



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

NOTICE and AGENDA

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

ACERA MISSION:

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

**Thursday, May 19, 2022
 2:00 p.m.**

ZOOM INSTRUCTIONS	BOARD OF RETIREMENT - MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Webinar ID: 879 6337 8479 Passcode: 699406 Call-In Number: 1 (669) 900-6833 US For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	JAIME GODFREY	APPOINTED
	CHAIR	
	LIZ KOPPENHAVER	ELECTED RETIRED
	FIRST VICE-CHAIR	
	OPHELIA BASGAL	APPOINTED
	SECOND VICE-CHAIR	
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
HENRY LEVY	TREASURER	
KELLIE SIMON	ELECTED GENERAL	
GEORGE WOOD	ELECTED GENERAL	
NANCY REILLY	ALTERNATE RETIRED¹	
DARRYL WALKER	ALTERNATE SAFETY²	

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

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

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

The order of agendized items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT CALENDAR:

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

A. REPORT ON SERVICE RETIREMENTS:

Appendix A

B. LIST OF DEFERRED RETIREMENTS:

Appendix B

C. LIST OF DECEASED MEMBERS:

Appendix C

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

None

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

Appendix E

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

None

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

April 21, 2022 Governance Committee Minutes

April 21, 2022 Actuarial Committee Minutes

April 21, 2022 Audit Committee Minutes

April 21, 2022 Minutes of the Regular Board Meeting

H. MISCELLANEOUS:

- *Proposed Findings Regarding State of Emergency Pursuant to Gov't Code §54953(e)(3):*
Staff Recommendation: The Board finds that it has reconsidered the circumstances of the state of emergency and (1) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (2) state or local officials continue to impose or recommend measures to promote social distancing.
- *Approve Staff Recommendations regarding County of Alameda's New Pay Items/Codes:*
 - *Incentive Mental Health Specialist/Rehabilitation Counselor – 744*
 - *Incentive Behavioral Clinician Health I – 745*
 - *Incentive Behavioral Clinician Health II – 746*
 - *Incentive Behavioral Health Clinical Supervisor – 747*
 - *Incentive Behavioral Health Clinical Manager – 748*
 - *Incentive Assistant Director, Forensic, Diversion & Re-Entry – 749*
- *Operating Expenses as of 3/31/22*
- *Quarterly Cash Forecast as of 3/31/22*
- *Quarterly Unaudited Financial Statements as of 3/31/22*
- *Board Conference Expense Report as of 3/31/22*
- *Senior Manager Conference & Training Report as of 3/31/22*
- *Quarterly Report on Member Under/Overpayments*
- *1st Quarter Call Center Report*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY AND DEATH BENEFIT CLAIMS

None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Investment: [See May 19, 2022 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of May 19, 2022 Meeting.
2. Motion to approve amendments to ACERA's General Investment Guidelines, Policies and Procedures.
3. Motion to approve an additional Investment of up to \$50 million in PRISA III as part of ACERA's Real Estate Portfolio – Value Added.

B. Actuarial: [See May 19, 2022 Actuarial Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of May 19, 2022 Meeting.
2. Motion to adopt the Actuarial Valuation and Review as of December 31, 2021 (The Segal Group).

C. Audit: [See May 19, 2022 Audit Committee Agenda Packet for Public materials related to the below listed items.]

1. Summary of May 19, 2022 Meeting.
2. Motion to approve the December 31, 2021 Audited Financial Statements and Independent Auditor’s Report.
3. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2021 (The Segal Group).
4. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2021 (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 2022-2023 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 about the possible formation and scope of a new Ad Hoc Environmental, Social, and Governance (ESG) Committee.

C. Chief Executive Officer’s Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, June 16, 2022 at 2:00 p.m.

12. CLOSED SESSION:

- A. Existing Litigation pursuant to Government Code Section 54956.9(d)(1):
Alameda Health System v. ACERA, San Francisco County Superior Court,
Case No. CGC-19-516795.

13. REPORT ON ACTION TAKEN IN CLOSED SESSION

14. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

AGERS, Rhonda
Effective: 2/26/2022
Assessor

CANALIN, Philip
Effective: 3/5/2022
Health Care Services Agency

ALFONSO, Leony
Effective: 3/5/2022
Alameda Health System

CARMINER, Joycelyn
Effective: 3/19/2022
Social Services Agency

BASS, April
Effective: 2/12/2022
Alameda Health System

COLGAN, Stephen
Effective: 3/19/2022
Health Care Services Agency

BAUTISTA, Alex
Effective: 2/26/2022
Public Works Agency

CORONA, Javier
Effective: 3/19/2022
Sheriff's Department

BECKER, Barbara
Effective: 3/19/2022
Health Care Services Agency

CRAWFORD, Paul
Effective: 2/19/2022
Public Works Agency

BLACKMON, Charlene
Effective: 3/17/2022
Sheriff's Department

DE RIO, Virginia
Effective: 3/19/2022
Sheriff's Department

BOWIE, Sharlene
Effective: 3/5/2022
Child Support Services

DELA CRUZ, Susana
Effective: 2/19/2022
Treasurer-Tax Collector

BRADBERRY, Peggy
Effective: 3/4/2022
Alameda Health System

DE LA CRUZ, Wilfredo
Effective: 3/5/2022
Treasurer-Tax Collector

BRAUN, Eduard
Effective: 2/19/2022
Probation Department

DETTERTMAN, Karel
Effective: 3/18/2022
Health Care Services Agency

BRIGHAM, Robert
Effective: 3/20/2022
Probation Department

DOOLEY, Mary
Effective: 3/12/2022
District Attorney

BROAS, Teresita
Effective: 3/18/2022
Retirement (ACERA)

DOWNIE, Margaret
Effective: 3/1/2022
Superior Court

BROCK, Gregory
Effective: 3/15/2022
Zone 7

ESPINOSA, Lupe
Effective: 3/15/2022
Child Support Services

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

FERRRIRA, Mary
Effective: 2/5/2022
Superior Court

LAHAIE, Keith
Effective: 3/31/2022
Public Works Agency

FORD, Michael
Effective: 3/1/2022
Information Technology Department

LAM, Chui-Chun
Effective: 3/5/2022
Health Care Services Agency

FRANCK, Catherine
Effective: 3/5/2022
Health Care Services Agency

LEDDA, Marianne
Effective: 2/15/2022
Library

GATISON, Marva
Effective: 3/2/2022
Social Services Agency

LOZANO, Frank
Effective: 3/6/2022
Probation Department

GLEASON, Mark
Effective: 3/5/2022
Sheriff's Department

MAFNAS, Eugene
Effective: 3/5/2022
Assessor

GRAVER, Douglas
Effective: 2/2/2022
Zone 7

MAPES, Denise
Effective: 2/19/2022
Alameda Helath System

HITOMI, Brian
Effective: 3/5/2022
Assessor

MARTIN, Tamiko
Effective: 3/5/2022
Probation Department

IZON, Ruben
Effective: 12:00:00 AM
Public Works Agency

MC KENZIE, Howard
Effective: 3/18/2022
Sheriff's Office

JAMES, Autrey
Effective: 3/19/2022
District Attorney

MC ADAMS, Norman
Effective: 1/25/2022
Sheriff's Department

JUDY, Caroline
Effective: 2/9/2022
General Services Agency

MOLLOY, Michael
Effective: 3/5/2022
Sheriff's Department

KING, Charles
Effective: 3/19/2022
Probation Department

MONEZ, Vicki
Effective: 3/19/2022
District Attorney

KLAUS, David
Effective: 3/19/2022
Public Defender

ORTEGA-MENDEZ, Patricia
Effective: 3/12/2022
Superior Court

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

OTSUKA, Andrew
Effective: 2/19/2022
Public Works Agency

SENG, Vanny
Effective: 3/19/2022
Health Care Services Agency

PARRIS, Emilio
Effective: 2/19/2022
Social Services Agency

SHAVER, Joseph
Effective: 3/19/2022
Zone 7

PAYNE, Colleen
Effective: 2/19/2022
Health Care Services Agency

SOUSA, Steven
Effective: 3/19/2022
Public Works Agency

PIERCE, Cecelia
Effective: 2/19/2022
Superior Court

STRICKLAND, Craig
Effective: 2/19/2022
Sheriff's Department

RACHAL, Andre
Effective: 3/19/2022
District Attorney

VANDEUSEN, Lawrence
Effective: 3/19/2022
Library

RAZAVI, Madeline
Effective: 3/5/2022
Social Services Agency

WARREN, Kenya
Effective: 3/14/2022
Social Services Agency

RODRIGUES, Delores
Effective: 2/16/2022
Alameda Health System

WHITE, Paula
Effective: 3/5/2022
Superior Court

SALES JR., Robert
Effective: 3/19/2022
Public Works Agency

WOODS, Debbie
Effective: 3/5/2022
Human Resource Services

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

O'BRIEN, Olivia M.
Sheriff's Department
Effective Date: 4/6/2022

SREY, Beerangsey
General Services Agency
Effective: 3/18/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

ANGULO, Leonides
Social Services Agency
4/11/2022

COPEES, Deborah
Superior Court
3/18/2022

ASAI, Yoneko
Social Services Agency
3/31/2022

CULPEPPER, James
Probation Department
4/23/2022

AVILLA, Shirley
Non-Mbr Survivor of Manuel Avilla,jr
3/27/2022

DE VERA, Norma
Non-Mbr Survivor of Jacobo De Vera
4/10/2022

BAKER, Luretha
Social Services Agency
3/20/2022

DENNY, Robert
District Attorney
4/2/2022

BARGANEY, Harold
Probation Department
4/15/2022

DIXON, Yvonne
Social Services Agency
4/22/2022

BARLOW, Richard
Sheriff's Department
4/21/2022

ESTELLER, Nancy
General Services Agency
3/22/2022

BELLINGER, Janis
Public Defender
4/10/2022

FLEGAL, Barbara
Alameda Health System
3/10/2022

BOSTER, Linda
Probation Department
4/19/2022

FRIAS, Paz
Alameda Health System
4/24/2022

CAMPBELL, Emma Dell
Alameda Health System
4/7/2022

GLASS, Mary
Sheriff's Department
3/22/2022

CARTER, Lenora
Alameda Health System
4/23/2022

HANCOCK, J D
Environmental Health
4/6/2022

CHAVEZ, Ella
Non-Mbr Survivor of Maguin Chavez
4/1/2022

HANSON, Jean
Health Care Services Agency
3/28/2022

COLEMAN, William
Social Services Agency
4/18/2022

HARRIS, Jacob
Non-Mbr Survivor of Zetta Harris
4/5/2022

**APPENDIX C
LIST OF DECEASED MEMBERS**

HEIDENREICH, Paul
Superior Court
4/8/2022

MABINI, Ruben
Non-Mbr Survivor of Lourdes Mabini
4/25/2022

KELLY, John
Public Defender
3/23/2022

MYERS, Kenise
Sheriff's Department
3/28/2022

KILER, Diane
Auditor-Controller
4/1/2022

RICH, Paul
Health Care Services Agency
3/26/2022

LEDESMA, Thomas
Social Services Agency
4/26/2022

SOARES, Ramona
Probation Department
3/28/2022

LINN, George
Alameda Health System
4/5/2022

STEPHENS, Winfred
Probation Department
4/1/2022

WATSON, Annie
Health Care Services Agency
3/25/2022

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

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

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

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

Name: Landry, Pamela
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. Landry application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

Name: Sawyerr, Taiwo
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. Sawyerr’s application for a service-connected disability, and waiving future annual medical examinations and questionnaires.

April 21, 2022
Minutes of the Regular Board Meeting
For approval under May 19, 2022
Board “Consent Calendar”



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

Thursday, April 21, 2022

First Vice-Chair Liz Koppenhaver called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal (*Arrived After Roll Call*)
Keith Carson
Tarrell Gamble
Liz Koppenhaver
Henry Levy (*Arrived After Roll Call*)
Kellie Simon
George Wood
Nancy Reilly (*Alternate*)
Darryl Walker (*Alternate*)

Trustees Excused: Jaime Godfrey

Staff Present: Victoria Arruda, Human Resource Officer
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer-Benefits
Jessica Huffman, Benefits Manager
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
Lisa Johnson, Chief Executive Officer-Operations
David Nelsen, Chief Executive Officer
Jeff Rieger, Chief Counsel
Betty Tse, Chief Investment Officer

Staff Excused: Erica Haywood, Fiscal Services Officer

PUBLIC INPUT

None.

CONSENT CALENDAR
REPORTS AND ACTION ITEMS

REPORT of APPLICATIONS FOR SERVICE RETIREMENT

Appendix A

APPROVAL of APPLICATIONS FOR RETIREMENT, DEFERRED

Appendix B
Appendix B-1

APPROVAL of APPLICATIONS FOR DEFERRED TRANSFER

None

LIST OF DECEASED MEMBERS

Appendix D

APPROVAL of REQUEST FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT

None

APPROVAL of STAFF RECOMMENDATIONS (UNCONTESTED) FOR DISABILITY RETIREMENTS

Appendix F

APPROVAL of HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS

None

APPROVAL of BOARD and COMMITTEE MINUTES

March 17, 2022 Minutes of the Regular Board Meeting
April 6, 2022 Operations Committee Minutes
April 6, 2022 Retirees Committee Minutes
April 13, 2022 Investment Committee Minutes

MISCELLANEOUS MATTERS

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

22-21

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

DISABILITY AND DEATH BENEFIT CLAIMS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Operations:

Ophelia Basgal gave an oral report stating that the Operations Committee met on April 6, 2022 and that Staff recommended to the Committee that the Board approve new contract negotiations with the Managed Medical Review Organization (MMRO) for Medical Advisor and Disability Claims Management Services. It was noted that the only proposal Staff received was from MMRO.

22-22

It was moved by Ophelia Basgal and seconded by Dale Amaral that the Board approve new contract negotiations with the Managed Medical Review Organization (MMRO) for Medical Advisor and Disability Claims Management Services for five years. The motion carried 7 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Levy was not present for the vote on the motion.*

Trustee Basgal further reported that the Committee discussed the following Information Items: *1) Statement of Reserves as of 12/31/21; and 2) Operating Expenses as of 02/29/22.*

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

Retirees:

Liz Koppenhaver gave an oral report stating that the Retirees Committee met on April 6, 2022 and that there were no action items. However, the Committee discussed the following Information Items: *1) Supplemental Retiree Benefit Reserve (SRBR) Financial Status; 2) Via Benefits 2021 Year in Review; 3) Report on SRBR Benefits Survey Results; 4) Semi-Annual Report on ACERA's Wellness Program; and 5) Miscellaneous Updates.*

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

Investment:

Tarrell Gamble gave an oral report stating that the Investment Committee met on April 13, 2022 and that the Committee reviewed and discussed the Qualified List of Candidates for ACERA’s Emerging Markets Equity Manager Search – International Equities. The top firms recommended to the Committee (in alphabetical order) were: **1)** Baillie Gifford & Company; **2)** Fidelity Institutional Asset Management; **3)** Wellington Management Company; and **4)** William Blair Investment Management.

22-23

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Board approve the Qualified List of Candidates for ACERA’s Emerging Markets Equity Manager Search – International Equities. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.

During the Investment Committee meeting, Staff reported on the following Information Items: **1)** Proposed Amendments to ACERA’s General Investment Guidelines, Policies and Procedures; **2)** Traditional Asset Allocation and Investment Strategy Review for the period ending December 31, 2021 – Public Markets; and **3)** Update on Ares Senior Direct Lending Fund II in Response to the Public Comment Made at ACERA’s Board Meeting on March 17, 2022.

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

Governance:

George Wood gave an oral report stating that the Governance Committee met earlier today and that the Committee discussed proposed revisions to the *Board and Committee Operations Policy*.

22-24

It was moved by George Wood and seconded by Dale Amaral that the Board adopt the revisions to the *Board and Committee Operations Policy*, as shown in the redline in the Governance Committee agenda packet, except (1) the Board should include a single list on its Consent Calendars for Deferred Retirements (and eliminate the list for “Application for Deferred Transfer”); (2) the Board should not adopt the proposed language regarding the Board’s ability to take final action at committee meetings; and (3) the Board should not adopt the proposed language that would provide committees with more flexibility to make recommendations to the Board regarding informational items.. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Wood also reported that the Committee discussed Mr. Rieger's recommended revisions to the *Board Elections Policy*.

22-25

It was moved by George Wood and seconded by Ophelia Basgal that the Board adopt the revisions to the *Board Elections Policy*, as shown in the redline in the Governance Committee agenda packet.. The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Wood further reported that the Committee discussed an Information Item regarding the 2022 Governance Committee Work Plan.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 19, 2022 Board meeting.

Actuarial:

Ophelia Basgal gave an oral report stating that the Actuarial Committee met earlier today and that there were no action items. However, the Committee was presented with and discussed the following Information Items: **1)** Proposed 2022 Actuarial Committee Work Plan; and **2)** draft Actuarial Valuation and Review as of December 31, 2021 (Presented by The Segal Group). It was noted that regarding the Actuarial Valuation, employer contribution rates decreased and the Plan increased its funding ratio. Segal and Staff will present the draft Actuarial Valuation and Review as of December 31, 2021 for discussion at the April 28, 2022 Participating Employers meeting before presenting it to the Actuarial Committee and to the Board for adoption at its May 19, 2022 meeting.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 19, 2022 Board meeting.

Audit:

Henry Levy gave an oral report stating that the Audit Committee met earlier today and that there were no action items. However, the Committee was presented with and discussed the following Information Items **1)** GASB Statement No. 67 Valuation and addendum as of December 31, 2021 and GASB Statement No. 74 Valuation and addendum as of December 31, 2021 (Conducted by The Segal Group); **2)** Internal Audit Plan; **3)** Scheduled Audits; and **4)** Presentation on Cybersecurity.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 19, 2022 Board meeting.

NEW BUSINESS:

Vote on SACRS Business Meeting Action Items

Mr. Nelsen presented his April 21, 2022 memo requesting instruction 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 2022-2023 SACRS Board of Directors Election.** The SACRS Nominating Committee's recommended slate is as follows: **a) Vivian Gray** of Los Angeles CERA for **President**; **b) David MacDonald**, MD of Contra Costa CERA for **Vice President**; **c) Jordan Kaufman** of Kern CERA for **Treasurer**; **d) Adele Tagaloo** of Orange CERS for **Secretary**; **e) Vere Williams** of San Bernardino CERA for **Regular Member**; and **f) David Gilmore** of San Diego CERA for **Regular Member**. Mr. Nelsen stated that the SACRS Nominating Committee's recommended slate consists of the only candidates up for consideration. Mr. Nelsen informed the Board that each candidate is required to submit a *Nomination Form*, which includes a short biography. Mr. Nelsen and Trustees also provided information on the candidates that they were familiar with. Mr. Nelsen recommended that the Board vote in favor of the SACRS Nominating Committee's recommended slate.

22-26

It was moved by Henry Levy and seconded by Ophelia Basgal that the Board instruct Chief Executive Officer Dave Nelsen (or his Designee) 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 7 yes (Amaral, Basgal, Gamble, Koppenhaver, Levy, Simon, Wood), 0 no, and 0 abstentions. Trustee Carson was not present for the vote on the motion.

Formal Dissolution of Environmental, Social, and Governance (ESG) Ad Hoc Committee

Mr. Nelsen and Mr. Rieger discussed Staff's recommendation to dissolve the ESG Ad Hoc Committee, as stated in the memorandum included in the public Board packet. After further discussion, the following motion was made.

22-27

It was moved by Kellie Simon and seconded by Tarrell Gamble that the Board dissolve the ESG Ad Hoc Committee that was formed for the purpose of advising the Board on the development of ESG Investment Policies. The motion carried 5 yes (Amaral, Basgal, Gamble, Koppenhaver, Simon), 1 no (Levy), and 0 abstentions. Trustees Carson and Wood were not present for the vote on the motion.

David Nelsen, Chief Executive Officer's Report

Chief Executive Officer Dave Nelsen presented his April 21, 2022 written CEO Report which provided an update on: **1)** Senior Management Recruitment; **2)** Committee and Board Action Items; **3)** Other Items: **a)** COVID-19 Responses; **b)** Pension Administration System Project; **c)** Russian Divestment; **d)** Staff Transitions; and **4)** Key Performance Indicators.

Mr. Nelsen provided an update on the re-opening of ACERA Post-COVID stating that Staff will Meet and Confer with the SEIU and ACMEA Unions regarding ACERA's re-opening plan, which could allow some Union employees to continue to work remotely occasionally. Mr. Nelsen believes that ACERA will be able to re-open to its customers five (5) days a week by mid-Summer or early July 2022.

CONFERENCE/ORAL REPORTS

Trustee Darryl Walker reported that he attended the Pension Bridge Conference in San Francisco, CA. on April 19th and 20th. Trustee Walker said it was a good Conference.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

CLOSED SESSION

None.

ADJOURNMENT

The meeting was adjourned at approximately 3:10 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

05/19/22

Date Adopted

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

AYALA, Ivette
Effective: 1/22/2022
Alameda Health System

GRIFFITH, Neville
Effective: 2/5/2022
Courts

BAILE, Renato
Effective: 1/22/2022
Public Works Agency

GRUNDY, Anthony
Effective: 1/22/2022
Assessor

BRADY, Deania
Effective: 2/4/2022
Probation Department

HOCH, Elizabeth
Effective: 2/2/2022
First 5

COPPOLA, Anthony
Effective: 2/5/2022
Health Care Services Agency

HOM, Donna
Effective: 1/22/2022
Probation Department

DELLARIVA, Susana
Effective: 1/9/2022
Alameda Health System

HORTINELA, Renatosamson
Effective: 2/5/2022
Health Care Services Agency

DUTRA, Michael
Effective: 1/22/2022
Public Works Agency

LEE, Jia Jia
Effective: 2/1/2022
Social Services Agency

ESTRADA, Manuel
Effective: 1/31/2022
Alameda Health System

MARTINO, Esther
Effective: 1/22/2022
Courts

GIL, Daniel
Effective: 1/8/2022
Sheriff's Department

MORRIS, Matthew
Effective: 2/5/2022
Sheriff's Department

GOLDING, Christopher
Effective: 1/22/2022
Sheriff's Department

MORTEN, Georgeann
Effective: 2/19/2022
Health Care Services Agency

GONZALES, Ricardo
Effective: 2/5/2022
Sheriff's Department

NGUYEN, Chuong
Effective: 12/14/2021
Alameda Health System

GOODMAN, Shelly
Effective: 1/18/2022
Sheriff's Department

QIAO, Xuejun
Effective: 2/6/2022
Alameda Health System

GREEN-AJUFO, Barbara
Effective: 1/20/2022
Health Care Services Agency

RAM, Paras
Effective: 1/22/2022
Social Services Agency

APPENDIX A
APPLICATION FOR SERVICE RETIREMENT

RAPHAEL, Elizabeth
Effective: 2/5/2022
Sheriff's Department

TOLLEFSON, Peggy
Effective: 2/6/2022
Library

REYNOSO, Marta
Effective: 2/5/2022
Health Care Services Agency

VERBECK, Christina
Effective Date: 2/1/2022
Non-Member

ROBERTS-STOKES, Sandra
Effective: 1/22/2022
Dept of Child Support Svcs

WAKEFIELD, Cynthia
Effective: 2/1/2022
Courts

SAN DIEGO, Marcelo
Effective: 2/6/2022
Alameda Health System

WEISS, Joyce
Effective: 1/22/2022
County Counsel

SHAWLER, Nedra
Effective: 2/5/2022
County Counsel

WEST, Michele
Effective: 1/29/2022
Health Care Services Agency

STARR, Thelma
Effective: 1/15/2022
Social Services Agency

WILLIAMS, Wayne
Effective: 1/23/2022
Alameda Health System

THOMPSON, Howard
Effective: 2/2/2022
Alameda Health System

WILLIS, Ian
Effective: 2/6/2022
Sheriff's Department

TOLBERT, Regina
Effective: 2/6/2022
Alameda Health System

ZIEGLER, Dolores
Effective: 1/29/2022
District Attorney

APPENDIX B
APPLICATION FOR DEFFERED RETIREMENT

MARTINEZ, Jennifer
Health Care Services Agency
Effective: 02/04/22

TRAVELS, Kari
Social Services Agency
Effective: 2/4/2022

STENSON, Jon
Health Care Services Agency
Effective: 1/28/2022

VELASQUEZ, Edilyn
Health Care Services Agency
Effective: 3/4/2022

THOMAS SHAW, Michelle
District Attorney
Effective: 3/4/2022

WOODS, LeQuan
Social Services Agency
Effective: 3/1/2022

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

CHAUHAN, Nisha
Community Development Agency
Effective: 3/4/2022

JOO, Jacob
Alameda Health System
Effective: 1/23/2022

COLBERT, Ebony
Health Care Services Agency
Effective: 2/1/2022

LARSEN, Kylie
Alameda Health System
Effective: 2/11/2022

FARMER, Casey
Community Development Agency
Effective: 1/28/2022

SHIKHMURADOVA, Sharlene
Probation Department
Effective: 2/4/2022

GRIEGO, Nikko
Alameda Health System
Effective: 2/15/2022

SIMMONS, Marilyn
Alameda Health System
Effective: 2/15/2022

HART, Cory
Sheriff's Department
Effective: 2/23/2022

STEVENSON, Tiffany
Community Development Agency
Effective: 2/4/2022

**APPENDIX D
LIST OF DECEASED MEMBERS**

ANDERSON, Edith
Board of Supervisors
2/15/2022

BRUNO, Muriel
Non-Mbr Survivor of Dominic Bruno
3/7/2022

AUBUCHON-DYER, Joanna
Probation Department
2/28/2022

BURKHARDT Pamela
Alameda Health System
2/27/2022

BELL, Richard
Probation Department
2/14/2022

CATALAN, Yolanda
Social Services Agency
3/6/2022

BELTRAN, Rodrigo
Public Works Agency
2/5/2022

CHALIFOUR, Elsie
Non-Mbr Survivor of Raymond Chalifour
1/20/2022

BENTLEY, Patricia
District Attorney
2/16/2022

CHAMBERS, Stephen
Non-Mbr Survivor of Jill Chambers
2/6/2022

**APPENDIX D
LIST OF DECEASED MEMBERS**

COMPTON, Thomas Probation Department 3/9/2022	OLIVER, Gerard Alameda Health System 3/6/2022
CORUM, Charles Human Resource Services 1/31/2022	ROCHA, Clifford General Services Agency 2/24/2022
DEEN, Marian Non-Mbr Survivor of Robert Deen 2/28/2022	SAVINOVICH, Charlotte Social Services Agency 1/24/2022
EDWARDS, Beverly Assessor 3/8/2022	SIMMONS, Mertis Alameda Health System 2/13/2022
ESTRADA, Helen Social Services Agency 3/2/2022	THOMAS, Willie Treasurer Tax Collector 2/11/2022
GAMBLE, Rose Social Services Agency 2/15/2022	THOMPSON, Gary Health Care Services Agency 1/31/2022
GOODMAN, Tommie Non-Mbr Survivor of Curley Goodman 3/17/2022	TRIHEY, Judy Probation Department 3/3/2022
JEFFERSON, Donald Non-Mbr Survivor of Dolores Jefferson 3/9/2022	VIEN, George Sheriff's Department 2/25/2022
JENKINS, Vera Social Services Agency 2/24/2022	WISE, Lynda Social Services Agency 1/23/2022

**APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT**

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

May 19, 2022
Investment Committee Minutes
For approval under June 16, 2022
Board “Consent Calendar”

April 21, 2022
Actuarial Committee Minutes
For approval under May 19, 2022
Board “Consent Calendar”



**MINUTES OF APRIL 21, 2022 ACTUARIAL COMMITTEE MEETING
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

To: Members of the Actuarial Committee

From: Ophelia Basgal, Chair

Subject: Summary of the April 21, 2022 Actuarial Committee Meeting

Committee Chair Ophelia Basgal called the April 21, 2022 Actuarial Committee meeting to order at 11:00 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Ophelia Basgal, Henry Levy, Liz Koppenhaver, Keith Carson, and George Wood. Also present were Dale Amaral, Tarrell Gamble, Kellie Simon and alternate member Nancy Reilly. Darryl Walker joined the meeting soon after roll call.

Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Lisa Johnson, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Jessica Huffman, Benefits Manager; Sandra Dueñas-Cuevas, Benefits Manager; Betty Tse, Chief Investment Officer; Vijay Jagar, Chief Technology Officer; Victoria Arruda, Human Resource Officer; and Harsh Jadhav, Chief of Internal Audit.

PUBLIC INPUT

None

Action Items

None

INFORMATION ITEMS

1. Proposed 2022 Actuarial Committee Work Plan

Staff presented the proposed 2022 Actuarial Committee Work plan.

2. Presentation and discussion of the Actuarial Valuation and Review as of December 31, 2021

Staff and Segal representatives presented the Draft Actuarial Valuation and Review as of December 31, 2021. It will be presented for discussion and review to ACERA's participating employers' group at a meeting scheduled for April 28, 2022. Staff will bring the Actuarial Valuation and Review as of December 31, 2021, to the May 19, 2022 committee meeting for final adoption.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

May

- Discussion and possible motion to adopt the Actuarial Valuation as of December 31, 2021 (Segal)

June

- Segal presentation of the deterministic projections as part of the Risk Assessment Report based on the Actuarial Valuation and Review as of December 31, 2021

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Thursday May 19, 2022 at 11:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:02 a.m.

May 19, 2022
Actuarial Committee Minutes
For approval under June 16, 2022
Board “Consent Calendar”

April 21, 2022
Audit Committee Minutes
For approval under May 19, 2022
Board “Consent Calendar”



MINUTES OF APRIL 21, 2022 AUDIT COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

Date: April 21, 2022
To: Members of the Audit Committee
From: Henry Levy, Chair
Subject: **Summary of the April 21, 2022 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the April 21, 2022, Audit Committee meeting to order at 12:30 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were, Henry Levy, Dale Amaral, Keith Carson, Liz Koppenhaver. Other Board members present were Kellie Simon, and Alternate member Nancy Reilly.

Staff present were David Nelsen, Chief Executive Officer; Lisa Johnson, Assistant Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; Kathy Foster, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Jessica Huffman, Benefits Manager; Sandra Dueñas-Cuevas, Benefits Manager; Vijay Jagar, Retirement Chief Technology Officer; Vicki Arruda, Human Resource Officer; and Betty Tse, Chief Investment Officer.

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, 2021 (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, 2021 will be brought back to the May 19th 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.

2. Review Complete Audits

Staff reviewed the audits that have been completed.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

May 19, 2022 at 12:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 1:17 p.m.

May 19, 2022
Audit Committee Minutes
For approval under June 16, 2022
Board “Consent Calendar”

April 21, 2022
Governance Committee Minutes
For approval under May 19, 2022
Board “Consent Calendar”



MINUTES OF THE APRIL 21, 2022 GOVERNANCE COMMITTEE MEETING
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Board of Retirement
From: George Wood, Governance Committee Chair
Subject: **Summary of the April 21, 2022 Governance Committee Meeting**

Governance Committee Chair, George Wood, called the meeting to order at 9:31 a.m. Committee Members present were George Wood, Kellie Simon, Dale Amaral, Keith Carson, and Liz Koppenhaver. Other Board members present were Ophelia Basgal, Tarrell Gamble, Henry Levy, Darryl Walker and Nancy Reilly.

Senior staff present were Victoria Arruda, Human Resources Officer; Sandra Dueñas-Cuevas, Benefits Manager; Kathy Foster, Assistant Chief Executive Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Lisa Johnson, Assistant Chief Executive Officer; Vijay Jagar, Chief Technology Officer; David H. Nelsen, Chief Executive Officer; Jeff Rieger, Chief Counsel; and Betty Tse, Chief Investment Officer.

ACTION ITEMS

1. Review of the *Board and Committee Operations Policy*.

Chief Counsel Jeff Rieger presented the *Board and Committee Operations Policy*, discussed the recommended revisions and answered questions from the Trustees. Several Trustees made comments regarding the issues identified in the motion below.

A motion was made by Trustee Wood and seconded by Trustee Basgal that the Governance Committee recommend to the Board of Retirement that the *Board and Committee Operations Policy* remains necessary and appropriate and should be revised, as shown the redline included with the agenda packet, except: (1) the Board should include a single list on its Consent Calendars for Deferred Retirements (and eliminate the list for “Application for Deferred Transfer”); (2) the Board should not adopt the proposed language regarding the Board’s ability to take final action at committee meetings; and (3) the Board should not adopt the proposed language that would provide committees with more flexibility to make recommendations to the Board regarding informational items. The motion was approved by a vote of 8 in favor (Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Simon, and Wood), 0 against, 0 abstaining.

4. Review of the *Board Elections Policy*.

Chief Counsel Jeff Rieger presented the *Board Elections Policy*, spoke about the recommended revisions and answered questions from the Trustees.

A motion was made by Trustee Wood and seconded by Trustee Basgal that the Governance Committee recommend to the Board of Retirement that the *Board Elections Policy* continues to be necessary and appropriate and that the Board make the revisions to the *Board Elections Policy* shown in the redline included with the agenda packet. The motion was approved by a vote of 8 in favor (Amaral, Basgal, Carson, Gamble, Koppenhaver, Levy, Simon, and Wood), 0 against, 0 abstaining.

INFORMATION ITEMS

- 2022 Governance Committee Work Plan

TRUSTEE / PUBLIC INPUT

- None

ESTABLISHMENT OF NEXT MEETING DATE

- TBD

ADJOURNMENT

- The meeting adjourned at 10:44 a.m.

CONSENT CALENDAR ITEM

Approve Staff Recommendations regarding County of Alameda's New Pay Items/Codes:


- **Incentive Mental Health Specialist/Rehabilitation Counselor – 744**
- **Incentive Behavioral Clinician Health I – 745**
- **Incentive Behavioral Clinician Health II – 746**
- **Incentive Behavioral Health Clinical Supervisor – 747**
- **Incentive Behavioral Health Clinical Manager – 748**
- **Incentive Assistant Director, Forensic, Diversion & Re-Entry – 749**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **Exclusion of Six New Pay Items/Codes as “Compensation Earnable” and “Pensionable Compensation” – County of Alameda**

The County of Alameda (County) requested that the following six new pay items/codes be reviewed to determine whether they qualify as “compensation earnable” and “pensionable compensation”. To address ongoing critical recruitment and retention challenges for certain classifications, a hiring incentive program was established effective January 23, 2022. This hiring incentive program pays amounts ranging from \$8,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions listed below within the Adult Forensic Behavioral Health Division located at Santa Rita Jail. The hiring incentive amounts are paid in specified increments based on defined criteria over a three year period. This program will sunset on June 30, 2023, and will be deleted from the Salary Ordinance on the sunset date.

- Incentive Mental Health Specialist/Rehabilitation Counselor (Job Codes #6490NM, #6491NM, #6492NM, #6638NM, and #6640NM) – 744

This pay item/code will be used for persons newly-hired or newly-promoted into these Job Codes receiving a hiring incentive of \$8,000 to be paid in specified increments over a three year period as follows:

- \$1,500 after completion of 6 months (13-pay periods) of employment following hire or promotion date
- \$2,000 after completion of 1 year (26-pay periods) of employment following hire or promotion date
- \$2,000 after completion of 2 years (52-pay periods) of employment following hire or promotion date
- \$2,500 after completion of 3 years (78-pay periods) of employment following hire or promotion date

- Incentive Behavioral Clinician Health I (Job Code #6505NM) – 745

This pay item/code will be used for persons newly-hired or newly-promoted into this Job Code receiving a hiring incentive of \$10,000 to be paid in specified increments over a three year period as follows:

- \$1,500 after completion of 6 months (13-pay periods) of employment following hire or promotion date
- \$2,000 after completion of 1 year (26-pay periods) of employment following hire or promotion date

- \$3,000 after completion of 2 years (52-pay periods) of employment following hire or promotion date
- \$3,500 after completion of 3 years (78-pay periods) of employment following hire or promotion date
- Incentive Behavioral Clinician Health II (Job Code #6510NM) – 746
This pay item/code will be used for persons newly-hired or newly-promoted into this Job Code receiving a hiring incentive of \$12,000 to be paid in specified increments over a three year period as follows:
 - \$2,000 after completion of 6 months (13-pay periods) of employment following hire or promotion date
 - \$2,500 after completion of 1 year (26-pay periods) of employment following hire or promotion date
 - \$3,000 after completion of 2 years (52-pay periods) of employment following hire or promotion date
 - \$4,500 after completion of 3 years (78-pay periods) of employment following hire or promotion date
- Incentive Behavioral Health Clinical Supervisor (Job Code #6525SM) – 747
This pay item/code will be used for persons newly-hired or newly-promoted into this Job Code receiving a hiring incentive of \$14,000 to be paid in specified increments over a three year period as follows:
 - \$2,500 after completion of 6 months (13-pay periods) of employment following hire or promotion date
 - \$3,000 after completion of 1 year (26-pay periods) of employment following hire or promotion date
 - \$4,000 after completion of 2 years (52-pay periods) of employment following hire or promotion date
 - \$4,500 after completion of 3 years (78-pay periods) of employment following hire or promotion date
- Incentive Behavioral Health Clinical Manager (Job Code #6527SM) – 748
This pay item/code will be used for persons newly-hired or newly-promoted into this Job Code receiving a hiring incentive of \$15,500 to be paid in specified increments over a three year period as follows:
 - \$3,000 after completion of 6 months (13-pay periods) of employment following hire or promotion date
 - \$3,500 after completion of 1 year (26-pay periods) of employment following hire or promotion date
 - \$4,000 after completion of 2 years (52-pay periods) of employment following hire or promotion date
 - \$5,000 after completion of 3 years (78-pay periods) of employment following hire or promotion date

- Incentive Assistant Director, Forensic, Diversion & Re-Entry (Job Code #5065SM)
– 749

This pay item/code will be used for persons newly-hired or newly-promoted into this Job Code receiving a hiring incentive of \$17,000 to be paid in specified increments over a three year period as follows:

- \$3,000 after completion of 6 months (13-pay periods) of employment following hire or promotion date
- \$4,000 after completion of 1 year (26-pay periods) of employment following hire or promotion date
- \$4,500 after completion of 2 years (52-pay periods) of employment following hire or promotion date
- \$5,500 after completion of 3 years (78-pay periods) of employment following hire or promotion date

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that these new pay items/codes do not qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members), or “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members).

Based on the attached December 17, 2020 memo from Chief Counsel to the Board of Retirement (Board), these pay items/codes are excluded from “compensation earnable”. Also, these pay items/codes are expressly excluded from “pensionable compensation” under Government Code Section 7522.34(c)(3) and (c)(10). The two relevant Government Code sections are attached for the Board’s reference.

Staff informed the County that its determination will be included on the Board’s consent calendar for its May 19, 2022 meeting. If this item is not pulled from the consent calendar for discussion, then the Board will approve Staff’s determination to exclude pay items/codes Incentive Mental Health Specialist/Rehabilitation Counselor – 744, Incentive Behavioral Clinician Health I – 745, Incentive Behavioral Clinician Health II – 746, Incentive Behavioral Health Clinical Supervisor – 747, Incentive Behavioral Health Clinical Manager – 748, and Incentive Assistant Director, Forensic, Diversion & Re-Entry – 749 from “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members).

Attachments



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

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

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	744 Incentive MHlthSpec/Rehab Cnslr
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes, Board Letter

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

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

RESPONSE #1: 6490 NM Mental Health Specialist I
6491 NM Mental Health Specialist II
6492 NM Mental Health Specialist III
6638 NM Rehabilitation Counselor I
6640 NM Rehabilitation Counselor II

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount



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

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.

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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 37.5 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item if for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No



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

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

RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$8,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

SECTION II

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Mental Health Specialist I (JC #6490NM)/Mental Health Specialist II (JC #6491NM)/Mental Health Specialist III (JC #6492NM)/Rehabilitation Counselor I (JC #6638NM)/Rehabilitation Counselor II (JC #6640NM) - \$8,000

- \$1,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$2,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$2,500 after completion of 3-years (78-pay periods) of employment following hire date

This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.

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

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

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

Clerk-Recorder's Office, Tri-Valley
7600 Dublin Blvd.
Dublin, CA 94568
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ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
MELISSA WILK
AUDITOR-CONTROLLER/CLERK-RECORDER

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

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	745 Incentive Beh.Clinician Hlth I
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes, Board Letter

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

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

RESPONSE #1: 6505 NM Behavioral Health Clinician I

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.



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

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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 37.5 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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



ALAMEDA COUNTY
AUDITOR-CONTROLLER AGENCY
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RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$8,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

SECTION II

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6506NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Behavioral Health Clinician I (JC #6505NM) - \$10,000

- \$1,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$3,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$3,500 after completion of 3-years (78-pay periods) of employment following hire date

This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.

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ALAMEDA COUNTY
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REQUEST FOR ACERA’S REVIEW OF A NEW PAY ITEM/CODE

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	746 Incentive Beh.Clinician Hlth II
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes, Board Letter

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

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

RESPONSE #1: 6510 NM Behavioral Clinician II

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.



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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 37.5 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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



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

RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$3,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

SECTION II

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Behavioral Health Clinician II (JC #6510NM) - \$12,000

- \$2,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,500 after completion of 1-year (26-pay periods) of employment following hire date
- \$3,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$4,500 after completion of 3-years (78-pay periods) of employment following hire date

This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.



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

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

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	747 Incentive BehHlth Clinical Sup
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes Board Letter

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

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

RESPONSE #1: 6525 SM Behavioral Health Clinical Supervisor

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.



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

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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 40.0 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item if for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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



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

RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$3,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

SECTION II

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Behavioral Health Clinical Supervisor (JC #6525SM) - \$14,000

- \$2,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$3,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$4,500 after completion of 3-years (78-pay periods) of employment following hire date

This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.



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

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

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	748 Incentive BehHlth Clinical Mgr
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes Board Letter

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

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

RESPONSE #1: 6527 SM Behavioral Health Clinical Mgr

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.



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

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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 40.0 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item if for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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



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

RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$3,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6633NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Behavioral Health Clinical Manager (JC #6527SM) - \$15,500

- \$3,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$3,500 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$5,000 after completion of 3-years (78-pay periods) of employment following hire date



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

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

Employer Name:	County of Alameda
Date of Request	03/21/22
Employer Department Submitting the Request	Auditor-Controller's Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	749 Incentive Ast Dir-For/Div/ReEnt
Pay Item Effective Date per authorization:	01/23/22
State if additional documentation is attached	Yes Board Letter

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

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

RESPONSE #1: 5065 SM Ast Dir, For, Div, and Re-Entry

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

RESPONSE #2: Full Time

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

RESPONSE #3: Persons newly hired or promoted

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

RESPONSE #4: Hiring Incentive Pay

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No, it is not a one-time payment as employees can earn additional hiring incentive pay at different intervals.

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ALAMEDA COUNTY
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MELISSA WILK
AUDITOR-CONTROLLER/CLERK-RECORDER

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

RESPONSE #7: Yes

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

RESPONSE #8: No

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

RESPONSE #9: 40.0 Hour Workweek

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

RESPONSE #10: No

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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



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

RESPONSE #15: No

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

RESPONSE #16: Lump Sum

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

RESPONSE #17:

- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$3,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #6143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Assistant Director, Forensic, Diversion & Re-Entry System of Care (JC#5065SM) - \$17,000

- \$3,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$4,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,500 after completion of 2-years (52-pay periods) of employment following hire date
- \$5,500 after completion of 3-years (78-pay periods) of employment following hire date

This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.

SECOND READING - CONTINUED FROM 03/01/2022



AGENDA NO. 21 March 1, 2022

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

Human Resource Services

March 1, 2022

2nd reading 3/8/22

file 30786

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

SUBJECT: ADOPT SALARY ORDINANCE AMENDMENTS TO 1) UPDATE SUBSECTION 1-1.1 TO AMEND THE FLSA DESIGNATION FOR JOB CODE #0320PA; 2) AMEND ARTICLE 3, SECTION 3-12 (HEALTH CARE SERVICES AGENCY) TO ESTABLISH SUBSECTIONS 3-12.93 AND 3-12.94; AND 3) UPDATE SUBSECTION 3-21.105

Dear Board Members:

RECOMMENDATION:

Adopt Salary Ordinance amendments to:

- i. Update Article 1, Section 1-1 (Pay Rate Schedules), Subsection 1-1.1 to amend the Fair Labor Standards Act ("FLSA") designation for the classification of Public Information Specialist (Job Code ("JC") #0320PA), retroactive to December 26, 2021;
- ii. Amend Article 3, Section 3-12 (Health Care Services Agency ("HCSA")), to add subsections a) 3-12.93 to establish a hiring incentive program that pays amounts ranging from \$8,000 to \$17,000 for newly-hired or newly-promoted employees in certain clinical-based positions within the Adult Forensic Behavioral Health ("AFBH") Division located at Santa Rita Jail ("SRJ"), paid in specified increments based on defined criteria over a three (3) year period, retroactive to January 23, 2022; and b) 3-12.94 to establish a footnote for additional compensation of twenty-five percent (25%) of the base salary for one (1) employee in the classification of Physician V (JC #5143SM) in HCSA's Alameda County Behavioral Health ("ACBH") Department, retroactive to January 23, 2022; and
- iii. Update Article 3, Section 3-21 (Miscellaneous), subsection 3-21.105 to: 1) provide up to two (2) hours of COVID-19 Paid Administrative Leave ("PAL") and reimburse for eligible mileage or public transit costs for employees who are subject to any current and future State of California Public Health Orders ("SPHOs"), County of Alameda Public Health Orders, and/or federal requirements mandating that employees: a) obtain and provide verification of COVID-19 vaccination, including vaccine booster dose(s); or b) undergo mandatory regular COVID-19 testing (as applicable), during their normal work schedule unless otherwise approved by their Agency/Department Head, retroactive to October 1, 2021; 2) provide up to two (2) hours of COVID-19 PAL and reimburse for eligible mileage or public transit costs for employees required to undergo mandatory regular COVID-19 testing during their normal work schedule unless otherwise approved by their Agency/Department Head, in accordance with the County COVID-19 Workforce Vaccination Policy ("Policy") retroactive to October 1, 2021; 3) provide up to two (2) hours of COVID-19 PAL for all employees to receive their COVID-19 vaccination, including the initial booster dose, during their normal work schedule unless otherwise approved by their Agency/Department Head, under the County Policy retroactive to October 1, 2021; and 4) provide up to two (2) hours of COVID-19 PAL for all employees to receive subsequent vaccine booster dose(s) during their normal work schedule unless otherwise approved by their Agency/Department Head, at the discretion of the County Administrator. Employees receiving COVID-19

vaccinations, including any vaccine booster dose, are required to exhaust any available Supplemental Paid Sick Leave ("SPSL") (pursuant to Labor Code § 248.6(b)(1)(C)) before being eligible for COVID-19 PAL.

DISCUSSION/SUMMARY:

At the request of HCSA to reevaluate the FLSA designation for the county-wide classification of Public Information Specialist (JC #0320PA), staff in the Human Resource Services Personnel Services Division completed a review of said classification and determined the classification was erroneously designated as FLSA non-exempt. The current Public Information Specialist classification was originally created in 1976 and titled as Public Information Specialist I. At that time, the then Public Information Specialist I classification performed paraprofessional duties and thus, was appropriately designated as FLSA non-exempt. However, in 1988, the duties of the original classification (Public Information Specialist I) merged with the higher-level classification of Public Information Specialist II and the classification of Public Information Specialist was created to perform overall administrative and professional level duties, which warranted a change in the FLSA designation to exempt. Unfortunately, the FLSA-designation was not updated at that time to reflect and align with the higher-level duties. As such, staff recommends correcting the FLSA designation for the classification of Public Information Specialist (JC #0320PA) to exempt retroactive to December 26, 2021.

In addition, at the request of HCSA to explore options to address ongoing critical recruitment and retention challenges for certain classifications, staff completed its thorough analysis of said ongoing challenges and recommends establishing a hiring incentive program ("Program") for certain clinical positions in the AFBH Division, located at SRJ, retroactive to January 23, 2022. The Program consists of a \$8,000, \$10,000, \$12,000, \$14,000, \$15,500, or \$17,000 stipend for newly-hired or newly-promoted employees in the classifications of Mental Health Specialist I (JC #6490NM)/Mental Health Specialist II (JC #6491NM)/Mental Health Specialist III (JC #6492NM)/Rehabilitation Counselor I (JC #6638NM)/Rehabilitation Counselor II (JC #6640NM); Behavioral Health Clinician I (JC#6505NM); Behavioral Health Clinician II (JC#6510NM); Behavioral Health Clinician Supervisor (JC #6525SM); Behavioral Health Clinical Manager (JC #6527SM); and Assistant Director, Forensic, Diversion & Re-Entry System of Care (JC# 5065SM), respectively, and paid in specified increments based on defined criteria over a three (3) year period as outlined in the attached Salary Ordinance. The AFBH continues to experience difficulty hiring and retaining new clinicians at SRJ with 47 vacant positions that must be filled by the end of Fiscal Year ("FY") 2021-2022 and an additional 38 positions to be filled in FY 2022-2023. This Program shall sunset on June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.

Further, subsection 3-21.69 of the Salary Ordinance provides for a footnote for up to 10 employees in the classifications of Physician III (JC #5139NM) and/or Physician III Services-As-Needed ("SAN") (JC #5139N) who perform the full range of psychiatric care duties in the Criminal Justice Mental Health Services ("CJMHS") at SRJ for ACBH. As a result of the demand for increased mental health services on-site at SRJ, ACBH requested to add one (1) Physician V (JC #5143SM) position to provide critical oversight for the full range of psychiatric care for CJMHS at SRJ. As such, staff recommends establishing a new footnote for said Physician V (JC #5143SM) position of twenty-five percent (25%) additional compensation of the base salary, similar to the existing footnote for the Physician IIIs and/or Physician III SANs, retroactive to January 23, 2022. This footnote will sunset on December 31, 2025 and shall be deleted from the Salary Ordinance upon the sunset date.

Lastly, on December 21, 2021, your Board approved an amendment to subsection 3-21.105 of the Salary Ordinance. Given the recent requirements of SPHOs and the newly-adopted County Policy, staff recommends updating subsection 3-21.105 of the Salary Ordinance to include the following: 1) provide up to two (2) hours of COVID-19 PAL and reimburse for eligible mileage or public transit costs for employees who are subject to any current and future SPHOs, County of Alameda Public Health Orders, and/or federal requirements mandating that employees obtain and provide verification of COVID-19 vaccination, including vaccine booster dose(s), or undergo mandatory regular COVID-19 testing (as applicable), during their normal work schedule unless otherwise approved by their Agency/Department Head, retroactive to October 1, 2021; 2) provide up to two (2) hours of COVID-19 PAL and reimburse for eligible mileage or public transit costs for employees required to undergo mandatory regular COVID-19 testing during their normal work schedule unless otherwise approved by their Agency/Department Head, in accordance with the Policy retroactive to October 1, 2021; 3) provide up to two (2) hours of COVID-19 PAL for all employees to receive their COVID-19 vaccination, including the initial booster dose, under the County Policy retroactive to October 1, 2021;

and 4) provide up to two (2) hours of COVID-19 PAL for all employees to receive subsequent vaccine booster dose(s) during their normal work schedule unless otherwise approved by their Agency/Department Head, at the discretion of the County Administrator. Employees receiving vaccinations, including any booster dose, are required to exhaust any available Supplemental Paid Sick Leave (pursuant to Labor Code § 248.6(b)(1)(C)) before being eligible for COVID-19 PAL.

FINANCING:

Funds are available in the 2021-2022 Approved Budget and will be included in future years' requested budgets to cover the costs resulting from these recommendations.

VISION 2026 GOAL:

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

Very truly yours,

DocuSigned by:

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Joe Angelo, Director
Human Resource Services

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

SECOND READING - CONTINUED FROM 03/01/2022

2nd reading 3/8/22

Approved as to Form
DONNA ZIEGLER, County Counsel

By 
Kristy van Herick, Asst. County Counsel

AN ORDINANCE AMENDING
CERTAIN PROVISIONS OF THE 2021-2022
COUNTY OF ALAMEDA SALARY ORDINANCE

The Board of Supervisors of the County of Alameda ordains as follows:

SECTION I

Article 1, Section 1-1, Subsection 1-1.1 of the County of Alameda Salary Ordinance is hereby amended as follows effective on December 26, 2021:

Job Code	Title	Unit Code	Step 01	Step 02	Step 03	Step 04	Step 05	FLSA Status
0320 PA	Public Information Specialist	U15	2989.60	3141.60	3308.00	3484.00	3669.60	<u>NX</u>

SECTION II

Article 3, Section 3-12, Subsection 3-12.93 of the County of Alameda Salary Ordinance is hereby added, to be effective on January 23, 2022.

3-12.93 – Effective January 23, 2022, persons newly hired or newly promoted into Job Codes 6490NM, 6491NM, 6492NM, 6638NM, 6640NM, 6505NM, 6510NM, 6525SM, 6527SM and 5065SM assigned to Santa Rita Jail, shall receive a hiring incentive to be paid in specified increments over a three (3) year period as follows:

Mental Health Specialist I (JC #6490NM)/Mental Health Specialist II (JC #6491NM)/Mental Health Specialist III (JC #6492NM)/Rehabilitation Counselor I (JC #6638NM)/Rehabilitation Counselor II (JC #6640NM) - \$8,000

- \$1,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$2,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$2,500 after completion of 3-years (78-pay periods) of employment following hire date

Behavioral Health Clinician I (JC #6505NM) - \$10,000

- \$1,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$3,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$3,500 after completion of 3-years (78-pay periods) of employment following hire date

Behavioral Health Clinician II (JC #6510NM) - \$12,000

- \$2,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$2,500 after completion of 1-year (26-pay periods) of employment following hire date
- \$3,000 after completion of 2-years (52-pay periods) of employment following hire date

TRC

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1st Reading 3/1/22
2nd Reading 3/8/22

3-12-93

- \$4,500 after completion of 3-years (78-pay periods) of employment following hire date

Behavioral Health Clinical Supervisor (JC #6525SM) - \$14,000

- \$2,500 after completion of 6-months (13-pay periods) of employment following hire date
- \$3,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$4,500 after completion of 3-years (78-pay periods) of employment following hire date

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Behavioral Health Clinical Manager (JC #6527SM) - \$15,500

- \$3,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$3,500 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,000 after completion of 2-years (52-pay periods) of employment following hire date
- \$5,000 after completion of 3-years (78-pay periods) of employment following hire date

748

Assistant Director, Forensic, Diversion & Re-Entry System of Care (JC# 5065SM) - \$17,000

- \$3,000 after completion of 6-months (13-pay periods) of employment following hire date
- \$4,000 after completion of 1-year (26-pay periods) of employment following hire date
- \$4,500 after completion of 2-years (52-pay periods) of employment following hire date
- \$5,500 after completion of 3-years (78-pay periods) of employment following hire date

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This provision shall sunset effective June 30, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.

SECTION III

Article 3, Section 3-12, Subsection 3-12.94 of the County of Alameda Salary Ordinance is hereby added to read as follows:

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Effective January 23, 2022, not to exceed one (1) employee occupying a position under Job Code 5143SM who oversees critical operations for psychiatric care in the Criminal Justice Mental Health Services at the Santa Rita Jail shall receive an additional twenty-five percent (25%) compensation of the base pay. This footnote shall sunset effective December 31, 2025 and shall be deleted from the Salary Ordinance upon the sunset date.

SECTION IV

Article 3, Section 3-21 Subsection 3-21.105 of the County of Alameda Salary Ordinance is hereby amended to read as follows:

Effective October 1, 2021, employees who are subject to the July 26, 2021, August 5, 2021, August 19, 2021, or September 28, 2021 State of California Public Health Orders ("SPHOs"), and any other current or future SPHOs, County of Alameda Public Health Orders, and/or federal requirements mandating that employees: 1) obtain and provide verification of COVID-19 vaccination~~(s)~~, including vaccine booster dose(s); or 2) undergo mandatory regular COVID-19 testing (as applicable), shall be granted up to two (2) hours of County-paid time off on paid administrative leave ("PAL") and reimbursed for eligible mileage or public transit costs to attend mandatory COVID-19 vaccination~~(s)~~, including vaccine booster dose(s) and mandatory testing appointments, during their normal work schedule unless otherwise approved by their Agency/Department Head. ~~Moreover, effective October 19, 2021, employees not subject to the above referenced COVID-19 vaccination mandates who obtain and provide verification of COVID-19 vaccination(s), shall be granted up to two (2) hours of County paid time off on PAL to attend COVID-19 vaccination(s).~~



To: Members of the Board of Retirement
From: Jeff Rieger, Chief Counsel 
Meeting: December 17, 2020
Subject: County Pay Codes 741, 742, 743 and Other One-Time/Ad Hoc Payments

INTRODUCTION

At the August 20, 2020 Board Meeting, there was a recommendation on the Consent Calendar that the Board exclude three County recruitment bonus codes (741, 742 and 743) from being characterized under ACERA's pay code system as "pensionable compensation" for PEPRA members and "compensation earnable" for Legacy members. The item was pulled from the Consent Calendar and, after further discussion, the Board decided to exclude the pay codes from "pensionable compensation" but defer making a decision on "compensation earnable" to a later meeting.

After further analysis, I agree with staff's recommendation that the Board should exclude these pay codes from being characterized as "compensation earnable" for purposes of ACERA's pay code system. This memorandum explains the basis for my agreement with staff's recommendation. Further, I recommend that the Board confirm that the below rationale is the reason why the Board excludes from "compensation earnable" all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class."

ANALYSIS

Before 2013, ACERA played a less active role in determining which pay codes employers would report to ACERA as "compensation earnable." Beginning in 2013, however, after the passage of PEPRA and amendments to the definition of "compensation earnable," ACERA established a thorough process to make such determinations. One of the 2013 amendments to the definition of "compensation earnable" in Gov't Code § 31461 was:

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

- (1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include: ... (B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

It appears from ACERA's historical records from 2013 that, in practice, ACERA interpreted the above language to exclude all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class." The statute is arguably more nuanced, because it states that those types of pay are excluded only if the Board determines the amount was "paid to enhance a member's retirement benefit." That leaves open the possibility that these types of payments may be included in "compensation earnable" if they are not "paid to enhance a member's retirement benefit."

Determining the best system for reporting payroll and collecting contributions, however, requires us to examine the Board's governing law as a whole—not just the definition of "compensation earnable."

One of the primary purposes of ACERA's pay code system is to identify elements of compensation against which to collect member contributions. Under ACERA's governing law, member contributions are based on the member's projected "final compensation." See Gov't Code §§ 31620 et seq. ACERA's pay code system accounts for "compensation earnable" throughout a member's career in order to estimate the member's ultimate "final compensation." That methodology may be a sound, but it is not legally required. Thus, if a member receives a one-time or ad hoc payment today and the Board has good reason to believe the member will not receive that one-time or ad hoc pay in the member's "final compensation" period, the Board has discretion not to collect member contributions on that payment even if it arguable would meet the definition of "compensation earnable."¹

Another primary purpose of ACERA's pay code system is to determine "final compensation" for the purpose of determining a member's benefit when a member retires. If a member receives a one-time or ad hoc payment during the member's "final compensation" period that the member did not typically receive during the member's career, it is likely that the payment was made to enhance the member's retirement benefit and therefore likely to be excluded from "compensation earnable" under Gov't Code § 31461(b)(1)(B) at retirement.

In light of the above, ACERA's current pay code practice is reasonable because:

- For a member who receives pay described in Gov't Code § 31461(b)(1)(B) before but not during the final compensation period, it is reasonable not to require member contributions on such pay, because that type of pay is not expected to be included when calculating the member's retirement benefit.
- For a member who receives pay described in Gov't Code § 31461(b)(1)(B) only in the "final compensation" period, it is reasonable to assume that the payment was most likely made to enhance the member's retirement benefit.

¹ ACERA also collects employer contributions as a percentage of "compensation earnable," but that method is not legally required. See *Mijares v. Orange County Employees' Retirement System* (2019) 32 Cal.App.5th 316, 329-31; *County of Orange v. Association of Orange County Deputy Sheriffs* (2011) 192 Cal.App.4th 21, 35.

- Most members who receive this kind of pay will fall under one of the two above scenarios, because of the pay's nature: "one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class."

Thus, excluding these amounts from being characterized as "compensation earnable" under ACERA's pay code system is fair and consistent with sound funding principles.

The determination of a member's benefit, and the "compensation earnable" on which it is based, occurs at retirement. At that point, if a member disputes the determination that a pay item is properly excluded from "compensation earnable," the member may challenge the determination and the Board will act accordingly. See Gov't Code § 31542. If a member makes a sound case for inclusion, the Board can then require the member to make any retroactive contributions the Board deems are appropriate. In *Marin Association of Public Employees v. Marin County Employees' Retirement Association* (2016) 2 Cal.App.5th 674, the court approved another CERL system's similar approach to the "paid to enhance" language in Gov't Code § 31461(b)(1). *Id.* at 693. Indeed, the California Supreme Court rejected a request to "depublish" that opinion on November 24, 2020.

Finally, ACERA's practices regarding Gov't Code § 31461(b)(1)(B) have been consistent since the Legislature made the change to the definition of "compensation earnable" in 2013. Over the course of eight years of litigation that challenges ACERA's implementation of the changes to "compensation earnable" in 2013, no court has ever ordered ACERA to change its practices regarding Gov't Code § 31461(b)(1)(B).

CONCLUSIONS AND RECOMMENDATIONS

County Pay Codes 741, 742 and 743

The exclusion of these recruitment bonuses from "compensation earnable" is consistent with this memorandum's rationale and ACERA's historical exclusion of recruitment bonuses. Thus, I recommend that the Board exclude these pay codes from "compensation earnable" as staff originally recommended.

Historical Application of Gov't Code § 31461(b)(1)(B)

The Board's historical practice of excluding from "compensation earnable" all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class" is reasonable and should continue based on this memorandum's rationale. I recommend that the Board confirm that the rationale in this memorandum is the reason why the Board excludes such payments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

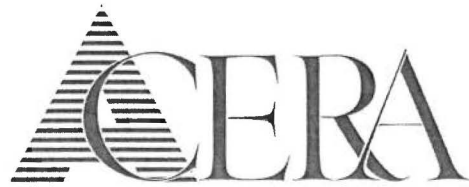
(10) Any bonus paid in addition to the compensation described in subdivision (a).

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

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

CONSENT CALENDAR ITEM

**Operating and Investment Expenses
and Budget Summary as of 3/31/22**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Operating and Investment Expenses and Budget Summary for the period ended March 31, 2022

ACERA's operating expenses are \$411K under budget for the period ended March 31, 2022. Budget overages and surpluses worth noting are as follows:

Budget Overage

1. *Depreciation*: Depreciation is \$2K over budget.

Budget Surpluses

2. *Staffing*: Staffing is \$280K under budget. This amount comprises surpluses in staff vacancies of (\$134K), and fringe benefits of (\$177K), offset by an overage in temporary staffing of \$31K due to some vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$7K under budget due to savings from unattended staff trainings and conferences.
4. *Professional Fees*: Professional Fees are \$31K under budget. This amount comprises surpluses in legal fees of (\$30K), and operations consultant fees of (\$1K).
5. *Office Expense*: Office Expense is \$56K under budget. This amount comprises surpluses in printing and postage of (\$4K) and office maintenance and supplies of (\$14K) both due to savings in usage, communication expenses of (\$13K), building expenses of (\$20K), minor equipment and furniture of (\$2K), and equipment lease and maintenance of (\$3K).
6. *Systems*: Systems are \$28K under budget. This amount comprises surpluses in software maintenance and support of (\$25K), county data processing of (\$2K), and business continuity expense of (\$1K).
7. *Board of Retirement*: Board of Retirement is \$11K under budget. This amount comprises surpluses in board conferences and trainings of (\$10K) mainly due to unattended trainings and conferences, board miscellaneous expenses of (\$3K), and board compensation of (\$4K), offset by an overage in board employer reimbursement of \$6K.

8. *Investment Manager and Incentive Fees:* Investment Manager and Incentive Fees are \$7,962K under budget. This surplus is due to a timing difference in capital account statements from the Private Equity Managers.

Staffing Detail

Permanent vacant positions as of March 31, 2022:

Department	Position	Qty	Comments
Benefits	Senior Retirement Technician	2	Vacant - currently budgeted for the year
Fiscal	Retirement Accountant II	1	Vacant - currently budgeted for the year
Investments	Investment Analyst	1	Vacant - currently budgeted for the year
Total Positions		4	

Pension Administration System Project as of March 31, 2022					
All amounts are in \$	Year-To-Date			2022 Budget	2019-21 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	28,337	131,250	(102,913)	525,000	2,041,606
Segal	89,085	102,500	(13,415)	410,000	1,203,390
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	117,422	233,750	(116,328)	935,000	3,345,466
Staffing	153,308	176,750	(23,442)	707,000	1,515,887
TOTAL	270,730	410,500	(139,770)	1,642,000	4,861,353

Attachments:

- Total Operating and Investment 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					
<i>March 31, 2022</i>					
	Actual	Budget	YTD	2022	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>% Actual to</u>
			<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 3,830,432	\$ 4,110,490	\$ (280,058)	\$ 16,941,000	22.6%
Staff Development	50,370	57,310	(6,940)	279,000	18.1%
Professional Fees (Next Page)	309,613	341,020	(31,407)	1,146,000	27.0%
Office Expense	105,131	161,190	(56,059)	659,000	16.0%
Insurance	132,859	133,230	(371)	550,000	24.2%
Member Services	87,888	87,680	208	393,000	22.4%
Systems	268,658	296,320	(27,662)	1,207,000	22.3%
Depreciation	31,176	29,190	1,986	114,000	27.3%
Board of Retirement	109,521	120,400	(10,879)	656,000	16.7%
Uncollectable Benefit Payments	-	-	-	56,000	0.0%
Total Operating Expense	\$ 4,925,648	\$ 5,336,830	\$ (411,182)	\$ 22,001,000	22.4%
Investment Consultant Fees	310,683	357,510	(46,827)	1,430,000	21.7%
Investment Custodian Fees	136,250	156,750	(20,500)	627,000	21.7%
Investment Manager and Incentive Fees	5,107,818	13,069,950	(7,962,132)	52,278,000	9.8%
Other Investment Expenses	364,773	168,660	196,113	675,000	54.0%
Total Portfolio Management Investment Expense	\$ 5,919,524	\$ 13,752,870	\$ (7,833,346)	\$ 55,010,000	10.8%
Total Operating and Portfolio Management Investment Expense	\$ 10,845,172	\$ 19,089,700	\$ (8,244,528)	\$ 77,011,000	14.1%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

March 31, 2022

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2022 Annual Budget</u>	<u>% Actual to Annual Budget</u>
<u>Professional Fees</u>					
Consultant Fees - Operations and Projects ¹	\$ 107,450	\$ 108,320	\$ (870)	\$ 384,000	28.0%
Actuarial Fees ²	\$ 111,716	111,800	(84)	420,000	26.6%
External Audit ³	\$ 70,800	70,800	-	142,000	49.9%
Legal Fees ⁴	\$ 19,647	50,100	(30,453)	200,000	9.8%
Total Professional Fees	\$ 309,613	\$ 341,020	\$ (31,407)	\$ 1,146,000	27.0%

	<u>Actual Year-To-Date</u>	<u>Budget Year-To-Date</u>	<u>YTD Variance (Under)/Over</u>	<u>2022 Annual Budget</u>	<u>% Actual to Annual Budget</u>
<u>¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:</u>					
<u>Administration</u>					
Banking transition consultant fees	24,900	24,900	-	50,000	
Total Administration	24,900	24,900	-	50,000	0.0%
<u>Benefits</u>					
Alameda County HRS (Benefit Services)	31,500	31,500	-	126,000	25.0%
Segal (Benefit Consultant/Retiree Open Enrollment)	31,800	32,720	(920)	131,000	24.3%
Total Benefits	63,300	64,220	(920)	257,000	24.6%
<u>Human Resources</u>					
Lakeside Group (County Personnel)	19,250	19,200	50	77,000	25.0%
Total Human Resources	19,250	19,200	50	77,000	25.0%
Total Consultant Fees - Operations	\$ 107,450	\$ 108,320	\$ (870)	\$ 384,000	28.0%
<u>² ACTUARIAL FEES</u>					
Actuarial valuation	40,500	40,500	-	81,000	50.0%
GASB 67 & 68 Valuation	-	-	-	51,000	0.0%
GASB 74 & 75 Actuarial	-	-	-	15,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	49,716	49,800	(84)	200,000	24.9%
Supplemental Retiree Benefit Reserve valuation	21,500	21,500	-	43,000	50.0%
Total Actuarial Fees	\$ 111,716	\$ 111,800	\$ (84)	\$ 420,000	26.6%
<u>³ EXTERNAL AUDIT</u>					
External audit	58,800	58,800	-	119,000	49.4%
GASB 67 & 68 audit	6,000	6,000	-	11,000	54.5%
GASB 74 & 75 audit	6,000	6,000	-	12,000	50.0%
Total External Audit Fees	\$ 70,800	\$ 70,800	\$ -	\$ 142,000	49.9%
<u>⁴ LEGAL FEES</u>					
<u>Fiduciary Counseling & Litigation</u>					
Nossaman - Fiduciary Counseling	226	4,376	(4,151)	17,500	14%
Reed Smith - Fiduciary Counseling	2,706	2,188	518	8,750	7%
Nossaman - Litigation	5,358	9,690	(4,332)	38,750	31%
Reed Smith - Litigation	5,002	15,006	(10,004)	60,000	48%
Subtotal	13,292	31,260	(17,968)	125,000	10.6%
<u>Tax and Benefit Issues</u>					
Hanson Bridgett	2,080	6,240	(4,160)	25,000	
Subtotal	2,080	6,240	(4,160)	25,000	8.3%
<u>Miscellaneous Legal Advice</u>					
Meysers Nave	4,275	12,600	(8,325)	50,000	
Subtotal	4,275	12,600	(8,325)	50,000	8.6%
Total Legal Fees	\$ 19,647	\$ 50,100	\$ (30,453)	\$ 200,000	9.8%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Three Months Ending 3/31/2022

	<u>For the Month of</u> <u>March 2022</u>	<u>For the Month of</u> <u>March 2021</u>	<u>Variance</u>	<u>Year-To-Date</u> <u>2022</u>	<u>Year-To-Date</u> <u>2021</u>	<u>Variance</u>
STAFFING						
Salaries	888,524	804,125	84,399	2,393,760	2,273,757	120,003
Fringe Benefits	510,047	464,465	45,582	1,339,740	1,240,486	99,254
Temporary & Other Staffing Cost	38,219	60,876	(22,657)	96,932	160,332	(63,400)
Staffing Total	<u>1,436,790</u>	<u>1,329,466</u>	<u>107,324</u>	<u>3,830,432</u>	<u>3,674,575</u>	<u>155,857</u>
STAFF DEVELOPMENT	16,564	13,346	3,218	50,370	36,118	14,252
PROFESSIONAL FEES						
Actuarial Fees	78,600	76,330	2,270	111,716	104,666	7,050
Consultant Fees - Operations	35,817	27,517	8,300	107,450	82,550	24,900
Consultant Fees - Legal	1,749	12,153	(10,404)	19,647	34,815	(15,168)
External Audit	23,600	27,000	(3,400)	70,800	76,000	(5,200)
Professional Fees Total	<u>139,766</u>	<u>143,000</u>	<u>(3,234)</u>	<u>309,613</u>	<u>298,031</u>	<u>11,582</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	11,603	10,164	1,439	33,595	28,843	4,752
Building Expenses	647	8,708	(8,061)	1,942	21,220	(19,278)
Communications	11,735	7,930	3,805	33,486	22,479	11,007
Interest expense on lease liability - GASB-87	948	1,379	(431)	2,959	4,237	(1,278)
Amortization expense of lease assets - GASB-87	3,548	3,548	0	10,643	10,643	0
Equipment Lease/Maintenance	3,424	5,108	(1,684)	12,836	12,166	670
Minor Equipment and Furniture	0	342	(342)	2,490	228	2,262
Office Supplies/Maintenance	1,670	4,064	(2,394)	3,860	7,229	(3,369)
Printing & Postage	1,157	875	282	3,320	2,627	693
Office Expense Total	<u>34,732</u>	<u>42,118</u>	<u>(7,386)</u>	<u>105,131</u>	<u>109,672</u>	<u>(4,541)</u>
INSURANCE	44,286	65,736	(21,450)	132,859	197,207	(64,348)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	0	0	0	7,942	0	7,942
Disability Medical Expense	9,800	9,850	(50)	25,464	39,150	(13,686)
Disability Claims Management	3,850	3,850	0	11,550	11,550	0
Health Reimbursement Acct. (HRA)	6,958	6,256	702	17,020	15,086	1,934
Member Training & Education	328	510	(182)	1,440	1,349	91
Printing & Postage - Members	13,690	3,128	10,562	24,472	13,102	11,370
Virtual Call Center	0	4,786	(4,786)	0	14,137	(14,137)
Member Services Total	<u>34,626</u>	<u>28,380</u>	<u>6,246</u>	<u>87,888</u>	<u>94,374</u>	<u>(6,486)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Three Months Ending 3/31/2022

	<u>For the Month of March 2022</u>	<u>For the Month of March 2021</u>	<u>Variance</u>	<u>Year-To-Date 2022</u>	<u>Year-To-Date 2021</u>	<u>Variance</u>
SYSTEMS						
Business Continuity Expense	15,649	19,673	(4,024)	47,484	50,829	(3,345)
COVID-19 Related Expenses	0	(877)	877	0	0	0
County Data Processing	10,367	10,110	257	31,128	29,938	1,190
Minor Computer Hardware	2,990	2,553	437	9,677	8,679	998
Software Maintenance & Support	62,406	22,102	40,304	180,369	142,765	37,604
Systems Total	<u>91,412</u>	<u>53,561</u>	<u>37,851</u>	<u>268,658</u>	<u>232,211</u>	<u>36,447</u>
DEPRECIATION						
Depreciation Expense	10,392	9,752	640	31,176	29,258	1,918
BOARD OF RETIREMENT						
Board Compensation	1,200	1,000	200	4,400	5,200	(800)
Board Conferences & Training	6,143	2,294	3,849	9,115	5,231	3,884
Board Employer Reimbursement	33,855	(52,986)	86,841	90,355	7,014	83,341
Board Miscellaneous Expense	777	842	(65)	2,694	2,227	467
Board Software Maint. & Support	986	988	(2)	2,957	2,965	(8)
Board of Retirement Total	<u>42,961</u>	<u>(47,862)</u>	<u>90,823</u>	<u>109,521</u>	<u>22,637</u>	<u>86,884</u>
GRAND TOTALS	<u>1,851,529</u>	<u>1,637,497</u>	<u>214,032</u>	<u>4,925,648</u>	<u>4,694,083</u>	<u>231,565</u>

CONSENT CALENDAR ITEM

Quarterly Cash Forecast as of 3/31/22



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022
 TO: Members of the Board of Retirement
 FROM: Erica Haywood, Fiscal Services Officer *ERH*
 SUBJECT: Actual Cash and Forecast as of March 31, 2022

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 2022 to March 2023, 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 2022 comprises the three months actual and nine months forecast information.

Table 1 Cash Forecast: Table 1 provides the current forecasted negative cash position for the period spanning April 2022 to March 2023. The average monthly negative cash position for the referenced period is \$23,710,087. Excluding the three three-pay-period months i.e., April 2022, September 2022, and March 2023, annotated by an *. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2021-2022 is \$2,840,873.

Table 1 Annual Cash Forecast from April 2022 to March 2023			
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position
Apr-22*	\$ 46,045,000	\$ 55,675,161	\$ (9,630,161)
May-22	32,290,000	55,857,203	(23,567,203)
Jun-22	32,094,215	55,934,246	(23,840,031)
Jul-22	32,198,430	56,011,289	(23,812,859)
Aug-22	32,302,644	56,088,332	(23,785,687)
Sep-22*	48,415,289	56,745,374	(8,330,086)
Oct-22	32,511,074	56,242,417	(23,731,343)
Nov-22	32,615,289	56,319,460	(23,704,171)
Dec-22	32,719,503	56,396,503	(23,676,999)
Jan-23	32,823,718	56,473,545	(23,649,827)
Feb-23	32,927,933	56,550,588	(23,622,655)
Mar-23*	49,353,221	57,207,631	(7,854,410)
Total	\$ 436,296,315	\$ 675,501,750	\$ (239,205,435)
Average	\$ 32,498,089	\$ 56,208,176	\$ (23,710,087)

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
2022	\$ 417,585,944	\$ 301,000,000	\$ 718,585,944
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
2018	361,633,074	224,000,000	585,633,074

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
2022	\$ 665,935,755	\$ 52,000,000	\$ 717,935,755
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
2018	534,704,781	66,503,646	601,208,427

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 HI1A account.

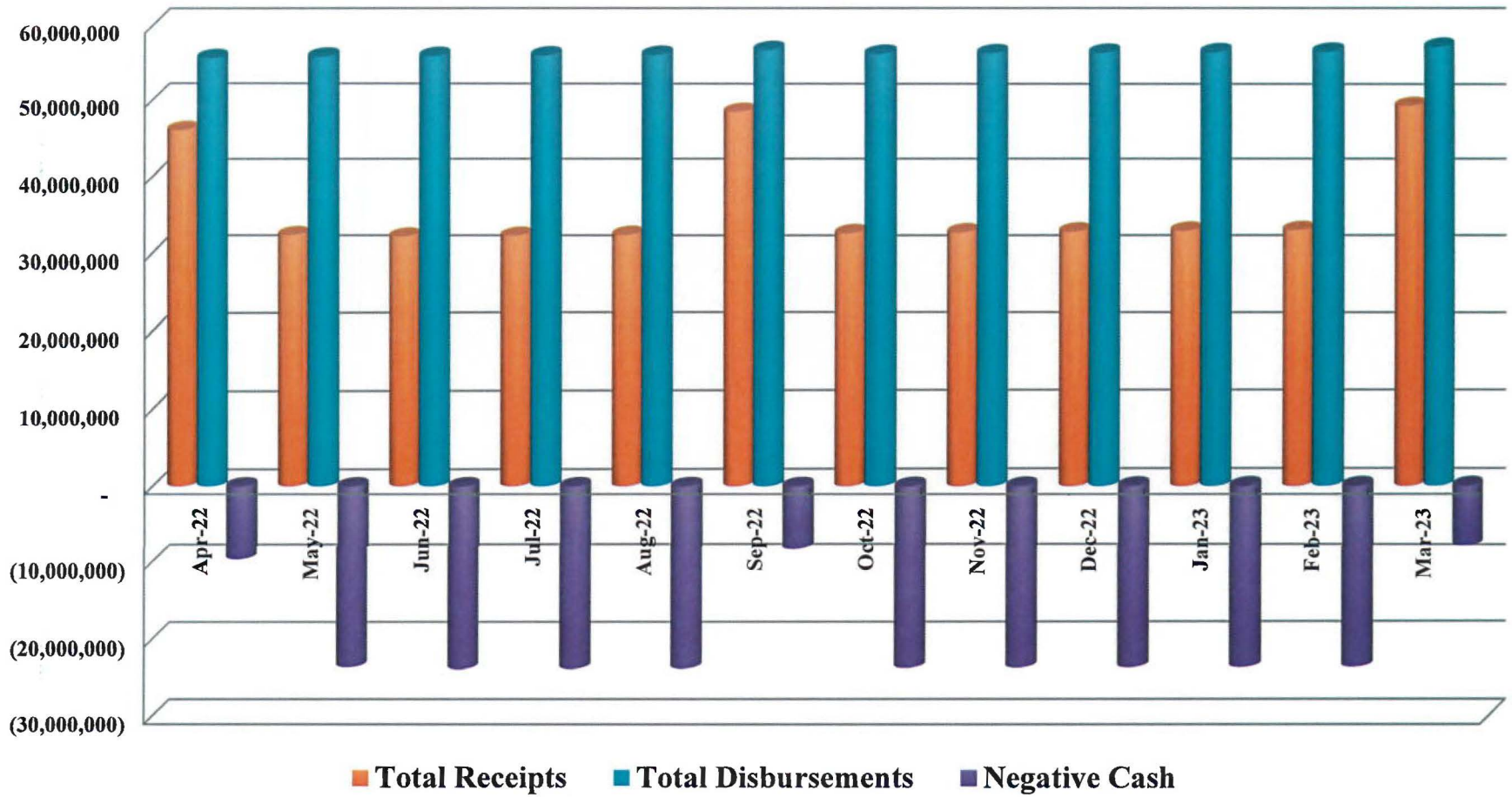
Table 4 5-Year Annual Net Cash Position			
Year	Negative Cash	Net Cash Draw from SSB	Variance
2022	\$ (248,349,811)	\$ 249,000,000	\$ 650,189
2021	(210,774,327)	213,800,000	3,025,673
2020	(184,285,989)	183,186,904	(1,099,085)
2019	(168,818,410)	171,500,000	2,681,590
2018	(173,071,707)	157,496,354	(15,575,353)

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 the 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 April 2022 - March 2023



CONSENT CALENDAR ITEM

**Quarterly Unaudited Financial
Statements as of 3/31/22**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly Unaudited Financial Statements as of March 31, 2022

Executive Summary

Attached for review and discussion is the unaudited financial statements for the period ended March 31, 2022.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2021 increased by \$1.33 billion.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$11.37 billion. Total Receivables increased by \$4 million, Investments at fair value¹ increased by \$1.33 billion, Capital Assets increased by \$2 million, and Total Liabilities without Security Lending Liability increased by \$6 million.
- The year-over-year Change in Net Position decreased by \$879 million. This is due to decrease in additions of \$869 million and increase in deductions of \$10 million as explained below:
 - Total Additions year-over-year decreased by \$869 million. This includes, decrease in net investment income of \$863 million, decrease in contributions of \$5 million, and decrease in miscellaneous income of \$1 million.
 - Total Deductions year-over-year increased by \$10 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, and member refunds.

¹ This increase includes additional contribution payments made by the County of Alameda in the amount of \$800 million and by the Livermore Area Recreation and Park District in the amount of \$13 million in June 2021. It should be noted that the additional contribution payment made by the County of Alameda will be used to reduce only its safety member actuarial accrued liability.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 3/31/2022

	Year-To-Date 2022	Year-To-Date 2021
ASSETS		
Cash (Note 1)	1,787,836	1,970,588
Securities Lending Cash Collateral (Note 2)	218,125,207	115,431,143
Receivables:		
Contributions (Note 3)	28,159,413	29,347,914
Investment Receivables (Note 4a)	22,337,079	20,239,951
Unsettled Trades - Investments Sold	5,810,843	3,190,354
Futures Contracts (Note 5a)	1,843,853	1,023,318
Foreign Exchange Contracts (Note 7a)	3,174	1,440
Other Receivables (Note 8)	236,433	205,906
Total Receivables	58,390,796	54,008,883
Prepaid Expenses	687,733	677,369
Total Current Assets	278,991,572	172,087,982
Investments - at Fair Value:		
Short-Term Investments (Note 9)	283,394,521	183,107,748
Domestic Equity	619,608,939	603,219,989
Domestic Equity Commingled Funds	2,448,487,416	2,266,802,864
International Equity	1,270,312,788	1,296,871,182
International Equity Commingled Funds (Note 10)	1,489,511,462	1,444,931,782
Domestic Fixed Income	1,602,118,645	1,212,032,704
International Fixed Income	86,830,434	154,930,302
International Fixed Income - Commingled Funds (Note 11)	81,259,133	148,935,174
Real Estate - Separate Properties (Note 12)	72,202,133	72,787,095
Real Estate - Commingled Funds (Note 13)	685,432,458	543,214,293
Real Assets	753,227,336	489,630,502
Absolute Return (Note 14a)	770,906,498	698,003,026
Private Equity (Note 14b)	1,025,302,481	814,621,244
Private Credit	162,145,050	88,983,991
Total Investments	11,350,739,295	10,018,071,897
Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) (Note 15)	6,413,819	4,512,634
Total Assets	11,636,144,686	10,194,672,513
LIABILITIES		
Securities Lending Liability (Note 2)	218,125,207	115,431,143
Unsettled Trades - Investments Purchased	26,666,231	19,334,978
Investment-Related Payables (Note 4b)	12,617,069	13,561,117
Futures Contracts (Note 5b)	558,527	0
Foreign Exchange Contracts (Note 7b)	569,509	2,646,830
Accrued Administration Expenses (Note 16)	2,349,343	2,635,574
Members Benefits & Refunds Payable (Note 17a)	6,724,612	4,815,021
Retirement Payroll Deductions Payable (Note 17b)	10,727	11,725
Lease Liability	90,850	134,184
Total Liabilities	267,712,075	158,570,573
DEFERRED INFLOWS OF RESOURCES		
Net Position		
Restricted - Held in Trust for Benefits	11,368,432,611	10,036,101,940
Total Net Position	11,368,432,611	10,036,101,940

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Three Months Ending 3/31/2022

	Year-To-Date 2022	Year-To-Date 2021
ADDITIONS		
Contributions: (Note 18)		
Members	30,026,122	26,692,336
Employers	71,943,633	80,250,543
Total Contributions	101,969,755	106,942,879
From Investment Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments (Note 19a)	(446,933,550)	416,130,071
Interest	13,449,418	10,975,915
Dividends	10,133,170	11,513,186
Real Estate - Net	5,404,676	4,574,749
Private Equity and Alternatives	8,828,476	33,360,045
Brokers Commissions - Directed Brokerage	549	3,806
Sub-Total of Dividends, Interest, Other Investment Income (Note 19b)	37,816,289	60,427,701
Total Income from Investment Activities	(409,117,261)	476,557,771
Total Investment Expenses (Note 20)	(6,677,672)	(29,082,063)
Net Income from Investment Activities (Note 21)	(415,794,932)	447,475,709
From Securities Lending Activities:		
Securities Lending Income	204,266	201,899
Securities Lending Expenses	(45,617)	(40,417)
Net Income from Securities Lending Activities (Note 22)	158,649	161,483
Total Net Investment Income	(415,636,283)	447,637,191
Miscellaneous Income (Note 23)	50,513	708,333
Total Additions	(313,616,016)	555,288,403
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	138,554,255	131,433,590
Death Benefits (Note 25)	1,004,494	682,413
Supplemental Cost of Living Allowance	209,239	254,757
Retiree Healthcare Program	11,423,375	11,282,616
Total Benefit Payments	151,191,363	143,653,376
Member Refunds	3,455,412	1,261,148
Administration: (Note 26)		
Administrative Expenses	3,098,629	3,085,076
Actuarial Expenses	90,216	83,666
Business Continuity Expenses	131,494	159,321
Legal Expenses	202,910	189,680
Technology Expenses	219,746	177,296
401(h) Expenses	424,500	344,250
Total Administration	4,167,495	4,039,289
Total Deductions	158,814,270	148,953,813
Net Increase(Decrease)	(472,430,286)	406,334,590
Net Position Held in Trust for Benefits:		
Net Position - January 1	11,840,862,896	9,629,767,350
Net Position - March 31	11,368,432,611	10,036,101,940

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

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 - \$1.79 million

Cash balance is the sum of the funds in the Wells Fargo Bank operating accounts. The decrease of \$0.18 million from 1.97 million in March 31, 2021, 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 - \$218.13 million

Cash collateral of \$218.13 million and \$115.43 million was held by ACERA related to securities on loan as of March 31, 2022, and March 31, 2021, 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 - \$28.16 million

The receivable balances of March 31, 2022, decreased by approximately \$1.19 million from \$29.35 million in March 31, 2021. This is primarily due to the decrease in employer contribution rates for County safety membership and LARPD.

(Note 4)

4a. Investment Receivables - \$22.34 million

The investment receivables balance as of March 31, 2022, increased by \$2.10 million from \$20.24 million for March 31, 2021. The increase is mainly attributed to interest and dividend receivables.

4b. Investment Related Payables - \$12.62 million

The decrease of \$0.94 million in investment related payables balance as of March 31, 2022, from \$13.56 million for March 31, 2021 is primarily due to decrease in investment managers and incentive fees payable.

(Note 5)

5a. Futures Contracts Receivables - \$1.84 million

The receivables represent unrealized gains on open future contracts. The balance for unrealized gains as of March 31, 2022, and March 31, 2021, were \$1.84 million and \$1.02 million, respectively.

5b. Futures Contracts Payables - \$0.56 million

The payables represent the unrealized losses on open future contracts. The balance for unrealized losses as of March 31, 2022, and March 31, 2021, were \$0.56 million and zero, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 7)

7a. Foreign Exchange Contracts Receivables - \$0.003 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, 2022, and March 31, 2021, unrealized gains on FX contracts were \$0.003 million and \$0.001 million, respectively. The increase of \$0.002 million is due to change in number and valuation of contracts and market volatility.

7b. Foreign Exchange Contracts Payables - \$0.57 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, 2022, and March 31, 2021, unrealized losses on FX contracts were \$0.57 million and \$2.65 million, respectively. The decrease in unrealized losses of \$2.08 million is due to change in number and valuation of contracts and market volatility.

(Note 8)

Other Receivables - \$0.24 million

Other receivables as of March 31, 2022, 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, 2022

(Note 9)

Short-Term Investments - \$283.39 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>3/31/2022</i>
Unallocated Cash	\$ 125.85
Baird Investors	46.00
Brandywine	42.31
Capital Guardian	28.93
Parametric Portfolio Associates (cash overlay)	10.13
Loomis	9.99
Kennedy	4.36
TCW	4.21
Aristotle Capital	3.77
Mondrian	2.50
William Blair Small Cap Growth	1.77
Bivium - Dundas Partners	0.70
Bivium - Radin Capital Partners	0.66
Bivium - Arga Investment Management	0.48
Bivium - Promethos Capital, LLC	0.41
Bivium - Global Alpha Capital Mgmt	0.36
Bivium Redwood Investment	0.32
Bivium - Denali Advisors	0.28
AQR Capital Management, LLC	0.27
Bivium RVX Asset Management LLC	0.04
Next Century Growth Small Cap	0.03
Transition	0.01
Bivium - Applied Research Management	0.01
Total	\$ 283.39

(Note 10)

International Equity Commingled Funds - \$1,489.51 million

As of March 31, 2022, and March 31, 2021, the International Equity Commingled Funds were \$1,489.51 million and \$1,444.93 million, respectively. The increase of \$44.58 million is due to additional investments net of distributions.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 11)

International Fixed Income Commingled Funds - \$81.26 million

The decrease of \$67.68 million from the prior year is due to additional distributions net of investments and market depreciation. 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 - \$72.20 million

The following is a summary of Real Estate – Separate Property investments as of March 31, 2022, and March 31, 2021. The year over year decrease of \$0.59 million is due to the market depreciation of the Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 3-31-2022</i>	<i>Net Mkt. Value 3-31-2021</i>	<i>No. of Properties 2022</i>	<i>No. of Properties 2021</i>
RREEF	\$ 72.20	\$ 72.79	1	1

(Note 13)

Real Estate Commingled Funds - \$685.43 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 \$142.22 million in 2022 as compared to 2021 is mainly due to market appreciation and additional investments net of distributions.

(Note 14)

14a. Absolute Return - \$770.91 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$72.90 million in 2022 as compared to 2021 is predominantly due to net gain on investments.

14b. Private Equity - \$1,025.30 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$210.68 million in 2022 as compared to 2021 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, 2022

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$6.41 million

(Dollars in Millions)

<i>Net Capital Assets</i>	<i>3/31/2022</i>	<i>3/31/2021</i>
Retirement Information System and Others - Construction-In-Process	\$ 5.13	\$ 3.11
Equipment, Furniture & Information Systems	13.58	13.54
Electronic Document Management System	4.18	4.18
Right-to-Use Leased Office Equipments	0.21	0.21
Less: Accumulated Depreciation and Amortization	(17.84)	(17.77)
Net Book Value	5.26	3.27
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.44)	(1.35)
Net Book Value	1.15	1.24
Total Capital Assets, Net	\$ 6.41	\$ 4.51

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 - \$2.35 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, 2022

(Note 17)

17a. Members' Benefits & Refunds Payable - \$6.72 million

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

(Dollars in Millions)

<i>Accrued Benefits and Refunds</i>	<i>3/31/2022</i>	<i>3/31/2021</i>
Basic Active Death Benefits	\$ 1.21	\$ 0.80
Active Death Contribution Refunds	2.15	1.60
Retired Death Benefits	2.94	2.39
Members' Contribution Refunds	0.42	0.03
Total Members' Benefit & Refunds Payable	\$ 6.72	\$ 4.82

17b. Retirement Payroll Deductions Payables - \$0.01 million

The balance for March 31, 2022, includes \$0.01 million in health premium prepayments for 8 retirees. The corresponding balance for March 31, 2021, included \$0.01 million in health premium prepayments for 9 retirees.

(Note 18)

Contributions - \$101.97 million

The decrease in contributions of \$4.97 million in 2022 as compared to 2021 is primarily due to the decrease in County's employer contribution rates for safety membership and the decrease in LARPD's employer contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 19)

19a. Net Appreciation/ (Depreciation) in Fair Value of Investments – (\$446.93) million

(Dollars in Millions)

	<i>For the Period Ended</i>	
	<i>3/31/2022</i>	<i>3/31/2021</i>
<i>Actual / Realized Gains/(Losses)</i>		
Domestic Equities	\$ 37.28	\$ 32.92
International Equities	6.39	52.45
Domestic Bonds	(7.91)	(0.80)
International Bonds	0.21	2.14
Real Estate Commingled Funds	16.35	(10.64)
Real Estate Sep. Props.	-	0.04
Private Equity & Alternative	36.80	58.21
Real Assets	25.17	1.62
Private Credit	0.31	0.07
Swaps and Others	(7.36)	4.49
Futures	(0.11)	5.56
<i>Total Realized Gains/(Losses)</i>	107.13	146.06
<i>Paper / Unrealized Gains/(Losses)</i>		
Domestic Equities	(235.43)	148.00
International Equities	(271.86)	50.22
Domestic Bonds	(111.03)	(47.45)
International Bonds	(6.91)	(21.39)
Real Estate Commingled Funds	23.78	18.77
Real Estate Sep. Props.	-	(0.04)
Private Equity & Alternative	(7.04)	105.49
Real Assets	51.91	24.18
Private Credit	0.63	0.39
Swaps and Others	1.71	0.79
Futures	0.18	(8.89)
<i>Total Unrealized Gains/(Losses)</i>	(554.06)	270.07
Total Net Realized and Unrealized Gains/(Losses)	\$ (446.93)	\$ 416.13

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

19b. Dividend, Interest, and Other Investment Income - \$37.82 million

(Dollars in Millions)

<i>Dividend, Interest, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>3/31/2022</i>	<i>3/31/2021</i>
Interest Income	\$ 13.45	\$ 10.98
Dividend Income	10.14	11.52
Real Estate Income	5.40	4.57
Private Equity, Absolute Return, Private Credit and Real Asset Income/(Loss) ⁽¹⁾	8.83	33.36
Total Net Income	\$ 37.82	\$ 60.43

⁽¹⁾ The decrease of \$24.53 million in 2022 as compare to 2021 is mainly related to Private Equity investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 20)

Investment Expenses - \$6.68 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2022</i>	<i>Basis Points</i>	<i>3/31/2021</i>
Investment Manager and Incentive Fees	4.50	\$ 5.11	27.78	\$ 27.83
Investment Custodian	0.12	0.14	0.15	0.15
Investment Consultants & Other Expenses(*)	0.59	0.67	0.44	0.45
Subtotal	5.21	5.92	28.37	28.43
Investment Allocated Cost	0.67	0.76	0.65	0.65
Total Investment Expenses(**)	5.88	\$ 6.68	29.02	\$ 29.08

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2022</i>	<i>Basis Points</i>	<i>3/31/2021</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.21	\$ 0.24	0.23	\$ 0.24
Consultant - Portfolio Rebalancing	0.01	0.01	0.01	0.01
Consultant - Legal (Alternative Investment)	0.05	0.06	0.08	0.08
Subtotal – Consultants Expenses	0.27	0.31	0.32	0.33
Proxy Services	0.01	0.01	0.01	0.01
Transaction Cost Analysis	0.01	0.01	0.01	0.01
Other Investment Expenses/(Income)	0.30	0.34	0.10	0.10
Subtotal – Other Investment Expenses	0.32	0.36	0.12	0.12
Total Investment Consultants and Other Expenses	0.59	\$ 0.67	0.44	\$ 0.45

(**) The decrease in total investment expenses of \$22.40 million in 2022 as compared to 2021 is due to Private Equity and Absolute Return incentive fees which are based on funds' performance. This decrease is due to high investment returns in 2021 and timing differences from Private Equity Managers in 2022.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 21)

Net Investment Income/ (Losses) – (\$415.80) million

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>3/31/2022</i>	<i>3/31/2021</i>	<i>from previous period</i>
Paper / Unrealized Gains/(Losses)	\$ (554.07)	\$ 270.06	\$ (824.13)
Actual / Realized Gains/(Losses)	107.13	146.07	(38.94)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	31.14	31.35	(0.21)
Total Net Income/ (Losses)	\$ (415.80)	\$ 447.48	\$ (863.28)

(Note 22)

Securities Lending Net Income - \$0.16 million

The securities lending net income balance as of March 31, 2022, and March 31, 2021, were \$0.16 million and \$0.16 million, respectively.

(Note 23)

Miscellaneous Income - \$0.05 million

The miscellaneous income of \$0.05 million is predominantly from prior year investment income and recovery.

(Note 24)

Service Retirement and Disability Benefits - \$138.55 million

The increase of \$7.12.92 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 237 in the total number of retirees and beneficiaries receiving benefits, from 10,313 on March 31, 2021 to 10,550 on March 31, 2022.

(Note 25)

Death Benefits - \$1.00 million

The death benefits paid out during the three months ended March 31, 2022, were comprised of \$0.07 million of Retired Death Benefits, \$0.32 million of Active Death Benefits, and \$0.61 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2022

(Note 26)

Total Administration - \$4.17 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)

	3/31/2022	3/31/2021	<i>Inc./</i> (Dec.) <i>from previous</i> <i>period</i>
Administrative Expenses	\$ 3.11	\$ 3.09	\$ 0.02
Actuarial Expenses	0.09	0.08	0.01
Business Continuity Expenses	0.13	0.16	(0.03)
Legal Expenses	0.20	0.19	0.01
Technology Expenses	0.22	0.18	0.04
401(h) Administrative Expenses	0.42	0.34	0.08
Total	\$ 4.17	\$ 4.04	\$ 0.13

CONSENT CALENDAR ITEM

**Board Conference and Training
Expense Report as of 3/31/22**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Board Conference and Training Expense Report for the period January 1, 2022, to March 31, 2022

Attached is the January 1, 2022 – March 31, 2022 Board conference and training expense report. As of March 31, 2022, reported expenses totaled \$9,115.

ACERA Trustees
Board Conference Expense Report
January 1, 2022 to
March 31, 2022

From	To	Attendee	Conference	Location	Total
Dale Amaral					\$ -
01/10/22	01/12/22	Darryl Walker	Opal Group Public Funds Summit	Scottsdale, AZ	\$ 667
03/05/22	03/08/22	Darryl Walker	CALAPRS General Assembly	San Diego, CA	\$ 1,457
3/23/22	3/24/22	Darryl Walker	NASP	Los Angeles, CA	\$ 846
Darryl Walker Total					\$ 2,969
George Wood Total					\$ -
03/05/22	03/08/22	Henry Levy	CALAPRS General Assembly	San Diego, CA	\$ 50
03/07/22	03/09/22	Henry Levy	CII Spring Conference	Washington, DC	\$ 1,676
Henry Levy Total					\$ 1,726
Jaime Godfrey Total					
Keith Carson total					
03/14/22	08/31/22	Kellie Simon	Berkeley Law	Online	\$ 1,275
Kellie Simon total					\$ 1,275
Liz Koppenhaver Total					
Nancy Reilly Total					
Ophelia Basgal Total					
02/23/22	02/25/22	Tarrell Gamble	Opal Group: Investment Education Symposium	New Orleans, LA	\$ 1,997
03/07/22	03/09/22	Tarrell Gamble	CII Spring Conference	Washington, DC	\$ 839
03/23/22	03/24/22	Tarrell Gamble	ALTSLA: The West Coast's Premier Alternative Investment Conference	Los Angeles, CA	\$ 308
Tarrell Gamble Total					\$ 3,144
Grand Total					\$ 9,115

CONSENT CALENDAR ITEM

**Senior Leader Conference and
Training Expense Report as of 3/31/22**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: SLT Conference and Training Expense Report for the period
January 1, 2022, to March 31, 2022

Attached is the January 1, 2022 – March 31, 2022 Senior Leadership Team conference and training expense report. As of March 31, 2022, reported expenses totaled \$5,019.

ACERA SLT
 Conference and Training Expense Report
 January 1, 2022 to March 31, 2022

From	To	SLT	Training or Conference	Name	Amount
Conferences					
03/05/22	03/08/22	Dave Nelsen	Conference	CALAPRS General Assembly	\$ 1,128
Trainings					
02/11/22	02/11/22	Dave Nelsen	Training	Calaprs Administrator's Round Table	\$ 50
Dave Nelsen Total					\$ 1,178
Conferences					
03/05/22	03/08/22	Kathy Foster	Conference	CALAPRS General Assembly	\$ 1,351
Trainings					
02/11/22	02/11/22	Kathy Foster	Training	Calaprs Administrator's Round Table	\$ 50
Kathy Foster Total					\$ 1,401
Conferences					
Trainings					
Lisa Johnson Total					\$ -
Conferences					
Trainings					
Jeffrey Rieger Total					\$ -
Conferences					
03/05/22	03/08/22	Harsh Jadhav	Conference	CALAPRS General Assembly	\$ 943
Trainings					
01/01/22	12/31/22	Harsh Jadhav	Training	Excel University	\$ 390
02/07/22	02/07/22	Harsh Jadhav	Training	CPA Education	\$ 289
Harsh Jadhav Total					\$ 1,622
Conferences					
Trainings					
Jessica Huffman Total					\$ -
Conferences					
Trainings					
Sandra Dueñas Total					\$ -
Conferences					
Trainings					
Vicki Arruda Total					\$ -
Conferences					
Trainings					
Betty Tse Total					\$ -
Conferences					
03/05/22	03/08/22	Vijay Jagar	Conference	CALAPRS General Assembly	\$ 818
Trainings					
Vijay Jagar Total					\$ 818
Conferences					
Trainings					
Erica Haywood Total					\$ -
Grand Total					\$ 5,019

CONSENT CALENDAR ITEM


**Quarterly Report on Member
Under/Overpayments**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022

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 27, 2021 through December 25, 2021, 160 deaths occurred. There are six 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 27, 2021 through December 25, 2021, 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 six members who underpaid their mandatory employee contributions and two member who overpaid their mandatory employee contributions. Staff reviewed and resolved each of the eight cases of incorrect payment. There were a total of 3,069 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 27, 2021 thru December 25, 2021

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement	7/4/2021	7/30/2021	7/30/2021	\$1,272.85	Staff initiated ACH reversal 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.
Continuance	8/18/2021	9/20/2021	8/31/2021	\$2,176.33	Staff initiated 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.
Continuance	9/26/2021	10/11/2021	9/30/2021	\$1,661.90	Staff initiated ACH reversal 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	9/12/2021	10/27/2021	10/31/2021	\$1,687.89	Staff initiated 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.
DRO Life Time	10/18/2021	10/27/2021	10/31/2021	\$2,241.01	Staff initiated ACH reversal 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.
Continuance	9/29/2021	11/12/2021	10/31/2021	\$2,002.46	Staff initiated ACH reversal 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				\$11,042.44	

**Active Members - Overpayments and Underpayments of Member Contributions
June 27, 2021 thru December 25, 2021**

Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments: 1	\$1,049.68	8/4/2021	8/11/2021	7	Age Adjustment Due to Reciprocity
Underpayments: 1	\$932.85	11/19/21	11/26/21	7	Withheld Contribution Based on Incorrect Salary
Summary	<p align="center"> Most Common Exception Type: N/A Total Exceptions: 1493 % Above Exceptions of Total Exceptions: 0.13% </p>				

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	<p align="center"> Most Common Exception Type: N/A Total Exceptions: 74 % Above Exceptions of Total Exceptions: 0.00% </p>				

Alameda Health Systems					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments: 1	\$98.16	11/17/2021	11/17/2021	1	Withheld Contribution Based on Incorrect Salary
Underpayments: 1	\$31.81	7/1/2021	7/1/2021	1	Withheld Contribution Based on Incorrect Salary
Underpayments: 2	\$33.62	11/18/2021	11/18/2021	1	Withheld Contribution Based on Incorrect Salary
Underpayments: 3	\$27.78	11/18/2021	11/18/2021	1	Withheld Contribution Based on Incorrect Salary
Underpayments: 4	\$28.79	11/30/2021	11/30/2021	1	Withheld Contribution Based on Incorrect Salary
Underpayments: 5	\$10.68	12/2/2021	12/2/2021	1	Withheld Contribution Based on Incorrect Salary
Summary	<p align="center"> Most Common Exception Type: Withheld Contribution Based on Incorrect Salary Total Exceptions: 1270 % Above Exceptions of Total Exceptions: 0.47% </p>				

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: 1 % 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: 3 % Above Exceptions of Total Exceptions: 0.00%				

Alameda County Superior Courts					
	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: 228 % Above Exceptions of Total Exceptions: 0.00%				

CONSENT CALENDAR ITEM

1st Quarter Call Center Report



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 19, 2022
TO: Members of the Board of Retirement
FROM: Ismael Piña, Assistant Benefits Manager
SUBJECT: **1st Quarter 2022 Call Center Report**

Attached is the Service Level Report for the first quarter of 2022. Our service levels exceeded our benchmark this past quarter. The team handled a total of 5,049 incoming calls this past quarter, 97.8% of which were answered within 60 seconds. The team also responded to a total of 307 member voicemails within 1 business day or less.

The matrix below provides the five highest call volume categories for Q4 2021 and Q1 2022.

Q4 2021 Highest Volume	Categories of Calls	Q1 2022 Highest Volume	Categories of Calls
38%	Health/Dental/ Vision related Q's	31%	Retirement/Membership/ Job Status Change Related Q's
31%	Retirement/Membership/ Job Status Change Related Q's	26%	Retiree Payroll Change Requests
16%	Retiree Payroll Change Requests	21%	Health/Dental/ Vision related Q's
9%	Award Letter/EFT Statement/1099R Requests	17%	Award Letter/EFT Statement/1099R Requests
6%	Service Purchase/Retirement Estimate Requests	5%	Service Purchase/Retirement Estimate Requests

Attachment

ACERA

YTD 2022 Member Services and Reception Service Level Report

Performance Indicators	January 2022 Member Services	February 2022 Member Services	March 2022 Member Services	April 2022 Member Services	May 2022 Member Services	June 2022 Member Services
KPI - Service Level (% of calls answered within 60 seconds)	98.20%	97.63%	97.46%			
Total Number of Call Offered	1562	1571	1940			
Call Center Agent Handled Calls	1556	1562	1931			
Number of Abandoned Calls	6	9	10			
Average Hold Time Before Abandoned (minutes:seconds)	00:57	01:02	00:28			
Abandoned Call Rate (Goal: 3% or less)	0.38%	0.57%	0.52%			
Average Talk Time (minutes:seconds)	05:23	05:03	04:55			

Performance Indicators	July 2022 Member Services	August 2022 Member Services	September 2022 Member Services	October 2022 Member Services	November 2022 Member Services	December 2022 Member Services
KPI - Service Level (% of calls answered within 60 seconds)						
Total Number of Call Offered						
Call Center Agent Handled Calls						
Number of Abandoned Calls						
Average Hold Time Before Abandoned (minutes:seconds)						
Abandoned Call Rate (Goal: 3% or less)						
Average Talk Time (minutes:seconds)						

YTD 2022

Total Call Center Agent Handled Calls

5049

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 2022-2023 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 19, 2022

TO: Members of the Board of Retirement

FROM: Lisa Johnson, Assistant Chief Executive Officer

A handwritten signature in blue ink that reads "Lisa Johnson".

SUBJECT: **Participating Employers' Recommended Contributions to their Alameda County Employees' Retirement Association 401(h) Accounts for the 2022 - 2023 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 \$56,762,000 will be required in contributions for the 2022-2023 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 \$ 56,762,000 and was adjusted by the estimated balance remaining in the 401(h) account, as of June 30, 2022 for fiscal year 2022-2023.

<u>Employer</u>	<u>Percentage</u>	<u>Net Contribution</u>
Alameda County	79.49%	\$38,337,923.32
AHS	13.60%	\$6,623,233.16
First 5	0.16%	\$79,964.34
Housing Authority	0.62%	\$300,510.39
LARPD	0.70%	\$338,262.20
<u>Superior Court</u>	<u>5.43%</u>	<u>\$2,637,147.45</u>
Total Net Contribution	100.00%	\$48,317,040.86

The estimated contributions for all Participating Employers include:

- Projected health premium subsidy increases of 3.00% for medical, 4.50% for Medicare Part B, and 0.00% for dental and vision;
- An additional 10% subsidy requirement for 2022-2023 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 2022-2023 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 2022-2023



180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

VIA E-Mail

April 19, 2022

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 2022-2023 Fiscal Year

Dear Lisa,

Pursuant to the Association's request, we have estimated the 401(h) contributions for the 2022-2023 fiscal year.

Results and Analysis

We project that, for the 2022-2023 fiscal year, the Association will need \$56,762,000 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 2022, projected to June 2022 by the Association (for comparison purposes only). | \$3,937,000* |
| 2. | Annualized premium subsidy as of February 2022, projected to June 2022 (for comparison purposes only). | \$47,244,000 |

** Last year, the total monthly premium subsidy paid by ACERA to all health benefit plan providers for February 2021 and projected to June 2021 by the Association was \$3,862,000, or \$46,344,000 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 Medicare Part B premium from 2021 to 2022.*

- | | |
|---|--------------------------|
| 3. Best estimate of annualized premium subsidy required for 2022-2023 (based on actual payouts from July 2021 through February 2022 and estimated payouts from March 2022 through June 2022 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 2022 (as assumed in the December 31, 2020 SRBR valuation). The assumed increases in the subsidy calculation are 3.00% for medical ¹ , 4.50% for Medicare Part B, and 0.00% for dental and vision plans. | \$50,133,000 |
| 4. Increase of 10% in Item 3 to provide a margin for unexpected retirements rounded to nearest \$1,000. | \$5,013,000 |
| 5. Administrative expenses for health benefits, rounded to nearest \$1,000. | \$1,616,000 ² |
| 6. Sum of Items 3, 4, and 5. | \$56,762,000 |

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 2021-2022 to 2022-2023. 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 2022-2023 fiscal year should be determined by subtracting the June 30, 2022 balance in the 401(h) account from the \$56,762,000. 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 6.00% trend assumption used to project the increase for Medicare Advantage plans from calendar year 2022 to calendar year 2023, as described in our health care cost trend letter dated March 22, 2021 for the December 31, 2020 SRBR sufficiency valuation. The medical trend assumptions in our letter dated March 14, 2022, recommended for the December 31, 2021 sufficiency valuation, are higher and will be applied in the 401(h) contribution estimate for the 2023-2024 fiscal year.

² As part of the determination of the 401(h) contributions for the 2021-2022 fiscal year, we followed the directions from the Association (as provided in the past) to use the actual 2020 calendar year expense as a proxy for the 2021-2022 fiscal year. We have maintained this procedure and have used the actual 2021 calendar year expense as a proxy for the 2022-2023 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 2022, based on the number of retirees eligible for retirement benefits.

Employer	Percentage of 401(h) Contributions
Alameda County*	79.49%
Health System	13.60%
Superior Court	5.43%
Livermore Area Recreation and Park District	0.70%
Housing Authority	0.62%
First 5	0.16%
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, 2021 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, 2020, to the payroll calculated in that valuation, increased by 3.25% to reflect one year of projected payroll growth.

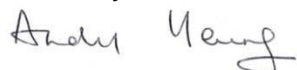
Source of Contributions	Estimated Amount (\$millions)
Employee Normal Cost (based on an aggregate member rate of 9.94% calculated in the December 31, 2020 valuation and an estimated payroll of \$1,193 million)	\$118.6
Employer Normal Cost (based on aggregate employer normal cost rate of 10.89% calculated in the December 31, 2020 valuation and an estimated payroll of \$1,193 million)	\$129.9
Recommended 401(h) Medical Contributions	\$56.8
Total Normal Cost and Recommended 401(h) Medical Contributions	\$305.3
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, 2020 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 March 22, 2021.

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: Kathy Foster
Eva Hardy
Katherine Martinez

³ This ratio was 19.3% as provided in our 401(h) contributions letter for the 2021-2022 fiscal year.

EXHIBIT B

401(h) Contributions needed for County and Special Districts - For the Fiscal Year 2022-23

Employer	Percentage of 401(h) Contribution	Paid Interval	Actuarial 401(h) Account Balance Required for FY 2022-23	Est. 401(h) Balance as of 6/30/2022	FY 2022-23 Required 401(h) Contribution Amount	FY 2022-23 Per Pay Period 401(h) Payment	Monthly Payment 2 PP	Sept.'22 & Mar-2023 3 PP	Oct.'22 & Apr-2023 3 PP	Required Adm. Allocation 2022-23	
										Total	Monthly Adm. Allocation
Alameda County	79.49%	Bi-Weekly (26 PP)	\$ 45,120,113.80	\$ 6,782,190.48	\$ 38,337,923.32	\$ 1,474,535.51	\$ 2,949,071.02	\$ 4,423,606.53	\$ 2,949,071.02	\$ 1,284,558.40	\$ 107,046.53
AHS	13.60%	Bi-Weekly (26 PP)	7,719,632.00	1,096,398.84	6,623,233.16	\$ 254,739.74	\$ 509,479.48	\$ 764,219.22	\$ 509,479.48	\$ 219,776.00	\$ 18,314.67
Superior Court	5.43%	Bi-Weekly (26 PP)	3,082,176.60	445,029.15	2,637,147.45	\$ 101,428.75	\$ 202,857.50	\$ 304,286.25	\$ 202,857.50	\$ 87,748.80	\$ 7,312.40
Livermore Area Recreation & Park District	0.70%	Bi-Weekly (26 PP)	397,334.00	59,071.80	338,262.20	\$ 13,010.08	\$ 26,020.16	\$ 26,020.16	\$ 39,030.24	\$ 11,312.00	\$ 942.67
Housing Authority	0.62%	Bi-Weekly (26 PP)	351,924.40	51,414.01	300,510.39	\$ 11,558.09	\$ 23,116.18	\$ 23,116.18	\$ 34,674.27	\$ 10,019.20	\$ 834.93
First 5	0.16%	Bi-Weekly (26 PP)	90,819.20	10,854.86	79,964.34	\$ 3,075.55	\$ 6,151.10	\$ 9,226.65	\$ 6,151.10	\$ 2,585.60	\$ 215.47
Total	100.00%		\$ 56,762,000.00	\$ 8,444,959.14	\$ 48,317,040.86	\$ 1,858,347.72	\$ 3,716,695.44	\$ 5,550,474.99	\$ 3,741,263.61	\$ 1,616,000.00	\$ 134,666.67

Per SEGAL letter dated April 19, 2022 required amount \$ 56,762,000.00

** Please see attached payment schedule.

Prepared by: Hema - 4/29/22

Reviewed by: Hermella - 5/3/22

NEW BUSINESS

- 7.B. Discussion about the possible formation and scope of a new Ad Hoc Environmental, Social, and Governance (ESG) Sub-Committee.



To: Board of Retirement
From: Jeff Rieger, Chief Counsel
Meeting: May 19, 2022
Subject: **Possible Establishment Of ESG Investment Policy Implementation Ad Hoc Committee**

A handwritten signature in black ink, appearing to be "JR", is written over the "From:" and "Meeting:" lines.

Section IIM of the Board and Committee Operations Policy states:

1. The Board may approve the establishment of temporary ad hoc Committees to gather information and make recommendations to the Board or a Committee on specific subject matters. The Board Chair shall appoint the Chair and Members of ad hoc Committees. Ad hoc Committees shall have no more than four (4) Members and, if they are otherwise compliant with the Brown Act, shall not be required to comply with the agenda requirements of this Policy. Board Members not appointed to an ad hoc Committee are not permitted to attend meetings of the ad hoc Committee or discuss any of the issues addressed by the ad hoc committee with any members of the ad hoc committee.
2. At the beginning of each calendar year, the Board shall assess the need for all existing ad hoc Committees and formally dissolve any ad hoc Committees deemed unnecessary.

Some interest has been expressed in the possible establishment of an ad hoc Committee to gather information and make recommendations to the Board with respect to the implementation of the Board's ESG Investment Policy. Whether to establish such an ad hoc Committee is entirely up to the Board. If the Board establishes such an ad hoc Committee, it would then be up to the Board Chair to appoint the Chair and other Members of the ad hoc Committee.

If the Board establishes an ad hoc Committee, then I recommend that the Board:

- (1) define the role it expects such ad hoc Committee to play and how that role fits in to the existing ESG Investment Policy (attached to this memorandum); and
- (2) direct the ad hoc Committee to report back to the Board with any recommendations regarding the implementation of the ESG Policy no later than the Board's January 2023 meeting. At the Board's January 2023 meeting, the Board may then consider whether to dissolve or continue the ad hoc Committee, pursuant the Board and Committee Operations Policy.

**Alameda County Employees'
Retirement Association**

ACERA

**Environmental, Social, and Governance (“ESG”) Investment
Policy**

March 18, 2021

ACERA ESG INVESTMENT POLICY

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I. SCOPE

The Environmental, Social and Governance Investment Policy (“ESG Policy”) reflects the values of Alameda County Employees’ Retirement Association’s (“ACERA’s”) Board in conjunction with long term, material risk considerations that may impact the financial returns of the Plan. It shall apply to all asset classes of ACERA’s Pension Fund (“Fund”) and may be incorporated within investment management guidelines or through active ownership, including proxy voting. The ESG Policy is subject to all provisions of applicable law and the applicable limitations and requirements of ACERA’s General Investment Guidelines, Policies and Procedures. The ACERA Board (“Board”) reserves the right to amend, supplement, or rescind this ESG Policy at any time.

II. PURPOSE

The purpose of this ESG Policy is to establish a framework for the ongoing development, ongoing monitoring, and administration for the Plan’s ESG stated values, consistent with the Board’s fiduciary responsibilities in investment of the Fund. This ESG Policy embraces an integrated approach to the assessment of long-term risk considerations and disclosures, as opposed to a divestment approach.

At its outset, this ESG Policy will focus primarily on understanding the existing ESG policies that exist within the Fund and how they interact and affect overall portfolio risk and performance. Over time, it is expected that ACERA’s ESG Policy will evolve along with the Board’s knowledge and understanding of ESG integration and risk reduction at the Fund level.

III. LEGAL AUTHORITY

As with all other aspects of ACERA’s Fund, this ESG framework requires that ACERA’s Trustees act solely in the interest of plan beneficiaries, in good faith, avoiding conflicts of interest and acting with prudence. This ESG Policy adheres to the California Constitution, article XVI, section 17 and is designed to be consistent with guidance found in DOL publications which define the prudent consideration of ESG factors, allow for ESG factors in investment policy statements and in evaluation and risk metrics, and define prudent ESG proxy voting guidelines. ACERA’s ESG Policy shall not sacrifice investment returns or assume greater risks to promote social policy goals.

IV. ESG MISSION STATEMENT

ACERA’s Board members are fiduciaries and their legal duty remains, at all times, to promote the growth and sustainability of the Fund to timely provide retirement and related benefits to ACERA members and their beneficiaries. The Board’s fiduciary duties require loyalty and care to ACERA’s members and beneficiaries and prudence in all decisions made regarding ACERA’s investments and administration. Within this context, the Board recognizes the need to mitigate risks that may have a negative impact on the Fund’s long-term financial results

while adhering to a diversified investment strategy designed to meet ACERA's desired return and risk objectives.

Risk mitigation includes the prudent consideration of Environmental, Social, and/or Governance (ESG) risk factors that may materially impact the Fund's long-term financial returns. ESG considerations will be evaluated, where applicable, with the goal of mitigating risk while maintaining or improving Plan returns over the long term. The Board shall analyze and consider ESG factors in its decision to approve investments when those factors are reasonably deemed by the Board, in consultation with its internal and external professional investment advisors, to be material to its financial returns.

ACERA's Board will develop and adopt an ESG policy statement which codifies its values, policies and procedures and will revisit and update this policy periodically.

V. ACERA ESG RISK FACTORS

ACERA will consider risk factors that span environmental, social and governance factors. ACERA will use various procedures and implementation methods which are specific to the E, S or G factors in their due diligence and monitoring and disclosures, if applicable. These procedures and methods are subject to periodic review.

- Environmental - ACERA's Board believes that there are substantial risks associated with climate change that may be materially detrimental to long-term financial returns. ACERA will seek to advance its interests in mitigating climate change risk through available tools, including proxy voting.
- Social - While harder to quantify, ACERA holds that certain social risk factors may also be detrimental to long-term financial returns. The Fund will monitor and report on social risk factors identified by ACERA's Board, including diversity & inclusion, and human capital risk issues, for ACERA's investment managers and service providers. The Plan may also augment material social risk mitigation through proxy voting.
- Governance- ACERA will consider various governance risk criteria that the Board has determined may have a material effect on long-term financial returns. Governance risk factors will be incorporated through available tools which also may include proxy voting.

Common to ESG risk factors identified by ACERA's Board is a belief that the implementation of ACERA's ESG Policy will result in long-term value creation for the Plan's members and beneficiaries. Risk factors identified by ACERA's Board will be periodically reviewed along with broader policy review.

VI. MANAGER SEARCHES

When conducting manager searches, ACERA's consultant(s) and Staff will incorporate an ESG section into its due diligence that examines ESG-related criteria within the organization and in the manager's investment process. A description of the managers' ESG approach will

be included, along with an investment assessment, in final due diligence materials when hiring new managers. Manager searches will be conducted in accordance with the general parameters and processes established by ACERA and adhering to all Federal and State statutes.

Should ACERA conduct a consultant search, a similar ESG assessment will be included in the due diligence process.

VII. MONITORING AND REPORTING

ACERA's investment managers and service providers will be asked by ACERA to complete an annual questionnaire that discloses ESG initiatives and factors incorporated at the organization and within the investment approach. ACERA expects that all potentially material risks and opportunities will be identified by the provider. For GPs, ACERA will request best efforts in the disclosure of ESG-related criteria at their underlying portfolio companies. Disclosure will be implemented in the preferred format of ACERA's Board which will be reviewed periodically and revisited as necessary.

ACERA's Board will review the ESG disclosure reporting annually.

VIII. ROLES AND RESPONSIBILITIES

The delineation of roles and responsibilities is important for effective administration of ACERA's ESG Policy. The duties and responsibilities of the Board, Investment Committee, Staff, Consultants, and Chief Counsel are stated below. Roles and responsibilities of ACERA's ESG Policy are further governed by those outlined in ACERA's overarching General Investment Guidelines, Policies, and Procedures.

A. Board

The Board shall be responsible for approving the ESG Policy. The Board, with input from the Investment Committee, shall review this ESG Policy periodically to determine whether modifications are necessary. The Board shall also be responsible for reviewing an annual disclosure report describing ESG policy implementation for the Fund's investment managers and its service providers.

B. Investment Committee

The Investment Committee shall monitor implementation of ACERA's ESG Policy. It shall evaluate proposals for ESG Policy modifications annually or as needed and make recommendations for consideration by the Board. The Investment Committee shall review the ESG annual disclosure report and consider material ESG risk considerations as defined in this ESG Policy in the hiring and/or retention of ACERA's investment managers and service providers.

C. Staff

Staff shall be responsible for implementation of the ESG Policy. Staff's responsibilities shall include the following:

1. Incorporating ESG information along with investment due diligence materials in manager searches;
2. Monitoring ESG-related factors of ACERA's investment managers and service providers on an annual basis and preparing a disclosure report;
3. Coordinating with ISS as needed to assist with ACERA's ESG-related proxy voting; and
4. Developing and recommending changes to the ESG Policy over time if warranted.

D. Consultants

1. Investment Consultants (General and Specialty Asset Class Consultants)

General and Specialty Asset Class Investment Consultants hired by the Board are fiduciaries to ACERA and its Board. These Investment Consultants shall independently monitor adherence to ACERA's ESG Policy and make related recommendations to serve the best interests of the plan participants. Investment Consultants shall also assist Staff in crafting the ESG Policy and in its implementation. The Investment Consultants responsibilities shall include the following:

- a. Incorporating ESG information into manager search due diligence materials;
- b. Assisting ACERA Staff in ESG monitoring of ACERA's investment managers as needed;
- c. Recommending changes or improvements to the ESG Policy over time if warranted;
- d. Presenting on ESG topics of interest to ACERA; and
- e. Performing other duties in accordance with the terms of its contract and applicable State and Federal law.

2. Specialty Asset Class Consultant

Specialty Asset Class Consultant(s) are subject to the same expectations and bear the same responsibilities stated in Section VIII (D) (1) above.

E. Chief Counsel

ACERA's Chief Counsel shall provide legal advice to ACERA's Board, Investment Committee and Staff regarding all aspects of ACERA's ESG Policy, as requested by ACERA's Board, Investment Committee, Chief Executive Officer or Chief Investment Officer. ACERA's Board, Investment Committee or Chief Counsel may seek legal advice from outside Fiduciary Counsel. Documents that implement this policy for the purpose of Manager Searches, Monitoring and Reporting and Proxy Voting must be reviewed by ACERA's Chief Counsel before they are used.

IX. PROXY VOTING

ACERA's proxy voting provider is hired by the Board and is responsible for voting on shareholder issues as directed by ACERA. The provider will vote its proxies as outlined in ACERA's Proxy Voting Guidelines and Procedures. These guidelines may include specific, customized ESG factors identified by the Board that will be tracked by the said provider.

ACERA's ESG proxy voting direction is subject to periodic review and amendment. Pursuant to the policy, the Board will provide general guidance on ACERA's proxy voting policies and review risk assessments with regard to ESG matters of interest to ACERA.

For accounts that are not separately managed, ACERA's managers will disclose their proxy voting methodology and any ESG risk considerations to ACERA at least once a year.

X. EFFECTIVE DATE

This Policy became effective upon its initial adoption by the Board on March 18, 2021
Any amended Policy shall become effective upon its adoption by the Board.

NEW BUSINESS

7.C. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: May 19, 2022
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer’s Report**

Senior Manager Recruitment

We will begin recruitment to fill the Assistant CEO for Benefits this month. I will be working with Alliance RC for this recruitment.

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS

Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop ACERA Re-Opening Plan.	Dave Nelsen	April 2022	On-going	The general guidelines of the Plan have been developed and implemented. We are responding to changes as necessary based on new information.
Board Strategic Planning	Dave Nelsen	Summer 2022		Beginning in May we will begin a Strategic Planning process with the Board.

Conference/Event Schedule

SACRS Spring Conference will be in Rancho Mirage, California from May 10-13. Several Team Members and Trustees will be attending.

Other Items

COVID-19 Responses

As COVID restrictions lift throughout the state, and locally, ACERA will begin to ramp up our opening to the public. This month we are open for counseling by appointments and drop-ins for leaving documents/general questions. We will slowly build to being open every day of the week for regular hours, depending upon continued lessening of the pandemic. At this time, masks and social distancing are still required in County offices for employees and the public.

We have been notified by the County of the need to Meet and Confer with our Unions regarding our plan to re-open. We have begun this process. Our customers are continuing to use alternative means of service, and feedback has been generally positive that their service needs continue to be met. We will continue to monitor the information available and consult with the County regarding plans to phase in our re-opening.

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. Some will need to be on-site more or less than others. While this may create greater challenges in building effective teams and maintaining a positive work culture, I believe the benefits to work-life balance, recruitment and retention will make the challenges worthwhile. Leaders will need to be more intentional with the time spent in the office, and more creative in promoting collaboration and teamwork.

Pension Administration System Update

The project is continuing to work through its phases. We have completed the first two deliverables, and we are now working on Deliverable Three. We continue to work with the other employers on the new transmittal file layout. Additionally, we are working our On-Base enhancements and integration into the PAS Project schedule.

Russian Divestment

SB 1328 was introduced that would require Russian divestment. What is unique about this bill, is that for the first time in memory, a divestment bill includes the CERL systems. The bill initially received significant publicity, but was placed in the Senate Suspense File on May 2, 2022. The CALPERS Board voted to oppose this legislation.

Staff Transitions

Jocelyn Jacala has retired. Many trustees worked with Jocelyn regarding reimbursement and other items. Additionally, Uzair Khan, a Retirement Accountant 3 in our fiscal Department has accepted a promotional opportunity in Sacramento, where he lives. He will begin his new job on July 1, 2022.

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> February of 2022: We were at the benchmark.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2022 approved budget</i> As of end of February 2022: 10% 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 2021): 72.7%.
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 2022: 100%

12. CLOSED SESSION:

- A. Existing Litigation pursuant to Government Code Section 54956.9(d)(1):
Alameda Health System v. ACERA, San Francisco County Superior
Court, Case No. CGC-19-516795.**

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