as deceased on the 11/17/2022 Board Consent Calendar, Appendix C. Retiree is not deceased. We apologize for any inconvenience this error may have caused.

CAPORICCI, Josephine
Non-Mbr Survivor of Nicholas Caporicci
4/11/2023

KENT, Natalie
Housing & Community Development
4/4/2023

CRAYTON, James
General Services Agency
3/16/2023

KOLTZ, John
Zone 7
3/27/2023

DALLESKE, Sara
Superior Court
4/2/2023

MANGONON, Liwayway N.
Health Care Services Agency
6/14/2022

DEEN, Lydia
General Services Agency
4/9/2023

MARR, Calvin
Public Works Agency
8/19/2022

FASHOKUN, Adeyinka
Non-Mbr DRO Account
4/12/2023

MC CLURE, Rinda N.
Social Services Agency
4/6/2023

FERDAN, Saul
Public Works Agency
4/24/2023

MCDERMOTT, Diane
Social Services Agency
4/2/2023

GARCIA, Milagros
Health Care Services Agency
3/23/2023

OBRIEN, Audrey
Superior Court
4/17/2023

JOHNSON, Justin
Sheriff's Department
4/20/2023

O'CONNOR, Charles
Superior Court
3/17/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

PENFOLD, John
Sheriff's Department
4/6/2023

SPALDING, Nancy
Non-Mbr Survivor of Robert Spalding
3/23/2023

PEREZ, Frank
Social Services Agency
4/1/2023

TAYLOR, Christine
Superior Court
3/20/2023

POLAR, JR., Abraham
Non-Mbr Survivor of Gwendolyn Polar
3/30/2023

UHART, Grace
Alameda Health System
4/20/2023

REGO, Bianca L.
Non-Mbr Survivor of Joseph Rego
4/12/2023

WHEALY, Gene
Probation Department
4/12/2023

SIMPSON, Clifton
Alameda Health System
4/5/2023

WILLIAMSON, Virginia
Auditor-Controller
4/12/2023

**APPENDIX D
REQUEST FOR 130 BI-WEEKLY PAYMENTS TO
RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

MARTIN, Greg
130 Biweekly Payroll Deductions for a total of \$32,136.00
Government Code § 31641.5 Part Time & Days Prior

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

Name: Bennett, Micah
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. Bennett's application for a service-connected disability, and requiring annual medical examinations and questionnaires at this time.

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

Name: Brady, Deania
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. Brady's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

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

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

CONSENT CALENDAR ITEM

**April 20, 2023
Minutes of the Regular Board Meeting
For approval under May 18, 2023
Board “Consent Calendar”**



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

Thursday, April 20, 2023

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

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

Trustees Excused: Ophelia Basgal

Staff Present: Victoria Arruda, Human Resource Officer (Via Zoom)
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

PUBLIC INPUT

ACERA Retired Member Albert Jordan addressed the Board stating that Staff made an error regarding his status which resulted in his retirement benefits being terminated. Mr. Jordan said he contacted ACERA Staff to find out why his retirement benefits had been terminated and explained to Staff that he retired from the Alameda County Public Works Agency in March 2018. Mr. Jordan said he was told by a Retirement Specialist that Live Status 360, the Company ACERA uses to identify deceased members, reported that he passed away on October 14, 2022. The Retirement Specialist informed Mr. Jordan that Live 360 Status based its information on a published Obituary of a person, who lived in Rhode Island, with the same first and last name and birthday as him. The Retirement Specialist immediately reinstated Mr. Jordan's retirement benefits after speaking with him.

Mr. Jordan said he also learned that he was listed as a deceased member on the Consent Calendar (Appendix C, List of Deceased Members) on ACERA's November 17, 2022 Board agenda. Earlier this month, Chief Executive Officer Dave Nelsen sent Mr. Jordan a Letter of Apology explaining that the November 17, 2022 Board Agenda was amended to reflect that his death was reported in error. Mr. Jordan requested that the Board (Staff) include a correction statement on an upcoming Consent Calendar (Board agenda) to reflect that he is a retired member, because there still may be information throughout the County listing him as a deceased member. On behalf of the Board and Staff, Chair Jaime Godfrey apologized to Mr. Jordan and assured him that Staff will include a correction statement on ACERA's upcoming Consent Calendar (Board agenda) and will make the necessary corrections to its process so that this issue will not happen to anyone else going forward.

Lead Organizer Berole Bekele of African Communities Together (ACT) and Tewodros Tekemariam, a tenant at the Southern Towers Apartments in Alexandria, VA (owned and operated by CIM), expressed their concerns regarding the adverse living conditions and displaced housing crisis at the Southern Towers Apartments. Ms. Bekele and Mr. Tekemariam believe that ACERA is an investor in Southern Towers Apartments through CIM and requested that the Board use its authority by demanding CIM to stop raising rents, displacing disenfranchised families and to treat its tenants with the respect and dignity that they deserve. Chair Godfrey reported that ACERA has fully liquidated its assets from the CIM Fund IV and that ACERA does not have any investments in the Southern Towers Apartments. Chair Godfrey stated that the Board and Staff are very empathetic to the tenants, but there is nothing the Board can do under the circumstances. It was noted that because this item was not agendaized for discussion at today's meeting, the Board could not discuss this issue in-depth.

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

Appendix D

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

March 16, 2023 Minutes of the Regular Board Meeting

April 5, 2023 Operations Committee Minutes

April 5, 2023 Retirees Committee Minutes

April 12, 2023 Investment Committee Minutes

MISCELLANEOUS

- *Approve Staff Recommendation regarding the County of Alameda’s New Pay Item/Code Duty Officer Program-Training/Oversight – 42Y*
- *Approve Staff Recommendation regarding the County of Alameda’s New Pay Item/Code Quality Improvement Responsibility & Public Health Infrastructure – 42Z*
- *Approve Staff Recommendation regarding the County of Alameda’s Amendment to Pay Item/Code Retention Pay – 74E*

23-18

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board adopt the Consent Calendar. The motion carried 8 yes (*Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

**REGULAR CALENDAR
REPORTS AND ACTION ITEMS**

DISABILITY AND DEATH BENEFIT CLAIMS

This Item was addressed in Closed Session, pursuant to Gov’t Code § 54957(b):

Service-Connected Disability Retirement Application of Jintapa Piyamanothamkul, Deputy Sheriff II for the County of Alameda: Consideration of Hearing Officer’s Proposed Findings of Fact and Recommended Decision, per Gov’t Code § 31534.

The Board reconvened into Open Session and the following Trustees returned:

Baron, Bryant, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon and Wood

Chief Counsel Jeff Rieger reported the Board’s motion in Open Session as follows:

23-19

Motion that the Board adopt the Hearing Officer’s Proposed Decision to deny Jintapa Piyamanothamkul’s application for an Earlier Effective Date. The motion carried 8 yes (*Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

The following item was addressed in Open Session, but the Board also adjourned into Closed Session to receive advice from counsel, per Gov't Code § 54956.9(d)(2):

Jean Luevano's Service-Connected Death Benefit Application (Deceased Member Kenneth Ryken): Consideration of Hearing Officer's Proposed Findings of Fact and Recommended Decision, pursuant to Gov't Code § 31534.

Trustee George Wood recused himself from the discussion and/or action regarding the Jean Luevano (Deceased Member Kenneth Ryken) matter, because Kenneth Ryken was an employee of the District Attorney's Office and was well-known by Trustee Wood.

Chief Counsel Jeff Rieger explained the process regarding what information can be discussed in Open and Closed Session and stated that Raymond Frost, Esq., Jean Luevano's Attorney, who was present at today's Board meeting, had no objection to the process. Mr. Rieger presented the matter stating that General Member Kenneth Ryken died from a heart attack and his surviving spouse, Jean Luevano, claims his death was due to work-related stress. Service-connected surviving spouse benefits would allow Ms. Luevano to receive greater benefits and substantial tax advantages. ACERA's Medical Advisor, Managed Medical Review Organization (MMRO), reviewed Mr. Ryken's medical documents and recommended that Ms. Luevano's request for a service-connected surviving spouse benefit be denied. Ms. Luevano appealed MMRO's decision which resulted in a Hearing before a Hearing Officer. Mr. Rieger reported that he hired David Middleton of Myers Nave, who appeared at today's meeting via Zoom, to assume the role normally played by Alameda County Counsel at the hearing because Alameda County Counsel declined to participate in the matter. Mr. Rieger explained that ACERA Outside Counsel Ashley Dunning, who appeared at the meeting via Zoom, was available to discuss this issue with the Board in Closed Session, if necessary.

Mr. Rieger explained that the Board must determine whether Ms. Luevano met her burden of proving that work-related stress "contributed substantially" to Mr. Ryken's death. Mr. Frost presented Ms. Luevano's position in the matter and discussed Mr. Ryken's condition based on medical reports. Mr. Middleton spoke as well. Messrs. Frost, Middleton and Rieger responded to Trustees' questions and concerns regarding how to measure whether Mr. Ryken's death "contributed substantially" to his work-related stress. Elizabeth Rogers moved and Ross Clippinger seconded a motion to postpone the matter to conduct a records review, per Government Code Section 31534(b). Before the Trustees voted on the motion, the Board adjourned into Closed Session to receive confidential legal advice from Ms. Dunning.

The Board reconvened into Open Session and the following Trustees returned:
Baron, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon

Chair Godfrey reported that the Board took no reportable action in Closed Session. The Trustees voted on the previous motion in Open Session as follows:

23-20

It was moved by Elizabeth Rogers and seconded by Ross Clippinger that the Board postpone the Jean Luevano (Deceased Member Kenneth Ryken) matter to conduct a records review at a later meeting, per Government Code Section 31534(b). The motion carried 6 yes (*Bryant, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions, 1 Recusal (*Wood*).

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Operations:

Kellie Simon reported that the Operations Committee met on April 5, 2023 and that the Committee reviewed and discussed Staff's proposed revisions to the *Administrative Hearing Policy*.

23-21

It was moved by Kellie Simon and seconded by Elizabeth Rogers that the Board adopt the revisions to the *Administrative Hearing Policy*, per the redline in the Operations Committee Packet. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Simon further reported that the Operations Committee reviewed and discussed Staff's proposed revisions to the *Error Correction Policy*.

23-22

It was moved by Kellie Simon and seconded by Elizabeth Rogers that the Board adopt the revisions to the *Error Correction Policy*, per the redline in the Operations Committee Packet, except not the proposed change in the redline reducing the normal maximum repayment schedule from ten years to five years. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Simon further reported that the Operations Committee reviewed and discussed Staff's proposed revisions to the *Board and Operations Committee Policy*.

23-23

It was moved by Kellie Simon and seconded by George Wood that the Board adopt the Operations Committee's recommended revisions to the *Board and Committee Policy*, per the redline in the Operations Committee Packet. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Simon reported that Staff presented the Committee with the following information Items: *1) Operating Expenses as of 02/28/2023; 2) Statement of Reserves as of 12/31/2022; and Board Effects Presentation.*

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

Retirees:

Elizabeth Rogers reported that the Retirees Committee met on April 5, 2023 and that the Committee discussed (1) extending ACERA's existing contract with Willis Towers Watson (Via Benefits) to provide individual medical plans coverage and services for the period January 1, 2024 to December 31, 2024, and (2) approve negotiating a new contract for up to a five-year term effective January 1, 2025.

23-24

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board (1) approve an extension to ACERA's existing contract with Willis Towers Watson (Via Benefits) to provide individual medical plans coverage and services for the period January 1, 2024 to December 31, 2024, and (2) approve negotiating a new contract for up to a five-year term effective January 1, 2025. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Rogers reported that Staff presented the Committee with the following information Items: *1) Via Benefits 2022 Year in Review; and 2) Supplemental Retiree Benefit Reserve*

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

Investment:

Vice-Chair George Wood reported that the Investment Committee met on April 12, 2023 and that the Committee discussed a New Investment Plan for ACERA's Real Estate Asset Class.

23-25

It was moved by George Wood and seconded by Elizabeth Rogers that the Board approve a New Investment Plan for ACERA's Real Estate Asset Class. The motion carried 5 yes (*Clippinger, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Godfrey*).

Trustee Wood further reported that the Committee discussed an up to \$38 million investment in Crestline Opportunity Fund V as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations.

23-26

It was moved by George Wood and seconded by Elizabeth Rogers that the Board approve an up to \$38 million investment in Crestline Opportunity Fund V 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 5 yes (*Clippinger, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Godfrey*).

Trustee Wood further reported that the Committee discussed revisions to the International Equity Asset Class Structure and Phased Implementation Transition Plan.

23-27

It was moved by George Wood and seconded by Elizabeth Rogers that the Board approve a Revised International Equity Asset Class Structure and Phased Implementation Transition Plan. The motion carried 5 yes (*Clippinger, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Godfrey*).

Trustee Wood reported that Staff presented the Committee with the following Information Items: *1)* Report on Investment Made Under Delegated Authority – Genstar Capital Partners XI (\$40 Million); and *2)* The Current State of ESG.

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

Governance:

George Wood reported that the Governance Committee met on April 20, 2023 and that the Committee reviewed and discussed Staff's proposed revisions to the *Remote Access to Meeting Policy*.

23-28

It was moved by George Wood and seconded by Jaime Godfrey that the Board adopt the Governance Committee's recommended revisions to the *Remote Access to Meeting Policy*, per the redline in the Governance Committee Packet. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Wood further reported that the Committee reviewed and discussed Staff's proposed revisions to the *ACERA Conflict of Interest Code*. Mr. Rieger noted that the *Conflict of Interest Code* must also be approved by the Alameda County Board of Supervisors.

23-29

It was moved by George Wood and seconded by Ross Clippinger that the Board adopt the Governance Committee's recommended revisions to the *ACERA Conflict of Interest Code*, as the *Code* appears in the Governance Committee Packet. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Wood further reported that the Committee reviewed and discussed Staff's proposed revisions to the *Conflict of Interest Policy*. The Board took no action on this item and decided to bring this item back for discussion at a future Governance Committee and/or Board meeting.

Trustee Wood reported that the Staff presented the Committee with an Information Item regarding the Governance Committee's Workplan.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 18, 2023 Board meeting.

Actuarial:

Vice-Chair Henry Levy reported that the Actuarial Committee met on April 20, 2023 and that there were no action items. However, the Committee was presented with and discussed the following Information Items: *1) Actuarial Valuation and Review as of December 31, 2022*; and *2) Cavanaugh MacDonald Consulting, LLC*, which was hired to audit Segal's actuarial work.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 18, 2023 Board meeting.

Audit:

Henry Levy reported that the Audit Committee met on April 20, 2023 and that there were no action items. However, the Committee was presented with and discussed the following Information Items: **1)** Presentation and discussion of the GASB Statement No. 67 Valuation and addendum as of December 31, 2022 (Total/Net Pension Liability); **2)** Presentation and discussion of the GASB Statement No. 74 Valuation and addendum as of December 31, 2022 (Other Postemployment Benefits); and **3)** Progress report on the Internal Audit Plan.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 18, 2023 Board meeting.

NEW BUSINESS:

Vote on SACRS Business Meeting Action Items

Mr. Nelsen presented his April 20, 2023 memo requesting instructions from the Board on how he (or his Designee) should vote ACERA's Proxy on behalf of the Board regarding the following SACRS Business Meeting action items: **1)** Receive and file the Secretary and Treasurer's Reports and approval of the Annual Audit; and **2)** the SACRS Nominating Committee's recommended slate regarding the 2023-2024 SACRS Board of Directors Election. The SACRS Nominating Committee's recommended slate is as follows: **a) David MacDonald**, MD of Contra Costa CERA for **President**; **b) Adele Tagaloa** of Orange CERS for **Vice President**; **c) Jordan Kaufman** of Kern CERA for **Treasurer**; **d) Zandra Cholmondeley**, Santa Barbara CERS for **Secretary**; and **e) David Gilmore** of San Diego CERA for **Regular Member**.

Mr. Nelsen reported that the SACRS Nominating Committee's recommended slate consists of the only candidates that applied. Therefore, the Board can either support the recommended slate or not and cannot make any other recommendations. Mr. Nelsen requested that the Board instruct him to receive and file the Secretary and Treasurer's Reports and approve the Annual Audit and to vote in favor of the recommended slate in support of the SARS Nominating Committee.

23-30

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board give Chief Executive Officer Dave Nelsen (or his Designee) the authority to vote ACERA's Proxy on behalf of the Board of Retirement on the following SACRS action items at the SACRS Spring Conference Business Meeting: 1) Receive and file the Secretary and Treasurer's Reports and approve the Annual Audit; and 2) Vote in favor of the recommended slate in support of the SACRS Nominating Committee. The motion carried 6 yes (*Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

2023-2024 ACERA Business Plan

Mr. Nelsen presented the Board with ACERA’s proposed 2023-2024 *Business Plan* and reminded the Board that it approved ACERA’s *Strategic Plan* in December 2022 and from the *Strategic Plan*, ACERA Leadership brainstormed and selected ACERA’s Business Initiatives for ACERA’s *Business Plan* and to move the *Strategic Plan* forward. Mr. Nelsen will provide the Board with regular updates on the status of ACERA’s *Strategic/Business Plan*.

David Nelsen, Chief Executive Officer’s Report

Mr. Nelsen presented his April 20, 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) Legislation; and 3) Key Performance Indicators.**

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

CLOSED SESSION

See Motion Nos. **23-19 and 23-20** above.

To view the April 20, 2023 Board meeting in its entirety, click on the link below:
<https://youtu.be/BMMAqEpT60A>.

ADJOURNMENT

The meeting was adjourned at approximately 4:24 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

05/18/23

Date Adopted

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ABRAMS, Rebecca
Effective: 12/31/2022
Sheriff's Office

HO, Lisa
Effective: 1/23/2023
Social Services Agency

BARTOLOME JR., Carlito
Effective: 12/10/2022
Alameda Health System

HU, Ming Ya
Effective: 1/21/2023
Alameda Health System

BASLER, Scott
Effective: 2/4/2023
Public Works Agency

ISRAEL, Jeffrey
Effective: 2/4/2023
District Attorney

BERNZWEIG, Jane
Effective: 2/4/2023
First 5

JEONG-YOON, Hyun
Effective: 1/21/2023
Alameda Health System

BISSONNETTE, Maria
Effective: 1/21/2023
Social Services Agency

JOHNSON, James
Effective: 2/18/2023
Assessor

CAMPBELL, Scott
Effective: 1/1/2023
Probation

JOHNSON, Rhonda
Effective: 12/20/2022
Alameda Health System

CHENEY, Amy
Effective: 12/15/2022
Library

JOYNER, Sylvia
Effective: 1/21/2023
Social Services Agency

CHEW, Craig
Effective: 1/24/2023
District Attorney

LEE, Towanda
Effective: 2/4/2023
District Attorney

CHU, John
Effective: 1/7/2023
Auditor-Controller

MACKAY, Raymond
Effective: 1/21/2023
County Counsel

COLEMAN, Renee
Effective: 1/6/2023
Alameda Health System

MADDEN, Jennifer
Effective: 2/2/2023
District Attorney

FISHER-MACK, Rosalind
Effective: 2/4/2023
Probation

MAZID, Sanjida
Effective: 2/4/2023
Health Care Services Agency

GALAPON, Maria
Effective: 12/11/2022
Alameda Health System

McMILLER, Kevin
Effective: 2/1/2023
Probation

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

MOORE, Britt
Effective: 2/3/2023
Social Services Agency

SUNIGA, Maria
Effective: 1/31/2023
District Attorney

NGO, Vicky
Effective: 1/18/2023
Alameda Health System

URANGA, Eric
Effective: 12/29/2022
Community Development Agency

RODRIGUEZ, Ralph
Effective: 1/7/2023
Zone 7 Water Agency

WADE, Donna
Effective: 2/1/2023
Probation

ROMERO, Carlos
Effective: 1/22/2023
Public Works Agency

WILEY, Terry
Effective: 2/4/2023
District Attorney

ROMERO-OCHOA, Lucia
Effective: 2/4/2023
Social Services Agency

WILLIAMS, Lori
Effective: 1/27/2023
Health Care Services Agency

STAKE, Johnny
Effective: 2/4/2023
Social Services Agency

WINSTON, James
Effective: 1/21/2023
Probation

STEELE, Lawana
Effective: 2/4/2023
Social Services Agency

WOODS-LADAY, Shirley
Effective: 2/4/2023
Social Services Agency

STROUD, Jennifer
Effective: 2/15/2023
Alameda Health System

ZERIT, Amanuel
Effective: 1/31/2023
Non-Member

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

BASRIA, Saba
Superior Court
Effective Date: 12/16/2022

BRADSHAW, Rachel A.
Library
Effective: 12/23/2022

BEAUGARD, Brenda
Human Resource Services
Effective: 1/2/2023

BROWN, David K.
Board of Supervisors
Effective: 1/2/2023

BIYIBI, Kemi
Superior Court
Effective: 12/13/2022

BUENDIA, Angelo C.
Alameda Health Systems
Effective: 11/21/2022

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

CAMP, Brandon L.
Alameda Health Systems
Effective: 12/23/2022

CHEN, Yanna
Social Services Agency
Effective: 12/9/2022

CHUMBER, Pardeep K.
Assessor
Effective: 12/12/2022

CLEGG, Tallin J.
Sheriff's Office
Effective: 12/24/2022

CLUBB, Audrey C.
Probation
Effective: 1/4/2023

COOKS, Mariah S.
District Attorney
Effective: 1/3/2023

DEMETRAL, Melissa C.
District Attorney
Effective: 12/23/2022

DYKE, Tiffani M.
Probation
Effective: 12/16/2022

FLORES, Amparo E.
Zone 7 Waer Agency
Effective: 1/6/2023

HERNANDEZ, Michelle D.
Health Care Services Agency
Effective: 1/6/2023

HOLT, Matthew S.
Health Care Services Agency
Effective: 12/30/2022

JOHNSON, Bethbirei
Social Services Agency
Effective: 12/2/2022

KALKO, George
Alameda Health Systems
Effective: 11/30/2022

KAUR, Mandeep
Superior Court
Effective: 12/12/2022

KRATH, Dominique
Probation
Effective: 12/13/2022

LAZARUS, Zachary
Public Defender
Effective: 1/3/2023

LEMASTERS, Shannan
Alameda Health Systems
Effective: 11/29/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

BERRY, Gussie
Alameda Health System
3/2/2023

JOHNSON, Dorothy U.
Probation
2/14/2023

BOSSETT, Jacqueline
Alameda Health System
3/6/2023

LATHAN, Arthur
Social Services Agency
11/16/2022

BURR, Kenneth
District Attorney
3/30/2023

LEMOS, Frank
Public Works Agency
3/8/2023

COLEMAN, Bettye
Alameda County Superior Court
3/17/2023

MARSEY, Victoria
Treasurer Tax Collector
3/12/2023

COLEMAN, Gordon
Public Health Care Services
2/19/2023

McWILLIAMS, James
Public Defender
3/6/2023

COURTRIGHT, Thelma
Alameda Health System
3/2/2023

MENDES, Mario
Public Works Agency
12/2/2022

CRAWFORD, Donald
Social Services Agency
3/5/2023

MOORE, Larry
Probation
1/31/2023

FERDIN, Frank
General Services Agency
1/31/2023

MUNOZ, Isabel
Alameda Health System
2/28/2023

GURSKE, Harold
Sheriff's Office
12/5/2022

NOICE, Gary
Sheriff's Office
3/5/2023

HOFMANN, Ramona
Sheriff's Office
2/26/2023

OWENS, Ersaline
Non-Mbr Survivor of Richard Owens
3/4/2023

HYSTAD, Gail
Non-Mbr Survivor of Jack Hystad
2/7/2023

PERRY, William
Public Works Agency
1/20/2023

JAMES, Zoraina
Alameda Health System
3/13/2023

PIERCE, Wilma
Alameda Health System
2/11/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

PORTER, Johnny
Alameda County Superior Court
2/27/2023

SIMMONS, Leslie E.
Information Technology Department
3/9/2023

RODRIGUEZ, Ronald
Sheriff's Office
3/28/2023

THOMAS, Gloria
Social Services Agency
3/4/2018

RYALS, Rosilyn
Public Health Care Services
3/1/2023

WATERS, Elsie
Alameda Health System
2/27/2023

SHEARD, Mary
Non-Mbr Survivor of Billy Sheard
3/2/2023

WHITE, Ralph
Sheriff's Office
3/4/2023

ZANDER, Geraldine
Non-Mbr Survivor of Henry Zander
2/28/2023

**APPENDIX D
REQUEST FOR 130 BI-WEEKLY PAYMENTS
TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT**

GUMS, Angelica
130 Biweekly Payroll Deductions for a total of \$35,691.50
Years of Service: 6.15025
Government Code § 31641.5 Part Time & Days Prior

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

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

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

Name: Cortez, Juana
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. Cortez's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

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

Name: Lenthe, Steven
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. Lenthe's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

Based on the Medical Advisor's and Staff's review and determination of Mr. Lenthe's ability to determine the permanency of his incapacity, to grant Mr. Lenthe's request for an earlier effective date.

Name: Resendes, Greg
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. Resendes's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

CONSENT CALENDAR ITEM

April 20, 2023

**Governance Committee Minutes
For approval under May 18, 2023
Board “Consent Calendar”**



MINUTES OF THE APRIL 20, 2023, GOVERNANCE COMMITTEE MEETING

To: Members of the Board of Retirement

From: George Wood, Governance Committee Chair

Committee Chair, George Wood, called the meeting to order at 9:30 a.m. Committee Members present were George Wood, Kellie Simon, Ross Clippinger, Tarrell Gamble, and Henry Levy. Other Trustees present were Keith Carson, Jaime Godfrey, Elizabeth Rogers, Cynthia Baron, and Kevin Bryant.

Senior staff present were Carlos Barrios, Assistant CEO; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; David H. Nelsen, CEO; Jeff Rieger, Chief Counsel; Betty Tse, Chief Investment Officer.

ACTION ITEMS

1. Review of the *Remote Access to Meeting Policy*

Chief Counsel Jeff Rieger presented the *Remote Access to Meeting Policy*, spoke about the recommended revisions and answered questions from the Trustees. A motion was made by Trustee Gamble and seconded by Trustee Simon that the Governance Committee recommend to the Board of Retirement that the Board make the revisions to the *Remote Access to Meeting Policy* shown in the redline included with the agenda packet. The motion was approved by a vote of 8 in favor (Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood), 0 against, 0 abstaining.

2. Review of the *ACERA Conflict of Interest Code*.

Chief Counsel Jeff Rieger presented the *ACERA Conflict of Interest Code*, spoke about the recommended revisions and answered questions from the Trustees. A motion was made by Trustee Gamble and seconded by Trustee Levy that the Governance Committee recommend to the Board of Retirement that the Board adopt the *ACERA Conflict of Interest Code* shown in the proposed revised policy included with the agenda packet. The motion was approved by a vote of 8 in favor (Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood), 0 against, 0 abstaining.

3. Review of the *Conflict of Interest Policy*.

Chief Counsel Jeff Rieger presented the *Conflict of Interest Policy*, spoke about the recommended revisions and answered questions from the Trustees. Based on comments from Trustees, the Committee Chair directed that the Policy be brought back to the Committee at a future meeting for further discussion regarding "Behested Payments."

INFORMATION ITEMS

1. Proposed 2023 Governance Committee Work Plan.

Staff presented the draft work plan for the 2023 Governance Committee.

TRUSTEE/ PUBLIC INPUT

None

ESTABLISHMENT OF NEXT MEETING DATE

TBD

ADJOURNMENT

The meeting adjourned at 10:11 a.m.

CONSENT CALENDAR ITEM

**April 20, 2023
Actuarial Committee Minutes
For approval under May 18, 2023
Board “Consent Calendar”**



MINUTES OF THE APRIL 20, 2023 ACTUARIAL COMMITTEE MEETING

To: Members of the Actuarial Committee

From: Henry Levy, Vice Chair

Subject: Summary of the April 20, 2023 Actuarial Committee Meeting

Committee Vice Chair Henry Levy called the April 20, 2023 Actuarial Committee meeting to order at 11:00 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Henry Levy, Keith Carson, Ross Clippinger and George Wood. Also present were Tarrell Gamble, Jaime Godfrey, Elizabeth Rogers, Kellie Simon, and alternate members Cynthia Baron and Kevin Bryant.

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

PUBLIC INPUT

None

Action Items

None

INFORMATION ITEMS

1. Presentation and discussion of the Actuarial Valuation and Review as of December 31, 2022

ACERA and Segal representatives presented the draft of the Actuarial Valuation and Review as of December 31, 2022. It will be presented for discussion and review to ACERA's participating employers' group at a meeting scheduled for April 26, 2023. Staff will bring the Actuarial Valuation and Review as of December 31, 2022, to the May 18, 2023 committee meeting for final adoption.

2. Cavanaugh MacDonald Consulting, LLC has been hired to audit Segal's Actuarial work

Staff presented an update to the hiring of Cavanaugh MacDonald Consulting, LLC to audit Segal's actuarial work. Cavanaugh MacDonald Consulting, LLC will audit a prior completed Segal valuation as well as the upcoming Triennial Study.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

May

- Discussion and possible motion to adopt the Actuarial Valuation as of December 31, 2022 (Segal)

June

- Segal presentation of the deterministic and stochastic projections as part of the Risk Assessment Report based on the Actuarial Valuation and Review as of December 31, 2022

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Thursday, May 18, 2023, at 11:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:50 a.m.

CONSENT CALENDAR ITEM

**April 20, 2023
Audit Committee Minutes
For approval under May 18, 2023
Board “Consent Calendar”**



MINUTES OF APRIL 20, 2023 AUDIT COMMITTEE MEETING

Date: April 20, 2023
To: Members of the Audit Committee
From: Henry Levy, Chair
Subject: Summary of the April 20, 2023 Audit Committee Meeting

The Audit Committee Chair, Henry Levy called the April 20, 2023, Audit Committee meeting to order at 12:33 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were, Ross Clippinger, Kellie Simon, and Henry Levy. Other Board members present were Jaime Godfrey, Elizabeth Rogers, George Wood, and alternates Cynthia Baron and Kevin Bryant. Keith Carson and Tarrell Gamble 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; Erica Haywood, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Retirement Chief Technology Officer; and Betty Tse, Chief Investment Officer. Jessica Huffman, Benefits Manager; Sandra Dueñas, Benefits Manager; and Victoria Arruda, Human Resource Officer; attended via Zoom.

PUBLIC COMMENT

None

ACTION ITEMS

None

INFORMATION ITEMS

External Audit

1. Presentation and discussion of the draft Governmental Accounting Standards Board Statements No. 67 and 74 Valuations as of December 31, 2022 (Segal)

Staff and Segal representatives presented GASB 67 and 74 valuations (financial reporting) for review by the audit committee.

The GASB 67 valuation measures and reports the Total/Net Pension Liability (TPL/NPL), while the GASB 74 valuation measures and reports the Total/Net OPEB (Other Postemployment Benefits) Liability (TOL/NOL).

The Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and No. 74 Actuarial Valuation and their respective addendums as of December 31, 2022 will be brought back to the May 18th Audit Committee for discussion and approval.

Internal Audit

1. Progress report on the Internal Audit Plan

Staff provided a progress report on the Internal Audit Plan.

TRUSTEE INPUT AND DIRECTION TO STAFF

Trustee Levy posed the question, how much does ACERA pay for investment management fees. He answered that it was about 74 million, and suggested a future audit for investment expenses.

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

May 18, 2023 at 12:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 1:07 p.m.

CONSENT CALENDAR ITEM

Operating Expenses as of 3/31/23



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 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 March 31, 2023

ACERA's operating expenses are \$129K under budget for the period ended March 31, 2023. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Systems*: Systems are \$23K over budget. This amount comprises overages in business continuity expense of \$17K and minor computer hardware of \$11K and offset by surplus in software maintenance and support of (\$5K).

Budget Surpluses

2. *Staffing*: Staffing is \$22K under budget. This amount comprises surpluses in fringe benefits of (\$150K), and staff vacancies of (\$145K), offset by overages in temporary staffing of \$80K and vacancies adjustments of \$193K.
3. *Professional Fees*: Professional Fees is \$38K under budget. This amount comprises actuarial fees of (\$34K), and legal fees of (\$10K), offset by overage in operation fees of \$6K.
4. *Staff Development*: Staff Development is \$23K under budget due to savings from unattended staff trainings and conferences.
5. *Office Expense*: Office Expense is \$28K under budget. This amount comprises surpluses in bank charges of (\$11K), building expenses of (\$16K), equipment lease/maintenance of (\$5K), and printing & postage of (\$2K), offset by overage in communication expenses of \$6K.
6. *Member Services*: Member Services are \$35K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$14K), disability medical expense of (\$14K), members printing and postage of (\$7K).
7. *Board of Retirement*: Board of Retirement is \$6K under budget. This amount comprises surpluses in compensation of (\$3K), and software maintenance & support of (\$3K).

Staffing Detail

Vacant positions as of March 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 II	1	Vacant - currently budgeted for the year
Investments	Investment Admin Specialist	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 March 31, 2023

	Year-To-Date			2023 Budget	2019-22 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	203,972	375,000	(171,028)	1,500,000	2,533,989
Segal and other consultant fees	142,771	120,000	22,771	480,000	1,632,042
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	346,743	495,000	(148,257)	1,980,000	4,266,501
Staffing	173,411	174,000	(589)	696,000	2,158,220
TOTAL	520,154	669,000	(148,846)	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 AND INVESTMENT EXPENSES SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>March 31, 2023</u>					
	Actual	Budget	YTD	2023	% 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	\$ 3,963,604	\$ 3,985,780	\$ (22,176)	\$ 16,224,000	24.4%
Staff Development	34,105	57,370	(23,265)	367,000	9.3%
Professional Fees (Next Page)	316,354	354,180	(37,826)	1,301,000	24.3%
Office Expense	87,140	114,910	(27,770)	469,000	18.6%
Insurance	140,773	140,790	(17)	579,000	24.3%
Member Services	85,339	120,410	(35,071)	522,000	16.3%
Systems	339,370	316,170	23,200	1,223,000	27.7%
Depreciation	29,885	29,940	(55)	120,000	24.9%
Board of Retirement	115,851	121,510	(5,659)	614,000	18.9%
Uncollectable Benefit Payments			-	53,000	0.0%
Total Operating Expense	\$ 5,112,421	\$ 5,241,060	\$ (128,639)	\$ 21,472,000	23.8%
Investment Consultant Fees	316,831	390,000	(73,169)	1,560,000	20.3%
Investment Custodian Fees	156,197	141,000	15,197	564,000	27.7%
Investment Manager and Incentive Fees	9,253,714	13,030,000	(3,776,286)	52,413,000	17.7%
Other Investment Expenses	35,472	142,950	(107,478)	572,000	6.2%
Total Portfolio Management Investment Expense	\$ 9,762,214	\$ 13,703,950	\$ (3,941,736)	\$ 55,109,000	17.7%
Total Operating and Portfolio Management Investment Expense	\$ 14,874,635	\$ 18,945,010	\$ (4,070,375)	\$ 76,581,000	19.4%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Three Months Ending 3/31/2023

	<u>For the Month of March 2023</u>	<u>For the Month of March 2022</u>	<u>Variance</u>	<u>Year-To-Date 2023</u>	<u>Year-To-Date 2022</u>	<u>Variance</u>
STAFFING						
Salaries	892,279	888,524	3,755	2,532,002	2,393,760	138,242
Fringe Benefits	434,735	510,047	(75,312)	1,314,150	1,339,740	(25,590)
Temporary Staffing Cost	50,286	38,219	12,067	117,452	96,932	20,520
Staffing Total	<u>1,377,300</u>	<u>1,436,790</u>	<u>(59,490)</u>	<u>3,963,604</u>	<u>3,830,432</u>	<u>133,172</u>
STAFF DEVELOPMENT	14,455	16,564	(2,109)	34,105	50,370	(16,265)
PROFESSIONAL FEES						
Actuarial Fees	62,723	78,600	(15,877)	127,023	111,716	15,307
Consultant Fees - Operations	27,647	35,817	(8,170)	89,731	107,450	(17,719)
Consultant Fees - Legal	(765)	1,749	(2,514)	27,300	19,647	7,653
External Audit	24,100	23,600	500	72,300	70,800	1,500
Professional Fees Total	<u>113,705</u>	<u>139,766</u>	<u>(26,061)</u>	<u>316,354</u>	<u>309,613</u>	<u>6,741</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	5,199	11,603	(6,404)	14,418	33,595	(19,177)
Building Expenses	(2,203)	647	(2,850)	4,400	1,942	2,458
Communications	9,626	11,735	(2,109)	27,246	33,486	(6,240)
Equipment Lease/Maintenance	7,713	7,920	(207)	23,524	26,438	(2,914)
Minor Equipment and Furniture	247	0	247	5,336	2,490	2,846
Office Supplies/Maintenance	2,976	1,670	1,306	8,878	3,860	5,018
Printing & Postage	1,267	1,157	110	3,338	3,320	18
Office Expense Total	<u>24,825</u>	<u>34,732</u>	<u>(9,907)</u>	<u>87,140</u>	<u>105,131</u>	<u>(17,991)</u>
INSURANCE	46,924	44,286	2,638	140,773	132,859	7,914
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	0	0	0	(3,283)	7,942	(11,225)
Disability Medical Expense	6,000	9,800	(3,800)	33,800	25,464	8,336
Disability Claims Management	3,850	3,850	0	11,550	11,550	0
Health Reimbursement Acct. (HRA)	6,701	6,958	(257)	17,216	17,020	196
Member Training & Education	418	328	90	1,444	1,440	4
Printing & Postage - Members	521	13,690	(13,169)	8,405	24,472	(16,067)
Virtual Call Center	5,402	0	5,402	16,207	0	16,207
Member Services Total	<u>22,892</u>	<u>34,626</u>	<u>(11,734)</u>	<u>85,339</u>	<u>87,888</u>	<u>(2,549)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Three Months Ending 3/31/2023

	<u>For the Month of March 2023</u>	<u>For the Month of March 2022</u>	<u>Variance</u>	<u>Year-To-Date 2023</u>	<u>Year-To-Date 2022</u>	<u>Variance</u>
SYSTEMS						
Business Continuity Expense	64,862	15,649	49,213	96,764	47,484	49,280
County Data Processing	10,901	10,367	534	32,667	31,128	1,539
Minor Computer Hardware	13,393	2,990	10,403	21,103	9,677	11,426
Software Maintenance & Support	60,756	62,406	(1,650)	188,836	180,369	8,467
Systems Total	<u>149,912</u>	<u>91,412</u>	<u>58,500</u>	<u>339,370</u>	<u>268,658</u>	<u>70,712</u>
DEPRECIATION						
Depreciation Expense	9,961	10,392	(431)	29,885	31,176	(1,291)
BOARD OF RETIREMENT						
Board Compensation	700	1,200	(500)	4,600	4,400	200
Board Conferences & Training	5,384	6,143	(759)	14,104	9,115	4,989
Board Employer Reimbursement	34,260	33,855	405	93,580	90,355	3,225
Board Miscellaneous Expense	1,172	777	395	3,567	2,694	873
Board Software Maint. & Support	0	986	(986)	0	2,957	(2,957)
Board of Retirement Total	<u>41,516</u>	<u>42,961</u>	<u>(1,445)</u>	<u>115,851</u>	<u>109,521</u>	<u>6,330</u>
GRAND TOTALS	<u>1,801,490</u>	<u>1,851,529</u>	<u>(50,039)</u>	<u>5,112,421</u>	<u>4,925,648</u>	<u>186,773</u>

CONSENT CALENDAR ITEM

**Quarterly Financial
Statements as of 3/31/23**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023
TO: Members of the Board of Retirement
FROM: Erica Haywood, Fiscal Services Officer *EH*
SUBJECT: Quarterly Unaudited Financial Statements as of March 31, 2023

Executive Summary

Attached for review and discussion is the unaudited financial statements for the period ended March 31, 2023.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2022 decreased by \$692 million.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$10.7 billion. Total Receivables decreased by \$5.0 million, Investments at fair value decreased by \$677.0 million, Capital Assets increased by \$1.6 million, and Total Liabilities without Security Lending Liability increased by \$15.9 million.
- The year-over-year Change in Net Position increased by \$850 million.
 - Total Additions year-over-year increased by \$857 million. This includes, an increase in net investment income of \$857 million.
 - Total Deductions year-over-year increased by \$7.1 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, and member refunds.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 3/31/2023

	Year-To-Date 2023	Year-To-Date 2022
ASSETS		
Cash (Note 1)	6,027,301	1,787,836
Securities Lending Cash Collateral (Note 2)	168,995,578	218,125,207
Receivables:		
Contributions (Note 3)	14,474,715	28,159,413
Investment Receivables (Note 4a)	24,399,271	22,337,079
Unsettled Trades - Investments Sold	9,540,626	5,810,843
Futures Contracts (Note 5a)	4,360,956	1,843,853
Foreign Exchange Contracts (Note 7a)	358,501	3,174
Other Receivables (Note 8)	317,747	236,433
Total Receivables	53,451,816	58,390,796
Prepaid Expenses	647,240	687,733
Total Current Assets	229,121,934	278,991,572
Investments - at Fair Value:		
Short-Term Investments (Note 9)	200,205,972	283,394,521
Domestic Equity	542,747,713	619,608,939
Domestic Equity Commingled Funds	2,102,887,710	2,448,487,416
International Equity	1,219,641,486	1,270,312,788
International Equity Commingled Funds (Note 10)	1,457,957,104	1,489,511,462
Domestic Fixed Income	1,379,619,522	1,602,118,645
International Fixed Income	88,134,982	86,830,434
International Fixed Income - Commingled Funds (Note 11)	78,950,081	81,259,133
Real Estate - Separate Properties (Note 12)	55,828,638	72,202,133
Real Estate - Commingled Funds (Note 13)	781,333,504	685,432,458
Real Assets	592,477,804	753,227,336
Absolute Return (Note 14a)	861,186,860	770,906,498
Private Equity (Note 14b)	1,133,037,388	1,025,302,481
Private Credit	179,731,497	162,145,050
Total Investments	10,673,740,261	11,350,739,295
Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) (Note 15)	8,063,208	6,413,819
Total Assets	10,910,925,403	11,636,144,686
LIABILITIES		
Securities Lending Liability (Note 2)	168,995,578	218,125,207
Unsettled Trades - Investments Purchased	40,050,826	26,666,231
Investment-Related Payables (Note 4b)	14,490,170	12,617,069
Futures Contracts (Note 5b)	0	558,527
Foreign Exchange Contracts (Note 7b)	34,669	569,509
Accrued Administration Expenses (Note 16)	3,148,599	2,349,343
Members Benefits & Refunds Payable (Note 17a)	7,690,483	6,724,612
Retirement Payroll Deductions Payable (Note 17b)	32,465	10,727
Lease Liability	40,418	90,850
Total Liabilities	234,483,208	267,712,075
DEFERRED INFLOWS OF RESOURCES		
Net Position		
Restricted - Held in Trust for Benefits	10,676,442,195	11,368,432,611
Total Net Position	10,676,442,195	11,368,432,611

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Three Months Ending 3/31/2023

	Year-To-Date 2023	Year-To-Date 2022
ADDITIONS		
Contributions: (Note 18)		
Members	31,104,299	30,026,122
Employers	70,733,672	71,943,633
Total Contributions	101,837,971	101,969,755
From Investment Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments (Note 19a)	410,694,070	(446,933,550)
Interest	14,273,321	13,449,418
Dividends	10,041,914	10,133,170
Real Estate - Net	5,627,153	5,404,676
Private Equity and Alternatives	11,275,697	8,828,476
Brokers Commissions - Directed Brokerage	1,010	549
Sub-Total of Dividends, Interest, Other Investment Income (Note 19b)	41,219,094	37,816,289
Total Income from Investment Activities	451,913,164	(409,117,261)
Total Investment Expenses (Note 20)	(10,577,062)	(6,677,672)
Net Income from Investment Activities (Note 21)	441,336,102	(415,794,932)
From Securities Lending Activities:		
Securities Lending Income	199,575	204,266
Securities Lending Expenses	(39,916)	(45,617)
Net Income from Securities Lending Activities (Note 22)	159,659	158,649
Total Net Investment Income	441,495,760	(415,636,283)
Miscellaneous Income (Note 23)	537,875	50,513
Total Additions	543,871,607	(313,616,016)
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	146,178,531	138,554,255
Death Benefits (Note 25)	796,500	1,004,494
Supplemental Cost of Living Allowance	227,106	209,239
Retiree Healthcare Program	11,503,552	11,423,375
Total Benefit Payments	158,705,689	151,191,363
Member Refunds	2,938,218	3,455,412
Administration: (Note 26)		
Administrative Expenses	3,165,613	3,098,629
Actuarial Expenses	105,023	90,216
Business Continuity Expenses	187,731	131,494
Legal Expenses	189,914	202,910
Technology Expenses	245,287	219,746
401(h) Expenses	404,000	424,500
Total Administration	4,297,568	4,167,495
Total Deductions	165,941,475	158,814,270
Net Increase(Decrease)	377,930,132	(472,430,286)
Net Position Held in Trust for Benefits:		
Net Position - January 1	10,298,512,063	11,840,862,896
Net Position - March 31	10,676,442,195	11,368,432,611

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

Basis of Accounting

ACERA follows the accounting principles and reporting guidelines set forth by the Government Accounting Standards Board (GASB). ACERA's financial statements are prepared on the accrual basis of accounting.

(Note 1)

Cash - \$6.03 million

Cash balance is the sum of the funds in the Wells Fargo and JP Morgan banks operating accounts. The increase of \$4.24 million from 1.79 million in March 31, 2022, is primarily due to the timing difference between receipt of contributions and the transfer of funds for retiree payroll and investments.

(Note 2)

Securities Lending Cash Collateral - \$169.00 million

Cash collateral of \$169.00 million and \$218.13 million was held by ACERA related to securities on loan as of March 31, 2023, and March 31, 2022, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with the GASB Statement No. 28.

(Note 3)

Contributions Receivables - \$14.47 million

The receivable balances of March 31, 2023, decreased by approximately \$13.69 million from \$28.16 million in March 31, 2022. This is primarily due to the number of days accrued at the end of the period.

(Note 4)

4a. Investment Receivables - \$24.40 million

The investment receivables balance as of March 31, 2023, increase by \$2.06 million from \$22.34 million for March 31, 2022. The increase is mainly attributed to interest and dividend receivables.

4b. Investment Related Payables - \$14.49 million

The increase of \$1.87 million in investment related payables balance as of March 31, 2023, from \$12.62 million for March 31, 2022 is primarily due to timing of the investment manager fee payments.

(Note 5)

5a. Futures Contracts Receivables - \$4.36 million

The receivables represent unrealized gains on open futures contracts. The balances for unrealized gains as of March 31, 2023, and March 31, 2022, were \$4.36, and \$1.84 million, respectively.

5b. Futures Contracts Payables - \$0.00 million

The payables represent the unrealized losses on open futures contracts. The balance for unrealized losses as of March 31, 2023, and March 31, 2022, were zero and \$0.56 million, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 7)

7a. Foreign Exchange Contracts Receivables - \$0.36 million

The receivables represent unrealized gains on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of March 31, 2023, and March 31, 2022, unrealized gains on FX contracts were \$0.36 million and zero, respectively. The increase of \$0.36 million is due to changes in the number and valuation of contracts and market volatility.

7b. Foreign Exchange Contracts Payables - \$0.03 million

The payables represent unrealized losses on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of March 31, 2023, and March 31, 2022, unrealized losses on FX contracts were \$0.03 million and \$0.57 million, respectively. The decrease in unrealized losses of \$0.54 million is mainly due to the change in foreign exchange contracts and market volatility.

(Note 8)

Other Receivables - \$0.32 million

Other receivables as of March 31, 2023, are comprised primarily of funds due from deceased retirees' estates for overpayment of benefits and from insurance for ACERA legal claims.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 9)

Short-Term Investments - \$200.21 million

Short-term investments are temporarily kept in a pooled account with State Street Bank. These pooled assets are primarily invested in short-term investment funds and deposits, including U.S. Treasury and agency obligations, corporate bonds, commercial paper, repurchase agreements, certificates of deposit, bankers' acceptances, time deposits, and floating-rate notes.

(Dollars in Millions)

<i>Fund Name</i>	<i>3/31/2023</i>
Unallocated Cash	\$ 72.15
Capital Guardian	26.56
Baird Investors	24.58
Loomis	19.59
Parametric Portfolio Associates (cash overlay)	18.48
Brandywine	17.31
Kennedy	5.97
William Blair Small Cap Growth	3.87
Aristotle Capital	3.67
TCW	3.11
Mondrian	1.70
Bivium - Cedar Street Asset Mgmt	0.65
Bivium - Dundas Partners	0.56
Bivium - Promethos Capital, LLC	0.54
Bivium - Denali Advisors	0.37
Bivium - Global Alpha Capital Mgmt	0.34
Bivium Redwood Investment	0.31
AQR Capital Management, LLC	0.28
Bivium - Arga Investment Management	0.11
Bivium RVX Asset Management LLC	0.02
Bivium - Radin Capital Partners	0.02
Transition	0.01
Bivium - Applied Research Management	0.01
Grand total	\$ 200.21

(Note 10)

International Equity Commingled Funds - \$1,457.96 million

As of March 31, 2023, and March 31, 2022, the International Equity Commingled Funds were \$1,457.96 million and \$1,489.51 million, respectively. The decrease of \$31.55 million is mainly due to unrealized losses from lower market valuations.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 11)

International Fixed Income Commingled Funds - \$78.95 million

The decrease of \$2.31 million from the prior year is due to market depreciation of investments. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

(Note 12)

Real Estate Separate Properties - \$55.83 million

The following is a summary of Real Estate – Separate Property investments as of March 31, 2023, and March 31, 2022. The year over year decrease of \$16.37 million is due to the market value of the Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 03-31-2023</i>	<i>Net Mkt. Value 03-31-2022</i>	<i>No. of Properties 2023</i>	<i>No. of Properties 2022</i>
RREEF	\$ 55.83	\$ 72.20	1	1

(Note 13)

Real Estate Commingled Funds - \$781.33 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 6254.26. The increase of \$95.90 million in 2023 as compared to 2022 is mainly due to the depreciation of investments and additional investments net of distributions.

(Note 14)

14a. Absolute Return - \$861.19 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$90.28 million in 2023 as compared to 2022 is mainly due to additional investments net of distributions and net gain on investments.

14b. Private Equity - \$1,133.04 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$107.74 million in 2023 as compared to 2022 is mainly due to additional investments net of distributions and net gain on investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$8.06 million

(Dollars in Millions)

	3/31/2023	3/31/2022
Retirement Information System and Others - Construction-In-Process	\$ 6.94	\$ 5.13
Equipment, Furniture & Information Systems	13.58	13.58
Electronic Document Management System	4.18	4.18
Right-to-Use Leased Office Equipments	0.21	0.21
Less: Accumulated Depreciation and Amortization	(17.90)	(17.84)
Net Book Value	7.01	5.26
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.54)	(1.44)
Net Book Value	1.05	1.15
Total Capital Assets, Net	\$ 8.06	\$ 6.41

Depreciation is computed using the straight-line method over the following estimated useful lives or over the term of the lease:

<input type="checkbox"/>	Computer Hardware	5 years
<input type="checkbox"/>	Computer Software	3 years
<input type="checkbox"/>	Equipment	5 years
<input type="checkbox"/>	Furniture	7 years
<input type="checkbox"/>	Information System – Retirement	7 years
<input type="checkbox"/>	Information System – Accounting	3 years
<input type="checkbox"/>	EDMS	5 years
<input type="checkbox"/>	Right to use Leased Assets	5 years
<input type="checkbox"/>	Disaster Recovery	5 years
<input type="checkbox"/>	Leasehold Improvements	27.5 years

(Note 16)

Accrued Administration Expenses - \$3.15 million

Accrued administration expenses consist of accounts payable, payroll expense, actuarial services payable and other operating expenses.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 17)

17a. Members' Benefits & Refunds Payable - \$7.69 million

The detail of Members Benefits and Refund Payables are as follows:

(Dollars in Millions)

<i>Accrued Benefits and Refunds</i>	<i>3/31/2023</i>	<i>3/31/2022</i>
Basic Active Death Benefits	\$ 0.94	\$ 1.21
Active Death Contribution Refunds	1.75	2.15
Retired Death Benefits	3.84	2.94
Members' Contribution Refunds	1.16	0.42
Total Members' Benefit & Refunds Payable	\$ 7.69	\$ 6.72

17b. Retirement Payroll Deductions Payables - \$0.03 million

The balance for March 31, 2023, includes \$0.03 million in health premium prepayments. The corresponding balance for March 31, 2022, included \$0.01 million in health premium prepayments.

(Note 18)

Contributions - \$101.84 million

The decrease in contributions of \$0.13 million in 2023 as compared to 2022 is primarily due to the decrease in contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 19)

19a. Net Appreciation/ (Depreciation) in Fair Value of Investments – \$410.69 million

(Dollars in Millions)

	<i>For the Period Ended</i>	
	<i>3/31/2023</i>	<i>3/31/2022</i>
<u><i>Actual / Realized Gains/(Losses)</i></u>		
Domestic Equities	\$ 24.42	\$ 37.28
International Equities	4.29	6.39
Domestic Bonds	(5.85)	(7.91)
International Bonds	(2.36)	0.21
Real Estate Commingled Funds	2.47	16.35
Real Estate Sep. Props.	-	-
Private Equity & Alternative	4.58	36.80
Real Assets	4.34	25.17
Private Credit	0.31	0.31
Futures	(0.06)	(7.36)
Currency	0.63	(0.11)
<i>Total Realized Gains/(Losses)</i>	32.77	107.13
<u><i>Paper / Unrealized Gains/(Losses)</i></u>		
Domestic Equities	151.34	(235.43)
International Equities	199.34	(271.86)
Domestic Bonds	38.02	(111.03)
International Bonds	9.73	(6.91)
Real Estate Commingled Funds	(35.84)	23.78
Real Estate Sep. Props.	0.19	-
Private Equity & Alternative	5.77	(7.04)
Real Assets	5.86	51.91
Private Credit	0.16	0.63
Futures	5.36	1.71
Currency	(2.01)	0.18
<i>Total Unrealized Gains/(Losses)</i>	377.92	(554.06)
Total Net Realized and Unrealized Gains/(Losses)	\$ 410.69	\$ (446.93)

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

19b. Dividend, Interest, and Other Investment Income - \$41.22 million

(Dollars in Millions)

<i>Interest, Dividend, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>3/31/2023</i>	<i>3/31/2022</i>
Interest Income	\$ 14.27	\$ 13.45
Dividend Income	10.04	10.14
Real Estate Income	5.63	5.40
Private Equity, Private Credit, Absolute Return and Real Asset Income / (Losses) (1)	11.28	8.83
Total Net Income	\$ 41.22	\$ 37.82

⁽¹⁾ The increase of \$3.4 million in 2023 as compare to 2022 is mainly related to Private Credit investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 20)

Investment Expenses - \$10.57 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2023</i>	<i>Basis Points</i>	<i>3/31/2022</i>
Investment Manager and Incentive Fees	8.67	\$ 9.25	4.50	\$ 5.11
Investment Custodian	0.15	0.16	0.12	0.14
Investment Consultants & Other Expenses(*)	0.33	0.36	0.59	0.67
Subtotal	9.15	9.77	5.21	5.92
Investment Allocated Cost	0.76	0.80	0.67	0.76
Total Investment Expenses(**)	9.91	\$ 10.57	5.88	\$ 6.68

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2023</i>	<i>Basis Points</i>	<i>3/31/2022</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.23	\$ 0.25	0.21	\$ 0.24
Consultant - Portfolio Rebalancing	0.01	0.01	0.01	0.01
Consultant - Legal (Alternative Investment)	0.04	0.05	0.05	0.06
Subtotal – Consultants Expenses	0.28	0.31	0.27	0.31
Proxy Services	0	-	0.01	0.01
Transaction Cost Analysis	0.01	0.01	0.01	0.01
Other Investment Expenses/(Income)	0.04	0.04	0.30	0.34
Subtotal – Other Investment Expenses	0.05	0.05	0.32	0.36
Total Investment Consultants and Other Expenses	0.33	\$ 0.36	0.59	\$ 0.67

(**) The increase in total investment expenses from \$3.61 million in 2023 as compared to 2022 is primarily due to Private Equity and Absolute Return manager fees.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 21)

Net Investment Income/ (Losses) – 441.34 million

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>3/31/2023</i>	<i>3/31/2022</i>	<i>from previous period</i>
Paper / Unrealized Gains/(Losses)	\$ 377.92	\$ (554.06)	\$ 931.98
Actual / Realized Gains/(Losses)	32.77	107.13	(74.36)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	30.65	31.13	(0.48)
Total Net Income/ (Losses)	\$ 441.34	\$ (415.80)	\$ 857.14

(Note 22)

Securities Lending Net Income - \$0.16 million

The securities lending net income balance as of March 31, 2023, and March 31, 2022, were \$0.16 million and \$0.16 million, respectively.

(Note 23)

Miscellaneous Income - \$0.54 million

The miscellaneous income of \$0.54 million is predominantly from prior year investment income and security litigation incomes recovery.

(Note 24)

Service Retirement and Disability Benefits - \$146.18 million

The increase of \$7.63 million was predominantly due to the higher average benefit paid to the newly added retirees as compared to that of deceased retirees with lower average benefits as well as a modest increase of 255 in the total number of retirees and beneficiaries receiving benefits, from 10,550 on March 31, 2022 to 10,805 on March 31, 2023.

(Note 25)

Death Benefits - \$0.80 million

The death benefits paid out during the three months ended March 31, 2023, were comprised of \$0.05 million of Retired Death Benefits, \$0.07 million of Active Death Benefits, and \$0.68 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2023

(Note 26)

Total Administration - \$4.30 million

ACERA's Board of Retirement adopted Section 31580.2 of the 1937 Act. This Section allows ACERA to exclude investment (included in Total Investment Expenses under Note 20 above), actuarial, legal, business continuity related expenses and technology costs from administrative expenses subject to the statutory limits. Under Section 31618.5 ACERA excludes the SRBR administrative expenses from its total administrative expenses. ACERA's SRBR administrative expenses are the amount that exceeds the employers' 401(h) contributions allocated to estimated administrative costs of Postemployment Medical Benefits. The detail of total administration expenses are as follows:

(Dollars in Millions)

	<i>3/31/2023</i>	<i>3/31/2022</i>	<i>Inc./</i> (Dec.) <i>from previous</i> <i>period</i>
Administrative Expenses	\$ 3.17	\$ 3.10	\$ 0.07
Actuarial Expenses	0.10	0.09	0.01
Business Continuity Expenses	0.19	0.13	0.06
Legal Expenses	0.19	0.20	(0.01)
Technology Expenses	0.25	0.22	0.02
401(h) Administrative Expenses	0.40	0.43	(0.03)
Total	\$ 4.30	\$ 4.17	\$ 0.12

CONSENT CALENDAR ITEM

Quarterly Cash Forecast as of 3/31/23



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023
 TO: Members of the Board of Retirement
 FROM: Erica Haywood, Fiscal Services Officer *EH*
 SUBJECT: Actual Cash and Forecast as of March 31, 2023

Executive Summary

ACERA liquidates cash from the plan’s invested assets on a monthly basis to meet its increasing financial obligations. To better manage assets, best practices recommend a robust cash forecast and analysis to understand, communicate, and manage the invested assets that fund ever-increasing pension liabilities and administrative expense obligations.

- Table 1 is the annual cash forecast from April 2023 to March 2024, which will roll forward monthly as the year progresses; and,
- Tables 2 through 4 is the annualized, 5-year actual cash management information. Please note that the current year 2023 comprises of three months actuals and nine months forecasts.

Table 1 Cash Forecast: Table 1 provides the current forecasted negative cash position for the period spanning April 2023 to March 2024. The average monthly negative cash position for the referenced period is \$26,447,053. Excluding the two three-pay-period months i.e., September 2023 and March 2024, annotated by an *. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2022-2023 is \$1,498,175.

Table 1 Annual Cash Forecast from April 2023 to March 2024				
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position	
Apr-23	\$ 32,145,909	\$ 58,584,466	\$ (26,438,557)	
May-23	32,404,000	57,526,343	(25,122,343)	
Jun-23	32,531,043	57,683,551	(25,152,509)	
Jul-23	32,658,085	57,953,379	(25,295,294)	
Aug-23	32,785,128	58,464,909	(25,679,782)	
Sep-23*	46,042,530	57,893,034	(11,850,504)	
Oct-23	29,934,000	57,962,862	(28,028,862)	
Nov-23	29,816,064	58,232,689	(28,416,625)	
Dec-23	29,649,446	58,502,517	(28,853,071)	
Jan-24	33,326,146	59,096,499	(25,770,353)	
Feb-24	33,453,189	59,166,327	(25,713,138)	
Mar-24*	50,145,347	59,977,857	(9,832,510)	
Total	\$ 414,890,885	\$ 701,044,433	\$ (286,153,547)	
Average	\$ 31,870,301	\$ 58,317,354	\$ (26,447,053)	

Table 1 notes: *These are three-pay-period months which are excluded from the average because they cause inaccuracy with extreme fluctuation.

Tables 2 through 4, below, provide a 5-year, annualized analysis of ACERA's cash management.

Table 2			
5-Year Annual Cash Inflow			
Year	Total Contributions, Misc. Cash Receipts, etc.	Cash Draw from SSB**	Total Cash Inflow
2023	\$ 409,612,511	\$ 352,000,000	\$ 761,612,511
2022	403,696,551	358,000,000	761,696,551
2021	415,814,788	278,500,000	694,314,788
2020	413,586,022	247,200,000	660,786,022
2019	401,756,315	232,000,000	633,756,315

Table 2. Annualized inflow of total cash receipts. The Cash Draw from SSB, in the second column is the actual net cash drawn from ACERA's investment portfolio.

Table 3			
5-Year Annual Cash Outflow			
Year	Retiree Payroll, Accounts Payable, ACERA Payroll, etc.	Cash Return to SSB**	Total Cash Outflow
2023	\$ 691,538,300	\$ 73,000,000	\$ 764,538,300
2022	661,897,144	92,000,000	753,897,144
2021	626,589,116	64,700,000	691,289,116
2020	597,872,011	64,013,096	661,885,107
2019	570,574,725	60,500,000	631,074,725

Table 3. Annualized outflow of retirement and benefit payments, accounts payable, and ACERA payroll. Excess cash (Cash Return to SSB column) is wired to the SSB H11A account.

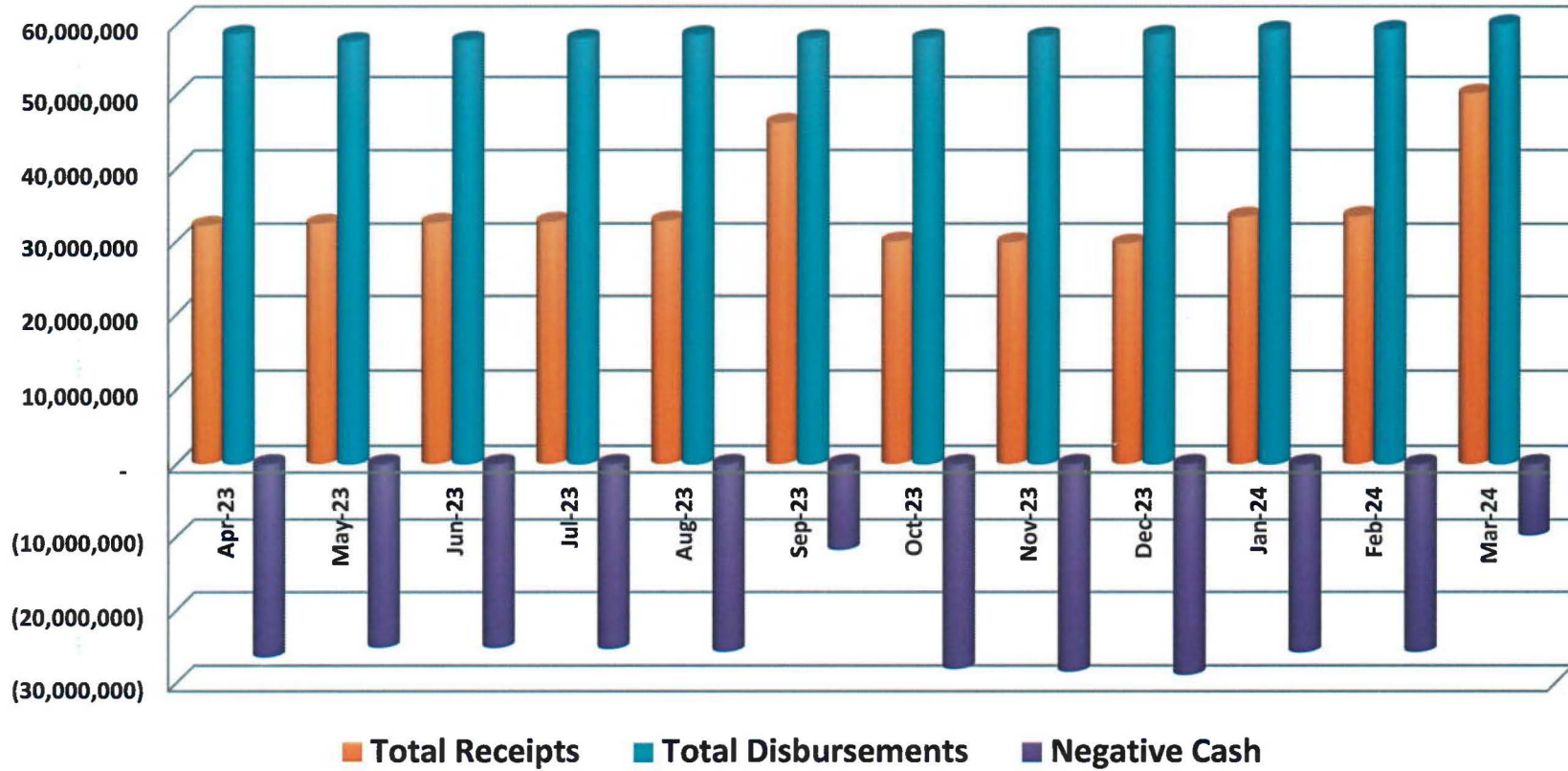
Table 4			
5-Year Annual Net Cash Position			
Year	Negative Cash	Net Cash Draw from SSB**	Variance
2023	\$ (281,925,789)	\$ 279,000,000	\$ (2,925,789)
2022	(258,200,593)	266,000,000	7,799,407
2021	(210,774,327)	213,800,000	3,025,673
2020	(184,285,989)	183,186,904	(1,099,085)
2019	(168,818,410)	171,500,000	2,681,590

Table 4. Annualized Negative Cash position and the SSB Net Cash Draw. Due to timing differences and end-of-year balance differences, the net cash draw can fluctuate several hundred-thousand dollars in a year-over-year comparison.

* State Street Bank (SSB)

Conclusion: This information is not meant to be statistically inferential in nature; but rather, it presents facts about ACERA's negative cash position on a 5-year annualized basis. Future analysis of this information can be undertaken to evaluate specific tendency; however, the current presentation is intended to provide a factual assessment of the actual cash draw down of ACERA's investment portfolio.

Cash Forecast Apr 2023 - Mar 2024



CONSENT CALENDAR ITEM

**Board Conference and Training
Expense Report as of 3/31/23**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly Board Conference and Training Expense Report for the period
January 1, 2023, to March 31, 2023

Attached is the January 1, 2023 – March 31, 2023 Board conference and training expense report. As of March 31, 2023, reported expenses totaled \$14,104.

ACERA Trustees
Board Conference Expense Report
January 1, 2023 to
March 31, 2023

From	To	Attendee	Conference	Location	Total
01/18/23	01/20/23	Tarrell Gamble	NASP Diverse Managers Forum	Philadelphia, PA	\$ 1,050
02/01/23	02/28/23	Tarrell Gamble	VC University	Online	\$ 1,545
02/28/23	03/01/23	Tarrell Gamble	Pension Bridge ESG Summit	Beverly Hills, CA	\$ 1,021
03/06/23	03/08/23	Tarrell Gamble	CII Spring Conference	Washington, DC	\$ 2,171
03/28/23	03/30/23	Tarrell Gamble	GPC Conference	New York, NY	\$ 696
08/02/23	08/03/23	Tarrell Gamble	Markets Group Private Equity Forum	Chicago, IL	\$ 769
Tarrell Gamble Total					\$ 7,253
02/28/23	03/01/23	Jaime Godfrey	Pension Bridge ESG Summit	Beverly Hills, CA	\$ 1,630
03/05/23	03/07/23	Jaime Godfrey	CALAPRS General Assembly	Monterey, CA	\$ 250
04/25/23	04/26/23	Jaime Godfrey	Public Funds Round Table	Beverly Hills, CA	\$ 289
Jaime Godfrey Total					\$ 2,169
01/12/23	01/13/23	Henry Levy	Opal Public Funds Summit	Scottsdale, AZ	\$ 2,327
03/06/23	03/08/23	Henry Levy	CII Spring Conference	Washington, DC	\$ 2,355
Henry Levy Total					\$ 4,682
GRAND TOTAL					\$ 14,104

CONSENT CALENDAR ITEM

**Senior Leader Conference and
Training Expense Report as of 3/31/23**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *elt*

SUBJECT: Quarterly SLT Conference and Training Expense Report for the period
January 1, 2023, to March 31, 2023

Attached is the January 1, 2023 – March 31, 2023 Senior Leadership Team conference and training expense report. As of March 31, 2023, reported expenses totaled \$5,355.

**ACERA SLT
Conference and Training Expense Report
January 1, 2023 to March 31, 2023**

From	To	SLT	Training or Conference	Name	Amount
Conferences					
02/09/23	02/09/23	Dave Nelsen	Conference	CALAPRS Administrator's Round Table	\$ 50
03/27/23	03/27/23	Dave Nelsen	Conference	CALAPRS General Assembly	\$ 879
03/17/23	03/17/23	Dave Nelsen	Conference	SACRS Legislative Committee Meeting	\$ 24
Trainings					
06/12/23	06/14/23	Dave Nelsen	Training	CALAPRS Mgmt. Academy	\$ 256
Dave Nelsen Total					\$ 1,209
Conferences					
02/09/23	02/09/23	Carlos Barrios	Conference	CALAPRS Admin Rountable	\$ 100
03/27/23	03/27/23	Carlos Barrios	Conference	CALAPRS General Assembly	\$ 1,141
10/01/23	10/04/23	Carlos Barrios	Conference	IFEBP 69th Annual Employee Benefits Con	\$ 450
Carlos Barrios Total					\$ 1,691
Trainings					
01/18/23	01/18/23	Jeffrey Rieger	Training	Access MCLE	\$ 10
Jeffrey Rieger Total					\$ 10
Trainings					
03/02/23	03/10/23	Erica Haywood	Training	AMA Leading with Emotional Intelligence	\$ 2,295
Erica Haywood Total					\$ 2,295
Trainings					
02/03/23	02/06/23	Harsh Jadhav	Training	CPE247.com Continuing Education	\$ 150
Harsh Jadhav Total					\$ 150
Grand Total					\$ 5,355

CONSENT CALENDAR ITEM


**Quarterly Report on Member
Underpayments and Overpayments**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023

TO: Members of the Board of Retirement

FROM: Jessica Huffman, Retirement Benefits Manager 

SUBJECT: **Quarterly Report on Member Underpayments and Overpayments**

Attached are the quarterly reports regarding member contributions and overpayments of retirement allowance due to death for the most current six-month period. The report regarding staff errors contains the cases initially presented that have not yet been resolved, along with recently discovered errors. The information below provides more specifics in each of these categories.

Overpayments of Retirement Allowance Due to Death

This report provides any payments (including HRA (Health Reimbursement Arrangements) payments) made after the death of a retiree. In instances where a death is not reported timely, an overpayment occurs. For the six-month reporting period June 26, 2022 through December 24, 2022, 156 deaths occurred. There are eight overpayments due to unreported deaths to report at this time. Staff is actively attempting to collect on these overpayments.

Staff Errors

There are no staff errors to report.

Overpayments and Underpayments of Member Contributions

This report, which is for the period June 26, 2022 through December 24, 2022, shows discrepancies in member contribution amounts resulting in an underpayment or overpayment above the \$50 threshold, average time to resolve, and an explanation of the error type. For this reporting period, staff identified seven members who underpaid their mandatory employee contributions and no members who overpaid their mandatory employee contributions. Staff reviewed and resolved each of the seven cases of incorrect payment. There were a total of 3,460 exceptions from all Participating Employers. The most common exception type was underpayments due to the Employers withholding retirement contributions based on the incorrect salary.

Attachments

Overpayments of Retirement Allowance Due to Unreported Death June 26, 2022 thru December 24, 2022

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Health Reimbursement	6/23/2022	7/7/2022	7/28/2022	\$352.81	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	7/24/2022	8/5/2022	7/31/202	\$2,170.56	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Health Reimbursement	7/16/2022	8/16/2022	9/1/2022	\$300.59	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	8/22/2022	9/1/2022	8/31/2022	\$3,876.53	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	8/26/2022	9/14/2022	8/31/2022	\$3,678.54	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	8/28/2022	9/15/2022	8/31/2022	\$2,475.09	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.

Overpayments of Retirement Allowance Due to Unreported Death – Continued

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement	8/23/2022	9/22/2022	8/31/2022	\$5,144.94	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	11/24/2022	11/29/2022	11/30/2022	\$7,575.65	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Total Receivable				\$25,574.71	

**Active Members - Overpayments and Underpayments of Member Contributions
June 26, 2022 thru December 24, 2022**

Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 1,687 % Above Exceptions of Total Exceptions: 0.00%				

Alameda County Housing Authority					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 83 % Above Exceptions of Total Exceptions: 0.00%				

Alameda Health Systems					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments: 1	\$71.22	8/1/2022	8/1/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 2	\$403.85	11/3/2022	11/3/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Summary	Most Common Exception Type: Employer Withheld Contribution Based at Incorrect Salary Total Exceptions: 1,256 % Above Exceptions of Total Exceptions: 0.16%				

First 5 Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 13 % Above Exceptions of Total Exceptions: 0.00%				

Livermore Area Recreation and Park District					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 2 % Above Exceptions of Total Exceptions: 0.00%				

Alameda Superior Courts					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments: 1	\$753.63	8/11/2022	8/11/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 2	\$753.63	8/11/2022	8/11/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 3	\$753.63	8/11/2022	8/11/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 4	\$718.07	8/11/2022	8/11/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 5	\$688.02	8/26/2022	8/26/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Summary	Most Common Exception Type: Employer Withheld Contribution Based at Incorrect Salary Total Exceptions: 419 % Above Exceptions of Total Exceptions: 1.19%				

CONSENT CALENDAR ITEM

1st Quarter Call Center Report



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023
TO: Members of the Board of Retirement
FROM: Ismael Piña, Assistant Benefits Manager
SUBJECT: **1st Quarter 2023 Call Center Report**

Attached is the Service Level Report for the 1st quarter of 2023. Our service levels exceeded our benchmark this past quarter. The team handled a total of 4,692 incoming calls this past quarter, 94.16% of which were answered within 60 seconds. The team also responded to a total of 135 member voicemails within 1 business day or less.

The matrix below provides the five highest call volume categories for Q3 2022 and Q4 2022.

Q4 2022 Highest Volume	Categories of Calls	Q1 2023 Highest Volume	Categories of Calls
24%	Retiree Payroll Change Requests	27%	Retiree Payroll Change Requests
28%	Retirement/Membership/ Job Status Change Related Q's	31%	Retirement/Membership/ Job Status Change Related Q's
33%	Health/Dental/ Vision related Q's	20%	Health/Dental/ Vision related Q's
10%	Award Letter/EFT Statement/1099R Requests	17%	Award Letter/EFT Statement/1099R Requests
4%	Service Purchase/Retirement Estimate Requests	5%	Service Purchase/Retirement Estimate Requests

Attachment

ACERA

YTD 2023 Member Services Service Level Report

Performance Indicators	January 2023 Member Services	February 2023 Member Services	March 2023 Member Services	April 2023 Member Services	May 2023 Member Services	June 2023 Member Services
KPI - Service Level (% of calls answered within 60 seconds)	90.37%	94.74%	97.37%	0.00%	0.00%	0.00%
Total Number of Call Offered	1524	1418	1823	0	0	0
Call Center Agent Handled Calls	1496	1406	1790	0	0	0
Number of Abandoned Calls	28	12	33	0	0	0
Average Hold Time Before Abandoned (minutes:seconds)	03:27	00:47	00:15	0:00	0:00	0:00
Abandoned Call Rate (Goal: 3% or less)	1.84%	0.85%	1.81%	0.0%	#DIV/0!	#DIV/0!
Average Talk Time (minutes:seconds)	04:35	04:42	04:29	0:00	0:00	0:00

Performance Indicators	July 2023 Member Services	August 2023 Member Services	September 2023 Member Services	October 2023 Member Services	November 2023 Member Services	December 2023 Member Services
KPI - Service Level (% of calls answered within 60 seconds)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Number of Call Offered	0	0	0	0	0	0
Call Center Agent Handled Calls	0	0	0	0	0	0
Number of Abandoned Calls	0	0	0	0	0	0
Average Hold Time Before Abandoned (minutes:seconds)	0:00	0:00	0:00	0:00	0:00	0:00
Abandoned Call Rate (Goal: 3% or less)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Average Talk Time (minutes:seconds)	0:00	0:00	0:00	0:00	0:00	0:00

YTD 2023

4692

Total Call Center Agent Handled Calls

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

- A. The following item will be addressed in Open Session, but the Board may go into Closed Session to receive advice from counsel, per Gov't Code § 54956.9(d)(2):**

Jean Luevano's Service-Connect Death Benefit Application (Deceased Member Kenneth Ryken): Consideration of Full Administrative Hearing Record, per Gov't Code § 31534(b).



Office of the Chief Counsel

To: Board of Retirement
From: Jeff Rieger, Chief Counsel 
Meeting: May 18, 2023
Subject: **Jean Luevano Service-Connected Death Benefit Claim Based On Death Of Spouse Kenneth Ryken**

Summary of Claim

General member Kenneth Ryken died from cardiac arrest on January 5, 2020. His surviving spouse, Jean Luevano, applied for service-connected surviving spouse benefits, per Gov't Code § 31787. She currently receives non-service-connected surviving spouse benefits. If the Board finds that Mr. Ryken's death was service-connected, Ms. Luevano will receive greater benefits and substantial tax advantages. The question before the Board is whether Ms. Luevano met her burden of proving that work-related stress "contribute[d] substantially" to Mr. Ryken's fatal cardiac arrest, per Gov't Code § 31720(a).

Medical Advisor's Recommendation

ACERA's Medical Advisor concluded that the claim file does not support a finding that Mr. Ryken's fatal cardiac arrest should be considered service-connected. Ms. Luevano appealed that finding to a Hearing Officer.

Office of County Counsel's Non-Opposition

The Office of County Counsel normally serves as a hearing advocate to oppose contested disability and death benefit applications. Sometimes that office declines to participate in a matter and it has declined to participate in this matter.

To establish a process that will lead to a sound proposed decision, the ACERA Legal Office hired the law firm Meyers Nave to serve as an advocate to oppose the application at the hearing. See *McIntyre v. Santa Barbara County Employees' Ret. Sys.* (2001) 91 Cal.App.4th 730, 734 ("the Board fulfills, rather than breaches, its fiduciary duties when it retains staff, lawyers, and doctors to represent it at benefit hearings.").

Procedural History

The Hearing Officer's Proposed Decision came before the Board, per Gov't Code § 31534, at the Board's April 20, 2023 meeting. At that meeting, the Board decided to "require a transcript or summary of all the testimony, plus all other evidence received by the referee. Upon the receipt thereof the board shall take such action as in its opinion is indicated by such evidence," per subdivision (b) of Section 31534.

Open Session Discussion

Disability applications that come before the Board are heard in closed session, but this matter will be heard in open session because the authority to hold closed sessions on disability applications (88 Ops. Cal. Atty. Gen. 16) does not apply to a death benefit claim.

Outside Counsel, Ashley Dunning, will be available to provide confidential legal advice. If the Board desires confidential legal advice, there will be a closed session with only the Trustees and Ms. Dunning.

Confidential Packet

All relevant documents are provided to the Board in its confidential packet to maintain the confidentiality of the records per Gov't Code § 31532. Although this matter will proceed in open session, the Trustees should feel free to ask whatever questions they believe they need to ask to reach a sound decision. The records provided to the Board are confidential under Gov't Code § 31532, but some waiver of confidentiality by Ms. Luevano is required to present her claim for service-connected death benefits. Ms. Luevano's counsel was informed that the content of the documents may be freely discussed in open session and he has not objected.

Board Options

At this meeting, the Board may make any of the following decisions:

1. Adopt the Proposed Decision as its own final decision and deny the application.
2. Grant the application and issue a written statement of findings of fact and decision.
3. Refer the matter back to the Hearing Officer for further proceedings.
4. Set the matter for a hearing before itself at a future date and decide on the matter as if it had not been referred to the Hearing Officer.
5. Take any other action the Board determines is appropriate to assist the Board in reaching a sound decision.

NEW BUSINESS

- 7.A. Motion that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2023-2024 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers' governing bodies.**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 18, 2023

TO: Members of the Board of Retirement

FROM: Lisa Johnson, Assistant Chief Executive Officer 

SUBJECT: **Participating Employers' Recommended Contributions to their Alameda County Employees' Retirement Association 401(h) Accounts for the 2023 - 2024 Fiscal Year**

Each year, the governing bodies of ACERA's Participating Employers authorize ACERA to establish a 401(h) account on their behalf. These accounts are funded by the Participating Employers with a portion of the normal annual contributions to ACERA. Simultaneously, after contributions are made in accordance with the County Employee Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfers that amount to the appropriate Employer Advance Reserve. This procedure provides retirees with contributions towards their Retiree Health Benefits (RHBs) on a tax-free basis in compliance with Internal Revenue Code Section (IRC) §401(h).

Background

Beginning with resolution 96-634 for the fiscal year ending June 30, 1996, the Alameda County Board of Supervisors has annually authorized County contributions to a 401(h) account to provide non-vested RHBs to retirees on a non-taxable basis. In accordance with the County's annual resolution, ACERA's actuary has estimated the cost to fund this account, and the County has paid these funds into the 401(h) account in conjunction with its annual normal retirement contribution payment.

In 2005, in an effort to limit its cost related to Other Post-Employment Benefits (OPEBs) the Alameda County Board of Supervisors adopted Resolution number R-2005-292. The resolution states: (1) the County's annual contribution to ACERA's 401(h) account be limited to costs related to non-vested OPEB benefits attributed to retired County employees, and (2) that contributions for retired employees of other ACERA member entities (e.g. Alameda County Medical Center now named Alameda Health System, Housing Authority and Livermore Area Recreation and Park District, etc.) were the responsibility of those entities. Subsequently, the Alameda County Housing Authority, the Alameda Health System (AHS), the Livermore Area Recreation and Park District (LARPD) and First Five-Alameda County Children and Families Commission (First 5) chose to establish their own 401(h) accounts. Alameda County includes the Alameda County Office of Education in the County's 401(h). In accordance with Government Code 71624, the Superior Court of California is also included in the County's 401(h). However, the Superior Court funds its own 401(h) contribution amount.

The Segal Company, ACERA’s actuary, projected that \$59,382,000 will be required in contributions for the 2023-2024 fiscal year. IRC § 401(h) limits the total contribution under the plan to 25% of total contributions. In the attached letter, The Segal Company confirmed that the estimate of the 401(h) contributions does not exceed the 25% limit of the total contribution under the plan imposed by the IRC Section 401(h).

The attached 401(h) Contributions Summary by Participating Employer schedule shows a percentage breakdown of the 401(h) expense by employer based on the number of retirees eligible for non-vested OPEB benefits. This percentage was applied to the projected 401(h) contributions total of \$59,382,000 and was adjusted by the estimated balance remaining in the 401(h) account, as of June 30, 2023 for fiscal year 2023-2024.

<u>Employer</u>	<u>Percentage</u>	<u>Net Contribution</u>
Alameda County	79.22%	\$39,864,430.01
AHS	13.80%	\$6,973,593.27
First 5	0.18%	\$92,703.29
Housing Authority	0.61%	\$306,399.56
LARPD	0.69%	\$346,595.87
<u>Superior Court</u>	<u>5.50%</u>	<u>\$2,777,430.04</u>
Total Net Contribution	100.00%	\$50,361,152.04

The estimated contributions for all Participating Employers include:

- Projected health premium subsidy increases of 3.125% for medical, 4.50% for Medicare Part B, and 4.00% for dental and 0.00% for vision;
- An additional 10% subsidy requirement for 2023-2024 to provide a margin for unexpected retirements (e.g., if the employer grants Golden Handshake benefits);
- Administrative expenses for health benefits

ACERA will send a letter to each of the Participating Employers requesting that their respective governing bodies pass a resolution to approve the funding of their 401(h) account in the upcoming fiscal year in the amount specified by ACERA’s actuary and adjusted by the balance remaining in their 401(h) account.

Recommendation

Staff recommends to the Board of Retirement that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2023-2024 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers’ governing bodies.

Attachment:

Memo from Segal

401(h) Contributions Needed for County and Special Districts FY 2023-2024

VIA E-Mail

April 17, 2023

Ms. Lisa Johnson
Assistant Chief Executive Officer
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
Oakland, CA 94612-1900

Re: 401(h) Contributions for the 2023-2024 Fiscal Year

Dear Lisa,

Pursuant to the Association's request, we have estimated the 401(h) contributions for the 2023-2024 fiscal year.

Results and Analysis

We project that, for the 2023-2024 fiscal year, the Association will need \$59,382,000 to provide medical benefit subsidies from the 401(h) account. The process used to determine the actual biweekly contribution amounts is discussed on page 2. Please note that as previously directed by ACERA, in developing the estimated 401(h) contribution amount, we have included the expenses related to the administration of health benefits for retirees.

The 401(h) funding requirement is developed as follows:

1. Total monthly premium subsidy paid by ACERA to all health benefit plan providers during the month of February 2023, projected to June 2023 by the Association (for comparison purposes only). \$4,009,000*
2. Annualized premium subsidy as of February 2023, projected to June 2023 (for comparison purposes only). \$48,108,000

* *Last year, the total monthly premium subsidy paid by ACERA to all health benefit plan providers for February 2022 and projected to June 2022 by the Association was \$3,937,000, or \$47,244,000 annualized. There is an increase in the projected monthly premium subsidy amount from last year to this year primarily as a result of an increase in the medical and dental premium subsidies from 2022 to 2023.*

- | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 3. | Best estimate of annualized premium subsidy required for 2023-2024 (based on actual payouts from July 2022 through February 2023 and estimated payouts from March 2023 through June 2023 provided by ACERA). Following the Association's current practice, we have assumed that the Retirement Board will increase the Monthly Medical Allowance at the rate equal to one-half of the lowest medical trend assumption for the non-Medicare and Medicare Advantage plans. We have assumed that the Medicare Part B, dental and vision subsidies will increase at the full rate of the trend assumption for those plans for calendar year 2023 (as assumed in the December 31, 2021 SRBR valuation). The assumed increases in the subsidy calculation are 3.125% for medical ¹ , 4.50% for Medicare Part B, 4.00% for dental and 0.00% for vision plans. | \$52,343,000 |
| 4. | Increase of 10% in Item 3 to provide a margin for unexpected retirements rounded to nearest \$1,000. | \$5,234,000 |
| 5. | Administrative expenses for health benefits, rounded to nearest \$1,000. | \$1,805,000 ² |
| 6. | Sum of Items 3, 4, and 5. | \$59,382,000 |

Important Assumptions Regarding Anticipated Change In Health Premium Subsidy

Except for the projected health premium subsidy increases described above, we have not assumed any other changes in the level of subsidy from 2022-2023 to 2023-2024. Our estimate will have to be revised if the Retirement Board later decides to amend the level of benefits.

401(h) Contributions

The actual required contributions for the 2023-2024 fiscal year should be determined by subtracting the June 30, 2023 balance in the 401(h) account from the \$59,382,000. We understand that this net amount will be contributed to the 401(h) account on a biweekly basis by the employers and the Association will transfer a like amount from the Supplemental Retirees Benefit Reserve to the Employer Advance Reserve.

¹ This is based on 50% of the 6.25% trend assumption used to project the increase for Medicare Advantage plans from calendar year 2023 to calendar year 2024, as described in our health care cost trend letter dated May 13, 2022 for the December 31, 2021 SRBR sufficiency valuation. The medical trend assumptions in our draft letter dated March 28, 2023, recommended for the December 31, 2022 sufficiency valuation, will be applied in the 401(h) contribution estimate for the 2024-2025 fiscal year.

² As part of the determination of the 401(h) contributions for the 2022-2023 fiscal year, we followed the directions from the Association (as provided in the past) to use the actual 2021 calendar year expense as a proxy for the 2022-2023 fiscal year. We have maintained this procedure and have used the actual 2022 calendar year expense as a proxy for the 2023-2024 fiscal year expense.

As instructed by the Association, we have provided a breakdown of the 401(h) expense by employer in the following table. We understand that the breakdown has been compiled by the Association as of February 2023, based on the number of retirees eligible for retirement benefits.

Employer	Percentage of 401(h) Contributions
Alameda County*	79.22%
Health System	13.80%
Superior Court	5.50%
Livermore Area Recreation and Park District	0.69%
Housing Authority	0.61%
First 5	0.18%
Total	100.00%

**As in years past, retirees from the Office of Education and the Alameda County Fire Department are included in the County's percentage by ACERA.*

Under IRC Section 401(h), medical benefits must be "incidental" to the retirement benefits under a plan. Section 401(h) indicates that medical benefits will be considered "incidental" if the contributions for medical benefits are less than 25% of the total contributions under the plan (excluding unfunded actuarial accrued liability (UAAL) payments). We believe that the transfer from the Supplemental Retirees Benefit Reserve should be treated as an offset to the UAAL contribution requirement (to the extent that the net UAAL payment after the offset is still positive), which means that in a given year the medical contributions can be up to 25% of the total Normal Cost contributions.

In the following table, we demonstrate that the value of the medical benefits is in compliance with the above requirement. Please note that as the Retirement Board has not yet adopted the contribution rates for the December 31, 2022 pension funding valuation, we have continued to apply the average employer and employee contribution rates calculated in the last valuation, that is, as of December 31, 2021, to the payroll calculated in that valuation, increased by 3.25% to reflect one year of projected payroll growth.

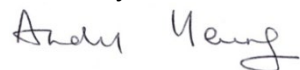
Source of Contributions	Estimated Amount (\$millions)
Employee Normal Cost (based on an aggregate member rate of 10.00% calculated in the December 31, 2021 valuation and an estimated payroll of \$1,244 million)	\$124.4
Employer Normal Cost (based on aggregate employer normal cost rate of 10.87% calculated in the December 31, 2021 valuation and an estimated payroll of \$1,244 million)	\$135.2
Recommended 401(h) Medical Contributions	\$59.4
Total Normal Cost and Recommended 401(h) Medical Contributions	\$319.0
Ratio of 401(h) Contributions to the Total Normal Cost Contributions and Recommended 401(h) Medical Contributions	18.6% ³

These calculations were prepared under our supervision. Except as noted above, the calculations are based on the December 31, 2021 actuarial pension funding valuation results including the membership data and the non-health care cost trend actuarial assumptions on which that valuation was based, and the health care cost trend assumptions letter dated May 13, 2022.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary



Mary Kirby, FSA, FCA, MAAA
Senior Vice President and Consulting Actuary

JL/hy

cc: Eva Hardy
Katherine Martinez

³ This ratio was 18.6% as provided in our 401(h) contributions letter for the 2022-2023 fiscal year.

401(h) Contributions needed for County and Special Districts - For the Fiscal Year 2023-24

Employer	Percentage of 401(h) Contribution	Paid Interval	Actuarial 401(h) Account Balance Required for FY 2023-24	Est. 401(h) Balance as of 6/30/2023	FY 2023-24 Required 401(h) Contribution Amount	FY 2023-24 Per Pay Period 401(h) Payment	Monthly Payment 2 PP	Sept '23 & Mar '24 3 PP	Oct '23 & Apr '24 3 PP	Required Adm. Allocation 2023-24	
										Total	Monthly Adm. Allocation
Alameda County	79.22%	Bi-Weekly (26 PP)	\$ 47,042,420.40	\$ 7,177,990.39	\$ 39,864,430.01	\$ 1,533,247.31	\$ 3,066,494.62	\$ 4,599,741.93	\$ 3,066,494.62	\$ 1,805,000.00	\$ 119,160.08
AHS	13.80%	Bi-Weekly (26 PP)	8,194,716.00	1,221,122.73	6,973,593.27	\$ 268,215.13	\$ 536,430.26	\$ 804,645.39	\$ 536,430.26	\$ 249,090.00	\$ 20,757.50
Superior Court	5.50%	Bi-Weekly (26 PP)	3,266,010.00	488,579.96	2,777,430.04	\$ 106,824.23	\$ 213,648.46	\$ 320,472.69	\$ 213,648.46	\$ 99,275.00	\$ 8,272.92
Livermore Area Recreation & Park District	0.69%	Bi-Weekly (26 PP)	409,735.80	63,139.93	346,595.87	\$ 13,330.61	\$ 26,661.22	\$ 26,661.22	\$ 39,991.83	\$ 12,454.50	\$ 1,037.88
Housing Authority	0.61%	Bi-Weekly (26 PP)	362,230.20	55,830.64	306,399.56	\$ 11,784.60	\$ 23,569.20	\$ 23,569.20	\$ 35,353.80	\$ 11,010.50	\$ 917.54
First 5	0.18%	Bi-Weekly (26 PP)	106,887.60	14,184.31	92,703.29	\$ 3,565.51	\$ 7,131.02	\$ 10,696.53	\$ 7,131.02	\$ 3,249.00	\$ 270.75
Total	100.00%		\$ 59,382,000.00	\$ 9,020,847.96	\$ 50,361,152.04	\$ 1,936,967.39	\$ 3,873,934.78	\$ 5,785,786.96	\$ 3,899,049.99	\$ 1,805,000.00	\$ 150,416.67

Per SEGAL letter dated [April 17, 2023](#) required amount \$ 59,382,000.00

** Please see attached payment schedule.

Prepared by: Hema - 4/20/23

Reviewed by: Hermella - 4/20/23

NEW BUSINESS

- 7.B. Discussion and Possible Motion to Hold the Operations, Retirees, and Investment Committee Meetings on the Same Day Each Month in Order to Streamline the Number of Board and Committee Meetings Days to Two Days Each Month.**



*Office of the Chief Executive Officer
Office of Administration*

DATE: May 18, 2023

TO: Members of the Board of Retirement

FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Committee/Board Meeting Day Consolidation to Twice Monthly

Background:

The proposal being introduced today is to hold the Operations Committee, the Retirees Committee, and the Investment Committee on the same day each month. Currently, the Board of Retirement and its Committees are generally scheduled to meet on three separate days each month. The Operations and the Retirees Committees meet on the first Wednesday of every even month, except when other needs require more frequent meetings. The Investment Committee meets on the second Wednesday each month. The other committees meet on the same day as the Board meeting whenever needed, if they can be accommodated on that day.

These committee meeting days are not set in policy, but are included in the Committee Charters, and are published on the ACERA Website. With the return to in-person Board and Committee meetings, it is proposed that consolidating all meetings to two days each month will reduce travel inconvenience and cost for Trustees and Customers, and promote greater attendance by limiting the number of days a Trustee or Customer will need to set aside for ACERA activities. In terms of other CERL systems, they generally conduct their business on one to two days per month, though no formal study was conducted.

Administratively, there are some minor advantages to consolidation. It is up to one less day each month where leaders and others are not focused on Committee work. Generally, little work gets scheduled on Committee days due to the uncertainty of how long they will last. It may be preferable internally to combine the meetings to the first Wednesday as occasionally the short turn-around time between the Investment Committee and the Board meeting has impacted the ability to publish approved committee minutes by the monthly Board meeting.

Summary:

How the Board chooses to conduct their monthly business is entirely of your own choice. Additionally, the Board could make changes on a trial basis, and modify based upon the effectiveness of the change. If you do make a change, we will bring back updated Committee Charters for approval.

NEW BUSINESS

7.C. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: May 18, 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 are currently scheduling Meet and Confer meetings with our employee representative groups.

Conference/Event Schedule

On June 12-14 I will be teaching at the CALAPRS Management Academy in Pasadena.

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. We are attempting to schedule Meet and Confer meetings to present our plan. 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.

Business Planning Update

The Strategic Plan was adopted in December 2022. Staff has identified projects to undertake to support the Strategic Plan. Attached is a list of updates for each of the projects.

Legislative Update

I have included in the packet a monthly Legislative Update from the SACRS Lobbying Firm which discusses bills of interest and their status.

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> As of March of 2023: We were .04% short of the benchmark.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2022 approved budget</i> As March of 2023: 2% 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 1st Quarter of 2023: 100%

**ACERA 2023-2024 BUSINESS
PLANNING PROJECTS UPDATE**

1. General Investment Consultant (GIC) RFP
Goal 1 (Sept. 2022 – Sept. 2023)

During the May 17th ICM the Investment Team will presented an update on the status of the GIC RFP. The update is an information item, sharing with the committee the five General Investment Consultant RFP candidates. Next milestones will be reviewing and scoring the RFP proposals then preparing a recommendation of finalists based on scores. The recommendations will be presented at the June 14th ICM.

2. Investment License Services for Private Market & Subscription
Goal 1 (Jul. 2023 – Dec. 2023)

The Investment Operations Team has a goal of obtaining direct access to the Cambridge Associates Private Benchmark data through IHS Markit. This vendor can provide the ACERA, or State Street Bank Performance Team the necessary access to aid in providing timely benchmark performance reporting monthly. We have begun communication outreach to restart the conversation with IHS Markit to understand any service level or price changes for the subscription since the last conversation of over a year ago.

3. Comprehensive Pension Administration System PG3 training
Goal 2 (May 2023 – Fall 2024)

This month the pilot phase of the PG V3 Training Project kicked off to review available PG V3 and On-Base resources for training and to review current procedure documents which will lay the groundwork for updated procedures and training material. The pilot focus is in the area of redeposits. Once the pilot is completed, a timeline will be developed to update other procedures and training materials prior to going with V3 live in 2024.

4. Review Workforce Excellence (WFE) Processes and Tools
Goal 2 (Oct. 2022 – Dec. 2023)

For this project, we are currently finalizing what the deliverables will be for the end of the year. Thus far the following deliverables have been identified:

1. Updated WFE training materials and templates from those previously created by HR and the other departments
2. Perform review and analysis of annual evaluation and monthly coaching tracking:
 - a. To possibly re-engineer or,
 - b. Seek a better technical solution
3. Research a place to better house HR documents, seeking a solution that meets the various needs of HR, leaders, and team-members

We are putting together a Project Team now, but the next step after initial scoping is to reach out to each department to determine their needs (related to the above). The end goal, completed by the end of this year, is to have a plan to implement the above in 2024.

**5. Continuation of PAS Upgrade to PG3 & 6. On-Base Case Management
Goal 2 (Complete in August 2024) & Goal 3**

Our pension administration system vendor, LRS is currently developing the functionality for Design Phase 4 of the project. Training and testing will begin in July. LRS has also proposed a change to the project timeline which will push the go-live date to August of 2024. This change will allow development for the member and employer portals to be ready for use at the same time rather than three to six months later as previously scheduled.

Management has agreed to this approach of allowing all functionality for staff, members and employers to be utilized simultaneously instead of serially.

For On-Base process improvement and PG V3 Integration: We are targeting the completion of the Active Death Process which will feature an updated Death Payment Election Letter designed to cover all death payment scenarios using the On-Base correspondence automation. We will initiate development discussions in June for this work.

Process Improvement Discussions are underway for the New Member Enrollment Process using PG V3 'Member Direct' functionality. The Medicare Age-In process discussions will finalize this June to clarify development plans using Pension Gold V3 and/or On-Base Correspondence and Reporting Capabilities. We have a new Reporting Dashboard for Counseling that is helping us track timely completion of Benefit Estimate Requests/SRA application in preparation for counseling our members. Some updates to the design and visual representation of the data is being provided by the business units to continuously improve capability.

**7. Board packet meeting software review, analysis, selection and implementation.
Goal 2 (Fall 2022 – Fall 2023)**

In our efforts to review, select and implement Board software for trustees, managers, and administration staff to make it easier to put together, distribute, and secure Board items such as agendas and minutes we have reached the following milestones: The Board Effects Software Platform was enabled, a test environment has been created and system administrator training completed. Next steps are to provide training to administrative staff and invite Trustee participation in pilot testing in the coming weeks.

**8. Research Agency Intranet Solution for internal Document management
Goal 3 (Spring 2023 – Fall 2024)**

The scope of this project entails housing critical documentation in an organized and searchable repository along with other collaborative capabilities internal to ACERA. The requirements gathering phase of this project will kick-off in late Spring.

9. Research expense S/W subscription options**Goal 3 (Mar. 2023 – Jun. 2023)**

Two products are under evaluation. We are in the process of reviewing requirements, administration needs, and integration capability with our systems.

10. Product analysis for GP upgrade or similar Accounting Software**Goal 3 (Aug. 2023 – Dec. 2024)**

This project is in the scope development phase. The goal is to perform product analysis for an upgrade to the latest version of the Great Plains Accounting software or a comparable product. For a Great Plains upgrade, we are considering two possible upgrade paths: 1) migrating to Great Plains' cloud product or 2) upgrading the current version of Great Plains to the most current version. The overall goals are to modernize and provide process efficiencies.

11. New Member onboarding**Goal 4 (Complete by Fall 2023)**

A New Member Enrollment process is under development using employer transmittals as certification for eligibility rather than a form. This will include the creation of communication regarding ACERA membership benefits and forms to use for informing ACERA of any prior service which may qualify members for reciprocity or legacy plan membership as well as the ability to nominate beneficiaries.

Staff is using Lean methodology to systematically identify and eliminate waste in the onboarding process, streamlining it for new members and employers, as well as reducing ACERA resources. The team continues to analyze the current process, reviewing requirements, and doing a gap analysis to determine what areas we will need or want to improve.

12. Communications Methods**Goal 4 (Apr. 2023 – Dec. 2023)**

As part of the first stage of the New/Continuing Member Communications Plan, staff has drafted a script for an 8-minute introductory video entitled 'Getting Started with Your Retirement Benefits' to be shown during employer orientations. Before producing the video, staff will test the script live during upcoming county orientations and hone the language based on live feedback. The final video will be animated with digital graphics for maximum engagement and for ease of re-editing in the future. Staff is also developing an accompanying flyer that will reinforce lessons from the video.

LEGISLATIVE UPDATE



May 5, 2023

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – May 2023**

General Update

The Legislature just wrapped up policy committee hearings for fiscal bills in the first house. The weeks immediately preceding the April 28 policy committee deadline are arguably the busiest of the Legislative session, as committees work to analyze and hold hearings for most of the bills introduced thus far while simultaneously conducting hearings on the proposed state budget. As noted in previous reports, more bills were introduced this year than in recent years, leading to several late-night policy committee hearings the week of the deadline.

Non-fiscal bills have until today, May 5, to be heard in policy committee before going to a vote on the Floor of the first house.

The next legislative milestone is the fiscal committee deadline, where fiscal bills must be heard in the Appropriations Committee in the first house. A large proportion of the bills in either house's Appropriations Committee will get placed on the Committee's "suspense file" that will be dispensed with the day before the fiscal committee deadline of May 19. It is at this point in the Legislative process that we typically see the narrowing of bills that continue to move forward. The number of bills held back by this committee may be higher than in recent years given the increasingly dismal budget projections.

The Governor is set to announce his 2023-24 May Revision of the budget in mid-May. Recent estimates anticipate that we will see the projected budget deficit increase further from the \$22.5 billion figure announced in January. Given the delayed tax return deadline, California's budget situation will continue to remain largely unknown.

Legislation of Interest

SB 885 (Committee on Labor, Public Employment and Retirement). This is the annual committee omnibus bill that contains various cleanup provisions for

CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive, technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

The bill is in the Senate Appropriations Committee.

AB 1020 (Grayson) – CERL Disability Presumptions. This bill would establish several new disability retirement presumptions for various injuries and illnesses in the CERL, similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters. SACRS has provided a series of technical clarifications to the sponsors for their consideration.

The bill is in the Senate.

SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment. Senator Gonzalez reintroduced 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 a package of climate legislation.

This bill was placed on the Suspense File in the Senate Appropriations Committee.

SB 660 (Alvarado-Gil) - CA Public Retirement System Agency Cost and Liability Panel. This bill would establish the CA Public Retirement System Agency Cost and Liability Panel that would be tasked to determine how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same retirement system or concurrently retires with two or more systems that have entered into a reciprocity agreement. The panel would include a member from the State Association of County Retirement Systems (SACRS).

This bill was placed on the Suspense File in the Senate Appropriations Committee.

Public Meeting Bills

AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension. This bill would remove the sunset in current law to allow teleconferencing during certain emergencies 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. This bill passed out of the Assembly Local Government Committee and is pending a vote on the Assembly Floor.

AB 817 (Pacheco) – Open Meeting Flexibility for Subsidiary Bodies. This bill allows subsidiary bodies to use teleconferencing without regard to a state of emergency if they

meet certain requirements. Subsidiary bodies are bodies that serve in an advisory capacity and do not take final action on specified items.

Due to concerns from the Chair of the Assembly Local Government Committee, this bill was not heard in the committee and will not move further this year.

AB 1379 (Papan) - Teleconference Flexibilities. AB 1379 expands various flexibilities for local agencies under the Brown Act including, but not limited to, relaxing requirements for posting teleconference locations, relaxing certain quorum requirements, removing the existing January 1, 2026 sunset date of flexibilities in current law, removing restrictions that prohibit members from participating remotely for more than two meetings a year, among other changes. The bill also requires that a legislative body have at least two meetings a year where members are in person at a single designated location.

Due to concerns from the Chair of the Assembly Local Government Committee, this bill was not heard in the committee and will not move further this year.

SB 537 (Becker) - Teleconference Flexibilities. This bill would allow expanded teleconference flexibilities for multijurisdictional, cross county legislative bodies if certain requirements are met, along with adding to the list of circumstances where a member is permitted to participate remotely.

This bill passed out of the Senate Governance and Finance Committee in April after being narrowed considerably, including allowing remote participation only if the meeting location is more than 40 miles one way from the member's home, among other requirements that limit the flexibilities in the bill. The new amendments make the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and proposed amendments to clarify that local retirement systems are covered by the bill.

The bill will go to a vote of the full Senate next.

12. CLOSED SESSION:

- B. Significant exposure to litigation and potential initiation of litigation, pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9: (two potential cases).**

IF THERE ARE ANY MATERIALS TO BE DISTRIBUTED FOR AGENDA ITEM 12.A. ABOVE, THEY WILL BE DISTRIBUTED UNDER SEPARATE COVER.