



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

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

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

ACERA MISSION:

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

**Wednesday, August 3, 2022
9:30 a.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Call-In Number: 1 699 900 6833 Meeting ID: 879 6337 8479 Password: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	OPHELIA BASGAL, CHAIR	APPOINTED
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	HENRY LEVY	TREASURER
	GEORGE WOOD	ELECTED GENERAL

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

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

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

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

OPERATIONS COMMITTEE/BOARD MEETING

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Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

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

None

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

1. **Operating Expenses as of 06/30/2022**
-Erica Haywood
2. **Quarterly Financial Statements as of 06/30/2022**
-Erica Haywood
3. **Quarterly Cash Forecast Report**
-Erica Haywood
4. **Board Member Conference Expense Report as of 06/30/2022**
-Erica Haywood
5. **Senior Manager Conference and Training Expense Report as of 06/30/2022**
-Erica Haywood
6. **Mid-Year review of 2022 ACERA Operating Expense Budget**
-Erica Haywood
7. **Findings to increase voter turnout for Board of Retirement Election**
-Lisa Johnson

Trustee Remarks

OPERATIONS COMMITTEE/BOARD MEETING

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Future Discussion Items

September (*Presented at Board Meeting*)

- Operating Expenses as of 07/31/22

October

- Operating Expenses as of 08/31/22
- 2022 Board Elections Update
- Statement of Reserves as of 06/30/2022

Establishment of Next Meeting Date

October 5, 2022, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

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

ACERA's operating expenses are \$919K under budget for the period ended June 30, 2022. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Depreciation*: Depreciation is \$4K over budget.

Budget Surpluses

2. *Staffing*: Staffing is \$614K under budget. This amount comprises surpluses in staff vacancies of (\$179K), and fringe benefits of (\$507K), offset by an overage in temporary staffing of \$73K due to some vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$31K under budget due to savings from unattended staff trainings and conferences.
4. *Professional Fees*: Professional Fees are \$42K under budget. This amount comprises an overage in actuarial fees of \$8K, offset by surpluses in legal fees of (\$48K), and operations consultant fees of (\$2K).
5. *Office Expense*: Office Expense is \$106K under budget. This amount comprises surpluses in printing and postage of (\$6K) and office maintenance and supplies of (\$23K) both due to savings in usage, communication expenses of (\$25K), building expenses of (\$38K), minor equipment and furniture of (\$6K), and equipment lease and maintenance of (\$8K).
6. *Member Services*: Member Services are \$2K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$8K), disability medical expense of (\$4K), and member training and education of (\$2K), offset by overages in members printing and postage of \$7K, and health reimbursement account of \$5K.
7. *Systems*: Systems are \$58K under budget. This amount comprises surpluses in software maintenance and support of (\$58K), county data processing of (\$4K), offset by overage in business continuity expense of 4K.
8. *Board of Retirement*: Board of Retirement is \$70K under budget. This amount comprises surpluses in board conferences and trainings of (\$70K) mainly due to unattended trainings and conferences, board miscellaneous expenses of (\$6K), and board compensation of (\$3K), offset by an overage in board employer reimbursement of \$6K, and board election of \$3K.

Staffing Detail

Permanent vacant positions as of June 30, 2022:

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

Pension Administration System Project as of June 30, 2022					
All amounts are in \$	Year-To-Date			2022 Budget	2019-21 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	28,337	262,500	(234,163)	525,000	2,041,606
Segal	153,205	205,000	(51,795)	410,000	1,203,390
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	181,542	467,500	(285,958)	935,000	3,345,466
Staffing	320,044	353,500	(33,456)	707,000	1,515,887
TOTAL	501,586	821,000	(319,414)	1,642,000	4,861,353

Attachments:

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



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL OPERATING AND INVESTMENT EXPENSES SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>June 30, 2022</u>					
	Actual	Budget	YTD	2022	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>% Actual to</u>
			<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 7,681,407	\$ 8,294,980	\$ (613,573)	\$ 16,941,000	45.3%
Staff Development	122,371	153,470	(31,099)	279,000	43.9%
Professional Fees (Next Page)	611,399	653,720	(42,321)	1,146,000	53.4%
Office Expense	229,210	334,920	(105,710)	659,000	34.8%
Insurance	265,717	266,460	(743)	550,000	48.3%
Member Services	166,752	168,360	(1,608)	393,000	42.4%
Systems	548,542	606,840	(58,298)	1,207,000	45.4%
Depreciation	62,351	58,280	4,071	114,000	54.7%
Board of Retirement	263,456	333,200	(69,744)	656,000	40.2%
Uncollectable Benefit Payments	-	-	-	56,000	0.0%
Total Operating Expense	\$ 9,951,205	\$ 10,870,230	\$ (919,025)	\$ 22,001,000	45.2%
Investment Consultant Fees	692,846	783,480	(90,634)	1,567,000	44.2%
Investment Custodian Fees	274,288	313,500	(39,212)	627,000	43.7%
Investment Manager and Incentive Fees	10,049,218	26,139,900	(16,090,682)	52,278,000	19.2%
Other Investment Expenses	38,303	268,860	(230,557)	538,000	7.1%
Total Portfolio Management Investment Expense	\$ 11,054,655	\$ 27,505,740	\$ (16,451,085)	\$ 55,010,000	20.1%
Total Operating and Portfolio Management Investment Expense	\$ 21,005,860	\$ 38,375,970	\$ (17,370,110)	\$ 77,011,000	27.3%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

June 30, 2022

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 215,100	\$ 216,880	\$ (1,780)	\$ 384,000	56.0%
Actuarial Fees ²	202,512	194,600	7,912	420,000	48.2%
External Audit ³	142,000	142,000	-	142,000	100.0%
Legal Fees ⁴	51,787	100,240	(48,453)	200,000	25.9%
Total Professional Fees	\$ 611,399	\$ 653,720	\$ (42,321)	\$ 1,146,000	53.4%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Banking transition consultant fees	50,000	50,000	-	50,000	
Total Administration	50,000	50,000	-	50,000	0.0%
Benefits					
Alameda County HRS (Benefit Services)	63,000	63,000	-	126,000	50.0%
Segal (Benefit Consultant/Retiree Open Enrollment)	63,600	65,480	(1,880)	131,000	48.5%
Total Benefits	126,600	128,480	(1,880)	257,000	49.3%
Human Resources					
Lakeside Group (County Personnel)	38,500	38,400	100	77,000	50.0%
Total Human Resources	38,500	38,400	100	77,000	50.0%
Total Consultant Fees - Operations	\$ 215,100	\$ 216,880	\$ (1,780)	\$ 384,000	56.0%
² ACTUARIAL FEES					
Actuarial valuation	40,500	40,500	-	81,000	50.0%
GASB 67 & 68 Valuation	20,500	25,500	(5,000)	51,000	40.2%
GASB 74 & 75 Actuarial	7,500	7,500	-	15,000	50.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	112,512	99,600	12,912	200,000	56.3%
Supplemental Retiree Benefit Reserve valuation	21,500	21,500	-	43,000	50.0%
Total Actuarial Fees	\$ 202,512	\$ 194,600	\$ 7,912	\$ 420,000	48.2%
³ EXTERNAL AUDIT					
External audit	119,000	119,000	-	119,000	100.0%
GASB 67 & 68 audit	11,000	11,000	-	11,000	100.0%
GASB 74 & 75 audit	12,000	12,000	-	12,000	100.0%
Total External Audit Fees	\$ 142,000	\$ 142,000	\$ -	\$ 142,000	100.0%
⁴ LEGAL FEES					
Fiduciary Counseling & Litigation					
Nossaman - Fiduciary Counseling	17,686	8,771	8,915	17,500	14%
Reed Smith - Fiduciary Counseling	25,374	4,375	20,999	8,750	7%
Nossaman - Litigation	-	19,374	(19,374)	38,750	31%
Reed Smith - Litigation	2,542	30,000	(27,458)	60,000	48%
Subtotal	45,601	62,520	(16,919)	125,000	36.5%
Tax and Benefit Issues					
Hanson Bridgett	2,878	12,520	(9,643)	25,000	
Subtotal	2,878	12,520	(9,643)	25,000	11.5%
Miscellaneous Legal Advice					
Meyers Nave	3,309	25,200	(21,892)	50,000	
Subtotal	3,309	25,200	(21,892)	50,000	6.6%
Total Legal Fees	\$ 51,787	\$ 100,240	\$ (48,453)	\$ 200,000	25.9%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
 For the Six Months Ending 6/30/2022

	For the Month of June 2022	For the Month of June 2021	Variance	Year-To-Date 2022	Year-To-Date 2021	Variance
STAFFING						
Salaries	856,765	805,068	51,697	4,941,919	4,601,854	340,065
Fringe Benefits	416,692	381,152	35,540	2,535,993	2,308,237	227,756
Temporary & Other Staffing Cost	41,369	37,792	3,577	203,495	270,531	(67,036)
Staffing Total	1,314,826	1,224,012	90,814	7,681,407	7,180,622	500,785
STAFF DEVELOPMENT	43,850	11,854	31,996	122,371	72,586	49,785
PROFESSIONAL FEES						
Actuarial Fees	24,100	36,250	(12,150)	202,512	172,576	29,936
Consultant Fees - Operations	36,017	27,517	8,500	215,100	165,100	50,000
Consultant Fees - Legal	18,828	31,530	(12,702)	51,787	98,861	(47,074)
External Audit	24,000	27,000	(3,000)	142,000	157,000	(15,000)
Professional Fees Total	102,945	122,297	(19,352)	611,399	593,537	17,862
OFFICE EXPENSE						
Bank Charges & Misc. Admin	11,178	9,703	1,475	67,966	57,843	10,123
Building Expenses	1,862	6,479	(4,617)	6,100	40,593	(34,493)
Communications	13,830	8,086	5,744	69,662	46,044	23,618
Interest expense on lease liability - GASB-87	829	1,277	(448)	5,567	8,171	(2,604)
Amortization expense of lease assets - GASB-87	3,548	3,548	0	21,286	21,286	0
Equipment Lease/Maintenance	4,117	4,970	(853)	26,261	25,162	1,099
Minor Equipment and Furniture	27	0	27	2,821	429	2,392
Office Supplies/Maintenance	12,362	672	11,690	21,534	16,725	4,809
Printing & Postage	1,027	1,236	(209)	8,013	5,467	2,546
Office Expense Total	48,780	35,971	12,809	229,210	221,720	7,490
INSURANCE	44,286	65,736	(21,450)	265,717	394,413	(128,696)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	3,698	0	3,698	14,902	0	14,902
Disability Medical Expense	11,850	9,900	1,950	56,924	66,660	(9,736)
Disability Claims Management	3,850	3,850	0	23,100	23,100	0
Health Reimbursement Acct. (HRA)	7,966	6,739	1,227	35,207	30,696	4,511
Member Training & Education	433	419	14	2,711	2,607	104
Printing & Postage - Members	2,204	2,395	(191)	33,908	19,830	14,078
Virtual Call Center	0	4,889	(4,889)	0	28,798	(28,798)
Member Services Total	30,001	28,192	1,809	166,752	171,691	(4,939)

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Six Months Ending 6/30/2022

	For the Month of June 2022	For the Month of June 2021	Variance	Year-To-Date 2022	Year-To-Date 2021	Variance
SYSTEMS						
Business Continuity Expense	26,350	15,768	10,582	107,410	98,372	9,038
County Data Processing	10,368	9,851	517	62,284	59,475	2,809
Minor Computer Hardware	7,332	6,540	792	19,574	18,589	985
Software Maintenance & Support	63,484	96,136	(32,652)	359,274	360,498	(1,224)
Systems Total	107,534	128,295	(20,761)	548,542	536,934	11,608
DEPRECIATION						
Depreciation Expense	10,392	9,930	462	62,351	58,872	3,479
BOARD OF RETIREMENT						
Board Compensation	2,600	2,800	(200)	12,200	13,500	(1,300)
Board Conferences & Training	2,729	500	2,229	61,022	7,801	53,221
Board Election	0	0	0	3,533	0	3,533
Board Employer Reimbursement	28,250	30,000	(1,750)	175,105	97,014	78,091
Board Miscellaneous Expense	1,264	632	632	5,681	3,778	1,903
Board Software Maint. & Support	986	1,053	(67)	5,915	6,059	(144)
Board of Retirement Total	35,829	34,985	844	263,456	128,152	135,304
GRAND TOTALS	1,738,443	1,661,272	77,171	9,951,205	9,358,527	592,678



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly Unaudited Financial Statements as of June 30, 2022

Executive Summary

Attached for review and discussion is the unaudited financial statements for the period ended June 30, 2022.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2021 decreased by \$271 million.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$10.3 billion. Total Receivables increased \$6 million, Investments at fair value¹ decreased by \$1 billion, Capital Assets increased by \$2 million, and Total Liabilities without Security Lending Liability increased by \$18 million.
- The year-over-year Change in Net Position decreased by \$2.5 billion.
 - Total Additions year-over-year decreased by \$2.5 billion. This includes, a decrease in net investment income of \$2.5 billion.
 - Total Deductions year-over-year increased by \$19 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, and member refunds.

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

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 6/30/2022

	Year-To-Date 2022	Year-To-Date 2021
ASSETS		
Cash (Note 1)	5,525,033	1,427,969
Securities Lending Cash Collateral (Note 2)	145,185,598	104,861,755
Receivables:		
Contributions (Note 3)	20,939,229	21,103,825
Investment Receivables (Note 4a)	20,444,749	19,019,941
Unsettled Trades - Investments Sold	10,542,650	6,836,905
Futures Contracts (Note 5a)	531,484	0
Foreign Exchange Contracts (Note 7a)	3,495	2,240
Other Receivables (Note 8)	354,212	348,353
Total Receivables	52,815,817	47,311,264
Prepaid Expenses	729,380	463,829
Total Current Assets	204,255,828	154,064,817
Investments - at Fair Value:		
Short-Term Investments (Note 9)	237,322,675	1,013,390,886
Domestic Equity	509,382,010	647,172,911
Domestic Equity Commingled Funds	2,043,569,754	2,424,929,028
International Equity	1,077,997,183	1,366,076,548
International Equity Commingled Funds (Note 10)	1,312,150,379	1,521,907,631
Domestic Fixed Income	1,417,643,265	1,230,923,074
International Fixed Income	63,597,243	152,369,389
International Fixed Income - Commingled Funds (Note 11)	73,361,796	152,792,940
Real Estate - Separate Properties (Note 12)	71,639,309	73,491,749
Real Estate - Commingled Funds (Note 13)	723,454,433	559,883,870
Real Assets	720,389,631	519,392,511
Absolute Return (Note 14a)	791,571,719	715,070,209
Private Equity (Note 14b)	1,095,156,167	887,530,280
Private Credit	170,402,525	120,449,372
Total Investments	10,307,638,089	11,385,380,399
Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) (Note 15)	6,602,855	4,784,091
Total Assets	10,518,496,772	11,544,229,307
LIABILITIES		
Securities Lending Liability (Note 2)	145,185,598	104,861,755
Unsettled Trades - Investments Purchased	31,132,867	19,111,752
Investment-Related Payables (Note 4b)	13,157,182	13,954,768
Futures Contracts (Note 5b)	826,075	1,168,328
Foreign Exchange Contracts (Note 7b)	5,914,174	528,629
Accrued Administration Expenses (Note 16)	3,011,758	2,665,151
Members Benefits & Refunds Payable (Note 17a)	6,602,733	5,207,834
Retirement Payroll Deductions Payable (Note 17b)	15,571	8,151
Lease Liability	78,899	124,156
Total Liabilities	205,924,856	147,630,525
DEFERRED INFLOWS OF RESOURCES		
Advance Contribution Payments	0	812,611,250
Net Position		
Restricted - Held in Trust for Benefits	10,312,571,916	10,583,987,533
Total Net Position	10,312,571,916	10,583,987,533

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Six Months Ending 6/30/2022

	Year-To-Date 2022	Year-To-Date 2021
ADDITIONS		
Contributions: (Note 18)		
Members	60,239,404	53,993,580
Employers	143,169,187	162,036,507
Total Contributions	203,408,591	216,030,086
From Investment Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments (Note 19a)	(1,476,471,242)	983,151,791
Interest	26,805,758	22,164,962
Dividends	26,480,232	25,176,320
Real Estate - Net	11,387,913	10,997,915
Private Equity and Alternatives	15,542,037	41,168,030
Brokers Commissions - Directed Brokerage	1,493	8,472
Sub-Total of Dividends, Interest, Other Investment Income (Note 19b)	80,217,433	99,515,698
Total Income from Investment Activities	(1,396,253,809)	1,082,667,488
Total Investment Expenses (Note 20)	(12,614,848)	(41,022,170)
Net Income from Investment Activities (Note 21)	(1,408,868,657)	1,041,645,319
From Securities Lending Activities:		
Securities Lending Income	490,346	494,359
Securities Lending Expenses	(150,294)	(98,903)
Net Income from Securities Lending Activities (Note 22)	340,052	395,456
Total Net Investment Income	(1,408,528,605)	1,042,040,775
Miscellaneous Income (Note 23)	70,963	851,324
Total Additions	(1,205,049,051)	1,258,922,185
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	283,531,869	268,091,229
Death Benefits (Note 25)	1,614,880	1,605,078
Supplemental Cost of Living Allowance	460,181	493,648
Retiree Healthcare Program	23,155,763	22,903,758
Total Benefit Payments	308,762,694	293,093,713
Member Refunds	6,088,228	3,575,031
Administration: (Note 26)		
Administrative Expenses	6,232,018	6,027,709
Actuarial Expenses	181,012	151,576
Business Continuity Expenses	275,611	304,840
Legal Expenses	415,095	430,243
Technology Expenses	438,273	430,390
401(h) Expenses	849,000	688,500
Total Administration	8,391,009	8,033,258
Total Deductions	323,241,930	304,702,002
Net Increase(Decrease)	(1,528,290,981)	954,220,183
Net Position Held in Trust for Benefits:		
Net Position - January 1	11,840,862,896	9,629,767,350
Net Position - June 30	10,312,571,916	10,583,987,533

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

Basis of Accounting

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

(Note 1)

Cash - \$5.53 million

Cash balance is the sum of the funds in the Wells Fargo and JP Morgan banks operating accounts. The increase of \$4.10 million from 1.43 million in June 30, 2021, is primarily due to the timing difference between receipt of contributions and the transfer of funds for retiree payroll and investments.

(Note 2)

Securities Lending Cash Collateral - \$145.19 million

Cash collateral of \$145.19 million and \$104.86 million was held by ACERA related to securities on loan as of June 30, 2022, and June 30, 2021, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with the GASB Statement No. 28.

(Note 3)

Contributions Receivables - \$20.94 million

The receivable balances of June 30, 2022, decreased by approximately \$0.16 million from \$21.10 million in June 30, 2021. This is primarily due to the decrease in employer contribution rates for County safety membership and LARPD.

(Note 4)

4a. Investment Receivables - \$20.44 million

The investment receivables balance as of June 30, 2022, increased by \$1.42 million from \$19.02 million for June 30, 2021. The increase is mainly attributed to interest and dividend receivables.

4b. Investment Related Payables - \$13.16 million

The decrease of \$0.80 million in investment related payables balance as of June 30, 2022, from \$13.96 million for June 30, 2021 is primarily due to timing of the investment manager fee payments.

(Note 5)

5a. Futures Contracts Receivables - \$0.53 million

The receivables represent unrealized gains on open future contracts. The balance for unrealized gains as of June 30, 2022, and June 30, 2021, were \$0.53 million and zero, respectively.

5b. Futures Contracts Payables - \$0.83 million

The payables represent the unrealized losses on open future contracts. The balance for unrealized losses as of June 30, 2022, and June 30, 2021, were \$0.83 million and \$1.17 million, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 7)

7a. Foreign Exchange Contracts Receivables - \$0.003 million

The receivables represent unrealized gains on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of June 30, 2022, and June 30, 2021, unrealized gains on FX contracts were \$0.003 million and \$0.002 million, respectively. The increase of \$0.001 million is due to change in number and valuation of contracts and market volatility.

7b. Foreign Exchange Contracts Payables - \$5.91 million

The payables represent unrealized losses on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of June 30, 2022, and June 30, 2021, unrealized losses on FX contracts were \$5.91 million and \$0.53 million, respectively. The increase in unrealized losses of \$5.38 million is mainly due to change in foreign exchange contracts and market volatility from Brandywine manager.

(Note 8)

Other Receivables - \$0.35 million

Other receivables as of June 30, 2022, are comprised primarily of funds due from deceased retirees' estates for overpayment of benefits and from insurance for ACERA legal claims.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 9)

Short-Term Investments - \$237.32 million

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

(Dollars in Millions)

<i>Fund Name</i>	<i>6/30/2022</i>
UnallocatedCash	\$ 23.19
Loomis	53.02
Brandywine	50.41
Baird Investors	44.96
Capital Guardian	31.34
Parametic Portfolio Associates (cash overlay)	11.53
William Blair Small Cap Growth	4.79
Mondrian	4.57
TCW	3.94
Aristotle Capital	3.77
Kennedy	2.23
Bivium - Denali Advisors	0.82
Bivium - Dundas Partners	0.64
Bivium - Promethos Capital, LLC	0.48
Bivium - Arga Investment Management	0.43
Bivium - Radin Capital Partners	0.38
Bivium - Global Alpha Capital Mgmt	0.27
AQR Capital Management, LLC	0.26
Bivium Redwood Investment	0.24
Bivium RVX Asset Management LLC	0.05
Total	\$ 237.32

(Note 10)

International Equity Commingled Funds - \$1,312.15 million

As of June 20, 2022, and June 30, 2021, the International Equity Commingled Funds were \$1,312.15 million and \$1,521.91 million, respectively. The decrease of \$209.76 million is mainly due to unrealized losses from the market volatility.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 11)

International Fixed Income Commingled Funds - \$73.36 million

The decrease of \$79.43 million from the prior year is due to additional distributions net of investments and market depreciation. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

(Note 12)

Real Estate Separate Properties - \$71.64 million

The following is a summary of Real Estate – Separate Property investments as of June 30, 2022, and June 30, 2021. The year over year decrease of \$1.85 million is due to the market depreciation and income distributions of the Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 6-30-2022</i>	<i>Net Mkt. Value 6-30-2021</i>	<i>No. of Properties 2022</i>	<i>No. of Properties 2021</i>
RREEF	\$ 71.64	\$ 73.49	1	1

(Note 13)

Real Estate Commingled Funds - \$723.45 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 6254.26. The increase of \$163.57 million in 2022 as compared to 2021 is mainly due to market appreciation and additional investments net of distributions.

(Note 14)

14a. Absolute Return - \$791.57 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$76.50 million in 2022 as compared to 2021 is predominantly due to net gain on investments.

14b. Private Equity - \$1,095.16 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$207.62 million in 2022 as compared to 2021 is mainly due to additional investments net of distributions; and net gain on investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$6.60 million

(Dollars in Millions)

<i>Net Capital Assets</i>	<i>6/30/2022</i>	<i>6/30/2021</i>
Retirement Information System and Others - Construction-In-Process	\$ 5.36	\$ 3.40
Equipment, Furniture & Information Systems	13.58	13.56
Electronic Document Management System	4.18	4.18
Right-to-Use Leased Office Equipments	0.21	0.21
Less: Accumulated Depreciation and Amortization	(17.85)	(17.79)
Net Book Value	5.48	3.56
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.47)	(1.37)
Net Book Value	1.12	1.22
Total Capital Assets, Net	\$ 6.60	\$ 4.78

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

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

(Note 16)

Accrued Administration Expenses - \$3.01 million

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

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 17)

17a. Members' Benefits & Refunds Payable - \$6.60 million

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

(Dollars in Millions)

<i>Accrued Benefits and Refunds</i>	<i>6/30/2022</i>	<i>6/30/2021</i>
Basic Active Death Benefits	\$ 0.84	\$ 0.96
Active Death Contribution Refunds	2.14	1.50
Retired Death Benefits	3.23	2.65
Members' Contribution Refunds	0.39	0.10
Total Members' Benefit & Refunds Payable	\$ 6.60	\$ 5.21

17b. Retirement Payroll Deductions Payables - \$0.02 million

The balance for June 30, 2022, includes \$0.02 million in health premium prepayments for 8 retirees. The corresponding balance for June 30, 2021, included \$0.01 million in health premium prepayments for 11 retirees.

(Note 18)

Contributions - \$203.41 million

The decrease in contributions of \$12.62 million in 2022 as compared to 2021 is primarily due to the decrease in County's employer contribution rates for safety membership and the decrease in LARPD's employer contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 19)

19a. Net Appreciation/ (Depreciation) in Fair Value of Investments – (\$1,476.47) million

(Dollars in Millions)

	<i>For the Period Ended</i>	
	<i>6/30/2022</i>	<i>6/30/2021</i>
<u>Actual / Realized Gains/(Losses)</u>		
Domestic Equities	\$ 38.12	\$ 61.17
International Equities	0.08	87.41
Domestic Bonds	(35.90)	0.73
International Bonds	(1.77)	4.10
Real Estate Commingled Funds	(22.57)	(14.08)
Real Estate Sep. Props.	-	0.04
Private Equity & Alternative	90.58	106.02
Real Assets	28.83	3.83
Private Credit	0.42	0.12
Swaps and Others	(17.45)	4.05
Futures	(6.00)	5.59
<i>Total Realized Gains/(Losses)</i>	74.34	258.98
<u>Paper / Unrealized Gains/(Losses)</u>		
Domestic Equities	(751.97)	357.91
International Equities	(648.90)	160.72
Domestic Bonds	(184.69)	(29.72)
International Bonds	(21.03)	(15.80)
Real Estate Commingled Funds	99.14	32.87
Real Estate Sep. Props.	(0.46)	(0.04)
Private Equity & Alternative	(44.60)	175.32
Real Assets	5.54	49.04
Private Credit	1.74	2.05
Swaps and Others	0.13	(1.40)
Futures	(5.71)	(6.78)
<i>Total Unrealized Gains/(Losses)</i>	(1,550.81)	724.17
Total Net Realized and Unrealized Gains/(Losses)	\$ (1,476.47)	\$ 983.15

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

19b. Dividend, Interest, and Other Investment Income - \$80.22 million

(Dollars in Millions)

<i>Dividend, Interest, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>6/30/2022</i>	<i>6/30/2021</i>
Interest Income	\$ 26.81	\$ 22.16
Dividend Income	26.48	25.18
Real Estate Income	11.39	11.00
Private Equity, Absolute Return, Private Credit and Real Asset Income/(Loss) ⁽¹⁾	15.54	41.17
Total Net Income	\$ 80.22	\$ 99.52

⁽¹⁾ The decrease of \$19.30 million in 2022 as compare to 2021 is mainly related to Private Equity investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 20)

Investment Expenses - \$12.61 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>6/30/2022</i>	<i>Basis Points</i>	<i>6/30/2021</i>
Investment Manager and Incentive Fees	8.85	\$ 10.05	34.51	\$ 39.29
Investment Custodian	0.24	0.27	0.25	0.28
Investment Consultants & Other Expenses(*)	0.64	0.73	0.10	0.12
Subtotal	9.73	11.05	34.86	39.69
Investment Allocated Cost	1.37	1.56	1.16	1.33
Total Investment Expenses(**)	11.10	\$ 12.61	36.02	\$ 41.02

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>6/30/2022</i>	<i>Basis Points</i>	<i>6/30/2021</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.43	\$ 0.49	0.42	\$ 0.48
Consultant - Portfolio Rebalancing	0.02	0.03	0.02	0.03
Consultant - Legal (Alternative Investment)	0.1	0.11	0.14	0.15
Subtotal – Consultants Expenses	0.55	0.63	0.58	0.66
Proxy Services	0.03	0.03	0.02	0.03
Transaction Cost Analysis	0.02	0.02	0.02	0.02
Other Investment Expenses/(Income)	0.04	0.05	(0.52)	(0.59)
Subtotal – Other Investment Expenses	0.09	0.10	(0.48)	(0.54)
Total Investment Consultants and Other Expenses	0.64	\$ 0.73	0.10	\$ 0.12

(**) The decrease in total investment expenses of \$28.41 million in 2022 as compared to 2021 is due to Private Equity and Absolute Return incentive fees which are based on funds' performance. This decrease is due to high investment returns in 2021 and timing differences from Private Equity Managers in 2022.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 21)

Net Investment Income/ (Losses) – (\$1,408.87) million

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>6/30/2022</i>	<i>6/30/2021</i>	<i>from previous period</i>
Paper / Unrealized Gains/(Losses)	\$ (1,550.81)	\$ 724.19	\$ (2,275.00)
Actual / Realized Gains/(Losses)	74.34	258.97	(184.63)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	67.60	58.49	9.11
Total Net Income/ (Losses)	\$ (1,408.87)	\$ 1,041.65	\$ (2,450.52)

(Note 22)

Securities Lending Net Income - \$0.34 million

The securities lending net income balance as of June 30, 2022, and June 30, 2021, were \$0.34 million and \$0.39 million, respectively.

(Note 23)

Miscellaneous Income - \$0.71 million

The miscellaneous income of \$0.71 million is predominantly from prior year investment income and security litigation incomes recovery.

(Note 24)

Service Retirement and Disability Benefits - \$283.53 million

The increase of \$15.44 million was predominantly due to the higher average benefit paid to the newly added retirees as compared to that of deceased retirees with lower average benefits as well as a modest increase of 275 in the total number of retirees and beneficiaries receiving benefits, from 10,427 on June 30, 2021 to 10,702 on June 30, 2022.

(Note 25)

Death Benefits - \$1.61 million

The death benefits paid out during the six months ended June 30, 2022, were comprised of \$0.10 million of Retired Death Benefits, \$0.23 million of Active Death Benefits, and \$1.28 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of June 30, 2022

(Note 26)

Total Administration - \$8.40 million

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

(Dollars in Millions)

	6/30/2022	6/30/2021	<i>Inc./(Dec.) from previous period</i>
Administrative Expenses	\$ 6.23	\$ 6.03	\$ 0.20
Actuarial Expenses	0.18	0.15	0.03
Business Continuity Expenses	0.28	0.30	(0.02)
Legal Expenses	0.42	0.43	(0.01)
Technology Expenses	0.44	0.43	0.01
401(h) Administrative Expenses	0.85	0.69	0.16
Total	\$ 8.40	\$ 8.03	\$ 0.37



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022
 TO: Members of the Operations Committee
 FROM: Erica Haywood, Fiscal Services Officer *EH*
 SUBJECT: Actual Cash and Forecast as of June 30, 2022

Executive Summary

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

- Table 1 is the annual cash forecast from July 2022 to June 2023, which will roll forward monthly as the year progresses; and,
- Tables 2 through 4 is the annualized, 5-year actual cash management information. Please note that the current year 2022 comprises the six months actual and six months forecast information.

Table 1 Cash Forecast: Table 1 provides the current forecasted negative cash position for the period spanning July 2022 to June 2023. The average monthly negative cash position for the referenced period is \$24,871,761. Excluding the three three-pay-period months i.e., September 2022, and March 2023, annotated by an *. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2021-2022 is \$2,580,824.

Table 1 Annual Cash Forecast from July 2022 to June 2023			
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position
Jul-22	\$ 31,311,819	\$ 55,943,203	\$ (24,631,385)
Aug-22	31,383,637	56,091,548	(24,707,911)
Sep-22*	46,988,183	56,199,856	(9,211,673)
Oct-22	31,527,274	56,308,165	(24,780,891)
Nov-22	31,599,093	56,416,473	(24,817,380)
Dec-22	31,670,911	56,524,782	(24,853,870)
Jan-23	31,742,730	56,633,090	(24,890,360)
Feb-23	31,814,548	56,741,398	(24,926,850)
Mar-23*	47,634,550	56,849,707	(9,215,156)
Apr-23	31,958,185	56,958,015	(24,999,830)
May-23	32,030,004	57,066,323	(25,036,319)
Jun-23	32,101,823	57,174,632	(25,072,809)
Total	\$ 411,762,758	\$ 678,907,192	\$ (267,144,434)
Average	\$ 31,714,002	\$ 56,585,763	\$ (24,871,761)

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

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

Year	Total Contributions, Misc. Cash Receipts, etc.	Cash Draw from SSB*	Total Cash Inflow
2022	\$ 407,856,190	\$ 307,000,000	\$ 714,856,190
2021	415,814,788	278,500,000	694,314,788
2020	413,586,022	247,200,000	660,786,022
2019	401,756,315	232,000,000	633,756,315
2018	361,633,074	224,000,000	585,633,074

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

Year	Retiree Payroll, Accounts Payable, ACERA Payroll, etc.	Cash Return to SSB*	Total Cash Outflow
2022	\$ 663,942,002	\$ 46,500,000	\$ 710,442,002
2021	626,589,116	64,700,000	691,289,116
2020	597,872,011	64,013,096	661,885,107
2019	570,574,725	60,500,000	631,074,725
2018	534,704,781	66,503,646	601,208,427

Table 3. Annualized outflow of retirement and benefit payments, accounts payable, and ACERA payroll. Excess cash (Cash Return to SSB column) is wired to the SSB HI1A account.

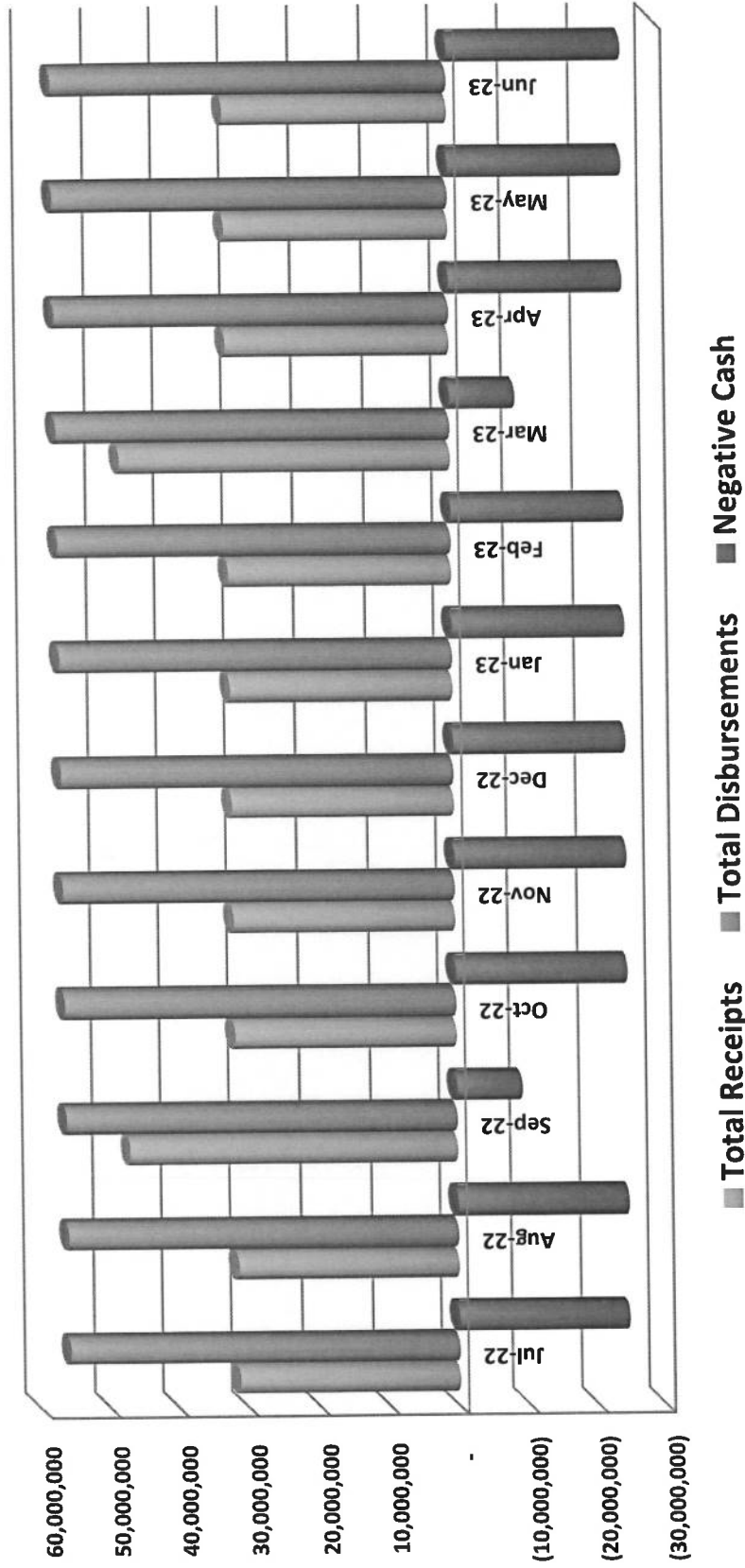
Year	Negative Cash	Net Cash Draw from SSB	Variance
2022	\$ (256,085,812)	\$ 260,500,000	\$ 4,414,188
2021	(210,774,327)	213,800,000	3,025,673
2020	(184,285,989)	183,186,904	(1,099,085)
2019	(168,818,410)	171,500,000	2,681,590
2018	(173,071,707)	157,496,354	(15,575,353)

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

* State Street Bank (SSB)

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

Cash Forecast July 2022 - June 2023





MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly Board Conference and Training Expense Report for the period
January 1, 2022, to June 30, 2022

Attached is the January 1, 2022 – June 30, 2022 Board conference and training expense report. As of June 30, 2022, reported expenses totaled \$70,359.

ACERA Trustees
Board Conference Expense Report
January 1, 2022 to
June 30, 2022

From	To	Attendee	Conference	Location	Total
1/10/22	1/12/22	Darryl Walker	Opal Group Public Funds Summit	Scottsdale, AZ	\$ 667
3/5/22	3/8/22	Darryl Walker	CALAPRS General Assembly	San Diego, CA	\$ 1,457
3/23/22	3/24/22	Darryl Walker	NASP	Los Angeles, CA	\$ 846
4/7/22	4/7/22	Darryl Walker	CALAPRS Trustees Roundtable	Online	\$ 50
4/18/22	4/20/22	Darryl Walker	Pension Bridge Conference	CA	\$ 79
5/1/22	5/4/22	Darryl Walker	Milken Global Conference	Los Angeles, CA	\$ 2,152
5/10/22	5/13/22	Darryl Walker	SACRS Spring Conference	Palm Springs, CA	\$ 1,848
6/27/22	6/29/22	Darryl Walker	NASP Financial Conference	Chicago, IL	\$ 835
Darryl Walker Total					\$ 7,934
5/1/22	5/4/22	George Wood	Milken Global Conference	Los Angeles, CA	\$ 14,010
George Wood Total					\$ 14,010
3/5/22	3/8/22	Henry Levy	CALAPRS General Assembly	San Diego, CA	\$ 50
3/7/22	3/9/22	Henry Levy	CII Spring Conference	Washington, DC	\$ 1,676
Henry Levy Total					\$ 1,726
5/1/22	5/4/22	Jaime Godfrey	Milken Global Conference	Los Angeles, CA	\$ 12,500
Jaime Godfrey Total					\$ 12,500
5/1/22	5/4/22	Keith Carson	Milken Global Conference	Los Angeles, CA	\$ 13,701
5/10/22	5/13/22	Keith Carson	SACRS Spring Conference	Palm Springs, CA	\$ 120
Keith Carson total					\$ 13,821
3/14/22	8/31/22	Kellie Simon	Berkeley Law	Online	\$ 1,275
5/10/22	5/13/22	Kellie Simon	SACRS Spring Conference	Palm Springs, CA	\$ 1,155
7/17/22	7/20/22	Kellie Simon	SACRS UC Berkeley Program *Prepaid*	Berkeley, CA	\$ 2,500
Kellie Simon total					\$ 4,930
5/10/22	5/13/22	Liz Koppenhaver	SACRS Spring Conference	Palm Springs, CA	\$ 120
Liz Koppenhaver Total					\$ 120
5/10/22	5/13/22	Nancy Reilly	SACRS Spring Conference	Palm Springs, CA	\$ 1,548
Nancy Reilly Total					\$ 1,548
2/23/22	2/25/22	Tarrell Gamble	Opal Group: Investment Education Symposium	New Orleans, LA	\$ 1,997
3/7/22	3/9/22	Tarrell Gamble	CII Spring Conference	Washington, DC	\$ 839
3/23/22	3/24/22	Tarrell Gamble	ALTSLA: The West Coast's Premier Alternative Investment Conference	Los Angeles, CA	\$ 308
7/25/22	7/26/22	Tarrell Gamble	Pension Bridge Private Equity Conference	Chicago, IL	\$ 591
5/10/22	5/13/22	Tarrell Gamble	SACRS Spring Conference	Palm Springs, CA	\$ 468
6/27/22	6/29/22	Tarrell Gamble	NASP	Chicago, IL	\$ 1,281
7/17/22	7/19/22	Tarrell Gamble	Comp Committee *Prepaid*		\$ 8,285
Tarrell Gamble Total					\$ 13,769
Grand Total					\$ 70,359



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly SLT Conference and Training Expense Report for the period
January 1, 2022, to June 30, 2022

Attached is the January 1, 2022 – June 30, 2022 Senior Leadership Team conference and training expense report. As of June 30, 2022, reported expenses totaled \$17,502.

ACERA SLT
Conference and Training Expense Report
January 1, 2022 to June 30, 2022

From	To	SLT	Training or Conference	Name	Amount
Conferences					
03/05/22	03/08/22	Dave Nelsen	Conference	CALAPRS General Assembly	\$ 1,128
05/10/22	05/13/22	Dave Nelsen	Conference	SACRS Spring Conference	\$ 1,535
08/06/22	08/10/22	Dave Nelsen	Conference	NASRA Annual Conference	\$ 1,325
Trainings					
02/11/22	02/11/22	Dave Nelsen	Training	Calaprs Administrator's Round Table	\$ 50
06/24/22	06/24/22	Dave Nelsen	Training	Calaprs Administrators' Round Table	\$ 50
Dave Nelsen Total					\$ 4,088
Conferences					
03/05/22	03/08/22	Kathy Foster	Conference	CALAPRS General Assembly	\$ 1,351
05/10/22	05/13/22	Kathy Foster	Conference	SACRS Spring Conference	\$ 1,473
Trainings					
02/11/22	02/11/22	Kathy Foster	Training	Calaprs Administrator's Round Table	\$ 50
Kathy Foster Total					\$ 2,874
Conferences					
05/10/22	05/13/22	Lisa Johnson	Conference	SACRS Spring Conference	\$ 1,781
Trainings					
05/06/22	05/06/22	Lisa Johnson	Training	CALAPRS Overview Course in Ret Plan	\$ 100
06/30/22	06/30/22	Lisa Johnson	Training	ASPPA Intro to Retirement Plans Online	\$ 400
Lisa Johnson Total					\$ 2,281
Conferences					
05/10/22	05/13/22	Jeff Rieger	Conference	SACRS Spring Conference	\$ 1,230
Trainings					
Jeffrey Rieger Total					\$ 1,230
Conferences					
03/05/22	03/08/22	Harsh Jadhav	Conference	CALAPRS General Assembly	\$ 943
05/10/22	05/13/22	Harsh Jadhav	Conference	SACRS Spring Conference	\$ 942
06/19/22	06/24/22	Harsh Jadhav	Conference	ACFE Fraud Conference	\$ 895
Trainings					
01/01/22	12/31/22	Harsh Jadhav	Training	Excel University	\$ 390
02/07/22	02/07/22	Harsh Jadhav	Training	CPA Education	\$ 289
05/17/22	05/17/22	Harsh Jadhav	Training	AGA Ethics Training	\$ 50
Harsh Jadhav Total					\$ 3,509
Conferences					
03/05/22	03/08/22	Vijay Jagar	Conference	CALAPRS General Assembly	\$ 818
Trainings					
Vijay Jagar Total					\$ 818
Conferences					
06/04/22	06/08/22	Erica Haywood	Conference	GFOA Annual Conference	\$ 2,703
Trainings					
Erica Haywood Total					\$ 2,703
Grand Total					\$ 17,502



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022
TO: Members of the Operations Committee
FROM: Erica Haywood, Fiscal Services Officer *EH*
SUBJECT: 2022 Mid-year Budget Review

Executive Summary

Staff has finalized the 2022 mid-year budget review. As part of review process, the committee is provided with two attached reports:

- Year-to-date operating expense variance analysis as of June 30, 2022 (Attachment 1)
- End-of-year operating expense forecast as of December 31, 2022 (Attachment 2)

Highlights of each report are provided below to facilitate discussion and expedite review. In reviewing the year-to-date variance analysis, one budget line item was identified with overages exceeding \$15K¹.

Year-to-Date Review (as of June 30, 2022)

The variance analysis conducted for six-month period ending June 30, 2022, reflects that ACERA's operating expenses are \$919K under budget. The year-over-year increase in budget surplus is mostly caused by staff continue work remotely from home in 2022.

Temporary Staffing is the only item exceed the \$15K overage threshold. This overage is attributable to the hiring of temporary staff to cover leaves and vacant positions.

End-of-Year Review (June 30 – December 31, 2022)

The forecast for remainder of the budget year ending December 31, 2022, indicates that ACERA's operating expenses will be approximately \$1,164K under budget. This budget surplus is in Staffing of (\$824K); Staff Development of (\$30K); Professional Fees of (\$63K); Office Expense of (\$174K); Insurance of (\$20K); Systems of (\$57K); and Board of Retirement of (\$6K) which are offset by overages in Member Services of \$2K and Depreciation of \$8K.

Temporary Staffing: With regards to the end-of-year \$157K temporary staffing overage, this overage is attributable to temporary staff in Benefits for employees on leave and vacant positions.

Conclusion

Staff is not recommending any budget line item overage adjustments. In 2022, total operating expense budget (including depreciation) is projected to be \$1.2M under budget and total investment management portfolio expense is projected to be \$6.3M under budget, this overage mainly due to the incentive fees incurred in the first quarter. Total operating and investment management portfolio expense budget is projected to be approximately \$7.5M under budget.

¹ A \$15,000 threshold has been previously established for line item transfer consideration.

Attachment 1- Year-to-Date Review as of June 30, 2022 (Variance Analysis)

Attachment 2 - End-of-Year Review as of December 31, 2022 (Forecast)

Year-to-Date Review as of June 30, 2022 (Variance Analysis)

Operating Expense Budget	2022 Year-to- Date Actual	2022 Year-to- Date Budget	2022 Actual vs. 2022 Budget Over/(Under)
STAFFING			
Salaries	\$ 4,942,000	\$ 5,121,000	\$ (179,000)
Fringe Benefits	2,536,000	3,043,000	(507,000)
Temporary Staffing	203,000	131,000	72,000
Staffing Total	7,681,000	8,295,000	(614,000)
STAFF DEVELOPMENT	122,000	153,000	(31,000)
PROFESSIONAL FEES			
Actuarial Fees	203,000	195,000	8,000
Audit Fees	142,000	142,000	-
Consultant Fees	215,000	217,000	(2,000)
Legal Fees	52,000	100,000	(48,000)
Professional Fees Total	612,000	654,000	(42,000)
OFFICE EXPENSE			
Bank Fees & Misc. Admin.	68,000	68,000	-
Building Expenses	6,000	44,000	(38,000)
Communications	70,000	95,000	(25,000)
Equipment Lease & Maint.	53,000	61,000	(8,000)
Minor Furniture & Equip.	3,000	9,000	(6,000)
Office Supplies & Maint.	21,000	44,000	(23,000)
Printing & Postage	8,000	14,000	(6,000)
Office Expense Total	229,000	335,000	(106,000)
INSURANCE	266,000	266,000	-
MEMBER SERVICES			
Disability - Legal Arbitration & Transcripts	15,000	23,000	(8,000)
Disability - Medical Expense	57,000	61,000	(4,000)
Disability Claims Management	23,000	23,000	-
Health Reimbursement Account (HRA)	35,000	30,000	5,000
Member Training & Education	3,000	5,000	(2,000)
Printing & Postage - Members	34,000	27,000	7,000
Member Services Total	167,000	169,000	(2,000)
SYSTEMS			
Business Continuity Expenses	108,000	104,000	4,000
County Data Processing	62,000	66,000	(4,000)
Minor Computer Hardware	20,000	20,000	-
Software Maintenance & Support	359,000	417,000	(58,000)
Systems Total	549,000	607,000	(58,000)
BOARD OF RETIREMENT			
Board Conferences & Misc. Activity	263,000	333,000	(70,000)
Uncollectable Benefit Payments	-	-	-
Total Operating Expenses Before Depreciation	9,889,000	10,812,000	(923,000)
DEPRECIATION	62,000	58,000	4,000
TOTAL OPERATING EXPENSE	9,951,000	10,870,000	(919,000)
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	11,055,000	27,506,000	(16,451,000)
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 21,006,000	\$ 38,376,000	\$ (17,370,000)

End-of-Year Review as of December 31, 2022 (Forecast)

Operating Expense Budget	2022 Forecast	2022 Budget	2022 Forecast vs. 2022 Budget Over/(Under)
STAFFING			
Salaries	\$ 10,161,000	\$ 10,550,000	\$ (389,000)
Fringe Benefits	5,537,000	6,129,000	(592,000)
Temporary Staffing	419,000	262,000	157,000
Staffing Total	16,117,000	16,941,000	(824,000)
STAFF DEVELOPMENT	249,000	279,000	(30,000)
PROFESSIONAL FEES			
Actuarial Fees	420,000	420,000	-
Audit Fees	142,000	142,000	-
Consultant Fees	383,000	384,000	(1,000)
Legal Fees	138,000	200,000	(62,000)
Professional Fees Total	1,083,000	1,146,000	(63,000)
OFFICE EXPENSE			
Bank Fees & Misc. Admin.	123,000	135,000	(12,000)
Building Expenses	8,000	88,000	(80,000)
Communications	145,000	189,000	(44,000)
Equipment Lease & Maint.	117,000	121,000	(4,000)
Minor Furniture & Equip.	14,000	18,000	(4,000)
Office Supplies & Maint.	54,000	80,000	(26,000)
Printing & Postage	24,000	28,000	(4,000)
Office Expense Total	485,000	659,000	(174,000)
INSURANCE	530,000	550,000	(20,000)
MEMBER SERVICES			
Disability - Legal Arbitration & Transcripts	38,000	45,000	(7,000)
Disability - Medical Expense	122,000	122,000	-
Disability - Claims Management	46,000	46,000	-
Health Reimbursement Account (HRA)	62,000	60,000	2,000
Member Training & Education	20,000	22,000	(2,000)
Printing & Postage - Members	107,000	98,000	9,000
Member Services Total	395,000	393,000	2,000
SYSTEMS			
Business Continuity Expenses	215,000	205,000	10,000
County Data Processing	125,000	132,000	(7,000)
Minor Computer Hardware	40,000	40,000	-
Software Maintenance & Support	770,000	830,000	(60,000)
Systems Total	1,150,000	1,207,000	(57,000)
BOARD OF RETIREMENT			
Board Conferences & Misc. Activity	650,000	656,000	(6,000)
UNCOLLECTABLE BENEFIT PAYMENTS	56,000	56,000	-
Total Operating Expenses Before Depreciation	20,715,000	21,887,000	(1,172,000)
DEPRECIATION	122,000	114,000	8,000
TOTAL OPERATING EXPENSE	20,837,000	22,001,000	(1,164,000)
TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE	48,652,000	55,010,000	(6,358,000)
TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES	\$ 69,489,000	\$ 77,011,000	\$ (7,522,000)



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: August 3, 2022
TO: Members of the Operations Committee
FROM: Lisa Johnson, Assistant Chief Executive Officer
SUBJECT: ACERA Election Voter Outreach

A handwritten signature in blue ink, appearing to read "Lisa Johnson", is written over the "FROM" line of the memorandum.

Staff was directed during the June 1, 2022, Operations Committee meeting to come back to the Operations Committee with ideas on how to improve voter turnout for the upcoming ACERA election.

Staff will present historical voting trends, past voter outreach, and ideas for future voter outreach.

Attachments:



ELECTION PARTICIPATION

2022



Historical Voter Turn Out

- Highest participation was in 2010
- 2nd highest participation was in 2016
- 3rd highest participation was in 2012

Election Year	Elected Seats Filled	Number of Members Eligible to Vote	Number of Eligible Members who voted	Percentage of Members who voted
2010	5	19,150	4,652	24.29%
2012	1	10,949	1,528	13.96%
2013	5	12,588	1,726	13.71%
2015	1			
2016	5	1,585	370	23.34%
2018	1	12,162	1,578	12.97%
2019	5	13,947	1,362	9.77%
2021	1	12,855	1,183	9.20%

Note: 2015 election had only one candidate

Prior Years Election Outreach

- Notice of Election sent to Departments for posting
- Email Blast to all Employers
 - Notice of Election was posted on Employer Websites
 - Reminder to Vote blast sent mid-November and mid-December
- ACERA website
 - Post Notice of Election
- Newsletter was mailed to all members eligible to vote



Additional Planned Election Outreach

1 Communications Methods

2 Communications Tools

3 Communications Timing

4 Raise Ongoing Awareness

Communication Methods

- ***ACERA Website links*** to informational videos and eye-catching flyers.
- ***High Visibility Flyers at Employer Sites*** - A series of flyers provided to Employer offices for visibility – include candidate photos when available.
- ***New Content on announcements*** – to include links to videos and flyers on member announcement emails via employers.
- ***Ballot Replacement QR Code*** on flyers, to pop up ROV contact information helping to guide members to ROV's information on how to obtain a replacement ballot if needed.

Communication Tools

- Eye-catching Postcards and Flyers
- Short informational videos on Board Function/Importance
- Meet the candidate recorded videos and Zoom session (in a way that remains compliant with election campaign restriction stipulations)



Communications Timing

- More frequent and time-targeted Employer announcements



- Flyer call to action should evolve to match the stage of the election schedule



Raise Ongoing Awareness

- Create an information module for onboarding new employees
- Leverage Mid-career webinar as opportunity to educate active employees



PARTICIPATION AWARENESS GOALS

- Increase member awareness of voting timelines
- Increase member awareness of the role of the ACERA Board of Trustees
- Help members understand the value of voting through out their career
- Improve voter participation to pre pandemic levels