



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, October 19, 2023
2:00 p.m.**

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT TRUSTEES	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406</p> <p>For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	<p>JAIME GODFREY CHAIR</p> <p>OPHELIA BASGAL FIRST VICE-CHAIR</p> <p>KELLIE SIMON SECOND VICE-CHAIR</p> <p>KEITH CARSON</p> <p>ROSS CLIPPINGER</p> <p>TARRELL GAMBLE</p> <p>HENRY LEVY</p> <p>ELIZABETH ROGERS</p> <p>GEORGE WOOD</p> <p>CYNTHIA BARON</p> <p>KEVIN BRYANT</p>	<p>APPOINTED</p> <p>APPOINTED</p> <p>ELECTED GENERAL</p> <p>APPOINTED</p> <p>ELECTED SAFETY</p> <p>APPOINTED</p> <p>TREASURER</p> <p>ELECTED RETIRED</p> <p>ELECTED GENERAL</p> <p>ALTERNATE RETIRED¹</p> <p>ALTERNATE SAFETY²</p>

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:

September 21, 2023 Minutes of the Regular Board Meeting

September 21, 2023 Actuarial Committee Minutes

October 4, 2023 Retirees Committee Minutes

October 4, 2023 Investment Committee Minutes

H. MISCELLANEOUS:

- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code On Call After Hours Shift (SRJ) – 838*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code On Call 24 Hours Shift (SRJ) – 839*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Second In Command (A/C) – 43A*
- *Operating Expenses as of 8/31/23*
- *Statement of Reserves as of 6/30/23*

-----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 October 4, 2023 Retirees Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 4, 2023 Meeting.
2. Motion to accept the December 31, 2022 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.
3. Motion to affirm the *Supplemental Retiree Benefit Reserve Policy*, without revisions, as recommended by the Retirees Committee.

B. Investment: [See October 4, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 4, 2023 Meeting.

C. Audit: [See October 19, 2023 Audit Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 19, 2023 Meeting.

7. NEW BUSINESS:

- A.** Discussion and Possible Motion to Approve Business and Travel Related Expenses That Exceed the Annual Allotment for Trustee Godfrey.
- B.** Motion to Direct the Chief Executive Officer (CEO) (or His Designee) on How to Vote ACERA's Proxy on Behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference Business Meeting.
- C.** Discussion and Possible Motion to Retain a New Election Vendor, pending completion of Legal due diligence and successful contract negotiations.
- D.** Chief Executive Officer's Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, November 16, 2023 at 2:00 p.m.

12. CLOSED SESSION:

A. Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: LACERA v. County of Los Angeles et al., Cal. Court of Appeal Second Appellate District Case No. B326977 (consider whether to enter as an amicus curiae).

B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

13. REPORT ON ACTION TAKEN IN CLOSED SESSION

14. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

BALTAN, Jessica
Effective: 8/1/2023
Social Services Agency

MAYENO, Amy
Effective: 7/14/2023
Social Services Agency

BASTA, Janet
Effective: 8/22/2023
First 5

MCGEE, Versie
Effective: 7/22/2023
Assessor

BROWN, Sharon
Effective: 8/5/2023
Social Services Agency

MERMELSTEIN, Daniel
Effective: 7/15/2023
General Services Agency

EVANS, Cindy
Effective: 8/5/2023
Social Services Agency

O'HARA, Kevin
Effective: 8/5/2023
Public Works Agency

JUNGWIRTH, Daniel
Effective: 8/4/2023
Non-Member

RAMOS, Virginia
Effective: 7/29/2023
General Services Agency

JUWAH, Magdalene
Effective: 8/5/2023
Alameda Health System

REYES-RUBALCAVA, Ruth
Effective: 8/12/2023
Superior Court

KOHN, David
Effective: 8/1/2023
Social Services Agency

REYNOSO, Ricardo
Effective: 8/5/2023
Registrar of Voters

LEUNG, Cheuk
Effective: 8/15/2023
District Attorney

SCHULZE, Thomas
Effective: 6/29/2023
Sheriff's Office

LI, Dedenna
Effective: 8/5/2023
Social Services Agency

SPANN, Alaina
Effective: 8/5/2023
Alameda Health System

LINDT, Lori
Effective: 8/16/2023
Superior Court

SPIKES, Daniel
Effective: 8/4/2023
Sheriff's Office

MARSH, Shannon
Effective: 6/14/2023
Alameda Health System

SU, Don
Effective: 7/4/2023
Library

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

SULLIVAN, Kenya
Effective: 7/6/2023
Health Care Services Agency

TONG, Sandra
Effective: 6/10/2023
Health Care Services Agency

TUCKER, Melissa
Effective: 7/1/2023
Human Resource Services

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

CEDENO-REYES, Kaveinga F.
Alameda Health System
Effective Date: 8/14/2023

NAVARRO, Carlos R.
Sheriff's Office
Effective: 8/30/2023

DAWSON, Elizabeth B.
Social Services Agency
Effective: 8/15/2023

ORTEGA, Selena R.
Probation
Effective: 8/19/2023

KIM, Sammy J.
District Attorney
Effective: 8/25/2023

PENDURKAR, Shakalpi R.
Health Care Services Agency
Effective: 8/29/2023

KINYANJUI, Grace W.
Alameda Health System
Effective: 8/17/2023

QAISER, Rabia
Social Services Agency
Effective: 6/9/2023

LANGI, Maria A.
Health Care Services Agency
Effective: 8/23/2023

SAECHAO, Matthew M.
Public Works Agency
Effective: 8/7/2023

MACALOLOOY, Krystle
Alameda Health System
Effective: 8/4/2023

SAVANT, Dominic A.
Alameda Health System
Effective: 8/18/2023

MCNULTY, Malcolm C.
Public Defender
Effective: 9/1/2023

SCROGGINS, Lauren
Alameda Health System
Effective: 9/6/2023

MUSCATELLO, Sofia
Social Services Agency
Effective: 8/8/2023

SHEFFIELD-JOHNSON, Gabriel P.
Alameda Health System
Effective: 8/15/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

TERRELL II, Napoleon M.
Sheriff's Office
Effective: 8/16/2023

TRAN, Quynh N.
Assessor
Effective: 9/4/2023

TIEU, Tina
Sheriff's Office
Effective: 8/15/2023

WHITE, Larissa J.
Social Services Agency
Effective: 8/18/2023

ZERRAY, Berhane R.
Alameda Health System
Effective: 8/21/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

BERNARD, Suzanne
Non-Mbr Survivor of Robert Bernard
9/7/2023

HAGA, Louis
Non-Mbr Survivor of Karon Haga
12/7/2020

BOYER, Mike
Sheriff's Office
9/7/2023

HUGHES, John
Environment Health
9/1/2023

CHANEY, Mary
Non-Mbr Survivor of Larry Chaney
9/13/2023

LAMAS, Lynn
Social Services Agency
8/6/2023

COX, Nancy
Social Services Agency
8/15/2023

LEONARD, Frederick
Probation
8/15/2023

FELTON, Jean
Library
9/15/2023

LEONARD, Frederick
Probation
8/15/2023

FENSTERMACHER, John
Public Works Agency
8/31/2023

LEWIS Jane M.
Auditor-Controller
9/6/2023

GABBA, Karen
Child Support Services
4/15/2023

LINDA, Dianne
Sheriff's Office
7/17/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

LYON, Debra
Non-Mbr Survivor of Robert Lyon
8/20/2023

RAE, Lynette
Public Health
8/27/2023

MANGAHAS Angelita
Treasurer - Tax Collector
9/14/2023

RICHARDSON, Frank
General Services Agency
9/7/2023

O'CONNELL, Jr, James
Non-Mbr Survivor of Geraldine Oconnell
9/13/2023

SELBACH, Jean
Probation
9/16/2023

OWYANG, Marilyn
Superior Court
8/23/2023

SIMS, Mary
Non-Mbr Survivor of Clifford Sims Jr
8/27/2023

PAWLOSKI, Janet
Superior Court
8/26/2023

STANLEY, Marlene
Non-Mbr Survivor of Michael Stanley
12/4/2022

POINTER, James
Public Health
8/26/2023

WILLIAMS, Dineen
Social Services Agency
9/15/2023

WOMBLE, Dennis
Information Technology Department
8/24/2023

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

CONTRERAS, Esperanza
130 Biweekly Payroll Deductions for a total of \$13,465.40
Years of Service: 8.34915
Government Code § 31641.5 Part Time & Days Prior

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

Name: James, Nancy
Type of Claim: Service-Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. James's application for a service-connected disability, and waiving annual medical examinations and questionnaires.

Name: Paxton, Nicholas
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. Paxton's application for a service-connected disability, and requiring annual medical examinations and questionnaires.



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

Thursday, September 21, 2023

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

Trustees Present: Ophelia Basgal
Ross Clippinger
Tarrell Gamble (*Via Zoom*)
Jaime Godfrey
Henry Levy (*Via Zoom*)
Kellie Simon (*Via Zoom*)
George Wood
Cynthia Baron (*Alternate*)
Kevin Bryant (*Alternate*)

Trustees Excused: Keith Carson
Elizabeth Rogers

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

Trustees Gamble, Levy and Simon participated via Zoom as voting Board members for “just cause” pursuant to Government Code Section 54953(f).

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**

Appendix D

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

Appendix E

**APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR
DISABILITY RETIREMENTS AND DEATH BENEFITS**

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

August 17, 2023 Minutes of the Regular Board Meeting

September 6, 2023 Retirees Committee Minutes

September 6, 2023 Investment Committee

MISCELLANEOUS

- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Longevity Pay – Pay Code 10Y*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Longevity Pay – Pay Code 20Y*

23-68

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Board adopt the Consent Calendar. The motion carried 8 yes (*Baron, Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood*), 0 no, and 0 abstentions.

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

DISABILITY, DEATH AND OTHER BENEFIT CLAIMS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Retirees:

Trustee Cynthia Baron reported that the Retirees Committee met on September 6, 2023 and that the Committee reviewed and discussed maintaining the current hearing aid benefit allowance for Kaiser Permanente Medicare and early (non-Medicare eligible) enrollees for Plan Year 2024.

23-69

It was moved by Cynthia Baron and seconded by Ophelia Basgal that the Board maintain the current hearing aid benefit allowance for Kaiser Permanente Medicare and early (non-Medicare eligible) enrollees for Plan Year 2024. The motion carried 8 yes (Baron, Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood), 0 no, and 0 abstentions.

Trustee Baron reported that Staff presented the Committee with the following Information Items: **1)** ACERA-Sponsored Medical Plans and Premiums for Plan Year 2024; and **2)** Discussion Regarding Kaiser Permanente Senior Advantage Plan Optional Riders for Plan Year 2024.

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

Investment:

Trustee Tarrell Gamble reported that the Investment Committee met on September 6, 2023 and that the Committee interviewed the following four (4) finalists regarding ACERA's General Investment Consultant (GIC) Search: **1)** Callan, LLC; **2)** Meketa Investment Group; **3)** NEPC, LLC; and **4)** Verus Advisory. Trustee Gamble further reported that the Committee recommends that the Board select NEPC, LLC as ACERA's new GIC and that the Board also chose Meketa Investment Group as an alternative to NEPC, LLC, in the event an agreement cannot be reached with NEPC, LLP.

23-70

It was moved by Tarrell Gamble and seconded by Ross Clippinger that the Board select NEPC, LLC as ACERA's General Investment Consultant, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 8 yes (Baron, Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood), 0 no, and 0 abstentions.

23-71

It was moved by Tarrell Gamble and seconded by Henry Levy that the Board approve Meketa Investment Group as an alternative to NEPC, LLC as ACERA’s General Investment Consultant, if an agreement cannot be reached with NEPC, LLC, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 7 yes (*Baron, Basgal, Clippinger, Gamble, Godfrey, Levy, Simon*), 1 no (*Wood*), and 0 abstentions.

Chief Investment Officer Betty Tse discussed the possibility of cancelling the October Investment Committee meeting.

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

Actuarial:

Trustee Ophelia Basgal reported that the Actuarial Committee met earlier today and that there were no Action Items. However, the Committee was presented with and discussed an Information Item regarding the *Triennial Actuarial Experience Study* for years 2020-2022 and the economic and non-economic assumptions (Segal). Trustee Basgal further reported that the *Triennial Actuarial Experience Study* will be presented to the Participating Employers on Wednesday, October 4, 2023 prior to adoption by the Board.

It was noted that the next Actuarial Committee meeting is scheduled for Thursday, December 21, 2023 to consider adopting the *Triennial Actuarial Experience Study*.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the October 19, 2023 Board meeting.

NEW BUSINESS:

State Association of County Retirement System (SACRS) Voting Proxy

Chief Executive Officer Dave Nelsen presented his September 21, 2023, memo requesting the Board’s approval for him to vote ACERA’s Proxy on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting. Mr. Nelsen also requested that the Board designate Carlos Barrios as Mr. Nelsen’s Alternate Delegate in the event Mr. Nelsen is unavailable to vote. Mr. Nelsen reported that the SACRS Business Meeting Items should be available by the October 19, 2023 Board meeting for the Board’s consideration.

22-72

It was moved by Ophelia Basgal and seconded by Ross Clippinger to direct Chief Executive Officer (CEO) Dave Nelsen (or Alternate Delegate Carlos Barrios) to vote ACERA’s Proxy on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting. The motion carried 8 yes (*Baron, Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood*), 0 no, and 0 abstentions.

Update on Hybrid Board Elections

As requested by the Board, Assistant CEO of Operations Lisa Johnson provided additional information on MK Elections' costs/services and gave an update on Staff's search for like vendors who can run a hybrid board election. Ms. Johnson stated that although Staff did not find any new vendors, Staff contacted the following organizations: Santa Barbara County Employees' Retirement System (SBCERS), San Joaquin Water District, Operating Engineers and SEIU Organizational Development. Ms. Johnson reported that ACERA currently utilizes the Alameda County Registrar of Voters (ACROV) for its board elections process. However, ACROV is currently unable to run a hybrid board election with online voting for ACERA. Ms. Johnson further reported that Staff contacted CalPERS' vendor, Integrity Voting Systems (IVS), and asked IVS to provide ACERA with a quote. However, IVS declined to provide a quote stating it would be a conflict of interest because ACROV is one of IVS' clients. Ms. Johnson stated that Staff conducted a cost analysis on ACROV and MK Elections and found that the cost per vote by MK Elections was close to what ACROV charged ACERA in 2019. It was noted that ACROV's cost for services has increased each year due to postage and human resources. Ms. Johnson further reported that Staff also contacted some of MK Elections' clients to find out how MK Elections' process worked for them and stated that the clients that responded gave positive feedback on their experience working with MK Elections. Staff will bring back a motion to the October 19, 2023 Board meeting recommending approval of MK Elections as ACERA's Hybrid Board Elections vendor for the Board's consideration.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his September 21, 2023 written CEO Report which provided an update on: **1)** Committee and Board Action Items; **2)** Conference/Event Schedule; **3)** Other Items: **a)** Business Planning; **b)** Legislation; and **c)** Recognition; and **4)** Key Performance Indicators.

Mr. Nelsen reported that AB: 1020 (Expansion of Disability Presumptions) and AB 1637 (Changing Local Government Websites and Email Addresses Domain Extensions from .com/.org to .gov) were passed by the Legislator, but are awaiting the Governor's approval/signature. Trustee Basgal inquired about SB 537 (Teleconference Flexibilities). Mr. Nelsen explained that SB 537 has no impact on ACERA.

Trustee Basgal requested that Staff make the videos for the Communications Methods in the ACERA Business Planning Projects Update available to the Board.

Mr. Nelsen reported that he and Alameda County Administrator Susan Muranishi have tentatively scheduled a Joint Board of Retirement and Board of Supervisors meeting for Tuesday, October 17, 2023 at 3:00 p.m.

CONFERENCE/ORAL REPORTS

Trustee Keith Carson submitted a written Summary Report regarding his attendance at the Milken Asia Summit.

ANNOUNCEMENTS

None.

BOARD INPUT

Trustee Henry Levy announced that the next CALAPRS Virtual Trustees' Round Table is scheduled for Friday, October 27, 2023 and the tentative topic of discussion is Benchmarking: What Trustees Need to Know. Trustee Levy stated that he hopes the Trustees will attend.

Trustee George Wood expressed his appreciation to Verus Staff, formerly known as Strategic Investment Solutions (SIS), for all of their hard work throughout the years they served as ACERA's General Investment Consultant.

To view the September 21, 2023 Board meeting in its entirety, click on the link below:
https://youtu.be/V_UNGUeGsyM

ADJOURNMENT

The meeting was adjourned at approximately 2:31 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

10/19/23

Date Adopted

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

AGUILAR, Pamela
Effective: 7/1/2023
Superior Court

ELDER, Nicole
Effective: 7/4/2023
District Attorney

ALEJO, Sandy
Effective: 7/5/2023
Superior Court

ESPINOZA, Michael
Effective: 6/30/2023
Superior Court

BANTA, David
Effective: 7/22/2023
Information Technology Department

EYA, Eileen
Effective: 7/1/2023
Health Care Services Agency

BAUERMEISTER, Heidi
Effective: 6/18/2023
Alameda Health System

GAY, Robert
Effective: 7/8/2023
Health Care Services Agency

BLAKELY, Clifford Jr
Effective: 8/1/2023
Public Defender

GBADAMOSI, Olubukola
Effective: 8/12/2023
General Services Agency

BOVARNICK, Karen
Effective: 8/1/2023
Superior Court

GONSALVES-ZIMMERMAN, Maria
Effective: 6/24/2023
Alameda Health System

CABANILLAS, Jessica
Effective: 4/1/2023
Social Services Agency

GONZALEZ, Lourdes
Effective: 7/11/2023
Alameda Health System

CINTORINO, Richard
Effective: 6/20/2023
Sheriff's Office

GOODE-HARDEMAN, Antoinette
Effective: 7/1/2023
Probation

DAVIDSON, Elaine
Effective: 6/29/2023
Alameda Health System

HOPKINS, Darian
Effective: 7/14/2023
Sheriff's Office

DELGADO, Joseph
Effective: 7/8/2023
Sheriff's Office

LACATIVO, Carolyn
Effective: 6/24/2023
Social Services Agency

DYKES, Terry
Effective: 7/9/2023
Probation

LEWIS, Dennise
Effective: 6/30/2023
Superior Court

APPENDIX A
REPORT ON SERVICE RETIREMENTS

LICHTENBERGER, Daniel
Effective: 6/24/2023
General Services Agency

ROMERO, Margaret
Effective: 4/1/2023
Health Care Services Agency

LUCKETT, Robin
Effective: 6/24/2023
Social Services Agency

ROMERO, Robert
Effective: 6/19/2023
Public Works Agency

NGUYEN, Thao Thi Kim
Effective: 6/24/2023
Social Services Agency

STRICKLAND, Alan
Effective: 7/6/2023
Sheriff's Office

PAULO, Kathleen
Effective: 6/24/2023
Health Care Services Agency

TSAI, Jade
Effective: 7/8/2023
Sheriff's Office

PECK, Robert
Effective: 7/8/2023
Assessor

VALADEZ, Jose
Effective: 7/8/2023
Social Services Agency

PHILLIPS, Margo
Effective: 7/9/2023
Sheriff's Office

VALDESPINO, Benjamin
Effective: 7/15/2023
Superior Court
: 20.13
\$2,446.63

RIDOLFI, Douglas
Effective: 8/1/2023
Sheriff's Office

WALKER, Andrew
Effective: 7/8/2023
Public Defender

RIVERS, James
Effective: 6/10/2023
Probation

YAN, Natalie
Effective: 7/8/2023
Social Services Agency

APPENDIX B
LIST OF DEFERRED RETIREMENTS

AITHEPALLE, Bhanu
District Attorney
Effective Date: 1/27/2023

ANDRADE, Steve
Sheriff's Office
Effective: 1/13/2023

AHLERSMEYER, Amanda A.
Health Care Services Agency
Effective: 8/3/2023

BAGOBRI, Kadidja Y.
Alameda Health System
Effective: 7/12/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

BAILEY, Laporca C.
Social Services Agency
Effective: 7/21/2023

BROWN, Antonia C.
Social Services Agency
Effective: 5/3/2023

BANEGAS, Claudia L.
Social Services Agency
Effective: 4/28/2023

BUENO, Liliana
District Attorney
Effective: 8/18/2023

BARNES BERGFELD, Monique A.
Health Care Services Agency
Effective: 3/27/2023

BUEY, Jennifer C.
Health Care Services Agency
Effective: 8/11/2023

BATES, Adriane N.
Superior Court
Effective: 8/4/2023

CALDEJON, Adrian R.
Alameda Health System
Effective: 7/3/2023

BATES, Lemelle J.
Health Care Services Agency
Effective: 1/28/2023

CARDENAS, Guadalupe Yasmin P.
Social Services Agency
Effective: 8/2/2023

BATISTA, Chalonda J.
Social Services Agency
Effective: 3/24/2023

CASTILLO, Carla R.
Alameda Health System
Effective: 8/4/2023

BIMS-PAYNE, Carolyn L.
Social Services Agency
Effective: 7/14/2023

CERVANTES GARCIA, Rosa L.
District Attorney
Effective: 7/7/2023

BLUNT, Genevieve A.
District Attorney
Effective: 7/21/2023

CHAN, So M.
Sheriff's Office
Effective: 7/27/2023

BOLDEN, Yolanda F.
Health Care Services Agency
Effective: 7/21/2023

CHAN, Velma W.
Social Services Agency
Effective: 8/15/2023

BONILLA, Victor L.
Sheriff's Office
Effective: 1/17/2023

CHEW, Rebekah J.
Superior Court
Effective: 12/28/2022

BRITTON, Donald A.
Superior Court
Effective: 7/7/2023

CHIN, Christopher
District Attorney
Effective: 8/4/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

CHURCH, Andrew J.
Alameda Health System
Effective: 7/16/2023

GONZALEZ, Elizabeth
Social Services Agency
Effective: 8/11/2023

COLETTI, Peter T.
Social Services Agency
Effective: 7/14/2023

GRADY, William J.
Sheriff's Office
Effective: 8/16/2023

DANIELS, Kimberly S.
Assessor
Effective: 8/1/2023

GRANT, Traci A.
District Attorney
Effective: 7/21/2023

DECANO, Clarence G.
Superior Court
Effective: 4/28/2023

GROOTBOOM, Sharrel B.
Alameda Health System
Effective Date: 4/17/2023

DIAS, David M.
Social Services Agency
Effective: 5/19/2023

HAITH, Kayla-Cristine G.
Health Care Services Agency
Effective: 3/24/2023

DIAZ, Carolina F.
Public Defender
Effective: 8/4/2023

HANLEY, Robert W.
Public Works Agency
Effective: 2/3/2023

DOMECQ, Gwynneth M.
Health Care Services Agency
Effective: 1/20/2023

HARDY, Tiffany R.
Social Services Agency
Effective: 5/3/2023

GAMBETTI, Roberta M.
Health Care Services Agency
Effective: 1/6/2023

HENDERSON, Lisa
Superior Court
Effective: 5/5/2023

GEHRMAN, Paul
Information Technology Department
Effective: 8/6/2023

HENRY, Leslyn L.
Superior Court
Effective: 8/8/2023

GIBSON, Jeanette M.
Social Services Agency
Effective: 1/13/2023

IGBINOGUN, Enorese
Alameda Health System
Effective: 7/7/2023

GONZALEZ, Elizabeth
Alameda Health System
Effective: 8/3/2023

JARAMILLO, Andria J.
County Counsel
Effective: 1/31/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

JARVIS, Bianca
Social Services Agency
Effective: 7/21/2023

JENNINGS, Danecia K.
Social Services Agency
Effective: 2/10/2023

JERONIMO LORENZO, Gerardo
Alameda Health System
Effective: 7/25/2023

KASONSO, Newton
Assessor
Effective: 8/4/2023

KAUR, Gurpreet
Alameda Health System
Effective: 7/4/2023

KING, Diamond A.
Social Services Agency
Effective: 1/6/2023

KIRONDE, Gibwa N.
Health Care Services Agency
Effective: 5/17/2023

KIRTON, Jamson D.
Social Services Agency
Effective: 5/12/2023

KNOWLES, Aiyana
Health Care Services Agency
Effective: 7/20/2023

LAFONT, Mireille G.
District Attorney
Effective: 1/30/2023

LAMPIMAKI, Steve R.
Alameda Health System
Effective: 1/20/2023

LATNO, Matthew W.
General Services Agency
Effective: 2/14/2023

LEWIS, Seante C.
Community Development Agency
Effective: 2/10/2023

LIN, Joyce
Health Care Services Agency
Effective: 8/4/2023

LLORENTE, Christopher
Health Care Services Agency
Effective: 8/2/2023

LOPEZ, Jose
Auditor-Controller
Effective: 8/18/2023

LOZOYA, Tiffany
Social Services Agency
Effective: 6/30/2023

LUCERO, Tiffany
Social Services Agency
Effective: 7/14/2023

MACHADO, Isaac A.
County Counsel
Effective: 7/11/2023

MACKENSEN, Emily F.
Library
Effective: 3/3/2023

MARES, Jeri L.
Health Care Services Agency
Effective: 2/4/2023

MASON, Katherine L.
Health Care Services Agency
Effective: 7/14/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

MC MAHON, Hank H.
Zone 7 Water Agency
Effective: 7/26/2023

OGHOGHO, Kelvin O.
Alameda Health System
Effective: 2/8/2023

MCCLERKINS, Stacie M.
District Attorney
Effective: 3/31/2023

OLOTA, Shandria
Alameda Health System
Effective: 1/25/2023

MCGUIRE, Trevor W.
Public Works Agency
Effective: 4/7/2023

OSBORNE, Berniece M.
Social Services Agency
Effective: 6/30/2023

MCKINNEY, Jazmyn J.
Superior Court
Effective: 7/28/2023

OUTLAW, Yasmine
Superior Court
Effective: 7/7/2023

MILLER, Shelley L.
County Counsel
Effective: 2/1/2023

PADDOCK, Natasha D.
Community Development Agency
Effective: 7/31/2023

MILLIAN VASQUEZ, Reyes
Probation
Effective: 8/21/2023

PADILLA VILLAFUERTE, Israel
Assessor
Effective: 1/31/2023

NADEEMULLAH, Nayha A.
Alameda Health System
Effective: 4/16/2023

PON, William B.
District Attorney
Effective: 7/7/2023

NAIR, Archana
Alameda Health System
Effective: 7/14/2023

RABAGO, Magarita M.
Human Resources Services
Effective: 2/15/2023

NAVIDAD, Teza K.
Social Services Agency
Effective: 1/9/2023

RAINEY, Leslie
Alameda Health System
Effective: 1/27/2023

NISHIMURA, Rieko
Human Resources Services
Effective: 2/14/2023

RAMIREZ, Maria D.
District Attorney
Effective: 1/30/2023

OFARRELL, Chloe V.
Superior Court
Effective Date: 4/6/2023

RAMOS, Rodrigo
Auditor-Controller
Effective: 3/24/2023

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

REGANIT, Aileen L.
Alameda Health System
Effective: 7/26/2023

SANTOS, Nicole
Health Care Services Agency
Effective: 3/27/2023

REGYNSKI, David M.
Sheriff's Office
Effective: 4/21/2023

SCALISE, Giancarlo
Health Care Services Agency
Effective: 4/3/2023

RIAR , Harbinder S.
Alameda Health System
Effective: 1/30/2023

SCHIERBURG, Anthony J.
Alameda Health System
Effective: 4/14/2023

RIOS MORALES, Celene
Alameda Health System
Effective: 2/28/2023

SELLATI, Desiree A.
Social Services Agency
Effective: 1/26/2023

RODRIGUEZ, Alejandro
Alameda Health System
Effective: 7/6/2023

SEO, Sun H.
District Attorney
Effective: 4/14/2023

RODRIGUEZ, Jennifer
Sheriff's Office
Effective: 4/25/2023

SLAPER, Roy P.
Public Works Agency
Effective: 2/3/2023

ROMERO, Danae L.
Sheriff's Office
Effective: 8/18/2023

SPENCER, Jared M.
Board of Supervisors
Effective: 3/17/2023

ROMERO, Ellen
Superior Court
Effective: 7/7/2023

STEIN, David R.
District Attorney
Effective: 4/28/2023

SAENZ , Phillip A.
Sheriff's Office
Effective: 4/7/2023

SUPICA, Colette L.
Social Services Agency
Effective: 7/7/2023

SANCHEZ, Miguel D.
Social Services Agency
Effective: 2/1/2023

VALLERY, Tonnica F.
Alameda Health System
Effective: 5/10/2023

SANTOS, Melissa
Superior Court
Effective: 7/7/2023

VILLALOBOS GALINDO, Damaris
Public Works Agency
Effective: 6/14/2023

APPENDIX B
LIST OF DEFERRED RETIREMENTS

WATSON, Victoria A.
Alameda Health System
Effective: 7/14/2023

YI, Jun Chao
Auditor-Controller
Effective: 7/21/2023

WILLIAMS, Tandeka J.
Health Care Services Agency
Effective: 7/24/2023

YOUNG, Royal E.
Alameda Health System
Effective: 7/7/2023

YI, Jeffery
Alameda Health System
Effective: 7/8/2023

ZHANG, Kathy B.
Alameda Health System
Effective: 7/21/2023

ZHONG, Lulian
General Services Agency
Effective Date: 3/20/2023

APPENDIX C
LIST OF DECEASED MEMBERS

ANTHONY, Melody
Social Services Agency
8/15/2023

HAYENGA, Mary Ellen
Alameda Health System
8/20/2023

CALDEIRA, Sandra
Alameda Health System
7/29/2023

HOWELL, Carol
Non-Mbr Survivor of Edgar Howell III
7/31/2023

FOLAN, William
Probation
7/28/2023

JOHNSON, Mark
Probation
8/6/2023

FOLLARI, Joseph
General Services Agency
8/8/2023

KOHLER, James
Non-Mbr Survivor of Claudia Kohler
8/21/2023

FOWLER, Jean
Public Works Agency
8/15/2023

LAMBIASE, Johanna
Assessor
8/11/2023

GIBSON, Juanita
Social Services Agency
7/13/2023

LAWRY, Marguerite
Probation
7/30/2023

**APPENDIX C
LIST OF DECEASED MEMBERS**

MILANI, John
Probation
8/3/2023

SOWA, Beverly
Human Resource Services
7/14/2023

NURIDDIN, Claudine
Social Services Agency
8/10/2023

TSE, Rebecca
District Attorney
8/8/2023

REED-DIAMOND, Wanda
Social Services Agency
7/31/2023

WALDON, Bessie
Social Services Agency
8/14/2023

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

VERA, Christian Z.
130 Biweekly Payroll Deductions for a total of \$47,580.00
Years of Service 9.68063
Government Code § 31641.5 Part Time & Days Prior

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

Name: Cabotage, Marcene
Type of Claim: Service-Connected

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report, including but not limited to, granting Ms. Cabotage's application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time. The request for an earlier effective date is pending hearing officer recommendation.

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

Name: Gomez, George
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, denying Mr. Gomez's application for a service-connected disability.

Name: Slofkosky, Richard
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. Slofkosky's application for a service-connected disability, and waiving annual medical examinations and questionnaires.



MINUTES OF SEPTEMBER 21, 2023 ACTUARIAL COMMITTEE MEETING

To: Members of the Actuarial Committee
From: Ophelia Basgal, Chair
Subject: **Summary of the September 21, 2023 Actuarial Committee Meeting**

Committee Chair Ophelia Basgal called the September 21, 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 (who appeared remotely for “just cause”) George Wood, and Ross Clippinger. Also present were Jaime Godfrey and alternate member Cynthia Baron. Tarrell Gamble (who appeared remotely for “just cause”) and alternate member Kevin Bryant joined 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. Presentation and discussion of the Triennial Experience for years 2020-2022 and the economic and non-economic Assumptions.

Segal representatives presented ACERA’s triennial experience study for the period covering December 1, 2019 to November 30, 2022 and included the proposed economic and non-economic assumptions for use in conducting the December 31, 2023 through December 31, 2025 annual valuations.

TRUSTEE INPUT AND DIRECTION TO STAFF

It was suggested by Trustee Basgal that staff consider adding an additional column to the ‘quick reference table’ that provides a brief explanation of the recommended changes for the major actuarial assumption categories.

FUTURE DISCUSSION ITEMS

December

- Discussion and possible motion to adopt the Triennial Experience for years 2020-2022
- Presentation and discussion of Cavanaugh Macdonald Consulting, LLC replication of the 2021 Actuarial Valuation and peer review of the 2022 Triennial Actuarial Study, 2021 GASB 67 Report, 2021 GASB 68 Report, 2021 GASB 74 Report, and GASB 75 Report.

ESTABLISHMENT OF NEXT MEETING DATE

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

MEETING ADJOURNED

The meeting adjourned at 12:05 p.m.



MINUTES OF OCTOBER 4, 2023 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee
From: Elizabeth Rogers, Chair
Subject: **Summary of the October 4, 2023 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the October 4, 2023 Committee meeting to order at 9:30 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Ophelia Basgal (via Zoom for “just cause”) and Kellie Simon. Also present were Jaime Godfrey (via Zoom for “just cause”), George Wood and alternate members Cynthia Baron and Kevin Bryant. Committee member Henry Levy, and Tarrell Gamble joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer (via Zoom); Mike Fara, Communications Manager; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; Lisa Johnson, Assistant Chief Executive Officer; David Nelsen, Chief Executive Officer; Ismael Piña, Assistant Benefits Manager; Jeff Rieger, Chief Counsel; and Betty Tse, Chief Financial Officer (via Zoom).

PUBLIC INPUT

None.

ACTION ITEMS

1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation

Segal, ACERA’s Actuary, presented the annual Actuarial Valuation of the OPEB and non-OPEB Benefits Provided by the Supplemental Retiree Benefits Reserve, Including Sufficiency of Funds, as of December 31, 2022. Based on this valuation report, the terminal year of the “Other Post-Employment Benefits” (OPEB) is projected to be 2050, with full benefits paid through 2049 for a total of 27 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2038, with full benefits paid through 2037 for a total of 15 full years and one partial year.

It was moved by Tarrell Gamble and seconded by Henry Levy that the Committee recommend to the Board of Retirement a motion to accept the December 31, 2022 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

The motion carried 8 yes (*Basgal, Gamble, Godfrey, Levy, Rogers, Simon, Wood and Bryant*), 0 no, 0 abstentions.

2. Supplemental Retiree Benefit Reserve Policy Update

Staff provided a copy of the current Supplemental Retiree Benefit Reserve (SRBR) Policy, and stated that after review of the Policy, no changes are recommended.

In response to Trustee Rogers' comments, Staff stated that the order in which the benefits are listed under the categories are based on the retirees' survey results. Staff also explained that "Retired Member Death Benefit" is considered a vested benefit as long as there are funds available in the SRBR.

It was moved by George Wood and seconded by Henry Levy that the Committee recommend to the Board of Retirement that it adopt the Supplemental Retiree Benefit Reserve Policy without revisions.

The motion carried 8 yes (*Basgal, Gamble, Godfrey, Levy, Rogers, Simon, Wood and Bryant*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Proposal to Align Assets to Equalize Sufficiency Periods to Pay OPEB and Non-OPEB Benefits

Segal, ACERA's Actuary, presented a proposal for the Board of Retirement's consideration to align the assets available to pay the OPEB and non-OPEB Supplemental Retiree Benefits Reserve (SRBR) benefits. Segal proposed transferring assets from the OPEB SRBR to the non-OPEB SRBR with the goal of equalizing the sufficiency periods to pay benefits for both programs. There was discussion regarding the need for a policy to address rebalancing the OPEB and non-OPEB assets in these situations. Trustee Rogers directed Staff to bring this item back for further discussion at the February 2024 Retirees Committee meeting, after the financial results and the December 2023 Bay Area consumer price index are available. During the February meeting, there will also be further discussion regarding the need for possible updates to the SRBR Policy to address this situation.

2. Benefits Consultant Services Request for Proposal Timeline

Staff presented the plans and a timeline to conduct a Request for Proposal (RFP) for a benefits consultant. Staff has identified 14 potential firms that could provide benefits consulting services, and notified these firms of the RFP, which is posted on ACERA's website. The schedule was revised by one week to give the consultants additional time to respond to the RFP. The results of the RFP process and a recommendation will be presented at the December Board of Retirement meeting instead of the December Retirees Committee meeting.

3. Substantive Plan Definition Under GASB 43 History and Background Information

Staff presented background information regarding the substantive plan definition under GASB Statement 43 related to the policy to set the Monthly Medical Allowance contribution increases to an amount equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary. Also presented was background information on the 15-year Sustainability Policy.

4. Final Report on Open Enrollment Preparation and Communications Materials, and Virtual Retiree Health and Wellness Fair Arrangements

Staff provided information regarding the preparations being made for the Plan Year 2024 Open Enrollment and the Virtual Health and Wellness Fair, which will be held on October 26, 2023. In response to Trustee Basgal's comment, Staff stated that a member survey to evaluate the Silver&Fit program was conducted, and the results will be presented at the December Retirees Committee meeting.

5. Report on Medicare Part D Certificate of Creditable Coverage and Updates for 2024

Staff reported that the annual Medicare Part D Certificate of Coverage Notice will be mailed and received prior to the October 15th deadline, and will be posted on ACERA's website.

6. Via Benefits Updates

Staff reported that Via Benefits mailed the Medicare Fall Newsletters starting August 28th, and the Pre-65 Fall Newsletters will be mailed starting October 19th. The Balance Reminder Statements for Health Reimbursement Account holders were mailed out on September 18th.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2024
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for December 6, 2023, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:39 a.m.



MINUTES OF THE OCTOBER 4, 2023, INVESTMENT COMMITTEE MEETING

To: Members of the Board of Retirement
From: Tarrell Gamble – Chair
Subject: Summary of October 4, 2023 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, October 4, 2023 at 10:46 a.m. The Committee members present were, Ophelia Basgal (via zoom), Tarrell Gamble, Jaime Godfrey (via zoom), Henry Levy, Elizabeth Rogers, Kellie Simon, and George Wood. Also present were Alternate Retired Member Cynthia Baron and Alternate Safety Member Kevin Bryant. ACERA Senior Managers and Presenting Staff present were, David Nelsen – Chief Executive Officer, Lisa Johnson – Assistant Chief Executive Officer (via zoom), Jeff Rieger – Chief Counsel, Harsh Jadhav – Chief of Internal Audit, Betty Tse – Chief Investment Officer, Serafin Lim – Investment Operations Officer, Clint Kuboyama – Investment Officer, John Ta – Investment Officer, Julius Cuaresma – Investment Analyst, Noe Reynoso – Investment Analyst, Agnes Ducanes – Administrative Specialist II (via zoom), and Daniel Morales – Administrative Support Specialist.

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

1. Performance Review of the Total Fund and Public Assets including Fixed Income as of June 30, 2023
 - For the 6-month period ending 06/30/2023, ACERA’s Total Fund returned 7.40% net, compared to the Policy Index return of 6.67%. For the year ending 06/30/2023, the Total Fund returned 7.59% net compared to the Policy Index of 7.33%. The Total Fund’s net results ranked in the 30th and 56th percentile for the semi-annual and 1-year periods, respectively.
 - Specific to equities, the U.S. Equity asset class returned 15.67% net (vs. its benchmark return of 16.17%) and 18.74% net (vs. its benchmark return of 18.95%) for the 6-month and 1-year periods ending 06/30/2023, respectively. The International Equity asset class returned 11.05% net (vs. its benchmark 9.48%) and 13.11% net (vs. its benchmark 13.08%) for the 6-month and 1-year periods ending 06/30/2023, respectively.
 - Staff also provided a status update on the February/April 2023 Board-approved Modified International Equity Structure and Phased Transition Implementation Plan. This discussion involved the International Equity portfolio’s more recent positioning relative to the Board-approved targets.

- Specific to Fixed Income, the asset class return was 2.93% net (vs. its benchmark return of 2.34%) and 0.60% net (vs. its benchmark return of -0.20%) for the 6-month and 1-year periods ending 06/30/2023, respectively.

2. Private Markets Environment Update as of June 30, 2023

- Verus reviewed the performance of the Absolute Return asset class. As of 3/31/23, the asset class produced 1-, 3-, and 5-year annualized returns of 4.2%, 10.2%, and 3.5%, respectively, beating its benchmark returns of -1.9%, 7.2%, and 3.1% over these time periods, respectively.
- Verus reviewed the performance of the Private Equity funds in the ACERA Portfolio with vintage years 2008 – 2020. Between 2008 and 2022, these funds, on a money-weighted-return (“MWR”) basis, produced a 16.1% return. This return exceeded the Refinitiv C/A Pooled MWR by 3.2%, the MSCI World Public Market Equivalent (“PME”) by 5.0% and the Russell 3000 PME by 3.4% over the 2008-2022 period.
- The current environment for private equity, private credit, and real assets were discussed including the sub-classes within each asset class that Verus viewed as unattractive, neutral, and attractive. The outlook for private equity and private credit returns was also discussed, as well as the potential to capture commodity mining returns as the energy transition from fossil fuels to clean energy evolves.

3. Real Estate Market Update

- Callan reviewed the current state of the U.S. Private Real Estate Market, which is in a correction after many years of growth. For the year ending June 30, 2023, the ACERA portfolio returned -9.67%, beating the benchmark return of -10.73%. Callan discussed current market trends as well as the fundamentals of each real estate sub-sector. Staff and Callan also discussed the current state of the Oakland commercial real estate market as well as the ACERA office building at 475 14th Street, Oakland. Staff and Callan believe that favorable investment opportunities exist within the current market environment, in light of the cyclical nature of the real estate market.

4. General Investment Consultant Transition Plan

- Staff informed the Committee that an onsite visit to NEPC's San Francisco office is scheduled for October 6, 2023, as one of the Investment Due Diligence steps. The site visit will include a review of NEPC's most recent Financial Statements. The ACERA Legal Department has commenced its legal due diligence.
- ACERA's timely transition to NEPC is a very high priority for the Board and Staff. Staff will monitor the progress of all relevant due diligence processes and will report any material issues to the Investment Committee as appropriate.

5. New Court Ruling ESG

- Legal Staff gave an update on recent legal developments surrounding Environmental, Social, and Governance (ESG).

6. Introduction of ACERA Investment Staff

- Investment Staff provided brief introduction of themselves and their professional experiences.

PUBLIC INPUT:

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, November 1, 2023

ADJOURNMENT

The meeting ended at 12:38 p.m.



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 19, 2023
TO: Members of the Board of Retirement
FROM: Sandra Dueñas-Cuevas, Benefits Manager
SUBJECT: New Pay Items/Codes: Approve as "Compensation Earnable" and Exclude from "Pensionable Compensation" – County of Alameda

The County of Alameda (County) requested that new pay items/codes On Call After Hours Shift (SRJ) – 838 and On Call 24 Hours Shift (SRJ) – 839 be reviewed to determine whether they qualify as "compensation earnable" and "pensionable compensation."

To ensure adequate staffing and coverage at Santa Rita Jail (SRJ), these new pay items/codes provide after hours and 24-hour on-call pay for employees in the following job classifications:

- 6525 Behavioral Health Clinical Supervisor
• 6527 Forensic Behavioral Health Clinical Supervisor
• 6530 Behavioral Health Clinical Manager
• 6531 Forensic Behavioral Health Manager1

On June 13, 2023, the Board of Supervisors of the County of Alameda approved adding Subsection 3-12.101 to Article 3, Section 3-12 of the County of Alameda Salary Ordinance. It states: "Effective May 28, 2023, employees in Job Codes 6525, 6527, 6530 and 6531 when assigned to Santa Rita Jail to provide either mandatory after-hours (defined as a shift that is at least 8-hours but less than 16-hours) or 24-hour (defined as a shift that is or more of which falls on a Saturday, Sunday, or County observed holiday) shift coverage for emergency calls in lieu of onsite coverage, in addition to their regular assignment, shall be eligible for on-call pay and compensated as follows: After-Hours Shift: one hundred sixty dollars (\$160) per after-hours shift. 24-Hour Shift: four hundred thirty dollars (\$430) per 24-hour shift."

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

"Compensation Earnable": Although section 31461(b)(3) excludes payments for additional services rendered outside of normal working hours, the pay at issue is for mandatory "on call" services that all employees in the classifications must perform on a regular, rotational basis. In

1 Staff understands that, in the long term, only classifications 6530 and 6531 will be using these pay codes. Job classifications 6525 and 6527 may use the pay codes for a short time only because of potential administrative lag in converting employees in those job classifications to 6530 and 6531. Only employees assigned to the Santa Rita Jail may use these pay codes. After some potential administrative lag, only employees in classifications 6530 and 6531 will be using these pay codes because only those classifications will be assigned to the Santa Rita Jail.

Alameda County Deputy Sheriff's Assn. v. Alameda County Employees' Retirement Assn. (2020) 9 Cal.5th 1032, the California Supreme Court explained the reason for the exclusion in subdivision (b)(3): “This restriction prevents employees from volunteering, during their final compensation period, to perform additional services outside normal working hours in order to artificially inflate their daily rate of pay. Subdivision (b)(3) therefore reinforces the portion of section 31461 that requires compensation earnable to be based on the same work year for all employees within a particular pay grade.” *Id.* at 1097; see also *id.* at fn 32 (“Only payment for excess hours, as compared to the employee’s peers, is excluded.”) Since all employees in the classifications using this pay code must work these “on call” hours, they are not providing “additional services” during these hours. Rather, they are working the “normal working hours” for their job classifications. Important Note: If the Board adopts staff’s recommendation to include these pay codes as “compensation earnable,” staff will implement procedures to prevent abuse of the pay codes. Staff understands that, when an employee is unable to work an “on call” shift, other employees may volunteer to work that shift. This could result in some employees volunteering to work more than their “normal working hours” during their “final compensation” period to inflate their retirement allowance. ACERA will establish procedures to detect and fairly remedy that potential problem.

“Pensionable Compensation”: Section 7522.34(a) states that “pensionable compensation” is based on a member’s “normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.” Read in the larger context of PEPRA, the pay at issue here does not fall under the most reasonable reading of that phrase since it is an extra amount paid in addition to a “monthly rate of pay or base pay” and it is paid only when the employee works an “on call” shift. While one arguably could read Section 7522.34(a) differently given the regular, mandatory, rotational nature of the “on call” assignments, in 2014 the Board recognized another “on call” pay code (Pay Code 232) as “compensation earnable” but did not include that pay code as “pensionable compensation.” Thus, these new “on call” pay codes are excluded under subdivision (c)(11) (“Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a)”) and subdivision (c)(12) (“Any other form of compensation a public retirement board determines should not be pensionable compensation.”).

The two relevant Government Code sections are attached for the Board of Retirement’s (Board) reference.

Staff informed the County that its determination will be included on the Board’s Consent Calendar for its October 19, 2023 meeting. If this item is not pulled from the Consent Calendar for discussion, then the Board will approve Staff’s determination to exclude pay codes 838 and 839 from “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members) and include them as “compensation earnable” under Government Code Section 31461 (for Legacy members).

Attachments



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

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

Employer Name:	County of Alameda
Date of Request	08/30/23
Employer Department Submitting the Request	Auditor-Controller's Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510)272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	838 – On Call After Hrs Shift (SRJ)
Pay Item Effective Date per authorization:	May 28, 2023
State if additional documentation is attached	Yes – Board Letter

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

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

RESPONSE #1: Employees in the following Job Codes

- 6525 Behavioral Health Clinical Supervisor**
- 6527 Forensic Behavioral Health Clinical Supervisor**
- 6530 Behavioral Health Clinical Manager**
- 6531 Forensic Behavioral Health Manager**

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

RESPONSE #2: Full Time

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

RESPONSE #3: All members in the following Job Codes when assigned to Santa Rita Jail (SRJ)

- 6525 Behavioral Health Clinical Supervisor**
- 6527 Forensic Behavioral Health Clinical Supervisor**
- 6530 Behavioral Health Clinical Manager**
- 6531 Forensic Behavioral Health Manager**

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

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

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

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

Clerk-Recorder's Office, Tri-Valley
7600 Dublin Blvd.
Dublin, CA 94568
Tel: (510) 272-6362
Fax: (510) 208-9858

RESPONSE #4: No

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No

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

RESPONSE #7: No

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

RESPONSE #8: No

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

RESPONSE #9: 40 hour workweek employees

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

RESPONSE #10: Yes

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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

RESPONSE #15: No

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

RESPONSE #16: Biweekly

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

RESPONSE #17: Board Letter

- iv. Amend Article 3, Section 3-12 (Health Care Services Agency), to add new subsections 1) 3-12.100, to include JC #s 6525, 6527, 6530, and 6531 as eligible management classifications for the retention bonus at Santa Rita Jail (SRJ) retroactive to 5/28/23; and 2) 3-12.101, to provide after hours and 24-hour on-call pay for employees in JC#s 6525, 6527, 6530, and 6531 when assigned to SRJ retroactive to 5/28/23

Lastly, in an ongoing effort to ensure adequate staffing and coverage at SRJ, staff recommends adding subsection 3-12.101 to provide on-call pay for employees in the classifications of 1) Behavioral Health Clinical Supervisor (JC #6525), 2) Behavioral Health Clinical Manager (JC #6527), 3) Forensic Behavioral Clinical Supervisor (JC #6530), and 4) Forensic Behavioral Clinical Manager (JC #6531) at SRJ when assigned to provide mandatory on-call rotation to after-hours and/or 24-hour shift to provide consultation and operational guidance when no supervisor is scheduled on site, and to Telecare contract staff to address operational issues. Said employees shall be compensated \$160 per each after-hours shift and \$430 per each 24-hour shift. This subsection shall sunset on June 30, 2027, and shall be deleted from the Salary Ordinance upon the sunset date.

3-12.101 – Effective May 28, 2023, employees in Job Codes 6525, 6527, 6530 and 6531 when assigned to Santa Rita Jail to provide either mandatory after-hours (defined as a shift that is at least 8-hours but less than 16-hours) or 24-hour (defined as a shift that is or more of which falls on a Saturday, Sunday, or County observed holiday) shift coverage for emergency calls in lieu of onsite coverage, in addition to their regular assignment, shall be eligible for on-call pay and compensated as follows:

After-Hours Shift: one hundred sixty dollars (\$160) per after-hours shift.

24-Hour Shift: four hundred thirty dollars (\$430) per 24-hour shift.

This provision shall sunset effective June 30, 2027 and shall be deleted from the Salary Ordinance upon the sunset date. (BOS approved [6/13/23](#))



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

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

Employer Name:	County of Alameda
Date of Request	08/30/23
Employer Department Submitting the Request	Auditor-Controller's Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510)272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	839 On Call 24 Hrs Shift (SRJ)
Pay Item Effective Date per authorization:	May 28, 2023
State if additional documentation is attached	Yes – Board Letter

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

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

RESPONSE #1: Employees in the following Job Codes

- 6525 Behavioral Health Clinical Supervisor**
- 6527 Forensic Behavioral Health Clinical Supervisor**
- 6530 Behavioral Health Clinical Manager**
- 6531 Forensic Behavioral Health Manager**

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

RESPONSE #2: Full Time

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

RESPONSE #3: All members in the following Job Codes when assigned to Santa Rita Jail (SRJ)

- 6525 Behavioral Health Clinical Supervisor**
- 6527 Forensic Behavioral Health Clinical Supervisor**
- 6530 Behavioral Health Clinical Manager**
- 6531 Forensic Behavioral Health Manager**

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

Office of the Auditor-Controller
 1221 Oak St., Suite 249
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 1221 Oak St., Suite 220
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Clerk-Recorder's Office, Main
 1106 Madison St., 1st Floor
 Oakland, CA 94607
 Tel: (510) 272-6362
 Fax: (510) 208-9858

Clerk-Recorder's Office, Tri-Valley
 7600 Dublin Blvd.
 Dublin, CA 94568
 Tel: (510) 272-6362
 Fax: (510) 208-9858

RESPONSE #4: No

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

RESPONSE #5: Fixed Amount

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

RESPONSE #6: No

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

RESPONSE #7: No

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

RESPONSE #8: No

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

RESPONSE #9: 40 hour workweek employees

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

RESPONSE #10: Yes

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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

RESPONSE #15: No

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

RESPONSE #16: Biweekly

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

RESPONSE #17: Board Letter

- iv. Amend Article 3, Section 3-12 (Health Care Services Agency), to add new subsections 1) 3-12.100, to include JC #s 6525, 6527, 6530, and 6531 as eligible management classifications for the retention bonus at Santa Rita Jail (SRJ) retroactive to 5/28/23; and 2) 3-12.101, to provide after hours and 24-hour on-call pay for employees in JC#s 6525, 6527, 6530, and 6531 when assigned to SRJ retroactive to 5/28/23

Lastly, in an ongoing effort to ensure adequate staffing and coverage at SRJ, staff recommends adding subsection 3-12.101 to provide on-call pay for employees in the classifications of 1) Behavioral Health Clinical Supervisor (JC #6525), 2) Behavioral Health Clinical Manager (JC #6527), 3) Forensic Behavioral Clinical Supervisor (JC #6530), and 4) Forensic Behavioral Clinical Manager (JC #6531) at SRJ when assigned to provide mandatory on-call rotation to after-hours and/or 24-hour shift to provide consultation and operational guidance when no supervisor is scheduled on site, and to Telecare contract staff to address operational issues. Said employees shall be compensated \$160 per each after-hours shift and \$430 per each 24-hour shift. This subsection shall sunset on June 30, 2027, and shall be deleted from the Salary Ordinance upon the sunset date.

3-12.101 – Effective May 28, 2023, employees in Job Codes 6525, 6527, 6530 and 6531 when assigned to Santa Rita Jail to provide either mandatory after-hours (defined as a shift that is at least 8-hours but less than 16-hours) or 24-hour (defined as a shift that is or more of which falls on a Saturday, Sunday, or County observed holiday) shift coverage for emergency calls in lieu of onsite coverage, in addition to their regular assignment, shall be eligible for on-call pay and compensated as follows:

After-Hours Shift: one hundred sixty dollars (\$160) per after-hours shift.

24-Hour Shift: four hundred thirty dollars (\$430) per 24-hour shift.

This provision shall sunset effective June 30, 2027 and shall be deleted from the Salary Ordinance upon the sunset date. (BOS approved [6/13/23](#))

SECOND READING - CONTINUED FROM 06/06/2023



AGENDA NO. 73 June 6, 2023

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

Human Resource Services

June 6, 2023

2nd reading 6/13/23

File 30982

φ - 2023-22

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

SUBJECT: ADOPT SALARY ORDINANCE AMENDMENTS TO 1) UPDATE SUBSECTION 1-1.1 TO ESTABLISH JC #s 5039 AND 5041; ADJUST SALARIES FOR JC #s 0314, 1400, 5141 AND 5143; AND CORRECT SALARIES FOR JC #s 1091 AND 1092; 2) UPDATE SUBSECTION 3-12.19 TO CREATE SALARY ADMINISTRATION CRITERIA FOR JC #s 5039 AND 5041; 3) AMEND SUBSECTION 3-12.93; 4) AMEND SUBSECTION 3-12.99; 5) ADD NEW SUBSECTIONS 3-12.100 AND 3-12.101

Dear Board Members:

RECOMMENDATIONS:

Adopt Salary Ordinance amendments to:

- i. Update Article 1, Section 1-1 (Pay Rate Schedules), subsection 1-1.1, to: 1) establish two (2) new Unrepresented classifications of Deputy Director, Office of Homeless Care and Coordination (Job Code ("JC") #5039) and Director, Office of Homeless Care and Coordination (JC #5041) located in the Health Care Services Agency ("HCSA") effective June 25, 2023; 2) adjust the salaries of four (4) classifications of Health Care Program Administrator (JC #0314), Child Support Training and Development Manager (JC #1400), Physician IV (JC #5141) and Physician V (JC #5143) retroactive to December 25, 2022; and 3) correct the salaries for two (2) classifications of Retired Annuitant II (JC #1091) and Retired Annuitant Safety I (JC #1092) retroactive to December 25, 2022;
- ii. Update Article 3, Section 3-12 (Health Care Services Agency), subsection 3-12.19, to establish salary administration criteria for the two (2) new classifications of Deputy Director, Office of Homeless Care and Coordination (JC #5039) and Director, Office of Homeless Care and Coordination (JC #5041) effective June 25, 2023, including non-substantive cleanup;
- iii. Amend Article 3, Section 3-12 (Health Care Services Agency), subsections 1) 3-12.93, to update the sunset date from June 30, 2023 to June 30, 2027, add JC #s 6530 and 6531 as eligible classifications for the hiring incentive retroactive to May 14, 2023, amend the bonus amount for JC #6505, and clarify the flex classification series is entitled to one (1) recruitment bonus; and 2) 3-12.99, to clarify the flex classification series eligible for the one-time retention bonus, update the amount of the retention bonus for JC #6505, and include a sunset date; and
- iv. Amend Article 3, Section 3-12 (Health Care Services Agency), to add new subsections 1) 3-12.100, to include JC #s 6525, 6527, 6530, and 6531 as eligible management classifications for the retention bonus at Santa Rita Jail ("SRJ") retroactive to May 28, 2023; and 2) 3-12.101, to provide after hours and 24-hour on-call pay for employees in JC#s 6525, 6527, 6530, and 6531 when assigned to SRJ retroactive to May 28, 2023.

DISCUSSION/SUMMARY:

The Deputy Director, Office of Homeless Care and Coordination (JC #5039) and Director, Office of Homeless Care and Coordination (JC #5041) new classifications were created at the request of HCSA. Currently, the Office of Homeless Care and Coordination is being managed by a classification that was transferred from the County Administrator's Office. HCSA would like to establish its own unique classifications that represent the duties and responsibilities of these key positions, which will allow HCSA to recruit individuals with relevant experience in the specific program-related work. As such, staff concurs with the requests to create these two (2) new classifications and the Civil Service Commission approved the two (2) new job specifications on March 22, 2023.

The Director, Office of Homeless Care and Coordination (JC #5041) is a single-position classification and reports to the Director of HCSA. The incumbent is responsible for overseeing the overall administration and operation of homeless services to County of Alameda residents, including development of priorities, goals, and objectives, and the coordination of the fiscal management, homeless initiative planning and implementation, and public representation. The Deputy Director, Office of Homeless Care and Coordination (JC #5039) classification reports to the Director, Office of Homeless Care and Coordination (JC #5041) and provides direct administrative support in assigned areas of organizational policy, program development, and program operationalization and implementation.

An external market survey of the surrounding five (5) Bay Area Counties (Contra Costa, Marin, City and County of San Francisco, Santa Clara, San Mateo) was not conducted as HCSA requested to establish the salaries for the two (2) new classification based on internal relationships to ensure internal equity. The two (2) most comparable classifications are Director, Public Health (JC #5044) and Director, Environmental Health (JC #5681). Staff concurs and therefore recommends the salaries for the Director, Office of Homeless Care and Coordination (JC #5041) and Deputy Director, Office of Homeless Care and Coordination (JC #5039) classifications as outlined in the amended Salary Ordinance.

In addition, staff recommends updating Article 3, Section 3-12 (Health Care Services Agency), subsection 3-12.19 of the Salary Ordinance to include salary administration criteria for the two (2) new classifications of Deputy Director, Office of Homeless Care and Coordination (JC #5039) and Director, Office of Homeless Care and Coordination (JC #5041) effective June 25, 2023, including non-substantive cleanup.

In accordance with the 2017 – 2023 Memoranda of Understanding between the Alameda County Management Employees Association (General Government and Confidential Units) (hereinafter "ACMEA") and the County of Alameda, staff conducted a salary compaction review for all ACMEA-represented classifications. Based on the analysis, staff recommends salary adjustments for four (4) job classifications to address compaction issues, retroactive to December 25, 2022, as follows: 1) Health Care Program Administrator (JC #0314) – three-tenth percent (0.3%), 2) Child Support Training and Development Manager (JC #1400) – seven-tenth percent (0.7%), 3) Physician IV (JC #5141) – seven and one-tenth percent (7.1%), and 4) Physician V (JC #5143) – seven and one-tenth percent (7.1%). Staff met and conferred with ACMEA and on May 2, 2023, ACMEA confirmed that they concurred with said recommendation.

On December 20, 2022, your Board approved increasing the salaries for certain Unrepresented M-designated and Non-Management classifications related to the classifications represented by the Alameda County Management Employees Association ("ACMEA") General Government and Confidential Units by three and one-half percent (3.5%) effective December 25, 2022. Staff noticed errors in the maximum rate (step 5) salary rates for the two (2) classifications of Retired Annuitant II (JC #1091) and Retired Annuitant – Safety I (JC #1092). As such, staff recommends correcting the salary rates for said classifications as reflected in the Salary Ordinance amendment.

On March 8, 2022, your Board approved adding subsection 3-12.93 to the Salary Ordinance to establish a hiring incentive program for newly hired and newly promoted employees in certain clinical classifications in the Adult Forensic Behavioral Health ("AFBH") Division located at SRJ effective January 23, 2022 to address ongoing critical recruitment and retention

challenges. Initially, it was anticipated that the program would sunset on June 30 2023; however, given that the recruitment and retention challenges still persist, staff recommends amending the sunset date to June 30, 2027 to continue to provide said incentives to get the critical clinical positions filled in AFBH Division in SRJ. Additionally, staff recommends adding two (2) new classifications, JC #s 6530 and 6531, Forensic Behavioral Health Clinical Supervisor and Forensic Behavioral Health Clinical Manager, respectively, to the classifications eligible for said hiring incentive program. Lastly, staff recommends updating language to provide clarity that the one-time recruitment bonus for the flex classification series and newly-hired employees are only entitled to one (1) retention bonus based on their date of hire.

Further, on February 28, 2023, your Board approved adding subsection 3-12.99 to the Salary Ordinance to establish a retention bonus program for certain non-management clinical classifications in the AFBH Division located at SRJ effective March 19, 2023. Staff recommends amending subsection 3-12.99 to clarify the flex classification series eligible for the one-time retention bonus based on the classification held as of March 19, 2023, update the retention bonus amount Behavioral Health Clinician I (JC# 6505), and include a sunset date of June 30, 2027.

In addition, HCSA management determined the need to expand said program for the supervisors/managers over the AFBH Division in SRJ, specifically Behavioral Health Clinical Supervisor (JC #6525) and/or Forensic Behavioral Health Clinical Supervisor (JC #6530) and Behavioral Health Clinical Manager (JC #6527) and/or Forensic Behavioral Clinical Manager (JC #6531). As such, staff recommends a similar retention bonus program based on the classification held as of May 28, 2023, for existing employees assigned to SRJ who were hired prior to January 23, 2022, and paid in specified increments based on the defined criteria over a three (3) year period as outlined in the attached Salary Ordinance. This program shall sunset on June 30, 2027, and shall be deleted from the Salary Ordinance upon the sunset date.

Lastly, in an ongoing effort to ensure adequate staffing and coverage at SRJ, staff recommends adding subsection 3-12.101 to provide on-call pay for employees in the classifications of 1) Behavioral Health Clinical Supervisor (JC #6525), 2) Behavioral Health Clinical Manager (JC #6527), 3) Forensic Behavioral Clinical Supervisor (JC #6530), and 4) Forensic Behavioral Clinical Manager (JC #6531) at SRJ when assigned to provide mandatory on-call rotation to after-hours and/or 24-hour shift to provide consultation and operational guidance when no supervisor is scheduled on site, and to Telecare contract staff to address operational issues. Said employees shall be compensated \$160 per each after-hours shift and \$430 per each 24-hour shift. This subsection shall sunset on June 30, 2027, and shall be deleted from the Salary Ordinance upon the sunset date.

FINANCING:

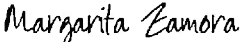
Funds are available in the 2022-2023 Approved Budget and will be included in future years' requested budgets to cover the cost resulting from the recommendations.

VISION 2026 GOAL:

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

Very truly yours,

DocuSigned by:


Margarita Zamora, Acting Director
Human Resource Services

2nd needs 6/13/23

φ - 2023-22

Article 3, Section 3-12, Subsection 3-12.100 of the County of Alameda Salary Ordinance is hereby added to read as follows effective May 28, 2023:

3-12.100 – Effective May 28, 2023, existing employees hired prior to January 23, 2022, in Job Codes (6525 and/or 6530), or (6527 and/or 6531), and assigned to Santa Rita Jail shall receive a one-time retention bonus to be paid over a 3-year period, with the first year in quarterly installments, based on their combined total time within the classification groups listed below after May 28, 2023, as follows:

Behavioral Health Clinical Supervisor (JC#6525) and/or Forensic Behavioral Health Clinical Supervisor (JC #6530) - \$14,000

- \$1,350 after completion of 6-pay periods of employment effective May 28, 2023.
- \$1,800 after completion of 12-pay periods of employment effective May 28, 2023.
- \$2,250 after completion of 19-pay periods of employment effective May 28, 2023.
- \$2,600 after completion of 26-pay periods of employment effective May 28, 2023.
- \$3,000 after completion of 52-pay periods of employment effective May 28, 2023.
- \$3,000 after completion of 78-pay periods of employment effective May 28, 2023.

Behavioral Health Clinical Manager (JC #6527) and/or Forensic Behavioral Health Manager (JC #6531) - \$15,500

- \$1,700 after completion of 6-pay periods of employment effective May 28, 2023.
- \$2,200 after completion of 12-pay periods of employment effective May 28, 2023.
- \$2,800 after completion of 19-pay periods of employment effective May 28, 2023.
- \$3,300 after completion of 26-pay periods of employment effective May 28, 2023.
- \$2,750 after completion of 52-pay periods of employment effective May 28, 2023.
- \$2,750 after completion of 78-pay periods of employment effective May 28, 2023.

Those employees who qualify for the retention bonus under this subsection shall only be eligible for one-time retention bonus based on their assignment and continuous service as of May 28, 2023. An employee who is promoted or reclassified to a different classification shall not be eligible for additional retention bonuses in a different job code. This provision shall sunset effective June 30, 2027 and shall be deleted from the Salary Ordinance upon the sunset date.

SECTION VI

Article 3, Section 3-12, Subsection 3-12.101 of the County of Alameda Salary Ordinance is hereby added to read as follows effective May 28, 2023:

3-12.101 - Effective May 28, 2023, employees in Job Codes 6525, 6527, 6530 and 6531 when assigned to Santa Rita Jail to provide either mandatory after-hours (defined as a shift that is at least 8-hours but less than 16-hours) or 24-hour (defined as a shift that is or more of which falls on a Saturday, Sunday, or County observed holiday) shift coverage for emergency calls in lieu of onsite coverage, in addition to their regular assignment, shall be eligible for on-call pay and compensated as follows:

After-Hours Shift: one hundred sixty dollars (\$160) per after-hours shift.

24-Hour Shift: four hundred thirty dollars (\$430) per 24-hour shift.

This provision shall sunset effective June 30, 2027 and shall be deleted from the Salary Ordinance upon the sunset date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 19, 2023

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **New Pay Item/Code: Approve as “Compensation Earnable” and Exclude from “Pensionable Compensation” – County of Alameda**

The County of Alameda (County) requested that new pay item/code Second In Command (A/C) – 43A be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation. This new pay code establishes a footnote provision for additional compensation of 15% of the base pay to be paid to an employee in the job classification of Chief Deputy Auditor (Job Code #0030) when assigned the responsibilities described below.

On September 19, 2023, the Board of Supervisors of the County of Alameda approved adding Subsection 3-3.14 to Article 3, Section 3-3 of the County of Alameda Salary Ordinance. It states: “Effective October 1, 2023, not to exceed one (1) employee in Job Code 0030, when designated to serve as second-in-command, and to assist the Auditor-Controller with County Recorder and County Clerk functions, in addition to their regularly assigned duties, shall be compensated an additional fifteen percent (15%) of the base pay.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that because this pay code is for one employee, it does not qualify as “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members). However, this pay code does qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members). The two relevant Government Code sections are attached for the Board of Retirement’s (Board) reference.

Staff informed the County that its determination will be included on the Board’s Consent Calendar for its October 19, 2023 meeting. If this item is not pulled from the Consent Calendar for discussion, then the Board will approve Staff’s determination to exclude pay item/code Second In Command (A/C) – 43A from “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members) and include it as “compensation earnable” under Government Code Section 31461 (for Legacy members).

Attachments



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

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

Employer Name:	County of Alameda
Date of Request	10/02/2023
Employer Department Submitting the Request	Auditor-Controller's Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510)272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
Pay Item Name (and code Number)	43A – Second In Command (A/C)
Pay Item Effective Date per authorization:	October 1, 2023
State if additional documentation is attached	Yes – Board Letter

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

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

RESPONSE #1: #0030 – Chief Deputy Auditor

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

RESPONSE #2: Full Time

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

RESPONSE #3: Not to exceed one employee

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

RESPONSE #4: No

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

RESPONSE #5: Percentage – 15% of the base pay

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

RESPONSE #6: No

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

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

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

Clerk-Recorder's Office, Tri-Valley
7600 Dublin Blvd.
Dublin, CA 94568
Tel: (510) 272-6362
Fax: (510) 208-9858

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

RESPONSE #7: No

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

RESPONSE #8: No

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

RESPONSE #9: 40 hour workweek employees

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

RESPONSE #10: No

11. State whether the pay item is for deferred compensation

RESPONSE #11: No

12. State whether the pay item is for retro payments

RESPONSE #12: No

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

RESPONSE #13: No

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

RESPONSE #14: No

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

RESPONSE #15: No

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

RESPONSE #16: Bi - Weekly

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

RESPONSE #17: Board Letter

In addition, the Auditor's Agency determined a business and operational need to have the classification of Chief Deputy Auditor (JC #0030) serve as second-in-command, including overseeing both the County Recorder and County Clerk functions. Staff reviewed the request and determined that a footnote is appropriate to properly compensate said incumbent when designated to serve in such capacity. As such, staff recommends adding new subsection 3-3.14 to the Salary Ordinance to provide a fifteen percent (15%) additional compensation of base pay to the Chief Deputy Auditor classification (JC #0030) when designated to serve in such capacity.

- ii. Amend Article 3, Section 3-3 (Auditor's Agency), to add new subsection 3-3.14, to establish a footnote for one (1) employee in the classification of Chief Deputy Auditor classification (JC #0030) when designated to serve as the second-in-command, including overseeing both County Recorder and County Clerk services, to receive additional compensation of fifteen percent (15%) of the base pay effective October 1, 2023;

Article 3, Section 3-3, Subsection 3-3.14 of the County of Alameda Salary Ordinance is hereby added to read as follows:

3-3.14 – Effective October 1, 2023, not to exceed one (1) employee in Job Code 0030, when designated to serve as second-in-command, and to assist the Auditor-Controller with County Recorder and County Clerk functions, in addition to their regularly assigned duties, shall be compensated an additional fifteen percent (15%) of the base pay.

SECOND READING - CONTINUED FROM 08/01/2023



AGENDA NO. 86 August **REVISED**

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

Human Resource Services

August 1, 2023

2nd Reading 9/19/23

File 31058

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

SUBJECT: ADOPT SALARY ORDINANCE AMENDMENTS TO 1) UPDATE SUBSECTION 1-1.1 TO INCREASE THE SALARY FOR CHIEF DEPUTY AUDITOR (JOB CODE ("JC") #0030) AND CORRECT THE SALARY FOR SHERIFF'S SERVICE CADET N (JC #8751N); 2) ADD NEW SUBSECTION 3-3.14 TO CREATE A FOOTNOTE FOR JC #0030; 3) EXTEND SUBSECTION 3-19.18 (FOOTNOTE FOR THE CLASSIFICATION OF BUSINESS LICENSE TAX AUDITOR (JC #0161); AND 4) EXTEND SUBSECTION 3-21.103

Dear Board Members:

RECOMMENDATION:

Adopt Salary Ordinance amendments to:

- i. Update Article 1, Section 1-1 (Pay Rate Schedules), subsection 1-1.1, to: 1) increase the salary for the classification of Chief Deputy Auditor (JC #0030) located in the Auditor-Controller/Clerk-Recorder Agency ("Auditor's Agency") by eight percent (8%) effective October 1, 2023 and 2) correct the salary for the classification of Sheriff's Service Cadet N (JC #8751N) retroactive to July 9, 2023;
- ii. Amend Article 3, Section 3-3 (Auditor's Agency), to add new subsection 3-3.14, to establish a footnote for one (1) employee in the classification of Chief Deputy Auditor classification (JC #0030) when designated to serve as the second-in-command, including overseeing both County Recorder and County Clerk services, to receive additional compensation of fifteen percent (15%) of the base pay effective October 1, 2023;
- iii. Amend Article 3, Section 3-19 (Tax Collector - Treasurer Department), subsection 3-19.18, to extend the footnote for one (1) employee in the classification of Business License Tax Auditor (JC #0161), when assigned lead functions, to receive additional compensation of five percent (5%) of the base pay to January 20, 2024; and
- iv. Amend Article 3, Section 3-21 (Miscellaneous), subsection 3-21.103, to extend the footnote for additional compensation of 10% of the base pay for one (1) employee when authorized by the County Administrator and assigned overall countywide responsibility on workplace safety compliance and related duties and countywide special projects to August 5, 2023.

New add'l Pay

DISCUSSION/SUMMARY:

The Auditor's Agency requested a salary review for the classification of Chief Deputy Auditor (JC #0030) based on internal analysis, the reporting structure and compensation of comparable-level classifications in other County of Alameda ("County") agencies/departments, as well as similar reporting structures of the Bay Area surveying agencies. As a result of the analysis of information gathered, staff determined that a salary adjustment of eight percent (8%) for the Chief Deputy Auditor classification (JC #0030) is warranted to ensure market competitiveness.

An Equal Opportunity Employer

In addition, the Auditor's Agency determined a business and operational need to have the classification of Chief Deputy Auditor (JC #0030) serve as second-in-command, including overseeing both the County Recorder and County Clerk functions. Staff reviewed the request and determined that a footnote is appropriate to properly compensate said incumbent when designated to serve in such capacity. As such, staff recommends adding new subsection 3-3.14 to the Salary Ordinance to provide a fifteen percent (15%) additional compensation of base pay to the Chief Deputy Auditor classification (JC #0030) when designated to serve in such capacity.

Further, on June 13, 2023, your Board approved increasing the salaries of six percent (6%) for 13 Unrepresented Non-Management classifications effective July 9, 2023 related to the Northern California Public Sector Region Local 1021 of the Service Employees International Union. Staff noticed there was a typographical error for the increased salaries of one (1) classification, Sheriff's Service Cadet N (JC #8751N). As such, staff recommends correcting the salary rates for said classification as outlined in the attached Salary Ordinance amendment.

And on July 19, 2022, your Board approved extending subsection 3-19.18 of the Salary Ordinance, a footnote for one (1) employee in the classification of Business License Tax Auditor (JC #0161) to receive an additional five percent (5%) compensation of base pay to July 22, 2023, when the employee is assigned to perform lead duties in the Business License Tax Unit and serve as the Office Manager in the Hayward Office in the absence of the Supervisor. The Treasurer-Tax Collector Office ("TTCO") determined that they have an ongoing and permanent need for these functions to be performed in that office and has been working with Human Resource Services Department, Personnel Services Division ("PSD") to create a new classification, inclusive of said lead functions. PSD needs some additional time to finalize the proposal and meet and confer process of the new classification and as such, staff recommends a final extension of the footnote to January 20, 2024. Said footnote will expire on January 20, 2024 and shall be deleted from the Salary Ordinance upon the sunset date.

Lastly, staff recommends amending Section 3-21 (Miscellaneous) of the Salary Ordinance by extending the termination of subsection 3-21.103 to August 5, 2023. On May 24, 2022, your Board approved the extension of subsection 3-21.103, a footnote which provides one (1) employee an additional 10% compensation of the base pay when authorized by the County Administrator and assigned the overall countywide responsibility to provide guidance to County Agencies/Departments on workplace safety compliance; track and ensure communication and coordination between County Agencies/Departments, County Risk Management Unit, and partner agencies sharing County facilities on workplace safety compliance; and perform other related duties and countywide special projects to July 8, 2023. This final extension will allow the County time to transition said functions to be coordinated by the impacted agencies/departments. Therefore, staff recommends that said footnote to be extended to August 5, 2023 and shall be deleted from the Salary Ordinance upon the sunset date.


FINANCING:

Funds are available in the 2023-2024 Approved Budget and will be included in future years' requested budgets to cover the costs resulting from the recommendations.

VISION 2026 GOAL:

The recommendation meets the 10x goal pathways of **Employment for All** in support of our shared vision of a **Prosperous and Vibrant Economy**.

Very truly yours,

DocuSigned by:

Margarita Zamora, Acting Director
Human Resource Services

SECOND READING - CONTINUED FROM 08/01/2023

Approved as to Form
DONNA ZIEGLER, County Counsel

2nd reading 9/19/23

By Kristy van Herick
Kristy van Herick, Asst. County Counsel

**AN ORDINANCE AMENDING
CERTAIN PROVISIONS OF THE 2022-2023
COUNTY OF ALAMEDA SALARY ORDINANCE**

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

SECTION I

Article 1, Section 1-1, Subsection 1-1.1 of the County of Alameda Salary Ordinance is hereby amended thereto of the following job codes, titles, and salaries effective on the dates shown below:

Item	MC	Title	Effective Date	Unit Code	Step 01	Step 02	Step 03	Step 04	Step 05	FLSA
0030	EM	Chief Deputy Auditor	10/1/23	051					8227.20 8885.60	X
8751N	NM	Sheriff's Service Cadet N	7/9/23	039	16.50 16.77				20.25 20.13	N

SECTION II

Article 3, Section 3-3, Subsection 3-3.14 of the County of Alameda Salary Ordinance is hereby added to read as follows:

New

3-3.14 – Effective October 1, 2023, not to exceed one (1) employee in Job Code 0030, when designated to serve as second-in-command, and to assist the Auditor-Controller with County Recorder and County Clerk functions, in addition to their regularly assigned duties, shall be compensated an additional fifteen percent (15%) of the base pay.

SECTION III

Article 3, Section 3-19, Subsection 3-19.18 of the County of Alameda Salary Ordinance is hereby amended to read as follows:

3-19.18 – Effective July 24~~23~~, 2022~~2023~~, not to exceed one (1) employee in Job Code 0161NM, when assigned to perform lead duties in the Business License Tax Unit of the Treasurer-Tax Collector Department on an on-going basis, and serve as the Office Manager in the Hayward Office in the absence of the supervisor, shall receive an additional five percent (5%) compensation of the base pay. This footnote shall sunset on July 22, 2023~~January 20, 2024~~ and shall be deleted from the Salary Ordinance upon the sunset date.

SECTION IV

Article 3, Section 3-21, Subsection 3-21.103 of the County of Alameda Salary Ordinance is hereby amended, to read as follows:

3-21.103 - Effective December 27, 2020, not to exceed one (1) employee when authorized by the County Administrator and assigned the overall countywide responsibility to provide guidance to County Agencies/Departments on workplace safety compliance; track and ensure communication and coordination between County Agencies/Departments, County Risk Management Unit, and partner agencies sharing County facilities on workplace safety compliance; and perform other related duties and countywide special projects, shall receive an additional 10% compensation of the base pay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 19, 2023
TO: Members of the Board of Retirement
FROM: Erica Haywood, Fiscal Services Officer *EH*
SUBJECT: Operating Expenses and Budget Summary for the period ended August 31, 2023

ACERA's operating expenses are \$450K under budget for the period ended August 31, 2023. Budget overage and surpluses worth noting are as follows:

Budget Overage

1. *Insurance*: Insurance is \$6K over budget due to an increase in insurance premiums.

Budget Surpluses

1. *Staffing*: Staffing is \$56K under budget. This amount comprised surpluses in fringe benefits of (\$435K), and staff vacancies of (\$371K), offset by overages in temporary staffing of \$226K, and 5% staff vacancy adjustment of \$524K.
2. *Staff Development*: Staff Development is \$129K under budget from staff training and conferences.
3. *Professional Fees*: Professional fees are \$160K under budget. This amount comprised surpluses in actuarial fees of (\$116K), consultant fees of (\$3K), and legal fees of (\$41K).
4. *Office Expense*: Office Expense is \$52K under budget. This amount comprised surpluses in bank charges of (\$12K), building expenses of (\$37K), equipment lease and maintenance of (\$7K), office maintenance and supplies of (\$4K), and printing and postage of (\$5K), offset by overage in communications of \$13K.
5. *Member Services*: Member Services are \$18K under budget. This amount comprised surpluses in disability legal arbitration and transcripts of (\$31K), disability medical expenses of (\$2K), and member training & education of (\$2K), offset by overages in health reimbursement of \$3K, members' printing & postage of \$13K, and virtual call center of \$1K.
6. *Systems*: Systems are \$12K under budget. This amount comprised surpluses in business continuity expenses of (\$21K), and software maintenance & support of (\$29K), offset by overages in county data processing of \$1K, and minor computer hardware of \$37K.
7. *Board of Retirement*: Board of Retirement is \$29K under budget. This amount comprised surpluses in board compensation of (\$3K), board conferences and training of (\$33K), offset by overages in board employer reimbursement of \$5K, and miscellaneous expenses of \$2K.

Staffing Detail

Vacant positions as of August 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 August 31, 2023					
	Year-To-Date				
	Actual	Budget	Variance	2023 Budget	2019-22 Actual
Consultant Fees					
Levi, Ray and Shoup	\$668,017	\$1,000,000	\$(331,983)	\$1,500,000	\$2,533,989
Segal and other consultant fees	381,553	320,000	61,553	480,000	1,632,042
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	1,049,570	1,320,000	(270,430)	1,980,000	4,266,501
Staffing	477,872	464,000	13,872	696,000	2,158,220
TOTAL	\$1,527,442	\$1,784,000	\$(256,558)	\$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>August 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	\$ 10,811,979	\$ 10,867,640	\$ (55,661)	\$ 16,224,000	66.6%
Staff Development	113,072	242,520	(129,448)	367,000	30.8%
Professional Fees (Next Page)	804,808	964,680	(159,872)	1,301,000	61.9%
Office Expense	257,711	310,140	(52,429)	469,000	54.9%
Insurance	386,109	380,400	5,709	579,000	66.7%
Member Services	291,320	309,760	(18,440)	522,000	55.8%
Systems	809,559	821,140	(11,581)	1,223,000	66.2%
Depreciation	79,692	79,840	(148)	120,000	66.4%
Board of Retirement	400,458	429,160	(28,702)	614,000	65.2%
Uncollectable Benefit Payments	-	-	-	53,000	0.0%
Total Operating Expense	\$ 13,954,708	\$ 14,405,280	\$ (450,572)	\$ 21,472,000	65.0%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 PROFESSIONAL FEES
 YEAR TO DATE - ACTUAL VS. BUDGET
 August 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	\$ 228,109	\$ 230,560	\$ (2,451)	\$ 354,000	64.4%
Actuarial Fees ²	373,839	490,200	(116,361)	653,000	57.2%
External Audit ³	144,000	144,000	-	144,000	100.0%
Legal Fees ⁴	58,860	99,920	(41,060)	150,000	39.2%
Total Professional Fees	\$ 804,808	\$ 964,680	\$ (159,872)	\$ 1,301,000	61.9%

	<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>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Strategic Planning	6,731	-	6,731	-	0.0%
Total Administration	6,731	-	6,731	-	0.0%
Benefits					
Alameda County HRS (Benefit Services)	84,000	84,000	-	126,000	66.7%
Segal (Benefit Consultant/Retiree Open Enrollment)	86,000	87,360	(1,360)	131,000	65.6%
Total Benefits	170,000	171,360	(1,360)	257,000	66.1%
Fiscal Services					
Cashlog	-	8,000	(8,000)	20,000	0.0%
Total Fiscal Services	-	8,000	(8,000)	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	51,378	51,200	178	77,000	66.7%
Total Human Resources	51,378	51,200	178	77,000	66.7%
Total Consultant Fees - Operations	228,109	230,560	(2,451)	354,000	64.4%
² ACTUARIAL FEES					
Actuarial Valuation	85,000	85,000	-	85,000	100.0%
Actuarial Audit	25,000	90,000	(65,000)	135,000	18.5%
GASB 67 & 68 Valuation	21,000	26,000	(5,000)	52,000	40.4%
GASB 74 & 75 Actuarial	8,000	8,000	-	16,000	50.0%
Actuarial Standard of Practice 51 Pension Risk	30,000	30,000	-	30,000	100.0%
Supplemental Consulting	120,839	167,200	(46,361)	251,000	48.1%
Supplemental Retiree Benefit Reserve valuation	44,000	44,000	-	44,000	100.0%
Triennial Experience Study	40,000	40,000	-	40,000	100.0%
Total Actuarial Fees	373,839	490,200	(116,361)	653,000	57.2%
³ EXTERNAL AUDIT					
External audit	121,000	121,000	-	121,000	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	144,000	144,000	-	144,000	100.0%
⁴ LEGAL FEES					
Fiduciary & Litigation	27,918	50,000	(22,082)	75,000	37.2%
Tax and Benefit Issues	6,590	16,640	(10,050)	25,000	26.4%
Miscellaneous Legal Advice	24,352	33,280	(8,928)	50,000	48.7%
Total Legal Fees	58,860	99,920	(41,060)	150,000	39.2%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
 For the Eight Months Ending 8/31/2023

	For the Month of August 2023	For the Month of August 2022	Variance	Year-To-Date 2023	Year-To-Date 2022	Variance
STAFFING						
Salaries	977,955	939,465	38,490	6,972,129	6,776,384	195,745
Fringe Benefits	490,358	462,674	27,684	3,513,873	3,460,009	53,864
Temporary Staffing Cost	51,626	31,983	19,643	325,977	268,319	57,658
Staffing Total	1,519,939	1,434,122	85,817	10,811,979	10,504,712	307,267
	12,667	17,127	(4,460)	113,072	157,280	(44,208)
STAFF DEVELOPMENT						
Actuarial Fees	25,950	16,600	9,350	373,839	327,712	46,127
Consultant Fees - Operations	27,667	27,517	150	228,109	270,133	(42,024)
Consultant Fees - Legal	3,341	(3,695)	7,036	58,860	59,754	(894)
External Audit	0	0	0	144,000	142,000	2,000
Professional Fees Total	56,958	40,422	16,536	804,808	799,599	5,209
OFFICE EXPENSE						
Bank Charges & Misc. Admin	6,294	11,712	(5,418)	57,585	90,719	(33,134)
Building Expenses	2,139	1,319	820	17,401	8,737	8,664
Communications	8,433	14,375	(5,942)	69,065	97,863	(28,798)
Equipment Lease/Maintenance	8,186	9,580	(1,394)	68,546	69,942	(1,396)
Minor Equipment and Furniture	0	1,951	(1,951)	8,211	4,772	3,439
Office Supplies/Maintenance	6,603	2,322	4,281	28,493	24,799	3,694
Printing & Postage	297	1,181	(884)	8,410	9,282	(872)
Office Expense Total	31,952	42,440	(10,488)	257,711	306,114	(48,403)
INSURANCE						
MEMBER SERVICES	51,590	46,924	4,666	386,109	359,565	26,544
Disability - Legal Arbitration & Transcripts	1,750	350	1,400	(1,533)	15,252	(16,785)
Disability Medical Expense	17,675	1,850	15,825	126,095	64,474	61,621
Disability Claims Management	3,850	3,850	0	30,800	30,800	0
Health Reimbursement Acct. (HRA)	5,355	5,511	(156)	45,073	45,944	(871)
Member Training & Education	1,094	781	313	4,399	3,492	907
Printing & Postage - Members	8,230	10,465	(2,235)	43,170	46,654	(3,484)
Virtual Call Center	5,422	0	5,422	43,316	0	43,316
Member Services Total	43,376	22,807	20,569	291,320	206,616	84,704

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Eight Months Ending 8/31/2023

	<u>For the Month of August 2023</u>	<u>For the Month of August 2022</u>	<u>Variance</u>	<u>Year-To-Date 2023</u>	<u>Year-To-Date 2022</u>	<u>Variance</u>
SYSTEMS						
Business Continuity Expense	34,491	16,156	18,335	163,543	139,760	23,783
County Data Processing	10,893	11,355	(462)	87,070	84,066	3,004
Minor Computer Hardware	10,373	229	10,144	65,102	29,963	35,139
Software Maintenance & Support	61,506	58,945	2,561	493,844	488,170	5,674
Systems Total	<u>117,263</u>	<u>86,685</u>	<u>30,578</u>	<u>809,559</u>	<u>741,959</u>	<u>67,600</u>
DEPRECIATION						
Depreciation Expense	9,961	9,961	0	79,692	82,274	(2,582)
BOARD OF RETIREMENT						
Board Compensation	1,500	2,100	(600)	15,300	15,800	(500)
Board Conferences & Training	4,827	843	3,984	123,073	73,500	49,573
Board Election	0	0	0	0	3,533	(3,533)
Board Employer Reimbursement	29,660	28,250	1,410	241,880	231,605	10,275
Board Miscellaneous Expense	284	665	(381)	11,481	7,322	4,159
Board Software Maint. & Support	1,042	(2,957)	3,999	8,724	3,943	4,781
Board of Retirement Total	<u>37,313</u>	<u>28,901</u>	<u>8,412</u>	<u>400,458</u>	<u>335,703</u>	<u>64,755</u>
GRAND TOTALS	<u>1,881,019</u>	<u>1,729,389</u>	<u>151,630</u>	<u>13,954,708</u>	<u>13,493,822</u>	<u>460,886</u>



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 19, 2023
TO: Members of the Board of Retirement
FROM: Erica Haywood, Fiscal Services Officer EH
SUBJECT: Statement of Reserves as of June 30, 2023

The Statement of Reserves as of June 30, 2023, is attached for your review. The semi-annual interest crediting as of June 30, 2023, was completed on August 24, 2023.

For the six-month period ended June 30, 2023, approximately \$310.5 million of total interest (\$310.5 million in regular earnings and \$0.0 million in excess earnings) was credited to all the valuation reserve accounts, including the 401(h) account, the advanced UAAL contribution reserve and the SRBR.

- Regular earnings of \$310.5 million were credited to the valuation reserve accounts, the 401(h) account, and the SRBR at crediting rate of 2.8793% and the advance UAAL contribution reserve was credited at rate of 1.8202%; a lower rate compared to all other reserves due to the exclusion of \$109.1 million in available earnings deferred prior to June 30, 2021.
There was no crediting of earnings above the assumed rate of return (excess earnings).

The total interest crediting rates were 2.8793% to the valuation reserve accounts and the 401(h) account, as well as the SRBR and 1.8202%% to the advance UAAL contribution reserve (see table below).

Table with 7 columns: Earnings Classification, Valuation Reserve & 401(h) Accounts (Amount, Rate), SRBR (Amount, Rate), and Advance UAAL Contribution Reserve (Amount, Rate). Rows include Regular Earnings, Excess Earnings, and Total Interest Credited.

The process for crediting interest as of June 30, 2023, is presented in the table below. Note that for this semi-annual interest crediting period, the Contingency Reserve Account (CRA) was adjusted to 1% of total assets, \$111.1 million as of June 30, 2023, and the entire balance of \$111.1 million was subsequently withdrawn from the CRA to meet the interest crediting shortfall. Without the use of the CRA funds, the interest crediting rates would have been 1.8014% for all other reserves and SRBR, and 1.8202% for the advance UAAL contribution reserve. None of the funds made available from CRA were applied to the advance UAAL contribution reserve, as the full equitable share of the CRA balance was used in the June 30, 2022 crediting cycle.

Interest Crediting Methodology as of June 30, 2023	
Expected Actuarial Earnings for the period	\$ 358,334,296.97
10 % Amortization of deferred amounts – (Sum of the last 10 periods)	(47,792,665.93)
Actuarial earnings on a smoothed basis	310,541,631.04
CRA adjustment to 1% of total assets as of 6/30/2023	(111,064,482.48)
Actuarial earnings available for interest crediting @ 1.8014% & 1.8202%	199,477,148.56
CRA usage to cover the interest crediting shortfall	111,064,482.48
Total amount available for interest crediting @ 2.8793% & 1.8202%	\$ 310,541,631.04
Interest credited at a rate of 2.8793% to Valuation Reserves and 401(h) Account	263,038,796.54
Interest credited at a rate of 2.8793% to SRBR	33,647,883.68
Interest credited at the rate of 1.8202% to the advance UAAL Contribution Reserve (\$0.0 funds made available from CRA were applied)	13,854,950.82

There was a market *gain* of approximately \$713.5 million for the six-month period ended June 30, 2023, which was higher than the expected actuarial earnings of approximately \$358.3 million. As a result, \$355.2 million in *gains* were added to the market stabilization reserve (the difference of the actual market gain/loss and the expected actuarial earnings). In addition, \$47.8 million of net *losses* from the previous ten (10) interest crediting cycles were recognized in the current interest crediting period. Thus, the market stabilization reserve improved from net deferred *losses* of \$794.1 million as of December 31, 2022, to \$391.1 million in deferred *losses* as of June 30, 2023.

Supplemental Retiree Benefits Reserve (SRBR)

The SRBR received interest credit of \$33.6 million for this period. The total interest credited to the SRBR for the six-month period ended June 30, 2023, was approximately \$33.6 million of regular earning and \$0.0 million of excess earnings.

For the six-month period ended June 30, 2023, the net deductions from SRBR were approximately \$31.8 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$23.4 million, transfer to the employer advance reserve for implicit subsidy of \$7.8 million, and payments of supplemental COLA and retired death benefits of \$0.6 million.

Attachments:

- Statement of Reserves as of June 30, 2023
- SRBR Summary as of June 30, 2023

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Six Months Ended June 30, 2023

	Beginning Balances 1/1/2023	Net Contributions Benefits, Refunds & Transfers 1/1 - 6/30/2023	Transfer Employers UAAL Adv Rsrv	Interest Crediting Process 1/1 - 6/30/2023 (2.8793%)	Allocation of Excess Earnings 1/1 - 6/30/2023 (0.0000%)	Ending Balances 6/30/2023
Member Reserves:						
Active Member Reserves	\$ 1,822,515,878	\$ (46,627,219)	\$ -	\$ 48,709,184 ¹	- ¹	\$ 1,824,597,843
Employer Advance Reserve	1,643,115,584	(21,517,200)	32,483,153	43,264,052	-	1,697,345,589
401(h) Account - OPEB	8,979,234	(20,292)	-	258,540	-	9,217,482
Total Employer Reserves	1,652,094,818	(21,537,492)	32,483,153	43,522,592 ¹	- ¹	1,706,563,071
Retired Member Reserves	5,688,241,688	(24,345,070)	10,207,425	170,807,020 ¹	- ¹	5,844,911,063
Supplemental Retiree Benefits Reserve	1,168,608,503	(31,826,596)		33,647,884 ¹	- ¹	1,170,429,791
Contingency Reserve	-			- ²		-
Market Stabilization Reserve	(794,113,421)				402,969,005	(391,144,416)
Total All Other Reserves and SRBR	9,537,347,466	(124,336,377)	42,690,578	296,686,680	402,969,005	10,155,357,352
Advance UAAL Contribution Reserve						
County-Safety UAAL Advance Reserve	748,928,975	-	(42,156,552)	13,632,234 ¹	- ¹	720,404,657
LARPD-General UAAL Advance Reserve	12,235,622	-	(534,026)	222,717 ¹	- ¹	11,924,313
Total Reserves at Fair Value / Fiduciary Net Position	\$ 10,298,512,063	\$ (124,336,377)	\$ -	\$ 310,541,631	\$ 402,969,005	\$ 10,887,686,322

Notes: 1. Interest credited as of 6/30/23 includes \$310,541,631 of regular earnings allocation at crediting rates of 2.8793% to the SRBR and all other non-SRBR reserves; and at 1.8202% to the UAAL advance reserves. There was no allocation of excess earnings.

2. Amount includes an increase of the CRA by \$111,064,482 to adjust the balance at 1% total assets as of 6/30/23. After CRA was restored to 1% total assets, there was a subsequent withdrawal of the entire \$111,064,482 from the CRA to fund the semi-annual interest crediting shortfall. As a result, the CRA balance at 6/30/23 was \$0, or 0.00% of total assets.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUPPLEMENTAL RETIREE BENEFITS RESERVE (SRBR)**

For the Ten Years Ended December 31, 2013 - December 31, 2022 and the Six Months Ended June 30, 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	6/30/2023
Beginning Balance	\$ 570,878,929	\$ 643,056,500	\$ 789,826,877	\$ 853,842,371	\$ 874,385,246	\$ 893,770,614	\$ 919,488,617	\$ 924,709,823	\$ 931,754,157	\$ 1,131,048,474	\$ 1,168,608,503
Deductions:											
Transferred to Employers Advance Reserve	32,240,449	34,039,593	36,528,264	33,818,832	38,327,914	43,777,409	44,858,371	45,456,100	46,772,130	47,476,858	24,158,520
Employers Implicit Subsidy	7,370,466	6,992,822	5,320,953	6,021,451	8,787,596	5,800,563	6,899,139	6,446,702	7,484,411	5,593,922	7,842,215
Supplemental Cost of Living	2,067,218	1,849,140	1,555,924	1,350,784	1,231,500	1,134,613	1,181,244	1,116,523	932,177	943,290	528,561
Death Benefit - Burial - SRBR	5,525	223,629	213,909	187,081	187,060	196,576	216,834	230,747	256,683	240,383	105,300
ADEB (Active Death)	-	-	-	-	-	-	-	-	-	-	-
Total Deductions	<u>41,683,658</u>	<u>43,105,084</u>	<u>43,619,050</u>	<u>41,378,148</u>	<u>48,634,070</u>	<u>50,909,161</u>	<u>53,155,588</u>	<u>53,250,072</u>	<u>55,445,401</u>	<u>54,254,453</u>	<u>32,634,596</u>
Additions:											
Interest Credited to SRBR	38,786,516	54,031,847	62,722,797	60,730,023	66,715,938	64,827,682	57,022,294	58,878,406	69,152,162	79,407,948	33,647,884
Excess Earnings Allocation	75,074,713	(1) 132,455,002	43,770,247	-	-	10,574,982	-	-	184,050,056	10,749,534	-
Transferred from Employers Advance Reserve	-	3,388,512	(2) 1,141,500	1,191,000	1,203,500	1,224,500	1,354,500	1,416,000	1,537,500	1,657,000	808,000
Total Additions	<u>113,861,229</u>	<u>189,875,461</u>	<u>107,634,544</u>	<u>61,921,023</u>	<u>67,919,438</u>	<u>76,627,164</u>	<u>58,376,794</u>	<u>60,294,406</u>	<u>254,739,718</u>	<u>91,814,482</u>	<u>34,455,884</u>
Ending Balance	<u>\$ 643,056,500</u>	<u>\$ 789,826,877</u>	<u>\$ 853,842,371</u>	<u>\$ 874,385,246</u>	<u>\$ 893,770,614</u>	<u>\$ 919,488,617</u>	<u>\$ 924,709,823</u>	<u>\$ 931,754,157</u>	<u>\$ 1,131,048,474</u>	<u>\$ 1,168,608,503</u>	<u>\$ 1,170,429,791</u>

Notes

- (1) The Excess Earnings allocation of \$75,074,713.03 is a total of \$72,013,436.53 from investment earning above the assumed rate of return and \$3,061,276.50 from additional excess earning made available from the dispersal of the Death Benefit-Burial Reserve as of 12/31/13.
- (2) These amounts include reclassification of OPEB Administrative Expense contribution reimbursement activities and interest from January 2012 through June 2014; and normal activities for the six month period of July 2014 through December 2014. The SB 1479 reimbursements from the Employer Advance Reserve were inadvertently booked to the 401(h) account instead of SRBR. A total misclassified balance of \$2,649,500 and regular credited interest of \$182,511.54 were transferred from the 401(h) account to SRBR.
- Amounts are rounded to the nearest dollar and include <\$1 rounding differences.

**REGULAR CALENDAR
REPORTS and ACTION ITEMS**

**COMMITTEE REPORTS,
RECOMMENDATIONS and MOTIONS:**

See Page 3 of the Attached Board Agenda for this month's Committee Reports and Motions.



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 19, 2023
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: Request to Exceed the Annual Allotment for Business and Travel Expenses

In accordance with Section III.E (Page 3) of the *Board Travel Policy*, Trustees requesting to exceed their annual allotment for Business and Travel Expenses must receive approval from the Board prior to incurring the expenses. [**See** Enclosure 1.].

Trustee Jaime Godfrey is requesting the Board's approval to exceed his annual allotment to attend the Fall SACRS Conference. Trustee Godfrey has \$146 left on his annual allotment and the cost to attend the Fall Conference will total approximately \$2,000.

Recommendation

That the Board consider Trustee Godfrey's request to exceed his annual allotment to attend the Fall SACRS Conference.

Enclosure: 1) *Board Travel Policy*

ENCLOSURE 1



Board Travel Policy

I. Purpose

- A. To encourage ACERA Board and Alternate Trustees (“Trustees”) to pursue educational and business related initiatives that will assist the Trustees in meeting their fiduciary duties to administer the pension plan;
- B. To facilitate Trustees’ participation in such activities;
- C. To ensure that expenditures incurred from travel or business related activities are prudent and cost-effective, and to mitigate the risk of improprieties arising from these activities.

II. Assumptions

The Travel Policy rests on the following important assumptions:

- A. Prudent oversight of a public sector pension plan requires that Trustees travel to business meetings and educational conferences or seminars held in or outside of the State of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
- B. Any expenditures relating to travel by ACERA Trustees and reimbursement of travel related expenses by the plan must comply with the Board’s fiduciary obligations to plan members and beneficiaries.
- C. Trustees shall disclose all expenditures and expenses for which they seek reimbursement on claim reimbursement form.

III. Policy Guidelines

-
- A. ACERA Trustees are authorized to incur reasonable expenses necessary to fulfill their fiduciary or operational duties pursuant to the Trustee Education Policy, subject to the guidelines contained herein and consistent with ACERA's Conflict of Interest Policy. ACERA shall reimburse Trustees for business and travel related expenses consistent with this Travel Policy.
- B. Trustees shall ensure that all business and travel related expenses are reasonable using ACERA specific business-related expense guidelines attached as Exhibit A.
- C. Each Trustee is allotted \$16,906 for the calendar year effective January 1, 2023. The allotment for each Trustee shall automatically increase by the Consumer Price Index (CPI) for the greater San Francisco area effective January 1 of each year, subject to budgetary constraints. Staff will automatically update the Policy to reflect the new allotment and will notify the Committee of the new amount each year.
- D. Excluded from the allotted annual amount are the following educational opportunities which provide unique, high level learning opportunities for Trustees which are more expensive than typical training opportunities and in which Trustees are unlikely to participate every year:
1. Half of the total expenditures of the Milken Global Institute conference. The total expenditures include conference fee, airfare, accommodation and other travel costs.
 2. For first time Trustees, the Wharton Portfolio Concepts and Management and CALAPRS Principles of Pension Management or comparable Wharton and CALAPRS Programs.
 3. The advanced Wharton and CALAPRS pension management trainings may be taken by each Trustee once every three years.
- E. Should a Trustee desire to incur business and travel-related expenses which exceed the annual allotment, the Trustee must receive approval from the Board before incurring the expense. Special consideration will be given to requests by New Trustees, who are encouraged to attend educational seminars to obtain sufficient knowledge to better prepare them to execute their fiduciary responsibilities and govern the system.

- F. In light of ACERA's asset allocation to international investments, the Board may authorize travel outside the US if such a travel request is deemed to be consistent with all of the provisions in this Policy and the Conflict of Interest Policy. The Trustee shall seek approval for travel outside the US from the Board.
- G. Trustees agree to make every attempt to attend any programs for which they have signed up to avoid the loss of travel and related expenses incurred by ACERA.
- H. Reservations for airline tickets and hotel accommodations may be made through the office of the CEO.
- I. When traveling by air Trustees may extend their trip if it will result in no additional cost or a net savings to ACERA.
- J. Staff will provide each Trustee with a monthly statement listing the individual Trustee's travel and business related expenditures to date.
- K. Staff will provide the Operations Committee with a quarterly report identifying expenditures and the educational conferences that each Trustee has attended to date.

IV. Policy Review

The Operations Committee will review this policy every three (3) years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

The Board reviewed and affirmed this policy, with revisions, on November 21, 2019¹.

¹ The Board adopted the Board Travel Policy (then named the Travel Policy) on September 16, 1999. The Board reviewed and affirmed, with revisions, on September 20, 2001; May 19, 2005; May 18, 2006; November 9, 2006; October 18, 2007; November 19, 2009; March 18, 2010; January 20, 2011; November 8, 2012; September 19, 2013; October 16, 2014; November 12, 2015; June 22, 2017; February 15, 2018. The Board reviewed and affirmed, without revisions, on November 9, 2011 and affirmed with revisions on February 15, 2018 and on November 21, 2019.



Board Travel Policy, Exhibit A Specific Travel Guidelines for Trustees

I. Purpose

These guidelines summarize the procedures for authorization and reimbursement of business and travel-related expenses for Trustees.

- A. The governing principle for business and travel-related expense reimbursement is that Trustees should neither profit nor suffer monetarily as a result of acquiring education and/or conducting ACERA business.
- B. Business and travel-related expenses include costs directly paid by ACERA to either an outside vendor for transportation, lodging, and related expenses, or to Trustees for reimbursement of incidental travel costs such as meals, tips, and baggage costs, incurred during the course of acquiring Trustee education or conducting ACERA business.
- C. ACERA will neither pay for nor reimburse a Trustee for business or travel-related expenses that have been or will be paid for or reimbursed from any outside sources.
- D. Trustees are expected to follow this Board Travel Policy in a manner that minimizes expenses and fairly assigns the costs of business-related activities to ACERA.

II. Reimbursement Request Responsibility And Requirements

- A. Trustees are required to comply with the Board Travel Policy. The Trustee requesting reimbursement or incurring the expense is responsible for ensuring all the following:
 - 1. The travel and other expenses are directly related to an approved education or business matter;
 - 2. Mileage and other reimbursement calculations are accurate; and

3. Proper business justification and supporting documentation have been provided to ACERA for processing the expense.

B. Trustees must account for all business and travel-related expenses.

1. Substantiation of the expense requires the original receipts (a photo copy of the original receipt is acceptable), printed confirmation of itinerary or order confirmation if purchased on the internet, and an adequate record of each expense indicating the provider of service or product, amount, date, and location of expense.
2. Submit reimbursement within 45 days of completion of travel or the date the expense was incurred. Exceptions to the 45-day timeframe will be made for extenuating circumstance (e.g., illness, emergency, or unforeseen absence).

C. The CEO or designee is responsible for approving a Trustee's request for reimbursement by verifying the following:

1. Expenses were related to an approved business matter;
2. Expenses are documented as required and that the Board Travel Policy has been applied;
3. Expense reports or other requests for reimbursement are mathematically accurate; and
4. The applicability of any exceptions.

III. General Expense Provisions

- A. ACERA will reimburse tips or gratuities for travel and business services such as meals, baggage handling and storage, ground transportation and hotel services. Reasonable and customary tips for meals are 15-18% of the bill. Tips for other services will be in amounts that are reasonable and customary for the service rendered.
- B. ACERA will not provide, pay for, or make reimbursements for the travel-related expenses of companions or spouses who accompany a Trustee on ACERA business.

- C. ACERA will not reimburse or pay for personal items or services unrelated to a valid business or educational purpose.
- D. At no time, and under no circumstances, stated or unstated in this Board Travel Policy, will ACERA reimburse or pay for alcoholic beverages.

IV. Automobile, Shuttle, Taxi and Alternative Transportation

A. Generally,

- 1. Trustees will select a reasonable and cost effective means of transportation such as personally owned vehicles, rental cars, taxis, shared economy options (e.g., Uber or Lyft), Bay Area Regional Transit (BART), Alameda County (AC) Transit and other forms of public transportation.
- 2. Trustees shall maintain receipts to obtain reimbursements. Fees for transportation, parking and tolls are all reimbursable.
- 3. ACERA will not reimburse for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance.

B. Personally Owned Automobiles (POV)

- 1. Trustees may only use their POV for ACERA business if they are in possession of both a valid driver's license and maintain current comprehensive auto insurance, including liability limits that match those carried by ACERA's vehicle insurance policy. If not, the Trustee is not authorized to drive for ACERA business travel.
- 2. Trustees may use their POV instead of flying if they provide documentation that the cost of using a POV is comparable to flying and, if needed, airport transportation and rental car charges at the final location.
- 3. Reimbursement for mileage is based on the Internal Revenue Service's (IRS) business standard mileage rate. ACERA will only reimburse mileage for the most reasonably direct route (given traffic and other constraints) driven solely for business purposes.

C. Mileage Expenses

1. To receive reimbursement for mileage, Trustees must complete an expense report specifying the purpose of the trip, point of origin, destination and date of trip. Trustees shall submit a documented route through a mapping service to verify the mileage.
2. Mileage shall ordinarily be computed one of the following two ways, depending upon the circumstance: a) Between the Trustee's office and the common carrier or destination (if Trustee left for travel from the workplace); or b) Between the Trustee's residence and the common carrier or destination (if Trustee left from his or her residence).

D. Rental Car Travel (Domestic and Foreign)

1. Rental cars are authorized only when another form of ground transportation is either unavailable or would create an unreasonable hardship for the Trustee. Trustees shall rent cars that are economical and reasonable.
2. Rental vehicles for ACERA business purposes are subject to the following conditions:
 - a. All drivers of rental vehicles must be over the age of 25 unless pre-approved by the CEO or designee.
 - b. ACERA's automobile insurance provides liability coverage, but does not provide coverage for any physical damage to the automobile. Collision insurance coverage provided by the rental agency is required for all vehicles.
 - c. If a rental vehicle is required for travel outside the United States, the Trustee is required to contact ACERA's Legal Department or Administration Department to ensure the agency's automobile insurance policy coverage is in force at the foreign destination.

- d. Any accident involving a rental vehicle must be reported in writing within 24 hours to both the car rental agency and the CEO or designee except in cases of injury rendering the ACERA Trustee unable to report within 24 hours.
3. Trustees are required to cooperate in the investigation of any accident involving their rental car.

V. Airline Travel

A. Airline Fares

Airfares should be the most economical that are reasonable under the circumstances regardless of whether ACERA purchases the tickets or Trustees purchase their own airline tickets.

B. Baggage and Lost Luggage/Items

The airline charge for one checked bag is a reimbursable business expense. Charges for more than one bag will be reimbursable under the following circumstances:

1. The Trustee is transporting ACERA business and/or conference materials; or
2. The Trustee is on a travel period longer than 3 days or is traveling internationally.

ACERA does not purchase or maintain insurance coverage for lost luggage or the personal belongings of Trustees while on ACERA business travel.

C. Parking or Other Forms of Transportation for the Airport

Airport or other business parking will be reimbursed. Trustees are urged to seek cost effective transportation to and from the airport such as shuttles or other public transportation.

VI. Lodging

A. Generally:

1. ACERA will directly pay for or reimburse for lodging expenses for a standard room during ACERA-related travel, which could also include an upgraded room where there is no increased cost.
2. ACERA will reimburse for business related services such as Wi-Fi connection, printing, and faxing when such expenses are incurred for authorized business travel.
3. If paying with a personal credit card, the Trustee must present an itemized hotel bill for reimbursement of lodging expenses.

B. Cancellations

1. ACERA will pay for costs incurred as a result of a hotel room cancellation only under extenuating circumstances such as illness or emergency.
2. A written explanation for the cancellation verified by the CEO or designee must be submitted to the Fiscal Service Department within 15 days of the cancellation.

C. “No-Show” Charges

1. Trustees are responsible for requesting a refund from the hotel for a “no show” charge regardless of whether ACERA or the Trustee made the reservation.
2. In the case of flight delays or cancellations which are outside of a Trustee’s control, ACERA will reimburse for additional expenses incurred to continue travel, such as rebooking fees or increased airfares.

VII. Meals For Business Meetings While Traveling

A. Trustee only Business Meals

1. ACERA will reimburse for meals during business-related travel (as distinguished from local business meals covered below in Section VIII) at a rate not to exceed \$100 per person, per day. Receipts for all meals are required.
2. As a general rule, Trustees are not expected to incur personal expense for meals while attending conferences, training workshops, and similar activities. If meals are

provided and paid for as part of the cost of attendance, Trustee should exercise fiduciary responsibility and make a reasonable adjustment to the \$100 a day meal allowance. If, however, dietary restrictions prevent consumption of provided meals, no adjustment in the meal allowance is expected.

B. Business Meals for Others

1. Trustees may pay for the meals of other ACERA Trustees as part of a business-related meeting.
2. ACERA will also reimburse Trustees for meals paid for on behalf of other meeting attendees so long as the meal is for an ACERA business purpose.
3. The receipt submitted by the Trustee must include the business justification for the expense and the names of all meal recipients and their affiliation with ACERA.

VIII. Meals For Business Meetings When Not Traveling

A. Trustee Only Business Meals

1. ACERA will reimburse Trustees for meals incurred as part of a meeting only where the primary purpose of the meeting is to conduct ACERA business and there is a valid business need to meet over the meal.
2. The receipt submitted by the Trustee must include the name of each meal recipient and the business purpose for purchasing the meal for the others. Meals under this circumstance should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner per person.

B. Trustee Only Meals at Local Conferences, Seminars, Workshops, etc.

1. ACERA will reimburse Trustees for the cost of their meals when attending a local conference, seminar, workshop, presentation, or other similar group meeting when it extends through the usual mealtime.

2. The receipt submitted by the Trustee must include the purpose of the meeting and should not exceed twenty-five dollars (\$25) each for breakfast and lunch and fifty dollars (\$50) for dinner.
3. Meals provided and paid for by ACERA for in-house training, seminars, workshops, or meetings are not included in this Board Travel Policy.

IX. Lost Receipts

- A. A receipt or a credit card statement is required for all requests for reimbursement of purchases over \$5.
- B. If a Trustee loses a receipt and cannot obtain a duplicate, the Trustee may receive reimbursement by providing ACERA with a completed Affidavit Form for Business Expenses without Receipt. The use of affidavits is expected to be an exception and not a regular practice.



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 19, 2023
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*

SUBJECT: Voting Proxy on the SACRS Business Meeting Action Items

Twice each year, the State Association of County Retirement Systems (SACRS) requests submission of a Voting Proxy Form which, designates the member agency's representative(s) who will vote for the Board of Retirement at the SACRS Business Meeting during the Conference.

While the Business Meeting Packet was not available to systems at the time of this writing, the SACRS Administrator provided that there will be votes to Receive and File the Secretary's and Treasurer's reports and approve the Audit, which is a fairly routine administrative function. Additionally, there are four legislative proposals from the SACRS Legislative Committee that have been approved by the SACRS Board to be presented for vote by the membership. Attached is a description of each

Proposed amendments to the CERL include the following:

1. Clarification that a retiree's pension payment can be deposited in a trust account controlled by that member. This is not intended to change the statutory intent that an ongoing pension payment must be made to a natural person; however, the amendment provides uniformity to an issue that has been interpreted differently across the '37 Act systems. SACRS' tax counsel from the Hanson Bridgett law firm has reviewed the language for appropriateness and compliance with federal and California law.
2. Authority for a Board of Retirement to make payments to retirees through a prepaid account (like a debit card). This amendment is intended to accommodate retirees who may not have a traditional checking or savings account, leaving the only option to receive regular pension payments through paper check by mail or in-person. The COVID-19 pandemic and past natural disasters have shown that the use of paper checks can be adversely affected in delivering promised benefits. This amendment only authorizes the system to utilize prepaid accounts as a payment method; it does not mandate it.
3. Removal of requirement for a certified mail "return receipt" when sending notices to terminated members or beneficiaries that they have contributions or unclaimed benefits remaining with the system. Though IRS regulations require registered or certified mail for locating members and beneficiaries, the "return receipt" language found in the CERL is not an IRS requirement and reflects an outdated practice. Certified mail now allows the sender to electronically track the letter at significant cost savings.

4. Direction for retirement systems to take certain actions when retired members exceed the 960-hour post-retirement employment limit. The proposed amendments would require the system to offset the member's retirement allowance by the equivalent excess hours paid above 960 hours to ensure that the retired member is not receiving a pension and a salary outside of the prescribed limit. These amendments do not preclude retirement systems from also reinstating the member into active service as the system deems necessary.

Recommendation

For the Fall Conference Business Meeting, Staff recommends that the Board of Retirement:


1. Instruct the CEO (or his Designee) to vote to support the four legislative proposals and;
2. Give the CEO (or his Designee) authority to vote ACERA's proxy on routine administrative action items (such as receive and file motions) using his discretion on behalf of the Board of Retirement.



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 19, 2023

TO: Members of the Board of Retirement

FROM: Lisa Johnson, Assistant Chief Executive Officer 

SUBJECT: **Retain a New Vendor for ACERA Board Election Services**

Executive Summary

The ACERA Board of Retirement is seeking a vendor who can offer hybrid by-mail/online voting for future board elections. Staff contacted peer retirement systems to help identify potential vendors. Most peer retirement systems are not yet engaged in hybrid elections and continue to use their County's Elections office. However, one peer retirement system, SBCERS is using MK Elections and the other, CalPERS, uses Integrity Voting Systems.

To help with a cost comparison, staff requested an informal hybrid election cost estimate from the two vendors. The vendor, Integrity Voting Systems while able to offer hybrid election services, declined to provide an estimate, at the time citing conflict of interest concerns with their client, Alameda County Registrar of Voters (ACROV), for whom they create our current paper ballots. When compared to ACROV, MK Elections can offer the hybrid election services we are seeking at a lower cost than our current mail-only election services through ACROV.

MK Elections attended the August Operations Committee meeting to present their hybrid election offerings. On September 21, 2023, staff provided service comparison information on our incumbent vendor and the other two vendors who offer hybrid election services. Additionally, MK elections' cost was compared to cost through ACROV.

MK Elections customers gave very positive feedback on their experience working with MK Elections, describing the team as very responsive, easy to work with and attentive to all of the service needs of their clients.

Staff Recommendation:

Staff recommends that the Board of Retirement retain MK Election Services, LLC as the new Board Election Vendor, pending completion of Legal due diligence and successful contract negotiations.



Office of the Chief Executive Officer

DATE: October 19, 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

Conference/Event Schedule

SACRS Fall Conference on Tue, Nov 7 thru Fri, Nov 10, 2023.

Other Items

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 the Pension Administration System Testing Team. Members from both Benefits and Fiscal participated in the User Acceptance Testing for Deliverable Four of our PAS Project. This was the last, and in some ways the most, complex of the core system functionality deliverables in that it required coordination between Benefits and Fiscal to ensure proper placement of retirees on the monthly payroll. With the completion of this UAT effort, we have now validated all the core functionality of our new system. This is a major milestone! The final deliverables deal with critical but secondary functionality, like actuarial reports and enhanced employer capabilities.

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 August of 2023: We were .04% short of the benchmark.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2022 approved budget</i> As of August 2023: 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 3 rd Quarter of 2023: 100%.

ACERA 2023-2024 BUSINESS PLANNING PROJECTS UPDATE

1. [General Investment Consultant \(GIC\) RFP](#)

Goal 1 (Sept. 2022 – Sept. 2023)

The Board of Retirement selected NEPC as ACERA’s General Investment Consultant at the September 21, 2023 Board meeting. Legal and Investment due diligence and successful contract negotiations are in-progress.

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 the 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. The follow-up demonstrations with the vendor to view the product offering has been paused, pending the completion of the General Investment Consultant (GIC) search, as the possibility of a new consultant could result in benchmark change recommendations. Pending the GIC contract negotiation and finalization, we expect to continue pursuing this in 4Q 2023 to 1Q 2024.

3. [Comprehensive Pension Administration System PG3 Training](#)

Goal 2 (May 2023 – Fall 2024)

ACERA's Project Consulting Team is coordinating ongoing status meetings for updating progress on this project, developing communication tools for back and forth work on procedures and tracking, and gathering and reviewing procedures as well as ACERA's OnBase functionality. ACERA’s Project Consulting Team has started a review of the library of materials in Microsoft Teams with the SME’s. The materials consist of policies and procedures for the business processes prioritized for the go-live of Pension Gold V3. The SME’s will provide input on the language in the procedure updates of the first seven of nineteen business processes identified in the scope of the project over the next 30 days. The focus of this project is limited to building the procedure updates that ACERA will leverage for training in a separate project effort.

4. [Review Workforce Excellence \(WFE\) Processes and Tools](#)

Goal 2 (Oct. 2022 – Dec. 2023)

ACERA’s HR Team has collected most of the updated WFE material from the different departments. The next phase, researching potential software options for HR, is in process now. The Team is looking at using OnBase for coaching tracking and for the evaluation process. OnBase can also be used to house HR files in a secure but accessible manner.

**5. [PGV3 Upgrade](#)
Goal 2 (Complete in August 2024) & Goal 3**

The Team finalized D4 UAT this month. The requirements validation discussions for the final deliverable covering Member Direct, Employer Direct and role based permissions for V3 are being finalized. The design review meetings for the final deliverable are scheduled to begin in mid-October.

**6. [OnBase Case Manager and PG-OnBase Integration Activity:](#)
Goal 2 (Complete in August 2024) & Goal 3**

The implementation of the Beneficiary Case Manager is ready for activation. This case manager captures and facilitates the process for assignment and management of beneficiary designations for active and retired members. We will be reaching out to the Benefits Team for their availability to schedule UAT Testing and Training. We will meet with Benefits Management to review the functionality developed to provide customized document views for associated pages in PGV3 that will streamline document searches for end users. The functionality enabling members to upload documents in the Pension Gold Member Portal for automatic indexing to OnBase was introduced to the Benefits Department this month. The unit managers are developing the scope of documents to be included in the solution.

**7. [BoardEffect Software](#)
Goal 2 (Fall 2022 – Fall 2023)**

We have reached our goal for adoption of BoardEffect by the Trustees and ACERA Senior Managers. The closing tasks for the project have been identified and assigned to project team resources. Among them is the User Feedback Survey that will be finalized and distributed in October. Dropbox has been removed as an option for accessing meeting materials and supporting documents. The closing activities are targeted for completion at the end of October.

**8. [Research Agency Intranet Solution for Internal Document Management](#)
Goal 3 (Spring 2023 – Fall 2024)**

A list of priorities has been submitted by the Project Team and ACERA Departments. The list is categorized as follows:

- a. In scope and prioritized for the first phase
- b. In scope but prioritized for a later phase
- c. Out of scope, but can be captured by a future project
- d. Out of scope, but can be completed by PRISM

The first phase of implementation will focus on documentation such as legal memos, training docs, etc. This phase of the project will work hand-in-hand with the PG3 training project.

9. Research Expense S/W Subscription Options

Goal 3 (Mar. 2023 –Aug. 2023)

Research is complete. Expensify has been selected for Board of Trustee travel expense reimbursement submission process. Next steps are to add Trustees to the Expensify account and provide Trustee training on use of the Expensify product.

10. Product Analysis for GP Upgrade or Similar Accounting Software

Goal 3 (Aug. 2023 – Dec. 2024)

We are working with Aramino, our GP consultant, to research the different options out there. The next meeting is scheduled for the third week of September. We are also reviewing some of the processes in Fiscal Services to identify good candidates for process improvement ahead of any preparation for a potential software change.

A draft list of Fiscal processes to be studied and possibly re-engineered have been selected for focus in 2024. Our consultant is also using this information to outline the different GP replacement possibilities that exist on the market.

11. New Member Enrollment

Goal 4 (Complete by Fall 2023)

The Project Team met in September and decided on a direction for transitioning the Member Enrollment Questionnaire into a considerably more streamlined (AWF) ACERA Welcome Form and an action Plan for implementation as part of the New Hire Process. The AWF (ACERA Welcome Form) will be used to capture critical information to complete enrollment. A Dashboard Report will be used to develop baseline data used to track and measure improvements to the New Member Enrollment process in October. The Communications Team will lead a pilot for distribution and collection of the AWF in Q4.

12. Communications Methods

Goal 4 (Apr. 2023 – Dec. 2023)

Staff continues to develop video graphic animations for a seven-minute new-member orientation video to be shown during employer orientation. Staff provided a draft of the onboarding schedule in alignment with the New Member Onboarding project.

LEGISLATIVE UPDATE



October 5, 2023

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – October 2023**

The California Legislature closed out its work for the 2023 legislative session on the evening of September 14th, sending approximately 900 bills to the Governor for consideration. The Governor has until October 14th to act on those measures.

While there were several areas of public policymaking that captured the Legislature's attention this year, labor and employment policy primarily dominated the legislative landscape. This was driven by ongoing strikes affecting the entertainment and Southern California lodging industries. Additionally, threatened strikes by healthcare workers, state and local public employee unions, UPS, pending statewide ballot measures, and a referendum to overturn a recently enacted restaurant wage law, the media deemed summer 2023 to be California's "[Hot Labor Summer](#)".

The Democrat dominated and labor-friendly Legislature responded with dozens of legislative proposals aimed at assisting its most important constituency: organized labor. With overwhelming 3/4 supermajorities in each house of the Legislature, labor-backed, Democrat-authored labor bills are almost certain to pass. Among the many labor-backed bills that the Governor has acted on are:

[SB 799 \(Portantino\) Unemployment Insurance for Striking Workers -- VETOED](#)

This bill would have made striking workers who have been on strike for more than two weeks eligible for unemployment insurance benefits.

[SB 616 \(Gonzalez\) – Paid Sick Leave -- SIGNED](#)

This bill would extend the annual amount of paid sick leave required to be given to an employee from three days to five days.

The Governor has not yet acted on [AB 1](#) which would allow legislative employees to join a union and collectively bargain for their wages and working conditions.

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 Governor signed this bill into law.

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 remains opposed to the bill.

The bill is on the Governor’s desk.

AB 1637 (Irwin) - Local Government Websites and Email Addresses. Would, no later than January 1, 2029, require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a “.gov” or “.ca.gov” domain. This bill, no later than January 1, 2029, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program.

The bill is on the Governor’s desk.

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.

The bill is on the Governor’s desk.

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. The bill has been narrowed considerably as it advanced through various policy committees in each house.

The bill was held on the Assembly Floor and may be considered when the Legislature returns in January.

2024 Legislative Preview

The legislative committee is currently working on proposals for consideration at the fall conference.

12. CLOSED SESSION:

- A. Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: LACERA v. County of Los Angeles et al., Cal. Court of Appeal Second Appellate District Case No. B326977 (consider whether to enter as an amicus curiae).**

- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).**

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