



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

NOTICE and AGENDA

ACERA MISSION:

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

Thursday, July 20, 2023
2:00 p.m.

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT TRUSTEES	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574 The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number. Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	JAIME GODFREY CHAIR	APPOINTED
	OPHELIA BASGAL FIRST VICE-CHAIR	APPOINTED
	KELLIE SIMON SECOND VICE-CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	GEORGE WOOD	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED ¹
KEVIN BRYANT	ALTERNATE SAFETY ²	

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

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

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

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

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

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT CALENDAR:

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

A. REPORT ON SERVICE RETIREMENTS:

Appendix A

B. LIST OF DEFERRED RETIREMENTS:

Appendix B

C. LIST OF DECEASED MEMBERS:

Appendix C

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

Appendix D

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

Appendix E

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

None

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

June 14, 2023 Investment Committee Minutes

June 15, 2023 Actuarial Committee Minutes

June 15, 2023 Audit Committee Minutes

June 15, 2023 Minutes of the Regular Board Meeting

July 5, 2023 Retirees Committee Minutes

July 12, 2023 Investment Committee Minutes

H. MISCELLANEOUS:

- *Operating Expenses as of 5/31/23*
- *Approved Independent Review Findings of Fact and Decision of the Board*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Retirees: [See July 5, 2023 Retirees Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of July 5, 2023 Meeting.
2. Motion to increase the 2024 Group Plan Monthly Medical Allowance (MMA) by 3.125% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$635.37 for the Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.
3. Motion to increase the 2024 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$635.37 for Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

4. Motion to increase the 2024 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA’s actuary, which results in a MMA maximum of \$486.74 for Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

B. Investment: [See July 12, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of July 12, 2023 Meeting.
2. Motion to approve an up to \$30 million investment in LS Power Equity Partners V as part of ACERA’s Real Assets Portfolio – Infrastructure, pending completion of Legal and Investment Due Diligence and successful contract negotiations.
3. Motion to approve an up to \$80 million investment in Ares Senior Direct Lending Fund III as part of ACERA’s Private Credit Portfolio, pending completion of Legal and Investment Due Diligence and successful contract negotiations.

C. Governance: [See July 20, 2023 Governance Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of July 20, 2023 Meeting.
2. Motion to adopt the Governance Committee’s recommendations regarding the *Service Provider Policy*.
3. Motion to adopt the Governance Committee’s recommendations regarding the *Board Communications Policy*.
4. Motion to adopt the Governance Committee’s recommendations regarding the *Conflict of Interest Policy*.
5. Motion to adopt the Governance Committee’s recommendations regarding the *Membership Policy*.

7. NEW BUSINESS:

A. Discussion and Possible Motion to increase the budget for the Pension Administration System (PAS) project by \$218,625 for a total of \$2,640,564 for Training Material Development by Segal; and also a General PAS Project Update.

B. Chief Executive Officer's Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, August 17, 2023 at 2:00 p.m.

12. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ALLGOOD, Dianna
Effective: 5/13/2023
Social Services Agency

JONES, Ruth
Effective: 5/27/2023
Sheriff's Office

BOYCE, Sandra
Effective: 4/1/2023
Sheriff's Office

KIFLE, Ghidei
Effective: 4/1/2023
Alameda Health System

CALIVA, Lori
Effective: 6/5/2023
Community Development Agency

LAI-BITKER, Alice
Effective: 5/5/2023
Board of Supervisors

ESPOSITO, Annie
Effective: 4/29/2023
District Attorney

LANGLEY, Amy
Effective: 5/9/2023
Sheriff's Office

ESTRADA, Consuelo
Effective: 5/25/2023
Social Services Agency

LAWTON, Jonathan
Effective: 4/15/2023
Assessor

FERNANDEZ, Frederick
Effective: 6/3/2023
Superior Court

LITTON, Leslie
Effective: 4/29/2023
Social Services Agency

GONZALEZ-RUIZ, Maria
Effective: 4/1/2023
Health Care Services Agency

LOZA, Manuel
Effective: 5/13/2023
Sheriff's Office

HERNANDEZ, Michelle
Effective: 4/7/2023
Health Care Services Agency

MARTIJA, Elizabeth
Effective: 4/1/2023
Social Services Agency

HERNANDEZ, Zenaida
Effective: 4/1/2023
Social Services Agency

MCCLUSKEY, Theresa
Effective: 4/1/2023
Health Care Services Agency

IRVING, Julius
Effective: 4/1/2023
Probation

MERCADO, Alfredo
Effective: 4/1/2023
Social Services Agency

JOHNSON, Shan
Effective: 5/13/2023
District Attorney

MEREDITH, Dana
Effective: 4/1/2023
Probation

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

MIFSUD, Kenneth
Effective: 4/1/2023
District Attorney

NUBIN, Wanda
Effective: 4/1/2023
Social Services Agency

MILES, Traci
Effective: 4/1/2023
Sheriff's Office

PAREDES, Olga
Effective: 5/20/2023
Superior Court

MILLER, Charles
Effective: 4/12/2023
General Services Agency

PHILLIPS, George
Effective: 4/1/2023
District Attorney

MOGUL, Trinidad
Effective: 4/1/2023
Health Care Services Agency

PORTER, Candace
Effective: 4/1/2023
Sheriff's Office

MOORE, Renita
Effective: 5/27/2023
Alameda Health System

REDING, Ginger
Effective: 4/29/2023
Alameda Health System

MORGAN-LYLES, Linda
Effective: 4/28/2023
Housing & Community Development

ROBINSON, Lorna
Effective: 4/1/2023
Alameda Health System

MULLINEAUX, Steven
Effective: 4/28/2023
Sheriff's Office

SANCHEZ, Esther
Effective: 4/17/2023
Auditor-Controller

MUMBUSI, Milabu
Effective: 3/7/2023
Alameda Health System

SANTIAGO, Joselito
Effective: 4/1/2023
Health Care Services Agency

NGUYEN, Thuan Thi
Effective: 4/1/2023
Treasurer-Tax Collector

SIMRIL, Shirley
Effective: 4/1/2023
Health Care Services Agency

NGUYEN, Trang-Anh
Effective: 4/29/2023
Health Care Services Agency

SLAY, Romona
Effective: 3/10/2023
Alameda Health System

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ADAMS, Mesha
Sheriff's Office
Effective Date: 3/15/2023

FRAZIER, Dinzell
Health Care Services Agency
Effective: 3/8/2023

ANGELO, Sarah
District Attorney
Effective: 3/31/2023

GORRIZ-RAMALLO, Wawi
Superior Court
Effective: 6/2/2023

BROWN, Alex D.
Information Technology Department
Effective: 3/16/2023

HILTON, Danielle
District Attorney
Effective: 5/12/2023

BROWN, Jodee
Social Services Agency
Effective: 3/17/2023

HUANG, Zhihui
Social Services Agency
Effective: 2/17/2023

CANDIA, Yennifer
Probation
Effective: 3/14/2023

HUYNH, McKenna
Social Services Agency
Effective: 1/20/2023

CARAG, Ann
Auditor-Controller
Effective: 4/14/2023

JAMES, Brandon
Alameda Health System
Effective: 2/19/2023

CHOU, Josie
Treasurer -Tax Collector
Effective: 4/14/2023

LALONDE, Ryan
District Attorney
Effective: 3/9/2023

CLAFTON, Tyler
Auditor-Controller
Effective: 3/24/2023

LOPEZ, Diana
Alameda Health System
Effective: 3/7/2023

DARIUS, Ellen
Public Health
Effective: 3/7/2023

MOSES, Andrea
Health Care Services Agency
Effective: 3/1/2023

EVANS, Aquila
Social Services Agency
Effective: 2/28/2023

MULLANE, Jennifer
Human Resources Agency
Effective: 6/9/2023

FIGUEROA, Allen
Superior Court
Effective: 3/3/2023

OLIPHANT, Stephen W.
Human Resources Agency
Effective: 2/17/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ORDONIO, Czarina
District Attorney
Effective: 3/3/2023

WARREN, Rebecca
District Attorney
Effective: 5/26/2023

RAMIREZ, Rosalie Sanchez
Health Care Services Agency
Effective: 6/9/2023

WEISSENBACH, Charlynn
District Attorney
Effective: 3/18/2023

SAEPHAN, Feuy
Sheriff's Office
Effective: 4/14/2023

WONG, Kevin
District Attorney
Effective: 6/9/2023

SULLIVAN, Kenya S.
Health Care Services Agency
Effective: 3/3/2023

YEUNG, Cynthia
Health Care Services Agency
Effective: 3/22/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

AURIT, Dennis
Sheriff's Office
6/6/2023

FOX, Mary
Behavioral Health Care Services
6/11/2023

CHATTLETON, Gloria
Human Resource Services
5/20/2023

JENKINS, Leonard
Non Member DRO of Rohna Moniz
5/16/2023

COURTNEY, Virginia
Social Services Agency
6/7/2023

KELLY, Jeanette
Social Services Agency
6/6/2023

DEWITT, Luann
Social Services Agency
6/20/2023

MCDONNELL, Ruth
Social Services Agency
5/31/2023

ERSKINE, April
District Attorney
5/26/2023

MECCHI, Angela
Alameda Health System
6/1/2023

FIELDS, Mary
Non-Mbr Survivor of William Fields
5/29/2023

MENDES, Violet
Non-Mbr Survivor of Mario Mendes
6/13/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

MOORE, Katherine
Social Services Agency
5/23/2023

RASHE, Jeane
Non-Mbr Survivor of James Rashe
6/8/2023

PARKER, Amelia
Social Services Agency
6/4/2023

SAENZ, Margaret
Non-Mbr Survivor of Raymond Saenz
5/22/2023

PRICE, Robert
Social Services Agency
6/4/2023

STARKS, Donald
General Services Agency
6/25/2022

QUINN, John
Sheriff's Office
5/19/2023

TRIANA, Margarita
General Services Agency
6/12/2023

RASHE, James
Sheriff's Office
9/2/2022

TRILLO, Lillian
Health Care Services Agency
5/11/2023

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

AYALA, Orlando
Government Code § 31641.5 Part Time & Days Prior

DURAN, Elsie
Government Code § 31641.5 Part Time & Days Prior

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

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

CONSENT CALENDAR ITEM

June 15, 2023

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



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, June 15, 2023

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

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

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

Staff Excused: Victoria Arruda, Human Resource Officer

PUBLIC INPUT

None.

CONSENT CALENDAR
REPORTS AND ACTION ITEMS

REPORT ON SERVICE RETIREMENTS

Appendix A

LIST OF DEFERRED RETIREMENTS

Appendix B

LIST OF DECEASED MEMBERS

Appendix C

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

None

APPROVE UNCONTESTED STAFF RECOMMENDATIONS ON DISABILITY RETIREMENTS AND DEATH BENEFITS

None

APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS AND DEATH BENEFITS

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

May 17, 2023 Investment Committee Minutes

May 18, 2023 Actuarial Committee Minutes

May 18, 2023 Audit Committee Minutes

May 18, 2023 Minutes of the Regular Board Meeting

June 7, 2023 Operations Committee Minutes

June 7, 2023 Retirees Committee Minutes

MISCELLANEOUS

- *None*

23-40

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Board adopt the Consent Calendar. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Gamble was not present for 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:

Kellie Simon reported that the Operations Committee met on June 7, 2023 and that there were no Action Items. Trustee Simon reported on the following Information Items: 1) Operating Expenses as of 04/30/2023; and 2) Board Elections.

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

Retirees:

Elizabeth Rogers reported that the Retirees Committee met on June 7, 2023 and that the Committee discussed The Implicit Subsidy cost for Plan Year 2023.

23-41

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board authorize Staff to transfer \$7,842,215 from the Supplemental Retiree Benefit Reserve account to the County Advance Reserve to be amortized over 20 years as the Implicit Subsidy payment for Plan Year 2022. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

Trustee Rogers further reported that the Committee discussed the Statement of Intent to continue the Implicit Subsidy Program for health Plan Year 2024.

23-42

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board adopt a Statement of Intent to continue the Implicit Subsidy Program for health Plan Year 2024, following a determination by ACERA at the end of Plan Year 2024 that the amount is not greater than the actual retiree Implicit Subsidy. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

Trustee Rogers stated that Staff reported on the following Information Items: **1) Presentation and Report on Health Care Inflation/Trends; 2) Preliminary Report on Projected Benefit Costs Funded through the Supplemental Retiree Benefit Reserve; 3) Monthly Medical Allowance for 2024; 4) 2024 Medical Plans Update/Renewal Requests of ACERA/County of Alameda; 5) Report on Health Reimbursement Arrangement Account Balances and Reimbursements; 6) Plans for Open Enrollment and Retiree Health and Wellness Fair; 7) Report on Annual Health Care Planning Meeting with Retiree Groups; and 8) Medicare Eligible Retirees Out of Group Plan Service Area.**

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

Investment:

Tarrell Gamble reported that the Investment Committee met on June 14, 2023 and that the Committee reviewed and discussed the Finalists for ACERA’s General Investment Consultant (GIC) Search.

23-43

It was moved by Tarrell Gamble and seconded by George Wood that the Board approve the following four (4) Finalists who submitted Proposals in response to the ACERA Request for Proposals (RFP) for General Investment Consultant (GIC): 1) Callan LLC; 2) Meketa Investment Group; 3) NEPC LLC; and 4) Verus Advisory, Inc. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 1 no (*Gamble*), and 0 abstentions.

It was noted that the fifth bidder, Aon Investment, was eliminated as a finalist.

Trustee Gamble further reported that the Committee was presented with and discussed the Minimum Qualifications, and Scoring Matrix for the Emerging Markets Equity Manager Search.

23-44

It was moved by Tarrell Gamble and seconded by George Wood that the Board approve the Minimum Qualifications and Scoring Matrix for the Emerging Markets Equity Manager Search. The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.

Trustee Gamble stated that Staff reported on the following Information Items: **1) Semiannual Performance Review for the Period Ending March 31, 2023 – Total Fund Review Highlighting Public Markets Asset Classes and Absolute Return; and 2) Semiannual Performance Review for the Period Ending December 31, 2022 for: a) Private Equity; b) Private Credit; and c) Real Assets.**

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the July 20, 2023 Board meeting.

Actuarial:

Ophelia Basgal reported that the Actuarial Committee met earlier today and that there were no Action Items. Trustee Basgal further reported that Segal presented and gave a high-level overview on the Information Item regarding the deterministic and stochastic projections as part of the Risk Assessment Report based on the Actuarial Valuation and Review as of December 31, 2022.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the July 20, 2023 Board meeting.

Audit:

Henry Levy reported that the Audit Committee met earlier today and that the Committee reviewed and discussed the audited Schedule of Employer Allocations (Pension and OPEB) and the audited Schedule of Pension and OPEB Amounts by Employer based on addenda to the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, valuations as of December 31, 2022.

23-45

It was moved by Henry Levy and seconded by George Wood that the Board adopt the audited Schedule of Employer Allocations (Pension and OPEB) and the audited Schedule of Pension and OPEB Amounts by Employer based on addenda to the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, valuations as of December 31, 2022. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Gamble*).

Trustee Levy stated that Staff reported on the following Information Items: *1) Presentation and discussion of GASB Statement No. 68 and GASB Statement No. 75 Valuations and Employer Schedules as of December 31, 2022; 2) Progress report on the Internal Audit Plan; and 3) Review of audits in progress.*

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the July 20, 2023 Board meeting.

NEW BUSINESS:

Discussion and Possible Motion regarding Consolidation of Committee Meeting Days

Chief Executive Officer Dave Nelsen reported that the Board previously discussed consolidating Committee meeting days to twice a month at the June 15, 2023 Board meeting. However, the Board requested that Chair Godfrey and Mr. Nelsen bring back a proposal to today's meeting for the Board's consideration. Mr. Nelsen gave a high-level overview of a proposed Pilot Committee Meeting Day Schedule. Mr. Nelsen suggested that cyclical and regular materials/reports could be distributed separately in an effort to reduce the amount of materials included in Committee Packets and that the length of presentations could also be streamlined/limited. Mr. Nelsen explained that if the proposed Pilot Committee Meeting Day Schedule becomes problematic, the Board could revert back to the previous Committee meeting schedule. Chair Godfrey and Trustees expressed their concerns and after discussion, the following motion was made:

23-46

It was moved by Jaime Godfrey and seconded by Ophelia Basgal that the Board adopt the proposed Pilot Committee Meeting Day Schedule to consolidate the Committee meeting days to twice a month to be implemented after October 2023. The motion carried 5 yes (*Basgal, Clippinger, Gamble, Godfrey Levy*), 4 no (*Carson, Rogers, Simon, Wood*), and 0 abstentions.

Chair Godfrey assured the Board that every effort will be made to ensure that the proposed Pilot Committee Meeting Day Schedule works for everyone involved.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his June 15, 2023 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Conference/Event Schedule; 3) Other Items: a) COVID-19 Responses; b) Business Planning; c) Legislation; d) Recognition; and 4) Key Performance Indicators.**

Mr. Nelsen reported that ACERA has concluded its Meet and Confer with the Labor Representatives regarding ACERA's *Telework Policy* and that ACERA received positive feedback from both the Labor and County Representatives regarding the *Policy* and ACERA's *Implementation Plan*. Mr. Nelsen stated that implementation of the *Plan* is scheduled for August 2023 and that Staff will be trained on the *Plan* in July 2023.

Mr. Nelsen stated he will no longer include COVID-19 updates in his CEO Report.

Mr. Nelsen further reported on the recent cyber-attacks on several State and Federal Governmental Agencies and stated that ACERA was not impacted by the cyber-attack. Retirement Chief Technology Officer Vijay Jagar explained that the software that was impacted is called "Move It," which is software that moves files from one system to another. Mr. Nelsen stated that ACERA nor its vendors use "Move It." However, as a precaution, Staff is checking with ACERA's vendors to make sure they were not impacted.

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

To view the June 15, 2023 Board meeting in its entirety, click on the link below:
<https://youtu.be/VQcC19jR0ik>.

ADJOURNMENT

The meeting was adjourned at approximately 2:14 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

07/20/23

Date Adopted

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ALVAREZ, Jose
Effective: 3/31/2023
Social Services Agency

BREINING, Paul
Effective: 4/1/2023
Public Works Agency

ALVAREZ, Rafael
Effective: 4/1/2023
Sheriff's Office

BROWN, Jenifer
Effective: 4/1/2023
Probation

AMARAL, Dale
Effective: 4/1/2023
Sheriff's Office

BRUTON, Terri
Effective: 4/1/2023
Social Services Agency

ANGELO, Joseph
Effective: 4/1/2023
Human Resource Services

CAGE, Renee
Effective: 4/1/2023
Social Services Agency

BADUEL, Camila
Effective: 4/1/2023
Sheriff's Office

CARROLL, Queenette
Effective: 3/31/2023
Social Services Agency

BALOY, Armando
Effective: 4/1/2023
Sheriff's Office

CHEN, Elizabeth
Effective: 4/1/2023
Information Technology Department

BARNES, Stephanie
Effective: 3/31/2023
Social Services Agency

CHEN, Kenneth
Effective: 4/1/2023
Health Care Services Agency

BILL, Karen
Effective: 4/1/2023
Social Services Agency

CHUNG, Annie
Effective: 4/1/2023
Social Services Agency

BLACKSHIRE, Trina
Effective: 3/31/2023
Superior Court

CLARK, Cheryl Ann
Effective: 3/31/2023
Superior Court

BOCK, Sharmin
Effective: 4/1/2023
District Attorney

COMBS, Elena
Effective: 4/1/2023
Social Services Agency

BOYOVICH, Alexander
Effective: 3/31/2023
Superior Court

CONTRERAS, Martha
Effective: 4/1/2023
Health Care Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

COOPER, Sylvina
Effective: 4/1/2023
Social Services Agency

FABIANI, Claudia
Effective: 4/1/2023
Probation

CORNIST, Sherritta
Effective: 4/1/2023
Probation

FETTY, Denise
Effective: 3/31/2023
Public Works Agency

DE PAZ, Jaime
Effective: 4/1/2023
Information Technology Department

FRENCH, Elizabeth
Effective: 4/1/2023
Social Services Agency

DEOL, Gurpaljit
Effective: 4/1/2023
Zone 7

FULLER, Dzidra
Effective: 4/1/2023
Alameda Health System

DICKENS, Elizabeth
Effective: 4/1/2023
Health Care Services Agency

GOMES, Eric
Effective: 4/1/2023
Probation

DOOLEY, Keith
Effective: 4/1/2023
Public Works Agency

GOODEN, Neisha
Effective: 3/8/2023
Alameda Health System

ENCARNACION, Angelina
Effective: 4/1/2023
Social Services Agency

GREEN, Karen
Effective: 4/1/2023
Social Services Agency

ESPITIA, Zoveyda
Effective: 3/31/2023
Superior Court

GUERRERO, Gene
Effective: 3/31/2023
District Attorney

ETEMADI, Ahmad
Effective: 3/18/2023
Social Services Agency

GUTTERRIEZ, Silvia
Effective: 3/18/2023
District Attorney

EVANS, Jonathan
Effective: 3/18/2023
Social Services Agency

HAHLBECK, Ronda
Effective: 3/18/2023
Social Services Agency

APPENDIX A
REPORT ON SERVICE RETIREMENTS

HAITEMA, David
Effective: 4/1/2023
Probation

LANDER, Claudia
Effective: 3/31/2023
General Services Agency

HALIM, Leo
Effective: 4/1/2023
Health Care Services Agency

LINTON, Dorothy
Effective: 3/31/2023
Alameda Health System

HERMAN, Jerry
Effective: 3/18/2023
District Attorney

LIU, Wanda
Effective: 4/1/2023
Human Resource Services

HOANG, Nang
Effective: 4/1/2023
Sheriff's Office

LONG, Vicki
Effective: 4/1/2023
District Attorney

HUANG, Xiao
Effective: 4/1/2023
Social Services Agency

LUMIBAO, Luviminda
Effective: 4/1/2023
Assessor

HUNTER, Kim
Effective: 4/1/2023
District Attorney

MCRAE, Bernadette
Effective: 3/28/2023
Alameda Health System

ILES, Shelly
Effective: 3/31/2023
Superior Court

MITCHELL, Gary
Effective: 4/1/2023
Sheriff's Office

JAKUB, Barbara Jean
Effective: 4/1/2023
Health Care Services Agency

NEIDIFFER, Martin
Effective: 4/1/2023
Sheriff's Office

JUDKINS, Andrea
Effective: 4/1/2023
Health Care Services Agency

NEWMAN, Rhonda
Effective: 4/1/2023
Human Resource Services

JUGARAP, Reneboy
Effective: 3/31/2023
Alameda Health System

PARHAM, Steven
Effective: 4/13/2023
Sheriff's Office

KAUTZ, Molly
Effective: 3/31/2023
Superior Court

PATEL, Mridula
Effective: 4/1/2023
Social Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

PEDREGON, Luis
Effective: 4/1/2023
Sheriff's Office

SAN AGUSTIN, Bernadette
Effective: 4/1/2023
Alameda Health System

PETERS-JENKINS, Denise
Effective: 3/31/2023
Public Works Agency

SANCHEZ, Derek
Effective: 4/1/2023
Sheriff's Office

PLOURDE, Lisa
Effective: 4/1/2023
Community Development Agency

SANCHEZ, Elizabeth
Effective: 4/1/2023
Sheriff's Office

PORAL, Lucila
Effective: 4/1/2023
Child Support Services

SEPT, Linda
Effective: 4/1/2023
Alameda Health System

POWELL, Roxann
Effective: 4/1/2023
Treasurer-Tax Collector

SHIA, Jing Jing
Effective: 4/1/2023
District Attorney

PRATER, Dean
Effective: 4/1/2022
Superior Court

SILVA, Ernest
Effective: 4/1/2023
Sheriff's Office

RADFORD, Nicole
Effective: 4/1/2023
Social Services Agency

SLONE, Anita
Effective: 4/1/2023
Social Services Agency

RICHARDSON, Jachu
Effective: 3/31/2023
Probation

SMITH, Lorenzo
Effective: 4/1/2023
Public Works Agency

ROLLAND, Theresa
Effective: 3/10/2018
Probation

SMITH, Vicella
Effective: 4/1/2023
Sheriff's Office

ST. DENIS, Derek
Effective: 4/1/2023
Sheriff's Office

SOLOMON-CASTRO, Amor
Effective: 4/1/2023
Health Care Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

STEWART, Celeste
Effective: 4/1/2023
Library

TRAN, Lien
Effective: 4/1/2023
Social Services Agency

STEWART, Denise
Effective: 4/1/2023
General Services Agency

TRINIDAD, Cynthia
Effective: 3/31/2023
Superior Court

SULLIVAN, Rochelle
Effective: 4/1/2023
Social Services Agency

TUAZON, Noel
Effective: 4/1/2023
Social Services Agency

TANGRI, Ashok
Effective: 4/1/2023
Health Care Services Agency

VALDERRAMA, Arthur
Effective: 4/1/2023
Public Works Agency

TAPES, James
Effective: 3/4/2023
General Services Agency

VANWEERDHUIZEN, Lester
Effective: 4/1/2023
General Services Agency

TAYLOR, Margaret
Effective: 4/1/2023
Information Technology Department

VILLA, Roland
Effective: 4/1/2023
Probation

TECH, Virginia
Effective: 4/1/2023
Alameda Health System

WANG, Jian
Effective: 4/1/2023
Health Care Services Agency

TORRES, Ferdinand
Effective: 4/1/2023
Alameda Health System

WANG, Teresa
Effective: 4/1/2023
Information Technology Department

TORRES, Marie Gloria
Effective: 4/1/2023
Social Services Agency

WICKSON, Susan
Effective: 3/30/2023
Assessor

TOVAR, Nora
Effective: 4/1/2023
Social Services Agency

WILLIAMS, Sandra
Effective: 4/1/2023
Sheriff's Office

ZHANG, Jinrong
Effective: 4/1/2023
Health Care Services Agency

APPENDIX B
LIST OF DEFERRED RETIREMENTS

ALVAREZ, Marguerite L.
Social Services Agency
Effective Date: 2/24/2023

LEONARD, Jessica J.
District Attorney
Effective: 2/22/2023

ANDERSON, Christy
Social Services Agency
Effective: 4/28/2023

LEWIS, Marina A.
District Attorney
Effective: 2/28/2023

AVILA, Eddy
Superior Court
Effective: 2/17/2023

LOVE, Shayanna S.
Probation
Effective: 2/24/2023

BALRAM, Neetu C.
Health Care Services Agency
Effective: 2/28/2023

MCLAVERTY-CAINA, Marie
First 5
Effective: 2/15/2023

CUENCO, Edwin
Superior Court
Effective: 3/24/2023

RIECHERS, Jason P.
District Attorney
Effective: 2/3/2023

FRITZ, Annie A.
Social Services Agency
Effective: 3/3/2023

SHUKLA, Sameer
District Attorney
Effective: 3/24/2023

GAGLIOTI, Natalie R.
Superior Court
Effective: 2/17/2023

WILSON, Markendra
Sheriff's Office
Effective: 5/10/2023

APPENDIX C
LIST OF DECEASED MEMBERS

AGNEW, Donna
Social Services Agency
5/6/2023

BURGASSER, Christian
Superior Court
5/19/2023

AVERY, Tim
Probation
5/6/2023

CHAN, Annie
Non-Mbr Survivor of Henry Chan
4/24/2023

BROWN, Constance
General Services Agency
5/16/2023

EVANS, Carolyn
Social Services Agency
3/29/2023

APPENDIX C
LIST OF DECEASED MEMBERS

FAIN, Beth
Behavioral Health Care Services
5/7/2023

LOVE, Willie
Public Defender
5/7/2023

FIXEL, Mark
Sheriff's Office
5/5/2023

MEINS, Rita
Social Services Agency
4/28/2023

FONG, Annie
Board of Supervisors
5/13/2023

METZER, John
Sheriff's Office
5/8/2023

GABRIEL, Geraldine
Alameda Health System
4/19/2023

MOLANO, Alice
Alameda Health System
4/23/2023

GAINES, Betty
Alameda Health System
5/19/2023

PARRA, Ereser
Superior Court
4/24/2023

HARVEST, Walter
Public Works Agency
5/10/2023

RABAGO, Ferdinand
Health Care Services Agency
4/25/2023

HEATHCO, Patricia
Alameda Health System
5/14/2023

ROBIN, Dorothy
Non-Mbr Survivor of Richard Robin
5/22/2023

KENNISON, Mark
District Attorney
4/18/2023

STEWART, Elex
General Services Agency
4/28/2023

KIMZEY, James
District Attorney
5/2/2023

STROWDER, Melvin
Auditor-Controller
5/15/2023

LEE-FRISON, Pamela
Probation
5/8/2023

VICENTE, Yolanda
Alameda Health System
4/19/2023

CONSENT CALENDAR ITEM

**July 5, 2023
Retirees Committee Minutes
For approval under July 20, 2023
Board “Consent Calendar”**



MINUTES OF JULY 5, 2023 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the July 5, 2023 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the July 5, 2023 Committee meeting to order at 9:35 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, and Ophelia Basgal. Also present were Cynthia Baron, Kevin Bryant, and Tarrell Gamble.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Erica Haywood, Fiscal Services Officer; Harsh Jadhav, Chief of Internal Audit; David Nelsen, Chief Executive Officer; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

Towards the end of the meeting the following topics were discussed.

In response to Pete Albert's (President of Alameda County Retired Employees (ACRE) retiree association) questions, Staff and Segal stated that: 1) the cost to increase the hearing aid benefits for Medicare retirees enrolled in the Kaiser Permanente group plan will be provided at a later meeting; and 2) Segal is monitoring the recent federal legislation authorizing the Centers for Medicare & Medicaid Services (CMS) to begin negotiating for lower Medicare drug costs.

In response to Alicia Baptista's, (President of the Retired Employees of Alameda County, Inc. (REAC) retiree association) comment, Staff explained the management and technology used to control the Zoom meetings, and the additional Staff assigned to monitor the Zoom attendees who raise their hands to comment or ask questions during the meetings.

ACTION ITEMS

1. Adoption of 2024 Monthly Medical Allowance for Group Plans

Staff presented group plans Monthly Medical Allowance (MMA) cost comparisons for the 2023 and 2024 Plan Years. Staff recommended increasing the 2024 Group Plan MMA in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of

the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$635.37 for the Plan Year 2024.

In response to Mr. Albert's questions, Staff and Segal stated that: 1) we have not yet seen the medical premium rates from Kaiser Permanente for the Plan Year 2024, however we expect double digit increases for the non-Medicare plans, and possibly an 11% to 12% increase for the Medicare advantage plan; and 2) from the vendors' perspective, CMS is reducing the reimbursements to the Medicare plans, so there will be a shortfall.

In response to Cynthia Landry's (an active employee) question, Segal stated that the reason the Federal government is no longer contributing towards the Medicare plans is not related to COVID. The intent of CMS is to rebalance the amount of contributions given towards Medicare advantage plans, which are private plans, to align more with the funding received for the original Medicare. This will be done over a three-year period. Therefore, from the vendors' perspective, there will be a reduction in the federal funding, so that shortfall is the predominate reason for requesting an increase in the premiums going forward. Ms. Landry stated that she thinks the original Medicare is better.

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2024 Group Plan Monthly Medical Allowance (MMA) by 3.125% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$635.37 for the Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 5 yes (*Baron, Basgal, Bryant, Gamble, Rogers*), 0 no, 0 abstentions.

2. Adoption of 2024 Monthly Medical Allowance for Early Retiree Individual Plans

Staff presented early (non-Medicare) retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2023 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2024 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$635.37 for the Plan Year 2024.

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2024 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results

in a MMA maximum of \$635.37 for Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 5 yes (*Baron, Basgal, Bryant, Gamble, Rogers*), 0 no, 0 abstentions.

3. Adoption of 2024 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

Staff presented Medicare eligible retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2023 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2024 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$486.74 for the Plan Year 2024.

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2024 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$486.74 for Plan Year 2024. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 5 yes (*Baron, Basgal, Bryant, Gamble, Rogers*), 0 no, 0 abstentions.

INFORMATION ITEMS.

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, provided information on ACERA's dental and vision plans experience, utilization, dental annual maximums by network, and VSP's loss ratio by plan.

In response to Ms. Baptista's, question, Segal stated that we have asked Delta Dental to provide a cost estimate to raise the dental plan benefit maximum from \$1,300 to \$1,900 to match the County of Alameda's (County) active employees plan. Ms. Baptista stated that REAC encourages its members to utilize their dental plan benefits.

Towards the end of the meeting, Ms. Landry commented that her dental provider has dropped the Delta Dental plan, and she is now having to pay the cost for dental services up front. She stated that she is hearing anecdotal evidence that some dental providers are dropping the current dental plan.

TRUSTEE REMARKS

In response to Trustee Gamble's question, Staff will check with the County leadership team to find out if Alameda Health System (AHS) is planning to offer medical plan coverage on a commercial basis; and if so, whether the County would explore offering AHS' plan as an option to the medical plans currently offered to members.

Mr. Albert stated that the County using AHS is an interesting question, and that he will be waiting to hear more about this.

FUTURE DISCUSSION ITEMS

- Adoption of Dental Plan Contributions for 2024
- Adoption of Vision Plan Contributions for 2024

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for August 2, 2023 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:26 a.m.

CONSENT CALENDAR ITEM

June 14, 2023

**Investment Committee Minutes
For approval under July 20, 2023
Board “Consent Calendar”**



MINUTES OF THE JUNE 14, 2023, INVESTMENT COMMITTEE MEETING

To: Members of the Board of Retirement
From: Tarrell Gamble – Chair
Subject: Summary of June 14, 2023 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, June 14, 2023 at 9:32 a.m. The Committee members present were, Keith Carson, Ross Clippinger, Tarrell Gamble, Jaime Godfrey, Henry Levy, Elizabeth Rogers, Kellie Simon, and George Wood. Also present were Alternate General Member Cynthia Baron and Alternate Safety Member Kevin Bryant. ACERA Senior Managers and Presenting Staff present were, Carlos Barrios – Assistant Chief Executive Officer, Jeff Rieger – Chief Counsel, Harsh Jadhav – Chief of Internal Audit, Betty Tse – Chief Investment Officer, Serafin Lim – Investment Operations Officer, Julius Cuaresma – Investment Analyst, Clint Kuboyama – Investment Officer, Noe Reynoso – Investment Analyst and John Ta – Investment Officer.

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

1. Discussion of and Possible Motion to Recommend to the Board to Approve the Finalists for ACERA’s General Investment Consultant (GIC) Search
 - Staff recommended that the Committee approve three finalists based on score totals achieved on the Board Approved GIC RFP Search and Evaluation Criteria (in alphabetical order).
 - (1) Aon
 - (2) Meketa Investment Group, Inc. (“Meketa”)
 - (3) NEPC, LLC (“NEPC”)
 - Staff and RFP Consultant Valter Viola (Cortex Consulting) discussed the revenue model of those finalists that earn fees on recommending sponsored and/or managed funds. Some trustees questioned why candidates with such a revenue model could have achieved such high scores. Staff and Cortex stated that all candidates were evaluated in compliance with the current Board-approved Search and Evaluation Criteria which, unlike the previous RFP Search, do not include a stand-alone “Firm Independence” Evaluation category.
 - Some trustees raised concerns about the number of cases listed in Aon’s litigation section and the significant objections to ACERA’s Consultant Service Agreement standards. These trustees did not view Aon as a good fit for ACERA. Several trustees proposed an alternate

recommendation to replace Aon with Callan and Verus as the third and fourth finalists, respectively.

- As a follow-up Information Item for the July ICM, the IC Chair requested that Staff provide a comparison of the strengths and weaknesses for all four finalists, including Callan and Verus. The comparison contained in the June ICM packet did not include Callan and Verus since these two candidates had scored fourth and fifth in total score rankings. The Committee also requested an updated score of the “Performance” category of the Evaluation for each of the four finalists in order to factor in their most current performance results of 2022.
 - After further discussion, Trustee Godfrey moved, seconded by Trustee Wood, to recommend that the Board approve a modified Staff recommendation and interview the following four finalists: Callan, Meketa, NEPC, and Verus (in alphabetical order) for ACERA’s General Investment Consultant (GIC) Search.
 - The motion carried with 6 Yes (Clippinger, Godfrey, Levy, Rogers, Simon, and Wood), 1 No (Gamble), and 0 Abstention.
2. Discussion of and Possible Motion to Recommend to the Board the Minimum Qualifications and Scoring Matrix for the Emerging Markets Equity Manager Search
- Staff and Verus provided the background and rationale for the recommended Emerging Market (EM) Equity Manager Search. This included a brief summary of the February and April 2022 Committee Meetings: the Board approved a Modified International Equity Structure (“Modified Structure”) and, to effect this new Structure, the Board approved a Phased Implementation Transition Plan (“Plan”). This Plan’s next step involves adding an EM Equity Manager through the RFI Search process: Staff’s and Verus’ recommended Minimum Qualifications (“MQs”) and Scoring Matrix are designed to produce a Focused Search list of Managers who, at the minimum, are able to meet the objectives of the recent Board-approved Modified Structure.
 - Verus shared more information regarding the due diligence involved in this RFI Search, including the recommended MQs and Scoring Matrix.
 - Trustee Gamble and Verus further discussed the MQs, including those MQs about minimum Firm/Strategy AUM and minimum number of Performance Track Record periods.
 - Trustee Clippinger, Trustee Gamble, Verus, and Staff, additionally discussed the Scoring Matrix, particularly as it relates to the scoring for each subsection within the Scoring Matrix. Trustee Clippinger requested Staff and Verus provide the IC the scoring to be applied to the individual scoring criteria within the matrix.

- After further discussion, Trustee Godfrey moved, seconded by Trustee Clippinger, to recommend that the Board approve the minimum qualifications and scoring matrix for the Emerging Markets Equity Manager Search.
- The motion carried unanimously with Yes 7 (Carson, Clippinger, Gamble, Godfrey, Rogers, Simon, and Wood), 0 No, and 0 Abstention.

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

1. Semiannual Performance Review for the Period Ending March 31, 2023 – Total Fund Review Highlighting Public Markets Asset Classes and Absolute Return

- Verus provided their Total Fund Review presentation. Trustees, Staff and Verus also discussed the managers on ACERA's Watchlist, the Watchlist process, and the ongoing monitoring of managers. Peer rankings and the return dispersion of managers at various peer percentile rankings were also discussed. Staff and Verus communicated they would follow up with return dispersion information to the Trustees. Potential changes to the Watchlist process and the relevant policy language were also discussed.
- For the 6-month period ending 03/31/2023, ACERA's Total Fund returned 10.06% net, compared to the Policy Index return of 9.90%. For the year ending 03/31/2023, the Total Fund returned -4.68% net compared to the Policy Index of -5.11%. The Total Fund's net results ranked in the 38th and 63rd percentile for the semi-annual and one year periods, respectively.
- Specific to equities, the U.S. Equity asset class returned 14.79% net (vs. its benchmark return of 14.88%) and -8.65% net (vs. its benchmark return of -8.58%) for the 6-month and 1-year periods ending 03/31/2023, respectively. The International Equity asset class returned 23.85% net (vs. its benchmark 21.88%) and -3.98% net (vs. its benchmark -5.34%) for the 6-month and 1-year periods ending 03/31/2023, respectively.
- Specific to Fixed Income, the asset class return was 6.16% net (vs. its benchmark return of 6.03%) and -5.35% net (vs. its benchmark return of -5.86%) for the 6-month and 1-year periods ending 03/31/2023, respectively.
- Specific to the Absolute Return asset class, the 6-month and 1-year returns for the periods ending 03/31/2023 were -0.99% net (vs. its benchmark return of 2.45%) and 4.15% net (vs. its benchmark return of -1.93%), respectively.
- As of 03/31/2023, the market value of the Total Fund was \$10,652,550,193.

2. Semiannual Performance Review for the Period Ending December 31, 2022 – Private Equity

- Verus provided a review of ACERA's Private Equity portfolio for the period ending 12/31/2022. General market commentary was provided along with an overview of the Private Equity portfolio performance and diversification.
 - Since ACERA's Private Equity portfolio inception in 2008, it has outperformed the Russell 3000 by 3.37% as of 12/31/2022. As of 12/31/2022 the Private Equity Portfolio had a total market value of \$1.0 billion, which represented 9.8% of the Total Fund in comparison to its 11.0% asset class target. For the one-year period ending 12/31/2022, the Private Equity Portfolio returned a net IRR of -4.34% vs the Thomson Reuters C|A Global All Private Equity Benchmark net IRR of -6.40%. For the three-year period ending 12/31/22, ACERA's Private Equity Portfolio returned a net IRR of 20.66% vs the Thomson Reuters C|A Global All Private Equity Benchmark net IRR of 17.71%.
3. Semiannual Performance Review for the Period Ending December 31, 2022 – Private Credit
- Verus provided an overview of the Private Credit Asset Class's performance. As of 12/31/2022, the Private Credit Portfolio had a total market value of \$265.4 million which represented 2.6% of the Total Fund (asset-class target is 4.0%). Since the Private Credit Portfolio's inception through 12/31/2022, the Portfolio's net IRR was 6.76%, 5.26% above the same cash flows invested in the S&P LSTA US Leveraged Loan 100 Index.
4. Semiannual Performance Review for the Period Ending December 31, 2022 – Real Assets
- Verus discussed the market environment for real assets investments and the performance of the Real Assets Portfolio. As of 12/31/2022, the Real Assets Asset Class had a total market value of \$625.17 million, representing about 6.0% of ACERA's Total Fund (asset-class target is 6.0%). For the one-year period ending 12/31/2022, the Real Assets Portfolio produced an 8.19% net IRR versus its blended benchmark (60% S&P Global Infrastructure Index/35% Global LargeMidCap Commodity and Resources Index/5% Bloomberg Commodity Index) return of 5.87%. For the three-year period ending 12/31/2022, ACERA's Real Assets Portfolio's net IRR was 9.55% net versus its blended benchmark return of 7.14%.

PUBLIC INPUT:

A representative from the Laborers' International Union of North America (LiUNA) spoke regarding Tiger Infrastructure Partners Fund III, and its investment in the Summit Carbon Solutions' carbon capture pipeline project. While she communicated that her organization generally supports the project, she expressed her organization's concern that, amongst other things, employment on the project was going to non-union, out-of-state workers instead of local union workers currently working in the fossil-fuels industry. She requested contact information for ACERA and was provided an email address allinvestments@acera.org to contact staff. The IC Chair thanked her for her comments and communicated that the Board will take her comments into consideration once she provided additional material for the Board to review.

FUTURE DISCUSSION ITEMS

Investment Committee Meeting Minutes
June 14, 2023

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, July 12, 2023

ADJOURNMENT

The meeting ended at 12:53 p.m.

CONSENT CALENDAR ITEM

**July 12, 2023
Investment Committee Minutes
For approval under July 20, 2023
Board “Consent Calendar”**

**The July 12, 2023
Investment Committee Minutes
will be distributed under separate cover**

CONSENT CALENDAR ITEM

**June 15, 2023
Actuarial Committee Minutes
For approval under July 20, 2023
Board “Consent Calendar”**



MINUTES OF JUNE 15, 2023 ACTUARIAL COMMITTEE MEETING

To: Members of the Actuarial Committee

From: Ophelia Basgal, Chair

Subject: Summary of the June 15, 2023 Actuarial Committee Meeting

Committee Chair Ophelia Basgal called the June 15, 2023 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, Ross Clippinger and Henry Levy. Also present were Jaime Godfrey and alternate members Cynthia Baron and Kevin Bryant. Committee member Keith Carson and Trustee Tarrell Gamble joined soon after roll call.

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

PUBLIC INPUT

None

Action Items

None

INFORMATION ITEMS

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

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

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

September

- Presentation and discussion of the Triennial Experience for years 2020-2022 and the economic and non-economic assumptions (Segal)

October

- Discussion and possible motion to adopt the Triennial Experience for years 2020-2022

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Thursday, September 21, 2023 at 11:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:25 a.m.

CONSENT CALENDAR ITEM

**June 15, 2023
Audit Committee Minutes
For approval under July 20, 2023
Board “Consent Calendar”**



MINUTES OF JUNE 15, 2023 AUDIT COMMITTEE MEETING

Date: June 15, 2023
To: Members of the Audit Committee
From: Henry Levy, Chair
Subject: **Summary of the June 15, 2023 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the June 15, 2023, Audit Committee meeting to order at 12:30 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

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

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

PUBLIC COMMENT

None

ACTION ITEMS

External Audit

- 1. Review and possible motion to adopt the audited Schedule of Employer Allocations (Pension and OPEB) and the audited Schedule of Pension and OPEB Amounts by Employer based on addenda to the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, valuations as of December 31, 2022**

After a presentation and discussion, it was moved by Trustee Carson and seconded by Trustee Godfrey that the Audit Committee recommend that the Board of Retirement adopt the audited Schedule of Employer Allocations and Schedule of Pension Amounts by Employer and the audited Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer Based on the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, as of December 31, 2022.

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

INFORMATION ITEMS

External Audit

1. Presentation and discussion of GASB Statement No. 68 and GASB Statement No. 75 Valuations and Employer Schedules as of December 31, 2022

Staff presented the GASB Statement No. 68 and GASB Statement No. 75 Valuations and Employer Schedules as of December 31, 2022.

Internal Audit

1. Progress report on the Internal Audit Plan

Staff provided a progress report on the Internal Audit Plan. Recognition was given to Caxton Fung for his contributions to the Northern California East Bay (NCEB) Chapter of the Institute of Internal Auditors (IIA).

2. Review audits in progress

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

October 19, 2023 at 12:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 12:42 p.m.

CONSENT CALENDAR ITEM


Operating Expenses as of 5/31/23



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: July 20, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer 

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

ACERA's operating expenses are \$290K under budget for the period ended May 31, 2023. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Systems*: Systems are \$5K over budget. This amount comprised surpluses in business continuity expenses of (\$6K) and software maintenance & support of (\$16K), offset by overage in minor computer hardware of \$17K.

Budget Surpluses

2. *Staffing*: Staffing is \$8K under budget. This amount comprised surpluses in fringe benefits of (\$262K), and staff vacancies of (\$203K), offset by overages in temporary staffing of \$133K and 5% staff vacancy adjustment of \$324K.
3. *Staff Development*: Staff Development is \$80K under budget in savings from unattended staff trainings and conferences.
4. *Professional Fees*: Professional fees is \$88K under budget. This amount comprised surpluses in actuarial fee of (\$71K), legal fee of (\$23K), offset by overage in consultant fees of \$6K.
5. *Office Expense*: Office Expense is \$37K under budget. This amount comprised surpluses in bank charges of (\$13K), building expenses of (\$25K), equipment lease/maintenance of (4K), printing & postage of (\$4K), offset by overages in communications of \$7K, and minor equipment and furniture of \$2K.
6. *Member Services*: Member Services are \$60K under budget. This amount comprised surpluses in disability legal arbitration & transcripts of (\$22K), disability medical expense of (\$31K), and member printing & postage of (\$7K).
7. *Board of Retirement*: Board of Retirement is \$22K under budget in savings from unattended board conferences and trainings.

Staffing Detail

Vacant positions as of May 31, 2023:

Department	Position	Qty	Comments
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Sr. Retirement Technician	2	Vacant - currently budgeted for the year
Fiscal Services	Retirement Accountant II	1	Vacant - currently budgeted for the year
PRISM	Retirement System Program Analyst	1	Vacant – currently budgeted for the year
	Total Positions	5	

Pension Administration System Project - as of May 31, 2023					
	Year-To-Date			2023 Budget	2019-22 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	\$ 203,972	\$ 625,000	\$ (421,028)	\$ 1,500,000	\$ 2,533,989
Segal and other consultant fees	210,527	200,000	10,527	480,000	1,632,042
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	414,499	825,000	(410,501)	1,980,000	4,266,501
Staffing	291,255	290,000	1,255	696,000	2,158,220
TOTAL	\$ 705,754	\$ 1,115,000	\$ (409,246)	\$ 2,676,000	\$ 6,424,721

Attachments:

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



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL OPERATING EXPENSES SUMMARY

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>May 31, 2023</u>					
	Actual	Budget	YTD	2023	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 6,634,156	\$ 6,641,960	\$ (7,804)	\$ 16,224,000	40.9%
Staff Development	57,891	137,900	(80,009)	367,000	15.8%
Professional Fees (Next Page)	458,911	547,300	(88,389)	1,301,000	35.3%
Office Expense	155,315	191,910	(36,595)	469,000	33.1%
Insurance	234,621	234,650	(29)	579,000	40.5%
Member Services	136,606	196,350	(59,744)	522,000	26.2%
Systems	514,360	508,950	5,410	1,223,000	42.1%
Depreciation	49,808	49,900	(92)	120,000	41.5%
Board of Retirement	273,008	295,450	(22,442)	614,000	44.5%
Uncollectable Benefit Payments	-	-	-	53,000	0.0%
Total Operating Expense	\$ 8,514,676	\$ 8,804,370	\$ (289,694)	\$ 21,472,000	39.7%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

May 31, 2023

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2023</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 145,109	\$ 139,100	\$ 6,009	\$ 354,000	41.0%
Actuarial Fees ²	153,589	225,250	(71,661)	653,000	23.5%
External Audit ³	120,500	120,500	-	144,000	83.7%
Legal Fees ⁴	39,713	62,450	(22,737)	150,000	26.5%
Total Professional Fees	\$ 458,911	\$ 547,300	\$ (88,389)	\$ 1,301,000	35.3%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2023 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<u>1 CONSULTANT FEES - OPERATIONS AND PROJECTS:</u>					
Administration					
Strategic Planning	6,730	-	6,730	-	0.0%
Total Administration	6,730	-	6,730	-	0.0%
Benefits					
Alameda County HRS (Benefit Services)	52,500	52,500	-	126,000	41.7%
Segal (Benefit Consultant/Retiree Open Enrollment)	53,750	54,600	(850)	131,000	41.0%
Total Benefits	106,250	107,100	(850)	257,000	41.3%
Fiscal Services					
Cashlog	-	-	-	20,000	0.0%
Total Fiscal Services	-	-	-	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	32,129	32,000	129	77,000	41.7%
Total Human Resources	32,129	32,000	129	77,000	41.7%
Total Consultant Fees - Operations	145,109	139,100	6,009	354,000	41.0%

<u>2 ACTUARIAL FEES</u>					
Actuarial Valuation	42,500	42,500	-	85,000	50.0%
Actuarial Audit	10,000	56,250	(46,250)	135,000	7.4%
GASB 67 & 68 Valuation	21,000	-	21,000	52,000	40.4%
GASB 74 & 75 Actuarial	-	-	-	16,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	58,089	104,500	(46,411)	251,000	23.1%
Supplemental Retiree Benefit Reserve valuation	22,000	22,000	-	44,000	50.0%
Triennial Experience Study	-	-	-	40,000	0.0%
Total Actuarial Fees	153,589	225,250	(71,661)	653,000	23.5%

<u>3 EXTERNAL AUDIT</u>					
External audit	100,500	100,500	-	121,000	83.1%
GASB 67 & 68 audit	10,000	10,000	-	11,000	90.9%
GASB 74 & 75 audit	10,000	10,000	-	12,000	83.3%
Total External Audit Fees	120,500	120,500	-	144,000	83.7%

<u>4 LEGAL FEES</u>					
Fiduciary & Litigation	14,009	31,250	(17,241)	75,000	18.7%
Tax and Benefit Issues	4,290	10,400	(6,110)	25,000	17.2%
Miscellaneous Legal Advice	21,414	20,800	614	50,000	42.8%
Total Legal Fees	39,713	62,450	(22,737)	150,000	26.5%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES ACTUAL VS. BUDGET
For the Five Months Ending 5/31/2023

	Current Month			Year-to-Date			
	Actual	Budget	Variance (Under)/Over	Actual	Budget	Variance (Under)/Over	Annual Budget
STAFFING							
Salaries	\$910,032	\$900,000	\$10,032	\$4,270,020	\$4,149,000	\$121,020	\$10,235,000
Fringe Benefits	449,139	522,080	(72,941)	2,168,001	2,430,460	(262,459)	5,839,000
Temporary Staffing Cost	38,161	12,500	25,661	196,135	62,500	133,635	150,000
Staffing Total	<u>1,397,332</u>	<u>1,434,580</u>	<u>(37,248)</u>	<u>6,634,156</u>	<u>6,641,960</u>	<u>(7,804)</u>	<u>16,224,000</u>
STAFF DEVELOPMENT	15,035	53,740	(38,705)	57,891	137,900	(80,009)	367,000
PROFESSIONAL FEES							
Actuarial Fees	666	32,150	(31,484)	153,589	225,250	(71,661)	653,000
Consultant Fees - Operations	27,667	27,820	(153)	145,109	139,100	6,009	354,000
Consultant Fees - Legal	5,570	12,490	(6,920)	39,713	62,450	(22,737)	150,000
External Audit	24,100	24,100		120,500	120,500		144,000
Professional Fees Total	<u>58,003</u>	<u>96,560</u>	<u>(38,557)</u>	<u>458,911</u>	<u>547,300</u>	<u>(88,389)</u>	<u>1,301,000</u>
OFFICE EXPENSE							
Bank Charges & Misc. Admin	10,111	8,420	1,691	29,360	42,100	(12,740)	103,000
Building Expenses	3,382	6,830	(3,448)	9,179	34,150	(24,971)	82,000
Communications	7,305	6,810	495	42,884	35,050	7,834	84,000
Equipment Lease/Maintenance	9,449	9,150	299	44,671	48,410	(3,739)	112,000
Minor Equipment and Furniture	1,156	1,080	76	7,515	5,400	2,115	13,000
Office Supplies/Maintenance	6,647	3,410	3,237	17,336	18,050	(714)	54,000
Printing & Postage	1	1,750	(1,749)	4,370	8,750	(4,380)	21,000
Office Expense Total	<u>38,051</u>	<u>37,450</u>	<u>601</u>	<u>155,315</u>	<u>191,910</u>	<u>(36,595)</u>	<u>469,000</u>
INSURANCE	46,924	46,930	(6)	234,621	234,650	(29)	579,000
MEMBER SERVICES							
Disability - Legal Arbitration & Transcripts		3,740	(3,740)	(3,283)	18,700	(21,983)	45,000
Disability Medical Expense	6,000	16,080	(10,080)	49,450	80,400	(30,950)	193,000
Disability Claims Management	3,850	3,830	20	19,250	19,150	100	46,000
Health Reimbursement Acct. (HRA)	5,301	5,160	141	27,842	25,800	2,042	65,000
Member Training & Education	599	500	99	2,470	4,500	(2,030)	17,000
Printing & Postage - Members	4,539	2,910	1,629	13,827	21,550	(7,723)	93,000
Virtual Call Center	5,422	5,250	172	27,050	26,250	800	63,000
Member Services Total	<u>25,711</u>	<u>37,470</u>	<u>(11,759)</u>	<u>136,606</u>	<u>196,350</u>	<u>(59,744)</u>	<u>522,000</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES ACTUAL VS. BUDGET
For the Five Months Ending 5/31/2023

	Current Month			Year-to-Date			
	Actual	Budget	Variance (Under)/Over	Actual	Budget	Variance (Under)/Over	Annual Budget
SYSTEMS							
Business Continuity Expense	15,619	16,890	(1,271)	107,601	113,450	(5,849)	254,000
County Data Processing	10,859	10,750	109	54,406	53,750	656	129,000
Minor Computer Hardware	18,028	3,330	14,698	43,510	16,650	26,860	42,000
Software Maintenance & Support	58,606	64,420	(5,814)	308,843	325,100	(16,257)	798,000
Systems Total	<u>103,112</u>	<u>95,390</u>	<u>7,722</u>	<u>514,360</u>	<u>508,950</u>	<u>5,410</u>	<u>1,223,000</u>
DEPRECIATION							
Depreciation Expense	9,961	9,980	(19)	49,808	49,900	(92)	120,000
BOARD OF RETIREMENT							
Board Compensation	2,100	2,400	(300)	9,500	12,600	(3,100)	27,000
Board Conferences & Training	19,450	97,750	(78,300)	99,301	123,750	(24,449)	195,000
Board Employer Reimbursement	29,660	29,660		152,900	148,300	4,600	356,000
Board Miscellaneous Expense	2,866	1,160	1,706	9,224	5,800	3,424	14,000
Board Software Maint. & Support	1,042	1,000	42	2,083	5,000	(2,917)	12,000
Board Strategic Planning							10,000
Board of Retirement Total	<u>55,118</u>	<u>131,970</u>	<u>(76,852)</u>	<u>273,008</u>	<u>295,450</u>	<u>(22,442)</u>	<u>614,000</u>
UNCOLLECTABLE BENEFIT PAYMENTS							53,000
GRAND TOTALS	<u>\$1,749,247</u>	<u>\$1,944,070</u>	<u>(\$194,823)</u>	<u>\$8,514,676</u>	<u>\$8,804,370</u>	<u>(\$289,694)</u>	<u>\$21,472,000</u>

CONSENT CALENDAR ITEM

**Approved Independent Review Findings
of Fact and Decision of the Board**



Office of the Chief Counsel

To: Board of Retirement
From: Jeff Rieger, Chief Counsel
Meeting: July 20, 2023
Subject: **Jean Luevano Service-Connected Death Benefit Claim Based On Death Of Spouse Kenneth Ryken**



At the May 18, 2023 Board meeting, the Board granted the service-connected death benefit application of Jean Luevano (spouse of deceased member Kenneth Ryken). The Board directed counsel for Ms. Luevano to prepare a written decision, subject to the approval of ACERA's counsel. The written decision was not prepared in time to be included on the Consent Calendar for the June 15, 2023 Board meeting, so the attached proposed written decision is included for the Board's approval on the July 20, 2023 Consent Calendar.

Counsel for Ms. Luevano prepared the attached proposed written decision. Outside counsel Ashley Dunning and I made minor revisions and all counsel agree that the attached proposed written decision is appropriate.

If any Trustee has questions or concerns, the matter may be pulled from the Consent Calendar for discussion and appropriate action. If the matter is not pulled from the Consent Calendar, the proposed written decision will become the final written decision of the Board, with the Chair's signature.

RAYMOND E. FROST [SBN: 79473]
RAYMOND E. FROST & ASSOCIATES
Attorneys at Law
39510 Paseo Padre Parkway - Suite 300
Fremont, California 94538
(510) 792-5310

Attorneys for Member, Kenneth Ryken (Deceased)/Surviving Spouse Jean Luevano

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

In Re:

**INDEPENDENT REVIEW FINDINGS OF
FACT AND DECISION OF THE BOARD**

The Application for Service-Connected Death
Benefits of Kenneth Ryken, Member, by and
through Surviving Spouse, Jean Luevano

_____ /

In accordance with Government Code section 31534, subd. (b), this matter came on for consideration on May 18, 2023 before the Board of Retirement ("Board") of the Alameda County Employees' Retirement Association ("ACERA"). Raymond E. Frost/Raymond E. Frost & Associates, appeared on behalf of Jean Luevano, surviving spouse of the Member, Kenneth Ryken ("Luevano"). David M. Middleton/Meyers Nave appeared on behalf of ACERA. Having reviewed all evidence received by the hearing officer to whom the Board previously referred the matter, the Board hereby issues the following Findings of Fact and Decision that in its opinion are indicated by such evidence:

FINDINGS OF FACT

1. Member, Kenneth Ryken (Deceased) ("Member") worked for the Alameda County District Attorney's Office from 1996 until his death in January 2020.
2. The Member served as the Chief Financial Officer for the Alameda County District Attorney's office during the last seven years of his employment.
3. From May 2019, until his death in January 2020, Member's employment responsibilities increased substantially, as he was performing two (2) full time jobs at the same time, to wit: Chief Financial Officer and Grant Manager for the Alameda County District Attorney's Office.
4. Member was not diagnosed with hypertension until September of 2019.

5. According to Dr. Jonathan Ng's July 28, 2020 narrative report, he opined that Luevano provided credible testimony, under oath, that Member only suffered stress was from his work; there was no financial stress, nor was there any involvement with illicit drugs by Member.
6. Member's stated cause of death was ventricular fibrillation, acute myocardial infarction, atherosclerotic heart disease, and hypertension.
7. Substantial competent medical evidence was presented to the Board that:
 - a. Member's high blood pressure and attendant hypertension increased substantially during the last five (5) months of his life, correspondent to the time period that Member's work responsibilities had increased substantially with the County of Alameda District Attorney's Office.
 - b. Member's high blood pressure was not significantly controlled during the last five (5) months of his life, even with the use of prescribed blood pressure medication.
 - c. Member's increased workload/responsibilities during the last eight months of his life was a substantial contributing factor to Member's increased high blood pressure/hypertension in the months immediately prior to his death.
 - d. The sustained increase in Member's high blood pressure and hypertension was the only noted symptomatic increase among the various contributing factors to Member's atherosclerotic heart disease, from which Member suffered and had been diagnosed.
 - e. Member's underlying atherosclerotic heart disease was substantially worsened by Member's work-related stress, and its attendant increase in high blood pressure and hypertension.
 - f. Member's high blood pressure and hypertension, resulting from his significantly increased workload/responsibilities was the "trigger" to his myocardial infarction and, thereby, substantially contributed to/caused his cardiac arrest and resulting sudden death.

These findings form the basis for the Board's Decision in this case.

DECISION

Upon review of the entire documentary record submitted by the parties, and the written and oral arguments of counsel in this matter, the Board hereby GRANTS the application for a service-connected death benefit submitted by applicant Jean Luevano.

APPROVED: 7-0, motion by Trustee Simon, second by Trustee Rogers, as follows:

AYES: Chair Godfrey
1st Vice-Chair Basgal
2d Vice-Chair Simon
Trustee Levy
Trustee Clippinger
Trustee Rogers
Trustee Carson

ABSENT: Trustee Gamble
Trustee Bryant

NO VOTE: Trustee Baron (not eligible per Gov't Code §§ 31520.5, 31520.6)

RECUSED: Trustee Wood

Dated: July , 2023

Jaime Godfrey, ACERA Board Chair

APPROVED AS TO FORM AND CONTENT BY:

Dated: June 21, 2023

Jeffrey R. Rieger, ACERA Chief Counsel

Dated: June 8 , 2023

Ashley K. Dunning, Nossaman LLP, Board Counsel

NEW BUSINESS

- 7.A. Discussion and Possible Motion to increase the budget for the Pension Administration System (PAS) project by \$218,625 for a total of \$2,640,564 for Training Material Development by Segal; and also a General PAS Project Update.**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: July 20, 2023

TO: Members of the Board of Retirement

FROM: Dave Nelsen, Chief Executive Officer
Carlos Barrios, Assistant Chief Executive Officer

SUBJECT: **Request for The Segal Company Consulting Budget Increase for Training and Procedures Development**

In 2018, ACERA entered into a contract with LRWL, now The Segal Company, for project oversight and consulting services in connection with the Pension Administration System (PAS) software replacement project for an amount not exceeding \$2,421,940.

Staff is requesting approval for additional services from The Segal Company to develop business procedures documentation as a result of the Pension Gold V3 (PAS) project and integration with OnBase. The scope of service will include development of 19 step-by-step procedures documents and training guides that outlines the actions required to complete each process ensuring it is clear, concise and easy to follow. Having these 19 standard operating procedures completed by our go-live date in September of next year will ensure current team members will be trained consistently on new functionality and will be used thereafter to train new staff or cross-train existing staff as needed. The Segal Company team is working daily with LRS on designs for our new system. We have a unique opportunity and advantage to utilize their knowledge and resources in this initiative to acquiring complete standardized procedures.

Staff is requesting approval to increase the not-to-exceed amount in The Segal Company's current contract by \$218,625 for a total of \$2,640,564. This request corresponds with Item #3 on the ACERA Business Plan presented to the Board at the April Board meeting.

Recommendation:

Staff recommends the Board of Retirement approve an increase of \$218,625 to The Segal Company's contract for oversight and consulting services which will include the development of standard operating procedures.

NEW BUSINESS

7.B. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: July 20, 2023
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer’s Report**

Senior Manager Recruitment

None

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS

Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop ACERA Re-Opening Plan.	Dave Nelsen	April 2023	Completed	We concluded our Meet and Confer meetings with our employee representative groups. Training on plan requirements is underway with managers and then employees, and we will implement the provisions of the plan in September.

Conference/Event Schedule

None

Other Items

PBI/MOVEit Data Breach

There has been significant media coverage of a data breach for several retirement systems, including CalPERS and CalSTRS, related to the use of PBI as a death verification service. The issue arose due to the use of MOVEit file transfer software, and a vulnerability within that software. ACERA does not work with PBI for this service, nor do our vendors use the MOVEit software. No ACERA members or retirees were affected by this software vulnerability. It is possible they could have been impacted if they also had PERS or STRS benefits in addition to ACERA. If so, they would have been contacted by those organizations.

Business Planning Update

Attached is a list of updates for each of the projects.

Legislative Update

Attached is the monthly Legislative Update from the SACRS Lobbying Firm which discusses bills of interest and their status.

Recognition

I would like to recognize Katie Martinez, Daniel Flores and Darion Hawkins for stepping up to help the Internal Audit Department with the mailing of the Benefit Recipient Certification Letter. The Audit Department had few resources to print, fold and mail the letters needed for this audit. Katie, Daniel and Darion volunteered their precious time which was critical to meet our deadline for mailing.

Key Performance Indicators

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

Scorecard KPI	2022 Performance Goal
PRUDENT INVESTMENT PRACTICES	
Portfolio Performance vs. Policy Benchmark	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> As of May of 2023: We were .05% short of the benchmark.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2022 approved budget</i> As May of 2023: 3.3% under budget.
COMPREHENSIVE ORGANIZATION DEVELOPMENT	
Employee Engagement Survey Results	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> As of the latest survey (October of 2022): 71%.
SUPERIOR CUSTOMER SERVICE	
Service Excellence Survey	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 2 nd Quarter of 2023: 100%.

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

1. General Investment Consultant (GIC) RFP

Goal 1 (Sept. 2022 – Sept. 2023)

With the Board's decision in June, Staff and Cortex are scheduling and working on on-site due diligence visits for the four finalists (Callan, Meketa, NEPC, Verus). Finalists' interviews are planned for the September ICM.

2. Investment License Services for Private Market & Subscription

Goal 1 (Jul. 2023 – Dec. 2023)

The Investment Operations Team has a goal of obtaining direct access to the Cambridge Associates Private Benchmark data through IHS Markit. This vendor can provide ACERA, or State Street Bank Performance Team the necessary access to aid in providing timely benchmark performance reporting monthly. Staff has completed initial introductory call with IHS Markit and is scheduling follow up demonstrations with the vendor to view the product offering. John Ta, Serafin Lim and Daniel Morales will be leading the conversation with Markit.

3. Comprehensive Pension Administration System PG3 Training

Goal 2 (May 2023 – Fall 2024)

Segal's Team, which is currently being used for V3 project oversight, will assist ACERA in updating procedures to include V3 and On-base functionality in preparation for going live in 2024. The scope of work, pricing, and timeline are currently in development.

4. Review Workforce Excellence (WFE) Processes and Tools

Goal 2 (Oct. 2022 – Dec. 2023)

Departments are in the process of reviewing and updating the materials and getting them back to the team for final review.

A team is being put together for the HR technical solution. The first task for this team will be to determine the needs for the technology with the help of the HR team and leadership.

5. Continuation of PAS Upgrade to PG3 & 6. On-Base Case Management

Goal 2 (Complete in August 2024) & Goal 3

Our Pension Administration System vendor, LRS is currently developing the functionality for Design Phase 4 of the project. User Acceptance Training and Testing is underway. All employers are now fully active in the development and implementation effort of the V3 employer transmittal.

OnBase-PG Integration Update: The ACERA Business and Technical Team for OnBase will be meeting to determine business needs for a solution that auto-initiates a case manager tracking entry upon receipt of documents from Member Direct.

Case Manager Update:

The OnBase Team completed the development of a Case Manager to facilitate assignment and tracking of work for our Beneficiary (Designation) and Maintenance process. The Case Manager creates an efficiency in the coordination of work shared between units and the outreach to the members requiring additional information. The training and implementation is targeted to begin in mid-August.

6. Board Packet Meeting Software Review, Analysis, Selection and Implementation Goal 2 (Fall 2022 – Fall 2023)

The Administration Staff Project Team has completed training and simulation of the future process using the BoardEffect® software for Board meeting preparation and distribution of Committee and Board meeting materials electronically. The first Trustee pilot of the software will be launched this month with the participation of our Trustees starting this month. The Chair of ACERA's Investment Committee (IC) will be using B BoardEffect® to manage the IC meeting on July 12th. The Trustee Pilot Group has completed training on access and annotation in BoardEffect®. During the month of July, ACERA leadership will be contacted for review, feedback, and support of the paperless Committee and Board meeting process.

7. Research Agency Intranet Solution for Internal Document Management Goal 3 (Spring 2023 – Fall 2024)

The team has met and put together a list of stakeholders and risks for the project. The team has also made several high-level decisions around the project, such as a phased roll-out and the need to determine and differentiate between must-haves and need-to-haves. The next steps are to gather must-haves from leadership for prioritization. These needs will be an input into determining the best technical solution and implementation plan.

8. Research Expense S/W Subscription Options Goal 3 (Mar. 2023 –Aug. 2023)

Staff met with an Expensify representative for a product walkthrough and pricing. The next steps for the project are to review the vendor's described interface with the ACERA team that supports ACERA's digital document repository to gather any outstanding interface questions. The expense software vendor has offered a three week product trial. Four ACERA staff members will test the product from receipt/document capture to export (to a test folder), utilizing actual training and travel receipts in a test environment. Research, test, and staff recommendation are expected to be completed by mid-August 2023.

9. Product Analysis for GP Upgrade or Similar Accounting Software**Goal 3 (Aug. 2023 – Dec. 2024)**

The team is assessing the limitations of the current solution in terms of performance and needed capability. The team is also looking at current workflows and areas where technology might help. These inputs will be used as requirements and nice-to-haves for a technology decision.

10. New Member Onboarding**Goal 4 (Complete by Fall 2023)**

For the New Member Onboarding Process project, staff is using Lean methodology to systematically identify and eliminate waste in the process, streamlining it for new members and employers, as well as reducing ACERA resources. The team continues to meet, and the next step is to define a performance objective to increase the percentage of Member Enrollment Questionnaires received vs. distributed.

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

Staff continued development of video graphic concepts for a seven-minute new-member orientation video to be shown during employer orientation. Staff designed two new-member education emails as a follow up to the orientation video and as a reminder to complete the New Member Enrollment Questionnaire. Staff also designed two ongoing-member emails, one to motivate members to annually review their ACERA member portal account and calculate a benefit estimate, and one targeting members with no beneficiary on file to persuade them to designate a beneficiary.

LEGISLATIVE UPDATE



July 7, 2023

TO: State Association of County Retirement Systems

FROM: Edelman Gilbert Robson & Smith, LLC

RE: **Legislative Update – July 2023**

General Update

We are now over halfway done with the first year of a two-year session. The Legislature is in the midst of the second policy committee deadline, where bills must pass out of policy committee in the second house by July 14. At that point, the Legislature will adjourn for summer recess until August 14.

On June 30, Assemblymember Robert Rivas from Hollister was sworn in as Speaker. He also announced his new leadership team, which includes Assemblymember Aguiar-Curry as Speaker Pro Tempore and Assemblymember Isaac Bryan as Majority Leader. A few committee Chairmanships were moved around given these three Assemblymembers taking on new roles, but it is not anticipated that there will be a large-scale shake-up of Chairmanships this year despite the leadership transition.

Budget Update. The Legislature and Governor reached a final budget agreement in late June, after a series of negotiations that were drawn out over disagreement on the Governor's proposed infrastructure package. The most contentious item was the inclusion of expediting the Delta Tunnels project, which was ultimately removed in the final agreement.

The Legislature passed a series of budget bills and budget trailer bills by the end of June, most of which are pending a signature on the Governor's desk.

Legislation of Interest

SB 885 (Committee on Labor, Public Employment and Retirement). This is the annual committee omnibus bill that contains various cleanup provisions for CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive, technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

The bill passed out of the Assembly Public Employment and Retirement Committee, the Assembly Appropriations Committee and off the Assembly Floor. The bill is now back in the Senate for a final concurrence vote.

AB 1020 (Grayson) – CERL Disability Presumptions. This bill would establish several new disability retirement presumptions for various injuries and illnesses in the CERL, similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters. The author and sponsor agreed to technical clarifications proposed by SACRS that were amended into the bill in June. CSAC is opposed to the bill but does not appear to be strongly lobbying against the bill.

The bill passed out of the Senate Public Employment and Retirement Committee and is pending a vote on the Senate Floor.

AB 1637 (Irwin) - Local Government Websites and Email Addresses. This bill requires cities and counties to use a ".gov" or ".ca.gov" domain for websites and email addresses. The bill was recently amended out of the Assembly Appropriations Committee to narrow the bill to cities and counties as well as push out the implementation dates. The previous version of the bill would have applied to all local agencies.

The bill was amended again in late June to push out the implementation date until 2029 after passing out of the Senate Governance and Finance Committee. It is now pending a hearing in the Senate Appropriations Committee.

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

The bill was made a two-year bill, but the author has committed to continuing to work on the issue in the future.

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

This bill was held in the Senate Appropriations Committee so it will not move further.

Public Meeting Bills

AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension. This bill would remove the sunset in current law to allow teleconferencing during certain emergencies as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days.

This bill passed out of two policy committees in the Senate with clarifying amendments and is now on the Senate Floor.

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

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

We have met with the author's staff and requested amendments to clarify that local retirement systems are covered by the bill, but because the bill was eventually narrowed in scope, it is unlikely the author will accept our language.

The bill is pending a hearing in the Assembly Local Government Committee. This Committee now has a new chair - Assemblymember Juan Carrillo – because Assemblymember Aguiar-Curry became the Speaker Pro Tempore. It remains to be seen how the new Chair views proposed flexibility to the Brown Act. Assemblymember Aguiar-Curry was not open to adding new exemptions or flexibility to the Brown Act.