



**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, November 21, 2019
2:00 p.m.**

LOCATION	BOARD OF RETIREMENT - MEMBERS	
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	HENRY LEVY CHAIR	TREASURER
	ELIZABETH ROGERS FIRST VICE-CHAIR	ELECTED GENERAL
	JAIME GODFREY SECOND VICE-CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
	LIZ KOPPENHAVER	ELECTED RETIRED
	GEORGE WOOD	ELECTED GENERAL
	NANCY REILLY	ALTERNATE RETIRED¹
	DARRYL L. WALKER	ALTERNATE SAFETY²

¹ 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 Elected Safety Member and an Elected General member, are absent.

² Alternate Safety Member (Votes in the absence of (1) the Elected Safety, (2) either of the two Elected General Members, or (3) both the Retired and Alternate Retired members).

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

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

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

1. CALL TO ORDER:

2. ROLL CALL:

3. PUBLIC COMMENT:

4. CONSENT CALENDAR:

A. APPLICATION FOR SERVICE RETIREMENT:

Appendix A

B. APPLICATION FOR RETIREMENT, DEFERRED:

Appendix B
Appendix B-1

C. APPLICATION FOR DEFERRED TRANSFER:

Appendix C

D. LIST OF DECEASED MEMBERS:

Appendix D

E. REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT:

Appendix E

F. APPLICATION FOR DISABILITY RETIREMENT – NON CONTESTED ITEMS:

Appendix F

G. APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER RECOMMENDATIONS:

Appendix G

H. APPROVAL OF COMMITTEE and BOARD MINUTES:

October 2, 2019 Operations Committee Minutes
October 17, 2019 Minutes of the Regular Board Meeting
November 6, 2019 Investment Committee Minutes

I. MISCELLANEOUS MATTERS:

Operations Committee Information Item(s):

- 1. Operating Expenses as of September 30, 2019*
- 2. Quarterly Financial Statements as of September 30, 2019*
- 3. Quarterly Cash Forecast Report as of September 30, 2019*
- 4. Board Member Conference Expense Report as of September 30, 2019*
- 5. Senior Manager Conference and Training Expense Report as September 30, 2019*
- 6. 3rd Quarter 2019 Call Center Report*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITIES, RECOMMENDATIONS AND MOTIONS:

(Item(s) will be heard in Closed Executive Session)

None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Investment:

1. Summary of the November 6, 2019 Meeting.
2. Motion to adopt a \$35 million Investment in Artemis Income & Growth Fund, as part of ACERA's Real Estate Portfolio.

B. Budget:

1. Summary of the November 21, 2019 Meeting.

C. Governance:

1. Summary of the November 21, 2019 Meeting.
2. Motion to adopt the *Board Education Policy* with proposed revisions.
3. Motion to adopt the *Board Travel Policy* with proposed revisions.
4. Motion to adopt the *Conflict of Interest Policy* with proposed revisions.
5. Motion to adopt the *Conflict of Interest Code* without revisions.
6. Motion to adopt the *Remote Access by Trustees to Board and Committee Meetings Policy*.

7. NEW BUSINESS:

A. Board Off-Site (Discussion):

1. 2019 Input
2. 2020 Planning

B. Chief Executive Officer's Report.

8. CONFERENCE/ORAL REPORTS:

9. ANNOUNCEMENTS:

10. BOARD INPUT:

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, December 19, 2019 at 2:00 p.m.

12. CLOSED SESSION:

A. Government Code section 54956.9(d)(1): Pending litigation, 2 matters:

1. Rivera v. ACERA, Alameda County Superior Court, No. RG17877193.

2. Civil Service Appeal of Marguerite Malloy, OAH No. 201909090358.

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
APPLICATION FOR SERVICE RETIREMENT**

ADAMS, Michael
Effective: 09/06/2019
Sheriff's Office

GUCOR, Sarabel B.
Effective: 09/07/2019
Alameda Health System

BISHOP, Timothy
Effective: 08/20/2019
Sheriff's Office

HARBERT, Jacquelyn R.
Effective: 10/01/2019
Superior Court

BOND, Jane T.
Effective: 08/17/2019
Alameda Health System

INSKIP, Ricki D.
Effective: 09/19/2019
Superior Court

COHEN, Alan J.
Effective: 09/06/2019
Health Care Service Agency

JAMES, Cynthia D.
Effective: 09/04/2019
County Administrator

DICKSON, Jon
Effective: 09/22/2019
Alameda Health System

JOHNSON, Stephanie D.
Effective: 03/29/2019
Alameda Health System

DUARTE, Martha
Effective: 09/07/2019
Social Services Agency

JONES, Paulyne K.
Effective: 09/10/2019
Probation

ESPIRITU, Marian G.
Effective: 09/01/2019
Alameda Health System

LAPUS, Ludivina T.
Effective: 09/01/2019
Alameda Health System

ESSIEN, Helen I.
Effective: 08/14/2019
Alameda Health System

LORENTE, Rebecca L.
Effective: 09/17/2019
Child Support Services

GALYEAN, Hugh W.
Effective: 08/21/2018
Human Resources Services

MARCHI, Kris L.
Effective: 11/30/2019
Alameda Health System

GOMEZ, Berdie G.
Effective: 04/01/2017
Health Care Services Agency

MENSINGER, Mitchell S.
Effective: 07/27/2019
Sheriff's Office

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

NIX, Clint
Effective: 10/09/2019
Health Care Services Agency

SCHRAM, Keith W.
Effective: 09/21/2019
General Services Agency

PENA, Maria D.
Effective: 09/07/2019
Information Technology

SECAPURE, Jacqueline G. S.
Effective: 09/07/2019
Sheriff's Office

QUILL, John P.
Effective: 11/20/2018
Sheriff's Office

SLOWLEY, Stewart
Effective: 08/17/2019
Alameda Health System

RAGASA, Virginia A.
Effective: 09/07/2019
Health Care Services Agency

THOMAS, Kevin B.
Effective: 08/31/2019
District Attorney

ROGERS, Tonyita M.
Effective: 09/07/2019
Probation

TOLBERT, Victoria A.
Effective: 09/17/2019
Social Services Agency

SANTIAGO, Anne
Effective: 09/14/2019
Social Services Agency

WESLEY, Rosa
Effective: 09/17/2019
Alameda Health System

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

STIER, Sandra
Health Care Services Agency
Effective Date: 09/20/19

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

BALL, Elisabeth
Superior Court
Effective: 09/06/2019

BOGART, Janine
Superior Court
Effective: 09/06/2019

GRUBB, Michael D.
Alameda Health System
Effective: 08/07/2019

HAWKINS, Terrance S.
Alameda Health System
Effective: 07/26/2019

LAURENCE, Brian J.
Alameda Health System
Effective: 09/04/2019

MALPARTIDA, Fiorella
District Attorney
Effective: 05/02/2019

MORADI, Tamana.
Social Services Agency
Effective: 08/30/2019

NORRIS, Tabia S.
General Services Agency
Effective: 08/30/2019

NORTHAM, Michael A.
General Services Agency
Effective: 09/06/2019

RUBNER, Michael R.
Public Works Agency
Effective: 08/31/2019

SALINAS, Jessica M.
Alameda Health System
Effective: 08/28/2019

SANCHEZ, Claudia I.
Health Care Services Agency
Effective: 09/05/2019

STALLWORTH, Christopher L.
Alameda Health System
Effective: 08/23/2019

THEUS-SURVINE, Shamari T.
Social Services Agency
Effective: 08/23/2019

VAHIDIZADEH, Ali
Health Care Services Agency
Effective: 09/06/2019

**APPENDIX D
LIST OF DECEASED MEMBERS**

ANTHONY, Johnnie
Non-Mbr Survivor of Ozell Anthony
09/22/2019

GRIFFIN, Maggie
Alameda Health System
09/13/2019

ARNOLD, Marilyn
District Attorney
10/22/2019

HANDIS, Dennis
Probation
10/8/2019

ARTACHO, Ronald
Sheriff's Office
10/10/2019

HANLEY, Donald
Sheriff's Office
09/29/2019

BARRIOS, Ann
Social Services Agency
09/10/2019

HENAS, Patricia
General Services Agency
09/26/2019

BERGMAN, Susan
Alameda Health System
10/10/2019

HERNANDEZ, Rosemarie
Alameda Health System
10/13/2019

BRUNO, Dominic
General Services Agency
10/14/2019

HILLYER, Cameron
Sheriff's Office
09/14/2019

CASTRO, Julia
Non-Mbr Survivor of David Castro
09/12/2019

HUEY, Betty
Social Services Agency
9/22/2019

COOK, James
Alameda Health System
06/29/2019

JOHNSON, George
Alameda Health System
10/3/2019

CROMARTIE, Grace
Probation
09/1/2019

KENNEY, Mary
Non-Mbr Survivor of William Kenney
10/7/2019

CULBERTSON, Sarah
Social Services Agency
10/26/2019

KOCH, Ronald
Social Services Agency
07/10/2019

DUNAKIN, Angela
Sheriff's Office
10/28/2019

LIND, Loren
Non-Mbr Survivor of Agnes Lind
10/2/2019

**APPENDIX D
LIST OF DECEASED MEMBERS**

MARTINEZ, Alvina
Alameda Health System
07/13/2019

REED, Janice
Social Services Agency
09/1/2019

MELANSON, Nancy
Sheriff's Office
10/23/2019

REIMCHE-KILNER, Sandra
Auditor-Controller
08/29/2019

MILLER, Genevieve
Health Care Services Agency
10/20/2019

SAHARA, Akiko
Non-Mbr Survivor of Makoto Sahara
08/29/2019

MONTAGUE, Jery
Assessor
10/5/2019

SCALES-ROWE, Terresia
Social Services Agency
09/15/2019

PIO, Emerenciana
Non-Mbr Survivor of Serafin Pio
09/15/2019

SCHATTENBURG, Iola
Non-Mbr Survivor of Robert Hendershot
07/17/2019

POLLAK, Jeanne
Health Care Services Agency
10/11/2019

TAN, Harris
Alameda Health System
09/21/2019

WOHLFORTH, Timothy
General Services Agency
08/23/2019

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Beek, Amy**
Type of Claim: Annual Review for SCD (Granted on 7/19/18)

Staff’s Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor’s report to continue the allowance for Ms. Beek’s service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Bobino, Twila**
Type of Claim: Annual Review for SCD (Granted on 1/18/18)

Staff’s Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor’s report to continue the allowance for Ms. Bobino’s service-connected disability and to waive future annual medical examinations and questionnaires at this time.

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

Name: **Finley, Laura**
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. Finley’s application for a service-connected disability, and requiring future annual medical examinations and questionnaires.

Based on the Medical Advisor’s and Staff’s review and determination of Ms. Finley’s ability to determine the permanency of her incapacity, to grant Ms. Finley’s request for an earlier effective date.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Jacobs, Michelle**
Type of Claim: Annual Review for SCD (Granted on 8/16/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Jacobs's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Jones, Rachel**
Type of Claim: Annual Review for SCD (Granted on 6/22/17)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Jones's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Kennedy, Rhonda**
Type of Claim: Annual Review for SCD (Granted on 7/19/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Kennedy's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Lam, Van**
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. Lam's application for a service-connected disability. Since Ms. Lam is over 55 years old, future annual medical examinations and questionnaires will not be required.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Linares, Julio**
Type of Claim: Annual Review for SCD (Granted on 3/15/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Linares's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Morales, Daniel**
Type of Claim: Annual Review for SCD (Granted on 6/21/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Morales's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Peterson, Shawn**
Type of Claim: Annual Review for SCD (Granted on 6/21/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Peterson's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: **Thomas, Nasir**
Type of Claim: Annual Review for SCD (Granted on 4/19/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Thomas's service-connected disability and to require future annual medical examinations and questionnaires at this time.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Tyler, Suzanne
Type of Claim: Annual Review for SCD (Granted on 5/24/18)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Tyler's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: Vales, Timothy
Type of Claim: Annual Review for SCD (Granted on 6/22/17)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Vales's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

Name: Willis, Taia
Type of Claim: Annual Review for SCD (Granted on 4/21/16)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Ms. Willis's non-service connected disability and to require future annual medical examinations and questionnaires.

Name: Youngblood, Marcus
Type of Claim: Annual Review for SCD (Granted on 12/21/17)

Staff's Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor's report to continue the allowance for Mr. Youngblood's service-connected disability and to waive future annual medical examinations and questionnaires at this time.

October 17, 2019
Minutes of the Regular Board Meeting
For approval under November 21, 2019
Board “Consent Calendar”



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

Thursday, October 17, 2019

Chair Henry Levy called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Keith Carson
Tarrell Gamble
Jaime Godfrey
Henry Levy
Elizabeth Rogers
George Wood
Nancy Reilly (*Alternate*)
Darryl Walker (*Alternate*)

Trustees Excused: Liz Koppenhaver

Staff Present: Margo Allen, Fiscal Services Officer
Victoria Arruda, Human Resource Officer
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
Kathy Mount, Chief Counsel
David Nelsen, Chief Executive Officer
Betty Tse, Chief Investment Officer

Staff Excused: Jessica Huffman, Benefits Manager

PUBLIC INPUT

None.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

APPLICATION FOR SERVICE RETIREMENT

Appendix A

APPLICATION FOR RETIREMENT, DEFERRED

*Appendix B
Appendix B-1*

APPLICATION FOR DEFERRED TRANSFER

Appendix C

LIST OF DECEASED MEMBERS

Appendix D

**REQUESTS FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT
CONTRIBUTIONS AND GAIN CREDIT**

Appendix E

APPLICATION FOR DISABILITY RETIREMENT – NON-CONTESTED ITEMS

Appendix F

**APPLICATION FOR DISABILITY RETIREMENT – HEARING OFFICER
RECOMMENDATIONS**

Appendix G

APPROVAL OF BOARD and COMMITTEE MINUTES

*September 19, 2019 Minutes of the Regular Board Meeting
October 2, 2019 Retirees Committee Meeting
October 2, 2019 Operations Committee Meeting
October 9, 2019 Investment Committee Meeting
October 9, 2019 Minutes of the Special Board Meeting*

MISCELLANEOUS MATTERS:

*2nd Quarter 2019 Call Center Report
Approve the assignment of ACERA's Non-U.S. Large Cap Growth Investment Management
Agreement from Capital Guardian Trust Company to Capital International, Inc.*

19-69

George Wood requested removal of the October 2, 2019 Operations Committee Minutes from the Consent Calendar. It was moved by Elizabeth Rogers seconded by George Wood to approve the remaining items on the Consent Calendar, and approved by a vote of 7 yes (Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood), 0 no, and 0 abstentions (Dale Amaral and Darryl Walker recused themselves because one or more of the consent calendar items involved their employing Departments):

BE IT RESOLVED BY THIS BOARD that the Consent Calendar is approved, with the exception of the October 2, 2019 Operations Committee meeting minutes.

19-70

It was moved by Elizabeth Rogers and seconded by Tarrell Gamble to allow Trustees to make edits to the October 2, 2019 Operations Committee minutes for review by the Operations Committee Chair and Vice Chair; and bring back the revised October 2, 2019 Operations Committee minutes to the Board for approval on the Consent Calendar at a future Board meeting. The motion carried 8 yes (*Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 1 no (*Amaral*), and 0 abstentions.

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

DISABILITIES, CURRENT AND CONTINUING RECOMMENDATIONS AND MOTIONS

(Item(s) will be heard in Closed Executive Session)

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Operations:

Dale Amaral gave an oral report stating that the Operations Committee met on October 2, 2019, that there were no Action Items; however, the Committee was presented with updates on the following Information Items: **1)** Operating Expenses as of August 31, 2019; **2)** Statement of Reserves; **3)** 2019 Board or Retirement Elections; and **4)** Policy Discussion for Prepayment of Contributions. Staff will present the Policy at the October 24, 2019 Participating Employers Meeting for feedback, before bringing the Policy back to the Operations Committee for approval.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at a future Board meeting.

Retirees:

Dale Amaral gave an oral report stating that the Retirees Committee met on October 2, 2019, and that the Committee was presented with, reviewed information for and/or discussed and accepted the 2018 Supplemental Retiree Benefit Reserve Funding Report/Valuation.

19-71

It was moved by Dale Amaral and seconded by Tarrell Gamble to accept the December 31, 2018 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

Trustee Amaral reported that the Committee was presented with, reviewed information for and/or discussed information regarding the 529 College Savings Plan. Trustees directed Staff and 1st United Credit Union to provide information regarding this savings plan to the Alameda County Retired Employees (ACRE) and the Retired Employees of Alameda County, Inc. (REAC) Retiree Associations to get their feedback before moving forward. The Board took no action on this item.

Trustee Amaral reported that the Committee was presented with, reviewed information for and/or discussed the *Supplemental Retiree Benefit Reserve (SRBR) Policy*, and stated that after review of the *Policy*, no changes were recommended.

19-72

It was moved by Dale Amaral and seconded by Tarrell Gamble to affirm the *Supplemental Retiree Benefit Reserve Policy* without revisions. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

The Committee reviewed, was presented with and/or discussed the following Information Items: *1) Supplemental Retiree Benefit Reserve Financial Status; 2) Changes to Medicare Plan F Eligibility and Coverage; 3) Final Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements; and 4) Miscellaneous Updates which included information regarding Medicare Part D and Via Benefits.*

Minutes of the meeting were presented to the Board for adoption on the Consent Calendar at today's Board meeting.

Investment:

Elizabeth Rogers gave an oral report stating that the Investment Committee met on October 9, 2019, and that the Committee was presented with, reviewed information for and discussed liquidating \$40 million from its investment in the AQR Global Stock Selection Institutional Fund, L.P.

19-73

It was moved by Elizabeth Rogers and seconded by George Wood to liquidate \$40 million from ACERA's investment in the AQR Global Stock Selection Institutional Fund, L.P. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

There were no Information Items.

Minutes of the meeting were presented to the Board for adoption on the Consent Calendar at today's Board meeting.

NEW BUSINESS:

Direction to ACERA's Designated Proxy Voter on How to Vote for SACRS Business Meeting Items

Chief Executive Officer (CEO) Dave Nelsen reminded the Board of the upcoming SACRS Fall Conference and need for the Board's authorization for Mr. Nelsen (or his designee) to vote ACERA's proxy on behalf of the Board of Retirement at the SACRS Business Meeting. The SACRS Business Meeting Packet that was distributed on October 14, 2019 contained two bills up for vote, which are:

1) SACRS Legislative Committee's Proposal for an omnibus bill that deals with a variety of changes to the California Employees' Retirement Law (CERL), from correcting statutory references to ensuring the CERL meets federal requirements for Interruptive Military Service (purchase of paternal and maternity leave, etc.); and

2) Los Angeles County Employees' Retirement Association's (LACERA) proposed bill which would remove the "...intemperate use of alcoholic liquor or drugs..." language currently under Government Code Sections 31726 and 31726.5, respectively, that limits a member's non-service connected disability retirement allowance due to "intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on the member's part. It was noted that the intemperate use of alcohol and drugs... language is outdated and because most of the use of alcohol and drugs in this day and age deals with addiction, it is now considered a medical issue.

Both the SACRS Board of Directors and the SACRS Legislative Committee voted in favor of both the SACRS and LACERA bills.

19-74

It was moved by Elizabeth Rogers and seconded by Nancy Reilly that the CEO (or his Designee) communicate to SACRS Representatives that the ACERA Board of Retirement directs the CEO (or his Designee) to vote ACERA's proxy in support of the SACRS Legislative Committee's proposed bill. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Levy, Reilly, Rogers, Wood*), 0 no, and 0 abstentions.

19-75

It was moved by Elizabeth Rogers and seconded by Nancy Reilly that the CEO (or his Designee) communicate to SACRS Representatives that the ACERA Board of Retirement directs the CEO (or his Designee) to vote ACERA's proxy in support of LACERA's proposed bill. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Rogers, Wood*), 1 no (*Gamble*), and 0 abstentions.

Progress Report on the Internal Audit Plan

Chief of Internal Audit, Harsh Jadhav, presented information on the status of the internal audit plan, stating that the Internal Audit Staff completed the following audits: **1)** Medical Part B Premium Reimbursement; **2)** Watchlist; and **3)** 30-Year Membership. The Under/Over Vendor Payment audit was removed from this year's scheduled audits. Mr. Jadhav reported that the Alameda Health System and Superior Courts audits are in process to be completed. Mr. Jadhav reported that ACERA also implemented the Financial Fraud Hotline in April 2019 and provided staff training on financial fraud during the year.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his October 17, 2019, written CEO Report which provided an update on the following items: **1)** Senior Manager Recruitment; **2)** Committee/Board Action Items; **3)** Conference/Event Schedule; **4)** Other Items, which included the names of the speakers and topics of discussion at the November 1, 2019 Board Off-Site; **5)** Pension Administration System Update; and **6)** Key Performance Indicators.

Mr. Nelsen reported that he is working with Alliance Resource Consulting LLC regarding the recruitment for ACERA's Chief Counsel position and stated that the notification for the recruitment is scheduled to go out next week. Mr. Nelsen also reported that he is finalizing/confirming the speakers for the November 1, 2019 Board Off-Site and that the Trustees would be receiving information from Staff with the topics, speakers, location, date and time of the Board Off-Site.

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

None.

CLOSED SESSION

- A) Government Code section 54956.9(d)(1): Pending litigation, 2 matters:
 - 1. *ACERA v. Reed*, Alameda County Superior Court, No. RG 18923790.
 - 2. *Rivera v. ACERA*, Alameda County Superior Court, No. RG17877193.
- B) Consider the Purchase or Sale of a Particular, Specific Pension Fund Investment (1 matter)(CA Gov. Code §§ 54956.81 and 6254.26).
- C) Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

REPORT ON ACTION TAKEN IN CLOSED SESSION

The Board reconvened into Open Session and Chair Henry Levy announced that the Board:

- A) Pursuant to Government Code section 54956.9(d)(1):
 - 1. Provided direction to Staff regarding the *ACERA v. Reed* matter.
 - 2. Took no action on the *Rivera v. ACERA* matter.
- B) Adopted an up to \$40 million investment in a Two Sigma Advisers Fund.

19-76

It was moved by Jaime Godfrey and seconded by Keith Carson that the Board adopt an up to \$40 million Investment in a Two Sigma Advisers Fund, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried by a vote of 8 yes (*Basgal, Carson, Godfrey, Levy, Rogers, Reilly, Walker, Wood*), 0 no and 0 abstentions.

- C) No action was taken regarding the Chief Executive Officer’s Public Employee Evaluation matter.

ADJOURNMENT

The meeting adjourned at approximately 4:15 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

11/21/19

Date Adopted

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

ADAMS, Susan
Effective: 3/1/2018
Alameda Health System

CRAMER, Aubrey
Effective: 3/3/2017
Human Resource Services

BARNES, Delbert
Effective: 7/27/2019
Social Services Agency

CRISOLO, Celedonia
Effective: 8/2/2019
Alameda Health System

BRAZIL, Patricia
Effective: 8/23/2019
Information Technology

CRISTOBAL, Marietta
Effective: 8/17/2019
Social Services Agency

CHAN, Elisa
Effective: 7/28/2019
Alameda Health System

DADONE, Patricia
Effective: 8/1/2019
Social Services Agency

CHAUDARY, Prem
Effective: 12/30/2017
Alameda Health System

DEGETTE, Richards
Effective: 7/6/2019
Health Care Services Agency

CLAYTON, Kimberley
Effective: 8/13/2019
Sheriff's Office

DELOSANTOS, Leticia
Effective: 3/23/2019
Alameda Health System

CONTRERAS, Alfredo
Effective: 7/27/2019
Alameda Health System

GEWALT, Kendall
Effective: 7/13/2019
Sheriff's Office

CLAYTON, Kimberley
Effective: 8/13/2019
Sheriff's Office

HEUER, Valerie
Effective: 8/3/2019
Alameda Health System

CONTRERAS, Alfredo
Effective: 7/27/2019
Alameda Health System

HUDSON, Leslie
Effective: 8/9/2019
General Services Agency

CORDERO, Nerissa
Effective: 7/1/2019
Auditor-Controller

JACKSON, Andre
Effective: 8/10/2019
Probation

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

JONES, Debra
Effective: 7/27/2019
Social Services Agency

LAUREN, Jason
Effective: 8/19/2019
County Counsel
LEONG, Dennis
Effective: 8/29/2019
Information Technology

LEONG, Leland
Effective: 8/24/2019
Assessor

LUISTRO, Lorenzo
Effective: 8/18/2019
Sheriff's Office

LYONS, Warren
Effective: 8/8/2019
Alameda Health System

MARTINEZ-GOMEZ, Valerie
Effective: 7/8/2019
Alameda Health System

MOSSET, Laurie
Effective: 7/27/2019
Alameda Health System

PIERCE, Ora
Effective: 5/29/2019
Alameda Health System

ROGERS, Mary
Effective: 8/10/2019
Sheriff's Office

SWIFT, Steven
Effective: 3/30/2019
Alameda Health System

TOLBERT, Victoria
Effective: 9/17/2019
Social Services Agency

TORRES, Ma Rhoderic
Effective: 7/1/2019
Superior Court

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

CHRISTOPHER, Lindsay M.
Human Resource Services
Effective Date: 8/9/2019

JENNEIAHN, Troy E.
Sheriff's Office
Effective: 8/24/2019

DE GUZMAN, Jessie D.
Public Works Agency
Effective: 8/9/2019

NAHM, Mary G.
Alameda Health System
Effective: 8/16/2019

DEMONSANT, Erika L.
Health Care Services Agency
Effective: 8/2/2019

SAECHAO, Steven C.
Sheriff's Office
Effective: 8/23/2019

ELY, Iesha N.
Alameda Health System
Effective: 7/26/2019

SARRACH, Tiffancy F.
Health Care Services Agency
Effective: 8/1/2019

HOM, Kevin M.
Health Care Services Agency
Effective: 8/9/2019

TURK, Eugenia
Alameda Health System
Effective: 8/9/2019

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

BOTH, Tanya F.
Superior Court
Effective Date: 7/12/2019

HORRISBERGER, Christina J.
Community Development Agency
Effective: 8/9/2019

BUENO, Micah J.
Information Technology
Effective: 8/2/2019

LE, Joanne
Alameda Health System
Effective: 7/26/2019

DARTIS, Carla P.
District Attorney
Effective: 8/9/2019

LEE, Joanne S.
Sheriff's Office
Effective: 8/23/2019

FRAZIER, Monet G.
Social Services Agency
Effective: 8/9/2019

MAGLALANG YOUNG, Joy
Health Care Services Agency
Effective: 8/9/2019

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

MATYGA, Marcia
Alameda Health System
Effective: 8/9/2019

SANDHU, Simranjeet
Superior Court
Effective Date: 7/8/2019

MEAGHER, Kevin R.
Public Works Agency
Effective: 8/1/2019

SINGH, Noor C.
Probation
Effective: 8/19/2019

PALMA, Robert M.
Sheriff's Office
Effective: 8/10/2019

SKEELE, Nicole R.
Social Services Agency
Effective: 8/2/2019

PINKNEY, Carolyn S.
Alameda Health System
Effective: 6/17/2019

SMITH, Daniel A.
Information Technology
Effective: 8/20/2019

REEDY, Megan J.
County Counsel
Effective: 8/9/2019

SULTANI, Wajma
Alameda Health System
Effective: 7/16/2019

REMOLADOR, Jeff L.
Alameda Health System
Effective: 6/27/2019

TAPIA, Michael
Sheriff's Office
Effective: 8/7/2019

ROBERTS, Craig A.
Alameda Health System
Effective: 7/1/2019

VALDIVIA FORTUNA, Maria Elena A.
Social Services Agency
Effective: 7/26/2019

ROSARIO, Diana A.
Alameda Health System
Effective: 8/16/2019

WALKER, Avis
Superior Court
Effective: 8/7/2019

APPENDIX D
LIST OF DECEASED MEMBERS

BASS, Lois
Non-Mbr Survivor of Darrell Bass
8/15/2019

LEE, Nicole
District Attorney
9/1/2019

DINSON, Ann
Non-Mbr Survivor of Fred Dinson
9/2/2019

MEDAGLIA, Janice
Non-Mbr Survivor of Alvin Medaglia
9/13/2019

HANSEN, Carl
Probation
9/2/2019

O'DONNAN, Lorraine
Social Services Agency
9/12/2019

HARDIN, Irving
Public Works Agency
9/25/2019

RAUCH, Thomas
Public Defender
9/23/2019

HARRISON, Amelia
Alameda Health System
9/16/2019

SANTIAGO, Abelardo
Social Services Agency
7/23/2019

HENDRY, Louise
Public Defender
9/4/2019

SANTOS, Geraldine
Probation
9/5/2019

JUAREZ, Luis
Health Care Services Agency
9/1/2019

WINN, Valerie
Non-Mbr Survivor of John Winn
9/27/2019

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: Adams, Bruce
Type of Claim: Non-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. Adams's application for a non-service connected disability and waiving future annual medical examinations and questionnaires at this time.

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

Name: Jackson, Benita
Type of Claim: Non-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. Jackson's application for a non-service connected disability and requiring future annual medical examinations and questionnaires.

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

Name: McCormick, Carl
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. McCormick's application for a service-connected disability. Since Mr. McCormick is over 55 years old, future annual medical examinations and questionnaires will not be required.

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

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

Based on the Medical Advisor’s and Staff’s review and determination of Ms. Ovalle’s ability to determine the permanency of her incapacity, to grant Ms. Ovalle’s request for an earlier effective date.

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

APPENDIX G
APPLICATION FOR DISABILITY RETIREMENT
HEARING OFFICER RECOMMENDATIONS

Name: Torres, Norman
Type of Claim: Service-Connected Disability

Staff’s Recommendation:

Adopt the findings, conclusions and recommendation of the Hearing Officer in the Hearing Officer’s report to deny Mr. Torres’s application for a Service-Connected Disability Retirement, to grant Mr. Torres a Non-Service-Connected Disability Retirement, and to advance the effective date of the Non-Service-Connected Disability Retirement from the application filing date of February 17, 2017 to the one his employment records show as most consistent with the “date following the last day for which the member received regular compensation”.

No opposition to the Hearing Officer’s recommendation was received from the parties.

October 2, 2019
Operations Committee Minutes
For approval under November 21, 2019
Board “Consent Calendar”



Date: October 2, 2019
To: Members of the Operations Committee
From: Dale Amaral, Vice-Chair
Subject: Summary of the October 2, 2019, Operations Committee Meeting

Operations Committee Vice-Chair Dale Amaral called the October 2, 2019, Operations Committee Meeting to order at 9:34 a.m. Committee members present were Dale Amaral, Vice-Chair; Tarrell Gamble; and Jaime Godfrey. Other Board members present were Keith Carson; Elizabeth Rogers; George Wood and Alternate Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Foster, Assistant Chief Executive Officer; Kathy Mount, Chief Counsel; Sandra Duenas, Benefits Manager; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer; Victoria Arruda, Human Resource Officer; and Vijay Jagar, Chief Technology Officer.

ACTION ITEMS

None

INFORMATION ITEMS

1. Operating Expenses as of August 31, 2019

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of August 31, 2019, actual expenses were \$974K under budget. Budget overage noted was Professional Fees (\$34K over budget). Budget surpluses noted were Staffing (\$469K under budget) with 9 unfilled positions, Staff Development (\$131K under budget), Office Expense (\$34K under budget), Insurance (\$71K under budget), Member Services (\$109K under budget), Systems (\$90K under budget), Depreciation (\$5K under budget), and Board of Retirement (\$99K under budget).

2. Statement of Reserves

Staff reported the Statement of Reserves for the six months ending June 30, 2019. For the six-month period ending June 30, 2019, approximately \$216.1 million of total interest was credited to all the valuation reserve accounts, including the 401(h) account, and the SRBR at rate of 2.6474%.

3. 2019 Board of Retirement Elections

Staff provided an update regarding the 2019 Board of Retirement election. The nomination period ended September 9, 2019. There were three certifications for the Third seat, and two certifications for the Seventh seat. The Eight seat incumbent and Alternate Eighth seat incumbent representing Retirees are both unopposed.

The drawing to determine lots was held on September 11, 2019, and the names and designations will appear on the ballots in the following order:

Third Member to represent the General Members

1. Rhian Pierce-Jones, Advanced Certified Appraiser
2. George Wood, Incumbent
3. Vishal Thacker, Chief Investment Officer, TTC

Seventh Member to represent Safety Members

1. Dale Amaral, Incumbent
2. Darryl Walker, Incumbent Alternate

The public review period was held for ten calendar days ending on September 20, 2019. The ballots will be mailed on November 14, and the election period is between November 14 and December 18. The end of the election and deadline for ballots to be returned to the Registrar of Voters office is December 18 at 5:00 p.m. Election results will be announced on December 19 at the Board Meeting.

There was discussion regarding the CEO's involvement in the distribution of nomination packets. Legal staff notified the committee that the Board Elections Policy will be reviewed at the next Governance Committee Meeting.

4. Policy Discussion for Prepayment of Contributions

Staff introduced the Prefunding of Retirement Contributions Policy to address the situation of an employer wishing to pre-pay contributions for up to a year in advance.

Staff will be presenting the Policy at the October 24, 2019 Participating Employers Meeting for feedback, before bringing the policy back to the Operations Committee for approval.

TRUSTEE/PUBLIC INPUT

None

RECOMMENDATIONS

None

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for December 4, 2019, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:16 a.m.

November 6, 2019
Investment Committee Minutes
For approval under November 21, 2019
Board “Consent Calendar”



Date: November 6, 2019 **DRAFT**
To: Members of the Board of Retirement
From: Elizabeth Rogers – Chair
Subject: Summary of November 6, 2019 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, November 6, 2019 at 9:31 a.m. The Committee members present were Dale Amaral, Ophelia Basgal, Tarrell Gamble, Jaime Godfrey, Elizabeth Rogers, and George Wood. Also present were Alternate Safety Member, Darryl Walker and Alternate Retired Member, Nancy Reilly. Members of the Staff present were David Nelsen – Chief Executive Officer, Kathy Mount – Chief Counsel, Harsh Jadhav – Chief of Internal Audit and Betty Tse – Chief Investment Officer (CIO).

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

1. Discussion of and Possible Motion to Recommend to the Board to Adopt a \$35 million Investment in Artemis Income & Growth Fund , as part of ACERA’s Real Estate Portfolio
 - Representatives from Artemis Real Estate Partners, presented to the Committee. They outlined the history, background and culture of their firm and the investment opportunity in the Artemis Real Estate Partners Income and Growth Fund (“Fund”). Artemis Real Estate Partners is a majority women-owned firm and a manager in good standing at ACERA. The Firm and its Fund fit well within ACERA’s Real Estate Investment Guidelines, Policy and Procedures and Emerging Investment Manager Policy.
 - Artemis discussed the Fund’s strategy related to income-orientation and its partnership with its operating partners. The Fund will invest in the following four main property types: Office, Industrial, Multi-family, and Retail, with a small portion in Hospitality and/or Self-Storage. Up to one-third of the portfolio will be in direct investments and two-thirds of the portfolio will be in investments with joint venture partners; (approximately 50% of that with diverse or emerging managers.) The Fund will invest across the East and West coasts and in the South as investment opportunities become available. The Fund is targeting 9-11% net IRR, with income distributions to be 50%-60% of those returns.
 - After discussion, Mr. Jaime Godfrey moved, seconded by Ms. Ophelia Basgal, to recommend to the Board to adopt an investment of \$35 million in the Artemis Real Estate Partners Income and Growth Fund, pending completion of legal and investment due diligence and successful contract negotiation.
 - The motion carried unanimously with 7 yes (Amaral, Basgal, Gamble, Godfrey, Reilly, Rogers, and Wood), 0 no, and 0 abstention.

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

None

TRUSTEE/PUBLIC INPUT

Chief Investment Officer Betty Tse introduced Julius Cuaresma, the Investment Department's new Investment Analyst, to the Committee.

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, December 11, 2019 at 9:30 a.m.

ADJOURNMENT

The meeting ended at 10:36 a.m.

**Minutes for the November 21, 2019
Budget Committee
Will be included on the December 19, 2019,
Board “Consent Calendar” for approval**

**Minutes for the November 21, 2019
Governance Committee
Will be included on the December 19, 2019,
Board “Consent Calendar” for approval**


**Operating Expenses as of
September 30, 2019
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: November 21, 2019

TO: Members of the Board of Retirement

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Operating Expense Budget Summary for the period ended September 30, 2019

ACERA's operating expenses are \$1,287K under budget for the period ended September 30, 2019. Budget overages and surpluses worth noting are as follows:

Budget Surpluses

1. *Staffing*: Staffing is \$709K under budget. This amount comprises surplus in staff vacancies of (\$576K) and fringe benefits of (\$431K), which are offset by overage in temporary staffing of \$298K due to vacant positions filled by temporary staff.
2. *Staff Development*: Staff Development is \$174K under budget due to savings from unattended staff trainings.
3. *Office Expense*: Office Expense is \$27K under budget. This amount comprises surpluses in building expense¹ of (\$7K), bank charges and miscellaneous administrative expenses of (\$15K), office maintenance and supplies of (\$20K), communication expense of (\$11K), printing and postage of (\$6K), which are offset by overage in equipment lease and maintenance of \$30K due to change in vendor and minor equipment and furniture of \$2K.
4. *Insurance*: Insurance is \$95K under budget. This is primarily due to significant decrease in the 2019/2020 expenses for Alameda County Risk Management Program as compared to 2018/2019.
5. *Member Services*: Member Services are \$95K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$31K), disability medical expense of (\$60K) due to reduction in number of disability cases as compared to budget, Health Reimbursement Account of (\$4K), and members printing and postage² of (\$7K), which are offset by overage in member training and education of \$7K.

¹ The surplus in building expense of \$7K is primarily due to credit of \$11K from CBRE for 2018 escalation reconciliation.

² The surplus in members printing and postage of \$7K is primarily due to savings from 2018 newsletters accrual.

6. *Systems*: Systems are \$75K under budget. This amount comprises surpluses in business continuity expense of (\$27K) due to timing difference, software maintenance and support of (\$41K) due to timing difference and savings from the audit management software, computer maintenance of (\$3K), and minor computer hardware of (\$8K), which are offset by overage in county data processing of \$4K.
7. *Depreciation*: Depreciation is \$6K under budget, which is related to the office equipment.
8. *Board of Retirement*: Board of Retirement is \$106K under budget. This amount comprises surpluses in board election expense³ of (\$13K), board miscellaneous expense of (\$11K), board compensation of (\$6K), board software maintenance and support of (\$6K), board conferences and training of (\$81K) due to savings from unattended board conferences and trainings, which are offset by overage in board employer reimbursement of \$10K and board strategic planning of \$1K.

Staffing Detail

As of September 30, 2019, ACERA had the following permanent vacant positions:

Department	Position	QTY	Comments
Benefits	Retirement Support Specialist ⁴	3	Filled by temporary staff - currently budgeted until 12/2019
Investments	Senior Investment Officer	1	Resigned in May - currently budgeted until 12/2019
Investments	Investment Analyst	1	Vacant - currently budgeted until 12/2019
Investments	Investment Officer	1	Retired in March - currently budgeted until 12/2019
PRISM	Computer and Network System Analyst	1	Resigned in July - currently budgeted until 12/2019
Legal	Associate Counsel	2	Laid off in June - currently budgeted until 12/2019
Total Positions		9	

³ The surplus in board election expense of (\$13K) is due to savings from 2018 accrual.

⁴ The 3 Retirement Support Specialist vacancies are reallocated to 2 Senior Retirement Technician and 1 Retirement Technician positions.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TOTAL OPERATING EXPENSE SUMMARY

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>September 30, 2019</u>					
	Actual	Budget	YTD	2019	% 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	\$ 10,544,944	\$ 11,253,500	\$ (708,556)	\$ 15,122,000	69.7%
Staff Development	224,948	399,660	(174,712)	510,000	44.1%
Professional Fees (Next Page)	1,000,313	1,000,530	(217)	1,187,000	84.3%
Office Expense	393,692	420,470	(26,778)	554,000	71.1%
Insurance	877,553	972,480	(94,927)	1,305,000	67.2%
Member Services	297,891	393,130	(95,239)	527,000	56.5%
Systems	774,741	849,450	(74,709)	1,152,000	67.3%
Depreciation	88,680	94,800	(6,120)	126,000	70.4%
Board of Retirement	371,256	476,810	(105,554)	711,000	52.2%
Uncollectable Benefit Payments	-	-	-	39,000	0.0%
Total Operating Expense	\$ 14,574,018	\$ 15,860,830	\$ (1,286,812)	\$ 21,233,000	68.6%
Investment Consultant Fees	873,625	1,113,240	(239,615)	1,486,000	58.8%
Investment Custodian Fees	408,494	412,200	(3,706)	550,000	74.3%
Investment Manager and Incentive Fees	32,094,780	40,294,900	(8,200,120)	54,495,000	58.9%
Other Investment Expenses/(Income)	(177,639)	337,000	(514,639)	454,000	-39.1%
Total Portfolio Management Investment Expense	\$ 33,199,260	\$ 42,157,340	\$ (8,958,080)	\$ 56,985,000	58.3%
Total Operating and Portfolio Management Investment Expense	\$ 47,773,278	\$ 58,018,170	\$ (10,244,893)	\$ 78,218,000	61.1%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 PROFESSIONAL FEES
 YEAR TO DATE - ACTUAL VS. BUDGET
 September 30, 2019

	<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>2019</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 272,500	\$ 308,590	\$ (36,090)	\$ 388,000	70.2%
Actuarial Fees ²	355,869	370,000	(14,131)	415,000	85.8%
External Audit ³	146,341	149,000	(2,659)	149,000	98.2%
Legal Fees ⁴	225,603	172,940	52,663	235,000	96.0%
Total Professional Fees	\$ 1,000,313	\$ 1,000,530	\$ (217)	\$ 1,187,000	84.3%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2019 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Process Excellence	28,000	50,000	(22,000)	50,000	56.0%
Benchmarking	-	20,000	(20,000)	20,000	0.0%
Total Administration	28,000	70,000	(42,000)	70,000	40.0%
Benefits					
Alameda County HRS (Benefit Services)	94,500	94,500	-	126,000	75.0%
Segal (Benefit Consultant/Retiree Open Enrollment)	92,250	86,400	5,850	115,000	80.2%
Total Benefits	186,750	180,900	5,850	241,000	77.5%
Human Resources					
Lakeside Group (County Personnel)	57,750	57,690	60	77,000	75.0%
Total Human Resources	57,750	57,690	60	77,000	75.0%
Total Consultant Fees - Operations	\$ 272,500	\$ 308,590	\$ (36,090)	\$ 388,000	70.2%
² ACTUARIAL FEES					
Actuarial valuation	75,000	75,000	-	75,000	100.0%
GASB 67 & 68 Valuation	46,000	46,000	-	46,000	100.0%
GASB 74 & 75 Actuarial	13,500	14,000	(500)	14,000	96.4%
Actuarial Standard of Practice 51 Pension Risk	55,000	60,000	(5,000)	60,000	91.7%
Supplemental Consulting	126,369	135,000	(8,631)	180,000	70.2%
Supplemental Retiree Benefit Reserve valuation	40,000	40,000	-	40,000	100.0%
Total Actuarial Fees	\$ 355,869	\$ 370,000	\$ (14,131)	\$ 415,000	85.8%
³ EXTERNAL AUDIT					
External audit	125,580	126,000	(420)	126,000	99.7%
GASB 67 & 68	12,013	12,000	13	12,000	100.1%
GASB 74 & 75-External Audit	8,748	11,000	(2,252)	11,000	79.5%
Total External Audit Fees	\$ 146,341	\$ 149,000	\$ (2,659)	\$ 149,000	98.2%
⁴ LEGAL FEES					
<u>Fiduciary Counseling</u>					
Nossaman, LLP	132,291	52,000	80,291	71,500	185.0%
Baker Hostetler	18,195	7,200	10,995	9,900	183.8%
Shaw Law Group	34,136	13,600	20,536	19,800	172.4%
Reed Smith (ACD Sheriff's)	19,411	7,200	12,211	8,800	220.6%
Subtotal	204,033	80,000	124,033	110,000	185.5%
<u>Tax and Benefit Issues</u>					
Hanson, Bridgett, LLP	14,410	28,500	(14,090)	39,000	36.9%
Subtotal	14,410	28,500	(14,090)	39,000	36.9%
<u>Litigation</u>					
The Law offices of Elizabeth F. McDonald	5,500	49,500	(44,000)	66,000	8.3%
Subtotal	5,500	49,500	(44,000)	66,000	8.3%
<u>Investigation Services</u>					
Law offices of Amy Oppenheimer	1,660	14,940	(13,280)	20,000	8.3%
Subtotal	1,660	14,940	(13,280)	20,000	8.3%
Total Legal Fees	\$ 225,603	\$ 172,940	\$ 52,663	\$ 235,000	96.0%

**Quarterly Financial Statements as of
September 30, 2019
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: November 21, 2019
TO: Members of the Board of Retirement
FROM: Margo Allen, Fiscal Services Officer *A*
SUBJECT: September 30, 2019, Unaudited Financial Statements

Executive Summary

Attached for review and discussion is the unaudited financial statements for the period ended September 30, 2019.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2018 increased by \$60 million.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$8.34 billion. Total Receivables decreased by \$6 million, Investments at fair value increased by \$61 million, Cash increased by \$1 million, Capital Assets increased by \$1 million and Total Liabilities without Security Lending Liability decreased by \$3 million.
- The year-over-year Change in Net Position increased by \$580 million. This is due to increase in additions of \$607 million and increase in deductions of \$27 million as explained below:
 - Total Additions year-over-year increased by \$607 million. This includes, increase in contributions of \$35 million, and increase in investments of \$572 million.
 - Total Deductions year-over-year increased by \$27 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, retiree health programs and administrative expenses.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 9/30/2019

	Year-To-Date 2019	Year-To-Date 2018
ASSETS		
Cash (Note 1)	2,711,532	1,341,589
Securities Lending Cash Collateral (Note 2)	122,169,438	245,752,901
Receivables:		
Contributions (Note 3)	24,458,487	22,932,438
Investment Receivables (Note 4a)	18,780,711	20,230,036
Unsettled Trades - Investments Sold	9,313,759	12,904,733
Futures Contracts - Equity Index (Note 5a)	701,838	2,959,069
Equity Index Swaps (Note 6a)	0	320,222
Foreign Exchange Contracts (Note 7a)	773,704	398,583
Other Receivables (Note 8)	108,156	184,877
Total Receivables	54,136,655	59,929,957
Prepaid Expenses	681,929	809,772
Total Current Assets	179,699,554	307,834,219
Investments - at Fair Value:		
Short-Term Investments (Note 9)	192,272,320	160,453,682
Domestic Equity	459,963,333	723,408,756
Domestic Equity Commingled Funds	1,984,658,218	1,989,819,455
International Equity	1,070,723,644	1,604,732,787
International Equity Commingled Funds (Note 10)	1,078,569,767	477,559,540
Domestic Fixed Income	979,560,490	938,293,560
International Fixed Income	103,468,113	150,593,120
International Fixed Income - Commingled Funds (Note 11)	141,561,267	134,743,640
Real Estate - Separate Properties (Note 12)	73,660,819	68,866,184
Real Estate - Commingled Funds (Note 13)	503,171,916	478,921,367
Real Assets	404,338,545	315,473,924
Absolute Return (Note 14a)	741,250,835	705,815,575
Private Equity (Note 14b)	582,744,088	506,029,112
Total Investments	8,315,943,354	8,254,710,702
Capital Assets at Cost (Net of Accumulated Depreciation or Amortization) (Note 15)	2,097,848	1,514,309
Total Assets	8,497,740,755	8,564,059,231
LIABILITIES		
Securities Lending Liability (Note 2)	122,169,438	245,752,901
Unsettled Trades - Investments Purchased	17,430,193	18,407,384
Investment-Related Payables (Note 4b)	8,648,236	11,775,196
Futures Contracts - Equity Index (Note 5b)	148,040	459,458
Equity Index Swaps (Note 6b)	121,908	0
Foreign Exchange Contracts (Note 7b)	2,258,341	568,543
Accrued Administration Expenses (Note 16)	2,274,908	2,240,797
Members Benefits & Refunds Payable (Note 17a)	4,605,061	4,981,079
Retirement Payroll Deductions Payable (Note 17b)	16,406	13,489
Total Liabilities	157,672,530	284,198,848
Net Position		
Restricted - Held in Trust for Benefits	8,340,068,225	8,279,860,382
Total Net Position	8,340,068,225	8,279,860,382

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Nine Months Ending 9/30/2019

	Year-To-Date 2019	Year-To-Date 2018
ADDITIONS		
Contributions: (Note 18)		
Members	77,180,228	70,014,427
Employers	223,946,969	196,421,794
Total Contributions	301,127,197	266,436,221
From Investment Activities:		
Net Appreciation in Fair Value of Investments	830,128,521	225,884,374
Interest	33,738,356	37,073,436
Dividends	47,105,088	60,078,286
Real Estate - Net	18,223,852	16,862,042
Private Equity and Alternatives	(27,922,279)	(4,081,853)
Brokers Commissions - Directed Brokerage	38,312	76,238
Sub-Total of Dividends, Interest, Other Investment Income (Note 19)	71,183,329	110,008,148
Total Income from Investment Activities	901,311,849	335,892,523
Total Investment Expenses (Note 20)	(35,277,646)	(42,567,445)
Net Income from Investment Activities (Note 21)	866,034,203	293,325,078
From Securities Lending Activities:		
Securities Lending Income	4,665,653	4,970,317
Securities Lending Expenses	(3,733,287)	(3,444,815)
Net Income from Securities Lending Activities (Note 22)	932,366	1,525,503
Total Net Investment Income	866,966,569	294,850,580
Miscellaneous Income (Note 23)	1,119,204	1,036,008
Total Additions	1,169,212,970	562,322,809
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	365,390,056	342,172,149
Death Benefits (Note 25)	2,143,828	2,311,594
Supplemental Cost of Living Allowance	889,063	858,394
Retiree Healthcare Program	32,550,439	30,363,652
Total Benefit Payments	400,973,386	375,705,788
Member Refunds	8,262,299	6,686,197
Administration: (Note 26)		
Administrative Expenses	8,948,485	8,694,899
Actuarial Expenses	315,869	304,354
Business Continuity Expenses	415,114	424,088
Legal Expenses	1,154,522	1,179,325
Technology Expenses	670,888	656,331
401(h) Expenses	990,750	911,000
Total Administration	12,495,628	12,169,997
Total Deductions	421,731,313	394,561,983
Net Increase(Decrease)	747,481,657	167,760,826
Net Position Held in Trust for Benefits:		
Net Position - January 1	7,592,586,569	8,112,099,556
Net Position - September 30	8,340,068,225	8,279,860,382

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

Basis of Accounting

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

(Note 1)

Cash - \$2.71 million

Cash balance is the sum of the funds in the Wells Fargo Bank operating accounts. The increase of \$1.37 million from \$1.34 million in September 30, 2018, is primarily due to increase in the average weekly retiree payroll and the timing difference between receipt of contributions and the transfer of funds for retiree payroll and investment.

(Note 2)

Securities Lending Cash Collateral - \$122.17 million

Cash collateral of \$122.17 million and \$245.75 million was held by ACERA related to securities on loan as of September 30, 2019, and September 30, 2018, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with the GASB Statement No. 28.

(Note 3)

Contributions Receivables - \$24.46 million

The receivable balances of September 30, 2019, increased approximately \$1.53 million from \$22.93 million in September 30, 2018. This is primarily due to increase in the member and employer contribution rates.

(Note 4a)

Investment Receivables - \$18.78 million

The investment receivables balance as of September 30, 2019, decreased by \$1.45 million from \$20.23 million for September 30, 2018. The decrease is mainly attributed to investment interest receivables and stock dividend receivables.

(Note 4b)

Investment Related Payables - \$8.65 million

The decrease of \$3.13 million in investment related payables balance as of September 30, 2019, from \$11.78 million for September 30, 2018 is primarily due to investment managers and consultant fees payable.

(Note 5)

Future Contracts Equity Index Receivables - \$0.70 million and Payables - \$0.15 million

5a. The receivable represents unrealized gains on open future contracts. The balance for unrealized gains as of September 30, 2019, and September 30, 2018, were \$0.70 million and \$2.96 million, respectively.

5b. The Payables represents the unrealized losses on open future contracts. The balance for unrealized losses as of September 30, 2019, and September 30, 2018, were \$0.15 million and \$0.46 million, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 6)

Equity Index Swaps Receivable -- none and Payable - \$0.12

6a. The receivable represents the amount to be received from the counterparties of the equity index swaps. The total receivable as of September 30, 2019, and September 30, 2018, were none and \$0.32 million, respectively.

6b. The payable represents the amount owed, but not yet paid, to the counterparties of equity index swaps. The total payables as of September 30, 2019, and September 30, 2018, were \$0.12 million and none, respectively.

(Note 7)

Foreign Exchange Contracts Receivables - \$0.77 million and Payables - \$2.26 million

7a. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of September 30, 2019, and September 30, 2018, unrealized gains on FX contracts were \$0.77 million and \$0.40 million, respectively. The increase of \$0.37 million is due to change in number and valuation of contracts.

7b. The payables represents unrealized losses on foreign exchange contracts. As of September 30, 2019, and September 30, 2018, unrealized losses on FX contracts were \$2.26 million and \$0.57 million, respectively. The increase in unrealized losses of \$1.69 million is due to market volatility.

(Note 8)

Other Receivables - \$0.11 million

Other receivables as of September 30, 2019, are comprised primarily of funds due from deceased retirees' estates for overpayment of benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 9)

Short-Term Investments - \$192.27 million

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

(Dollars in Millions)

<i>Fund Name</i>	<i>9/30/2019</i>
Brandywine	\$ 92.20
AQR Capital Management, LLC	29.88
Baird Investors	24.51
Unallocated Cash	11.23
Capital Guardian	12.31
Loomis	4.90
Kennedy	4.35
Transition	4.35
TCW	2.84
Mondrian	1.99
Pzena	1.23
Bivium - Arga Investment Management	0.71
Bivium - Dundas Partners	0.56
Bivium - Radin Capital Partners	0.46
Bivium - Denali Advisors	0.26
Bivium - Applied Research Management	0.24
RVX Asset Management LLC	0.12
Bivium - Global Alpha Capital Mgmt	0.06
Next Century Growth Small Cap	0.04
Next Century Investors Ultra	0.02
SSGA Liquid Pool	0.01
Total	\$ 192.27

(Note 10)

International Equity Commingled Funds - \$1,078.57 million

As of September 30, 2019, and September 30, 2018, the International Equity Commingled Funds were \$1,078.57 million and \$477.56 million, respectively. The increase of \$601.01 million is mainly due to additional investments.

(Note 11)

International Fixed Income Commingled Funds - \$141.56 million

The increase of \$6.82 million from the prior year is mainly due to market appreciation. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 12)

Real Estate Separate Properties - \$73.66 million

The following is a summary of Real Estate – Separate Property investments as of September 30, 2019, and September 30, 2018. The year over year increase of \$4.79 million is due to the market appreciation of the Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 09-30-2019</i>	<i>Net Mkt. Value 09-30-2018</i>	<i>No. of Properties 2019</i>	<i>No. of Properties 2018</i>
RREEF	\$ 73.66	\$ 68.87	1	1

Note 13)

Real Estate Commingled Funds - \$503.17 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 6254.26. The increase of \$24.25 million in 2019 as compared to 2018 is due to market appreciation and additional investments net of distributions.

(Note 14a)

Absolute Return - \$741.25 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$35.44 million in 2019 as compared to 2018 is predominantly due to additional investments.

(Note 14b)

Private Equity - \$582.74 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$76.71 million in 2019 as compared to 2018 is mainly due to additional investments net of distributions; and net gain on investments.

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$2.10 million

(Dollars in Millions)

<i>Net Capital Assets</i>	<i>9/30/2019</i>	<i>9/30/2018</i>
Retirement Information System - Construction-In-Process	\$ 0.65	\$ -
Equipment, Furniture & Information Systems	13.54	13.49
Electronic Document Management System	4.16	4.16
Less: Accumulated Depreciation	(17.63)	(17.61)
Net Book Value	0.72	0.04
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.21)	(1.11)
Net Book Value	1.38	1.48
Total Capital Assets, Net	\$ 2.10	\$ 1.52

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

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

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

(Note 16)

Accrued Administration Expenses - \$2.27 million

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

(Note 17)

17a. Members' Benefits & Refunds Payable - \$4.61 million

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

<i>Accrued Benefits and Refunds</i>	<i>9/30/2019</i>	<i>9/30/2018</i>
Basic Active Death Benefits	\$ 0.65	\$ 0.81
Active Death Contribution Refunds	1.86	2.34
Retired Death Benefits	1.79	1.24
Members' Contribution Refunds	0.31	0.59
Total Members' Benefit & Refunds Payable	\$ 4.61	\$ 4.98

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

The balance for September 30, 2019, includes health premium prepayments for 11 retirees. The corresponding balance for September 30, 2018, of \$0.01 million included prepayments for 11 retirees.

(Note 18)

Contributions - \$301.13 million

The increase in contributions of \$34.69 million in 2019 as compared to 2018 is primarily due to increases in employer and member contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 19)

Dividend, Interest, and Other Investment Income - \$71.18 million

(Dollars in Millions)

<i>Dividend, Interest, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>9/30/2019</i>	<i>9/30/2018</i>
Interest Income	\$ 33.74	\$ 37.07
Dividend Income	47.10	60.08
Real Estate Income	18.22	16.86
PEARLS Income/ (Losses) ⁽¹⁾	(27.92)	(4.08)
Directed Brokerage Commission Recapture	0.04	0.08
Total Net Income⁽²⁾	\$ 71.18	\$ 110.01

⁽¹⁾The PEARLS Income/ (Losses) represents the net operating results of Private Equity, Absolute Return and Real Asset Funds.

⁽²⁾The decrease in total Net Income of \$38.83 million in 2019 as compared to 2018 is predominantly due to PEARLS (Losses) and decline in dividend income.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 20)

Investment Expenses - \$35.28 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>9/30/2019</i>	<i>Basis Points</i>	<i>9/30/2018</i>
Investment Manager and Incentive Fees	38.59	\$ 32.09	45.70	\$ 37.74
Investment Custodian	0.49	0.41	0.50	0.41
Investment Consultants & Other Expenses(*)	0.82	0.70	2.52	2.08
Subtotal	39.90	33.20	48.72	40.23
Investment Allocated Cost	2.50	2.08	2.80	2.34
Total Investment Expenses(**)	42.40	\$ 35.28	51.52	\$ 42.57

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>9/30/2019</i>	<i>Basis Points</i>	<i>9/30/2018</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.81	\$ 0.68	0.80	\$ 0.66
Consultant - Portfolio Rebalancing	0.04	0.04	0.04	0.04
Consultant - Legal (Alternative Investment)	0.19	0.16	0.24	0.19
Subtotal – Consultants Expenses	1.04	0.88	1.08	0.89
Proxy Services	0.04	0.04	0.05	0.04
Transaction Cost Analysis	0.04	0.03	0.04	0.03
Other Investment Expenses/(Income) ***	(0.30)	(0.25)	1.35	1.12
Subtotal – Other Investment Expenses	(0.22)	(0.18)	1.44	1.19
Total Investment Consultants and Other Expenses	0.82	\$ 0.70	2.52	\$ 2.08

(**) The decrease in total investment expenses of \$7.29 million in 2019 as compared to 2018 is primarily due to investment management and incentive fees in Equity Securities, Private Equity and Absolute Return; and a reversal of foreign tax expense recorded in 2018.

(***) The decrease in other investment expenses of \$1.37 million in 2019 as compared to 2018 is primarily due to foreign tax expense which was overlooked in 2018. The correction has been made this year which is resulted in reduction of 2019 expenses.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 21)

Net Investment Income/ (Losses) - \$866.03 million

The detail of net investment income/ (losses) are as follows:

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>9/30/2019</i>	<i>9/30/2018</i>	<i>from prior period</i>
Paper / Unrealized Gains/(Losses)	\$ 576.79	\$ (904.57)	\$ 1,481.36
Actual / Realized Gains/(Losses)	253.33	1,130.45	(877.12)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	35.91	67.44	(31.53)
Total Net Income/ (Losses)	\$ 866.03	\$ 293.32	\$ 572.71

(Note 22)

Securities Lending Net Income - \$0.93 million

The securities lending net income balance as of September 30, 2019, and September 30, 2018, were \$0.93 million and \$1.53 million, respectively.

(Note 23)

Miscellaneous Income - \$1.12 million

The miscellaneous income of \$1.12 million is predominantly from prior year investment income and recovery.

(Note 24)

Service Retirement and Disability Benefits - \$365.39 million

The increase of \$23.22 million was predominantly due to the higher average benefit paid to the newly added retirees as compared to that of deceased retirees with lower average benefits as well as a modest increase of 334 in the total number of retirees and beneficiaries receiving benefits, from 9,690 on September 30, 2018 to 10,024 on September 30, 2019.

(Note 25)

Death Benefits - \$2.14 million

The death benefits paid out during the nine months ended September 30, 2019, were comprised of \$0.15 million of Retired Death Benefits, \$0.43 million of Active Death Benefits, and \$1.56 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of September 30, 2019

(Note 26)

Total Administration - \$12.50 million

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

The detail of total Administration Expenses are as follows:

(Dollars in Millions)

	<i>9/30/2019</i>	<i>9/30/2018</i>	<i>Inc./(Dec.) from previous period</i>
Administrative Expenses	\$ 8.95	\$ 8.69	\$ 0.26
Actuarial Expenses	0.32	0.31	0.01
Business Continuity Expenses	0.42	0.42	0.00
Legal Expenses	1.15	1.18	(0.03)
Technology Expenses	0.67	0.66	0.01
401(h) Administrative Expenses	0.99	0.91	0.08
Total	\$ 12.50	\$ 12.17	\$ 0.33

**Quarterly Cash Forecast Report
as of September 30, 2019
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: November 21, 2019
TO: Members of the Board of Retirement
FROM: Margo Allen, Fiscal Services Officer
SUBJECT: Actual Cash and Forecast as of September 30, 2019

Executive Summary

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

- Table 1 is the annual cash forecast from October 2019 to September 2020, which will roll forward monthly as the year progresses; and,
Tables 2 through 4 is the annualized, 5-year actual cash management information. Please note that the current year 2019 comprises the nine months actual and three months forecast information.

Table 1 Cash Forecast: Table 1 provides the current forecasted negative cash position for the period spanning September 2019 to October 2020. The average monthly negative cash position for the referenced period is \$18,129,268. Excluding the two three-pay-period months i.e., November 2019 and May 2020, annotated by an *. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2018 is \$2,547,162.

Table 1 Annual Cash Forecast from October 2019 to September 2020. Table with 4 columns: Month-Year, Total Receipts, Total Disbursements, Negative Cash Position. Rows include monthly data from Oct-19 to Sep-20, Total, and Average.

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

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

Table 2 5-Year Annual Cash Inflow			
Year	Total Contributions, Misc. Cash Receipts, etc.	Cash Draw from SSB¹	Total Cash Inflow
2019	\$ 402,243,854	\$ 218,500,000	\$ 620,743,854
2018	361,633,074	224,000,000	585,633,074
2017	335,099,875	217,350,000	552,449,875
2016	325,836,998	196,400,000	522,236,998
2015	316,918,096	216,100,000	533,018,096

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

Table 3 5-Year Annual Cash Outflow			
Year	Retiree Payroll, Accounts Payable, ACERA Payroll, etc.	Cash Return to SSB	Total Cash Outflow
2019	\$ 572,936,805	\$ 48,000,000	\$ 620,936,805
2018	534,704,781	66,503,646	601,208,427
2017	502,857,234	33,750,000	536,607,234
2016	475,743,162	45,900,000	521,643,162
2015	454,551,561	78,200,000	532,751,561

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

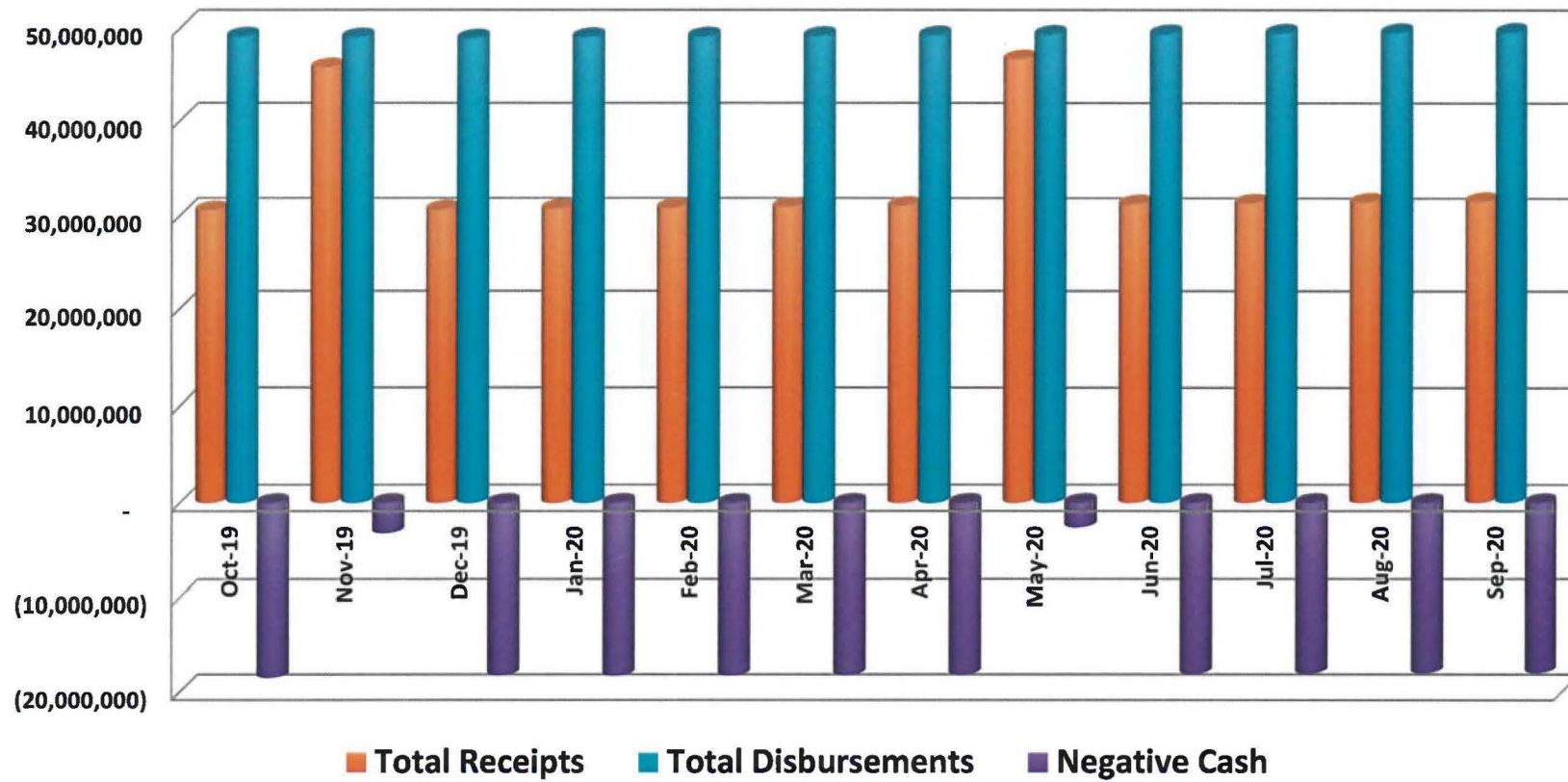
Table 4 5-Year Annual Net Cash Position			
Year	Negative Cash	Net Cash Draw from SSB	Variance
2019	\$ (170,692,951)	\$ 170,500,000	\$ (192,951)
2018	(173,071,707)	157,496,354	(15,575,353)
2017	(167,757,359)	183,600,000	15,842,641
2016	(149,906,164)	150,500,000	593,836
2015	(137,633,465)	137,900,000	266,535

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

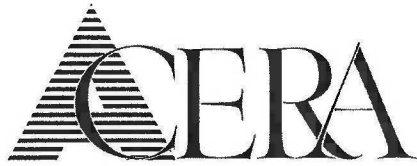
Conclusion: This information is not meant to be statistically inferential in nature; but rather, it presents facts about ACERA's negative cash position on a 5-year annualized basis. Future analysis of the this information can be undertaken to evaluate specific tendency; however, the current presentation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

¹ (SSB) State Street Bank

Cash Forecast October 2019 - September 2020



**Board Member Conference Expense Report
as of September 30, 2019
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: November 21, 2019

TO: Members of the Board of Retirement

FROM: Margo Allen, Fiscal Services Officer *MA*

SUBJECT: Board Conference and Training Expense Report for the period January 1, 2019, to September 30, 2019

Attached is the year-to-date board conference and training expense report. As of September 30, 2019, reported expenses totaled \$87,465.

Acera Trustees
Board Conference Expense Report
January 1, 2019 to September 30, 2019

From	To	Attendee	Conference/Location	Total
05/07/19	05/10/19	Dale Amaral	SACRS - Spring Conference	\$ 721
Dale Amaral Total				\$ 721
01/09/19	01/11/19	Darryl Walker	Opal Public Funds Summit	\$ 32
01/28/19	01/30/19	Darryl Walker	Callan Institute - 2019 National Conference	\$ 20
02/11/19	02/13/19	Darryl Walker	Super Return US West	\$ 638
03/27/19	03/28/19	Darryl Walker	NASP Day of Education in Private Equity for Trustees	\$ 737
04/09/19	04/10/19	Darryl Walker	Pension Bridge, Private Equity Exclusive	\$ 189
05/07/19	05/10/19	Darryl Walker	SACRS - Spring Conference	\$ 1,934
06/12/19	06/15/19	Darryl Walker	Andes Capital Curtis Spears Dinner	\$ 429
06/14/19	06/14/19	Darryl Walker	GCM Grosvenor Capital Management, LP - 16th Annual Consortium EAST	\$ 1,304
06/24/19	06/24/19	Darryl Walker	NASP 30th Anniversary Pension/Financial Services	\$ 1,828
07/22/19	07/24/19	Darryl Walker	Opal Public Funds Summit	\$ 1,366
09/03/19	09/05/19	Darryl Walker	2019 AAAIM National Conference	\$ 1,178
09/20/19	09/20/19	Darryl Walker	Think Asia - Think Hong Kong	\$ 185
10/23/19	10/24/19	Darryl Walker	(*) NAIC National Association of Investment Cos. -2019 Annual Conference	\$ 299
Darryl Walker Total				\$ 10,138
04/09/19	04/10/19	Elizabeth Rogers	Foundation Research Associates - 5th Annual Conference	\$ 3,630
05/07/19	05/10/19	Elizabeth Rogers	SACRS - Spring Conference	\$ 946
07/22/19	07/22/19	Elizabeth Rogers	Pension Bridge, Private Equity Exclusive	\$ 1,696
07/24/19	07/24/19	Elizabeth Rogers	PRI Forum - Principles of Responsible Investment	\$ 2,411
09/04/19	09/05/19	Elizabeth Rogers	Nossaman 2019 Fiduciaries Forum	\$ 450
Elizabeth Rogers Total				\$ 9,133
03/02/19	03/05/19	George Wood	CALAPRS General Assembly	\$ 767
04/28/19	05/01/19	George Wood	Milken Global Conference 2019	\$ 11,752
05/07/19	05/10/19	George Wood	SACRS - Spring Conference	\$ 120
07/22/19	07/22/19	George Wood	Pension Bridge, Private Equity Exclusive	\$ 189
George Wood Total				\$ 12,828

(*) Expensase prepaid before the end of September 2019

Acera Trustees
Board Conference Expense Report
January 1, 2019 to September 30, 2019

From	To	Attendee	Conference/Location	Total
01/28/19	01/30/19	Henry Levy	Callan Institute - 2019 National Conference	\$ 31
03/02/19	03/05/19	Henry Levy	CALAPRS General Assembly	\$ 872
03/18/19	03/22/19	Henry Levy	Black Rock-Indexing & Alpha Strategies	\$ 23
04/09/19	04/10/19	Henry Levy	Pension Bridge, Private Equity Exclusive	\$ 213
04/16/19	04/17/19	Henry Levy	Callan Institute - Introduction to Investment	\$ 15
04/24/19	04/26/19	Henry Levy	Instituional Investor Forums - Public Funds	\$ 1,273
04/29/19	05/02/19	Henry Levy	Wharton Advanced Investments Management	\$ 8,439
05/06/19	05/06/19	Henry Levy	Callan Regional Workshop	\$ 15
05/07/19	05/10/19	Henry Levy	SACRS - Spring Conference	\$ 860
07/22/19	07/24/19	Henry Levy	International and Emerging Market Investing	\$ 4,188
09/04/19	09/05/19	Henry Levy	2019 Public Pensions and Investments Fiduciaries Forum	\$ 395
09/16/19	09/19/19	Henry Levy	2019 PIMCO, Pacific Investment	\$ 1,325
10/25/19	10/25/19	Henry Levy	(*) CALAPRS Trustees Round Table	\$ 125
11/04/19	11/04/19	Henry Levy	(*) Blackrock Educational Academy, Asset	\$ 495
Henry Levy Total				\$ 18,268
03/27/19	03/29/19	Jaime Godfrey	CALAPRS Advanced Principles of Pension	\$ 3,456
04/24/19	04/26/19	Jaime Godfrey	Instituional Investor Forums - Public Funds	\$ 869
05/07/19	05/10/19	Jaime Godfrey	SACRS - Spring Conference	\$ 1,335
07/22/19	07/22/19	Jaime Godfrey	Pension Bridge, Private Equity Exclusive	\$ 2,190
07/24/19	07/24/19	Jaime Godfrey	PRI Forum - Principles of Responsible Invest	\$ 1,265
10/28/19	10/29/19	Jaime Godfrey	(*) Pension Bridge Alternatives, Public Fun	\$ 189
Jaime Godfrey Total				\$ 9,304
04/28/19	05/01/19	Keith Carson	Milken Global Conference 2018	\$ 11,615
Keith Carson Total				\$ 11,615
05/07/19	05/10/19	Liz Koppenhaver	SACRS - Spring Conference	\$ 1,510
Liz Koppenhaver Total				\$ 1,510
04/09/19	04/10/19	Nancy Reilly	Pension Bridge, Private Equity Exclusive	\$ 189
05/07/19	05/10/19	Nancy Reilly	SACRS - Spring Conference	\$ 904
Nancy Reilly Total				\$ 1,093
09/04/19	09/05/19	Ophelia Basgal	Nossaman 2019 Fiduciaries Forum	\$ 427
Ophelia Basgal Total				\$ 427

Acera Trustees
Board Conference Expense Report
January 1, 2019 to September 30, 2019

From	To	Attendee	Conference/Location	Total
01/17/19	01/17/19	Tarrell Gamble	NASP - Diverse and Emerging Manager Forum	\$ 2,044
01/24/19	01/26/19	Tarrell Gamble	African Diaspora Investment Symposium 2019	\$ 419
01/24/19	01/26/19	Tarrell Gamble	NASP - Pension Bridge Annual Conference	\$ 203
01/28/19	01/30/19	Tarrell Gamble	Callan Institute - 2019 National Conference	\$ 21
02/01/19	02/01/19	Tarrell Gamble	CALAPRS Trustees Round Table	\$ 134
03/07/19	03/07/19	Tarrell Gamble	SEO Alternative Investments	\$ 1,371
03/27/19	03/28/19	Tarrell Gamble	NASP Day of Education in Private Equity for Trustees	\$ 782
05/07/19	05/10/19	Tarrell Gamble	SACRS - Spring Conference	\$ 1,322
06/18/19	06/19/19	Tarrell Gamble	Accelerate Investors 2019 Annual Conference, NY	\$ 2,058
06/24/19	06/24/19	Tarrell Gamble	NASP 30th Anniversary Pension/Financial Services	\$ 1,588
07/22/19	07/22/19	Tarrell Gamble	Pension Bridge, Private Equity Exclusive	\$ 1,528
09/09/19	09/11/19	Tarrell Gamble	The Carlyle Group - 2019 Investor Conference	\$ 520
09/23/19	09/24/19	Tarrell Gamble	2019 Emerging Managers Summit	\$ 438
Tarrell Gamble Total				\$ 12,427
Grand Total				\$ 87,465

**Senior Manager Conference and Training
Expense Report as of September 30, 2019
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: November 21, 2019

TO: Members of the Board of Retirement

FROM: Margo Allen, Fiscal Services Officer *MA*

SUBJECT: Senior Managers Conference and Training Expense Report for the period
January 1, 2019, to September 30, 2019

Attached is the year-to-date senior managers' conference and training expense report. As of September 30, 2019, reported expenses totaled \$39,311.

**ACERA Sr. Managers
SM Conference and Training Expense Report
January 1, 2019 to September 30, 2019**

From	To	Senior Manager	Training/Conference	Training or Conference	Total
Conferences					
01/30/19	01/30/19	Betty Tse	Callan Conference	Conference	\$ 34
03/01/19	03/01/19	Betty Tse	CALAPRS Conference	Conference	\$ 6
03/04/19	03/04/19	Betty Tse	CALAPRS General Assembly	Conference	\$ 457
04/10/19	04/10/19	Betty Tse	Pension Bridge	Conference	\$ 7
04/26/19	04/26/19	Betty Tse	Women's Leadership Forum	Conference	\$ 325
04/29/19	05/01/19	Betty Tse	Milken Conference	Conference	\$ 12,201
05/07/19	05/10/19	Betty Tse	SACRS Spring Conference	Conference	\$ 705
		Betty Tse Total			\$ 13,735
Training					
05/20/19	05/20/19	Betty Tse	Employee Benefit Plans Annual Audit Webcast	Training	\$ 345
06/01/19	06/01/20	Betty Tse	AICPA	Training	\$ 425
06/04/19	06/04/19	Betty Tse	Create Reports that Matter Webcast	Training	\$ 295
06/14/19	06/14/19	Betty Tse	California Frauds, Scams, Webcast	Training	\$ 295
07/16/19	07/16/19	Betty Tse	California Ethics and Frauds Studies Webcast	Training	\$ 295
07/31/19	07/31/19	Betty Tse	Common Frauds and Internal Controls Webcast	Training	\$ 295
		Betty Tse Total			\$ 1,950
Conferences					
01/25/19	01/25/19	Dave Nelsen	CALAPRS Administrators Roundtable	Conference	\$ 563
03/02/19	03/05/19	Dave Nelsen	CALAPRS General Assembly	Conference	\$ 710
04/16/19	04/16/19	Dave Nelsen	CALAPRS Management Academy, Module 2	Conference	\$ 140
05/07/19	05/10/19	Dave Nelsen	SACRS Spring Conference	Conference	\$ 889
05/19/19	05/22/19	Dave Nelsen	NCPERS National Conference	Conference	\$ 1,809
06/10/19	06/12/19	Dave Nelsen	CALAPRS Management Academy	Training	\$ 138
06/14/19	06/14/19	Dave Nelsen	SACRS Legislative Committee Meeting	Training	\$ 40
06/20/19	06/21/19	Dave Nelsen	SACRS Board & CALAPRS Meeting	Training	\$ 281
06/21/19	06/21/19	Dave Nelsen	CALAPRS Administrators Roundtable	Conference	\$ 125
08/03/19	08/07/19	Dave Nelsen	NASRA 65th Annual Conference	Conference	\$ 2,265
08/26/19	08/29/19	Dave Nelsen	CALAPRS Principles of Pension Governance Course for Trustees Pepperdine University, Malibu, CA	Conference	\$ 289
09/04/19	09/05/19	Dave Nelsen	Nossaman 2019 Fiduciaries Forum	Conference	\$ 451
09/26/19	09/28/19	Dave Nelsen	CALAPRS Administrators Institute	Conference	\$ 1,250
11/12/19	11/15/19	Dave Nelsen	SACRS Fall Conference	Conference	\$ 120
		Dave Nelsen Total			\$ 9,070
Conferences					
03/04/19	03/05/19	Harsh Jadhav	Cybersecurity Conference	Conference	\$ 1,595
05/07/19	05/10/19	Harsh Jadhav	SACRS Spring Conference	Conference	\$ 1,143
		Harsh Jadhav Total			\$ 2,738
Training					
07/08/19	07/08/19	Harsh Jadhav	Leading with EQ	Training	\$ 80
08/08/19	08/08/19	Harsh Jadhav	ISACA	Training	\$ 736
09/06/19	09/06/19	Harsh Jadhav	SME Train the Trainer	Training	\$ 49
11/07/19	11/07/19	Harsh Jadhav	2019 GAAP Update (*)	Training	\$ 125
		Harsh Jadhav Total			\$ 989

**ACERA Sr. Managers
SM Conference and Training Expense Report
January 1, 2019 to September 30, 2019**

From	To	Senior Manager	Training/Conference	Training or Conference	Total
Conferences					
05/07/19	05/10/19	Jessica Huffman	SACRS Spring Conference	Conference	\$ 616
09/17/19	09/19/19	Jessica Huffman	PG Annual Conference	Conference	\$ 1,238
10/03/19	10/03/19	Jessica Huffman	Disability Awareness (*)	Training	\$ 30
		Jessica Huffman Total			\$ 1,884
Conferences					
05/07/19	05/10/19	Kathy Foster	SACRS Spring Conference	Conference	\$ 1,183
10/20/19	10/23/19	Kathy Foster	IBEBP Conference	Conference	\$ 550
		Kathy Foster Total			\$ 1,733
Conferences					
02/01/19	02/01/19	Kathy Mount	CALAPRS Attorneys' Roundtable	Training	\$ 135
05/07/19	05/10/19	Kathy Mount	SACRS Spring Conference	Conference	\$ 120
06/07/19	06/07/19	Kathy Mount	CALAPRS Attorneys' Roundtable	Training	\$ 125
09/05/19	09/05/19	Kathy Mount	Nossaman 2019 Fiduciaries Forum	Conference	\$ 447
		Kathy Mount Total			\$ 827
Conferences					
05/07/19	05/10/19	Margo Allen	SACRS Spring Conference	Conference	\$ 867
10/20/19	10/23/19	Margo Allen	P2F2 - 16th Annual Conference	Conference	\$ 1,163
		Margo Allen Total			\$ 2,030
Training					
11/07/19	11/07/19	Margo Allen	2019 GAAP Update (*)	Training	\$ 125
		Margo Allen Total			\$ 125
Conferences					
05/07/19	05/10/19	Sandra Dueñas-Cuevas	SACRS Spring Conference	Conference	\$ 937
09/17/19	09/19/19	Sandra Dueñas-Cuevas	Pension Gold User Conference	Conference	\$ 694
09/30/19	09/30/19	Sandra Dueñas-Cuevas	PG Annual Conference	Conference	\$ 605
		Sandra Dueñas-Cuevas Total			\$ 2,235
Conferences					
12/04/19	12/07/19	Victoria Arruda	CALPELRA HR Conference	Conference	\$ 695
		Victoria Arruda Total			\$ 695
Conferences					
05/07/19	05/10/19	Vijay Jagar	SACRS Spring Conference	Conference	\$ 952
10/03/19	10/03/19	Vijay Jagar	Disability Awareness (*)	Conference	\$ 30
08/08/19	08/08/19	Vijay Jagar	NEKO OnBase Government Day	Training	\$ 53
		Vijay Jagar Total			\$ 1,035
Training					
08/08/19	08/08/19	Vijay Jagar	Leading with EQ	Training	\$ 80
08/14/19	08/14/19	Vijay Jagar	ISACA	Training	\$ 135
09/06/19	09/06/19	Vijay Jagar	SME Train the Trainer	Training	\$ 49
		Vijay Jagar Total			\$ 264
		Grand Total			\$ 39,311

(**) 2018 Expenses paid in 2019.

Note: This report only shows expenses received and processed by the FSD on or before March 31, 2018. This report does not include accruals only actuals.

**3rd Quarter 2019 Call Center Report
For approval under November 21, 2019
Board “Consent Calendar”**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: November 21, 2019
TO: Members of the Board of Retirement
FROM: Ismael Piña, Assistant Benefits Manager
SUBJECT: **3rd Quarter 2019 Call Center Report**

Attached is the Service Level Report for the third quarter of 2019. The team handled 5,635 incoming calls during the 3rd quarter. Service levels reached record highs of 99% during the months of July and August as the calls received were answered within the service standard of 60 seconds or less. The service levels then adjusted to 97% for the month of September.

The matrix below provides the five highest call volume categories for the third quarter of 2019.

Q1 Highest Volume	Categories of Calls	Q2 Highest Volume	Categories of Calls	Q3 Highest Volume	Categories of Calls
26%	Retirement related Q's	31%	Retirement related Q's	28%	Health/Dental /Vision
25%	Health/Dental /Vision	20%	WMS	28%	Counseling
19%	WMS	18%	Direct Deposit/Checks	19%	Purchase/Redeposits /Service Audit Requests
15%	1099R's	18%	Health/Dental /Vision	13%	Direct Deposit/Checks
15%	Direct Deposit/Checks	13%	Taxes	12%	WMS

Attachment

ACERA

YTD 2019 Member Services and Reception Service Level Report

Performance Indicators	Jan. 2019	Jan. 2019	Feb. 2019	Feb. 2019	Mar. 2019	Mar. 2019	Apr. 2019	Apr. 2019	May '2019	May '2019	June '2019	June '2019
	Member	Reception	Member	Reception	Member	Reception	Member	Reception	Member	Reception	Member	Reception
Service Level	95.0%		96.0%		97.0%		96.0%		97.0%		97.0%	
Total Number of Call Offered	1,700	543	1,388	480	1,322	542	1,692	613	1,367	493	1,128	518
ACD Agent Handled Calls	1,480	508	1,206	448	1,147	497	1,554	558	1,265	449	1,095	485
Number of Abandoned Calls	36	38	48	37	51	47	25	61	15	47	13	46
Average Hold Time Before Abandon (minutes:seconds)	1:20	0:55	1:17	0:49	1:16	1:01	1:56	0:49	1:29	0:47	1:28	0:41
Abandon Call Rate (Goal: 3% or less)	3.6%	6.1%	3.4%	6.5%	3.8%	8.1%	5.8%	8.5%	6.4%	8.5%	0.7%	6.2%
Number of Interflow Calls	188	2	135	1	125	1	117	3	87	2	25	1
Interflow Rate (Goal: 3% or less)	11.06%	0.37%	9.73%	0.21%	9.46%	0.18%	6.91%	0.49%	6.36%	0.41%	2.22%	0.19%
Average Talk Time (minutes:seconds)	3:29	3:01	2:50	3:04	3:43	3:20	3:29	3:21	2:40	2:47	5:17	1:51

	2019
Total Member Calls	8,597
Total Reception Calls	<u>3,189</u>
TOTAL - Both	11,786

NEW BUSINESS

7.A. Board Off-Site (Discussion):

- 1. 2019 Input**
- 2. 2020 Planning**

7.B. Chief Executive Officer's Report.

NEW BUSINESS

7.A. Board Off-Site (Discussion):

- 1. 2019 Input**
- 2. 2020 Planning**

NEW BUSINESS

7.B. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: November 21, 2019
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer's Report**

Senior Manager Recruitment

I contracted with Alliance RC to recruit for this position. The recruitment is underway and the announcement has been published in a number of sites, internal to the County, in California and select national organizations. The goal is to have the new person available to start in January.

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS				
Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop a policy regarding pre-payment of contributions by employers	Dave Nelsen	May 2019	This idea was brought to the Operations Committee in October and was presented to Participating Employers on 10/24. It will be on the December Operations Committee Agenda.	A law passed in 2017 expanding the circumstances regarding employers pre-paying retirement contributions. ACERA should consider developing a policy regarding this option.

Conference/Event Schedule

The SACRS Fall Conference is scheduled from Tuesday, November 12 through Friday, November 15, in Monterey, California.

Other Items

Pension Administration System Update

The primary focus for 2019 was the creation of the requirements document to submit to LRS and our On-Base vendor, which will allow them to cost out the proposal for Board approval. Those requirements have been submitted to LRS and we are still on track to have cost estimates to submit for Board approval in December 2019.

Key Performance Indicators

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

Scorecard KPI	2019 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 Through August: +.05% (9.21% benchmark v. 9.26% actual)</i>
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2019 approved budget As of end of third Quarter: 12% under budget</i>
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?" As of last survey (spring of 2019): 50%. Fall survey sent to team members on 11/12.</i>
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?" As of 3rd Quarter: 93%</i>