



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, June 20, 2024  
2:00 p.m.**

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

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

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

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

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

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

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT**

**4. CONSENT CALENDAR:**

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

**A. REPORT ON SERVICE RETIREMENTS:**

*Appendix A*

**B. LIST OF DEFERRED RETIREMENTS:**

*Appendix B*

**C. LIST OF DECEASED MEMBERS:**

*Appendix C*

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

*None*

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

*Appendix E*

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

*None*

**G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:**

*May 16, 2024 Minutes of the Regular Board Meeting*

*May 16, 2024 Actuarial Committee Minutes*

*May 16, 2024 Audit Committee Minutes*

*June 5, 2024 Retirees Committee Minutes*

*June 5, 2024 Investment Committee Minutes*

**H. MISCELLANEOUS:**

- *Operating Expenses as of 4/30/24*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Hiring Incentive – 74H*

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

**REGULAR CALENDAR**  
**REPORTS AND ACTION ITEMS**

**5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:**

None.

**6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:**

**A. Retirees: [See June 5, 2024 Retirees Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 5, 2024 Meeting.
2. Motion to authorize Staff to transfer \$4,037,312 from the Supplemental Retiree Benefit Reserve account to the County Advance Reserve to be amortized over 20 years as the Implicit Subsidy payment for Plan Year 2023.
3. Motion to adopt a Statement of Intent to continue the Implicit Subsidy Program for health Plan Year 2025, following a determination by ACERA at the end of Plan Year 2025 that the amount is not greater than the actual retiree Implicit Subsidy.

**B. Investment: [See June 5, 2024 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 5, 2024 Meeting.
2. Motion to authorize Staff to negotiate an extension of the Custody Contract with State Street Bank and Trust Company for up to two (2) years.

**C. Audit: [See June 20, 2024 Audit Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 20, 2024 Meeting.
2. Motion to adopt the audited Schedule of Employer Allocations (Pension and OPEB) and the audited Schedule of Pension and OPEB Amounts by Employer based on addenda to the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, valuations as of December 31, 2023.

- 7. NEW BUSINESS:**
  - A. Presentation and Discussion Regarding MMRO Medical Advisor Process.
  - B. Technology Update.
  - C. Chief Executive Officer’s Report.
- 8. CONFERENCE/ORAL REPORTS**
- 9. ANNOUNCEMENTS**
- 10. BOARD INPUT**
- 11. ESTABLISHMENT OF NEXT MEETING:**  
**Thursday, July 18, 2024 at 2:00 p.m.**
- 12. ADJOURNMENT**

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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ALCOSER, Edward  
Effective: 3/31/2024  
Health Care Services Agency

CAREY, Cheryl  
Effective: 3/31/2024  
Social Services Agency

DOSSEY, Stephen  
Effective: 3/31/2024  
Public Works Agency

ALDAY, Josephine  
Effective: 3/30/2024  
Alameda Health System

CARTER-ELLERSON, Elizabeth  
Effective: 3/31/2024  
Alameda Health System

DUMATOL, Alan  
Effective: 3/30/2024  
Sheriff's Office

ANDONG-SAMPANG, Sofia  
Effective: 3/30/2024  
Treasure-Tax Collector

CASTANEDA, Daniel  
Effective: 3/30/2024  
Public Works Agency

DYQUIANGCO, Felian  
Effective: 3/30/2024  
Alameda Health System

ARANGCON, Teresa  
Effective: 3/30/2024  
Superior Court

CHADWICK, Cynthia  
Effective: 3/30/2024  
Library

EVANS, Craig  
Effective: 3/30/2024  
Sheriff's Office

BAILEY, Cassandra  
Effective: 4/13/2024  
Health Care Services Agency

CHAHAL, Jarnail  
Effective: 3/30/2024  
Zone 7 Water Agency

FELIX, Elva  
Effective: 3/30/2024  
General Services Agency

BEAN, Sandra  
Effective: 4/1/2024  
County Counsel

CHRISTIANSEN, Shawn  
Effective: 3/30/2024  
Sheriff's Office

FINNEGAN, David  
Effective: 3/31/2024  
LARPD

BOWN, Fred  
Effective: 3/30/2024  
Sheriff's Office

COLLINS, Billie  
Effective: 3/30/2024  
Social Services Agency

FLORES, Leticia  
Effective: 3/30/2024  
Assessor

BRANDT, Robert  
Effective: 3/30/2024  
Sheriff's Office

CRUZ, Maria  
Effective: 3/30/2024  
Social Services Agency

GALLEGOS, Alicia  
Effective: 3/31/2024  
Alameda Health System

BROWN, Linda  
Effective: 3/30/2024  
Auditor-Controller

DEBBS, Josephine  
Effective: 4/1/2024  
Alameda Health System

GERINGSON, Janetta  
Effective: 2/3/2024  
Alameda Health System

BRUNO, Harry  
Effective: 3/30/2024  
Sheriff's Office

DICKINSON, Tamur  
Effective: 3/30/2024  
Sheriff's Office

HALLORAN, Nancy  
Effective: 3/30/2024  
Health Care Services Agency

CAMPBELL, Connie  
Effective: 3/30/2024  
District Attorney

DIXON, Willie  
Effective: 3/13/2024  
Alameda Health System

HARDY-SHIELDS, Cara  
Effective: 3/30/2024  
Social Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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HARTNETT, Carol  
Effective: 3/30/2024  
Social Services Agency

KNOX, Wilhelmina  
Effective: 3/30/2024  
Social Services Agency

MAJEWSKI, Mark  
Effective: 3/28/2024  
Sheriff's Office

HATTAWAY, Jared  
Effective: 3/30/2024  
Sheriff's Office

KOO, Lisa  
Effective: 3/30/2024  
Alameda Health System

MANCUSO, Kristin  
Effective: 3/20/2024  
Alameda Health System

HEAD-LYONS, Roslyn  
Effective: 3/31/2024  
Alameda Health System

KOUBEK, Gregory  
Effective: 3/30/2024  
Housing & Community Development

MCDANIEL, Cynthia  
Effective: 3/30/2024  
Alameda Health System

HOFFMAN, Helena  
Effective: 3/30/2024  
Alameda Health System

KRIENKE, Matthew  
Effective: 3/30/2024  
Sheriff's Office

MCDONALD, Gerald  
Effective: 4/1/2024  
Alameda Health System

HUGHES, Terri  
Effective: 3/30/2024  
Alameda Health System

KROL, Christopher  
Effective: 3/30/2024  
Sheriff's Office

MITRY, Clint  
Effective: 3/30/2024  
Sheriff's Office

HUNTER, Edward  
Effective: 3/30/2024  
General Services Agency

LEE, So Young  
Effective: 3/31/2024  
Alameda Health System

MORINEAU, Michelle  
Effective: 3/30/2024  
Social Services Agency

JEAN, Sabrina  
Effective: 3/30/2024  
Social Services Agency

LEEPER, Keith  
Effective: 3/31/2024  
Sheriff's Office

NASSOR-OVINGTON, Masani  
Effective: 3/30/2024  
Social Services Agency

JOHNSON, John  
Effective: 3/30/2024  
Sheriff's Office

LEUNG, Frances  
Effective: 3/30/2024  
Health Care Services Agency

NISHIMURA, Kathryn  
Effective: 3/30/2024  
Social Services Agency

JOHNSON, Rudean  
Effective: 3/30/2024  
Sheriff's Office

LILLEY, Lorraine  
Effective: 3/30/2024  
Alameda Health System

PAYER, James  
Effective: 3/28/2024  
Sheriff's Office

JURADO, Jorge  
Effective: 3/30/2024  
Alameda Health System

LITTLE, Kimberly  
Effective: 3/30/2024  
Social Services Agency

PEL, Davith  
Effective: 3/30/2024  
Social Services Agency

KNOX, Russell  
Effective: 3/29/2024  
Superior Court

MAGADAN, Eliberto  
Effective: 3/30/2024  
Alameda Health System

PEREZ, Fina  
Effective: 3/30/2024  
Probatio

**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

PI, Chung-Ron  
Effective: 4/1/2024  
Superior Court

SALIMI, Margaret  
Effective: 3/30/2024  
Social Services Agency

TAYLOR, Latrica  
Effective: 3/28/2024  
Sheriff's Office

PINEDA, Merlin  
Effective: 3/18/2024  
Alameda Health System

SANDBACH, Alyce  
Effective: 3/30/2024  
District Attorney

TILFORD, Tammi  
Effective: 3/30/2024  
Child Support Services

POBRE, Perla  
Effective: 3/30/2024  
Auditor- Controller

SANTA MARIA, Ernani  
Effective: 3/28/2024  
Sheriff's Office

UFLAND, Evon  
Effective: 3/30/2024  
Social Services Agency

POLLAK, Jody  
Effective: 3/30/2024  
Human Resource Services

SHAMBAUGH, Teresa  
Effective: 3/30/2024  
Social Services Agency

UNG, Teresa  
Effective: 3/30/2024  
Social Services Agency

REAL, John  
Effective: 3/30/2024  
General Services Agency

SHELSTAD WATTS, Dawn  
Effective: 3/30/2024  
Social Services Agency

WEI, Elizabeth  
Effective: 3/30/2024  
Auditor-Controller

RHEINOR, Eric  
Effective: 3/30/2024  
Sheriff's Office

SIMS, John  
Effective: 3/6/2024  
Sheriff's Office

WILLIAMS, Deborah  
Effective: 3/16/2024  
Superior Court

ROBERTSON, Joyce  
Effective: 3/30/2024  
Social Services Agency

SMITH, Tammy  
Effective: 3/30/2024  
Public Defender

WILLIAMS, Horace  
Effective: 3/30/2024  
Social Services Agency

ROBLES, Amada  
Effective: 3/30/2024  
Social Services Agency

SUEZAKI, John  
Effective: 3/30/2024  
Sheriff's Office

WILLIAMS, Timothy  
Effective: 3/30/2024  
Sheriff's Office

ROOZE, Tom  
Effective: 3/30/2024  
Zone 7 Water Agency

SYMONDS, Ardelle  
Effective: 3/31/2024  
Sheriff's Office

WONG, Kenneth  
Effective: 3/30/2024  
Assessor

RUIZ, Arthur  
Effective: 3/30/2024  
Public Defender

TABILI, Daisy  
Effective: 3/30/2024  
Health Care Services Agency

WOODS, Marynella  
Effective: 3/30/2024  
Public Defender

ZAFIRATOS, Agnes  
Effective: 3/30/2024  
Superior Court

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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ALVAREZ, Alejandro  
First 5 Alameda County  
Effective Date: 3/11/2024

ARGUIJO, Ariana B.  
Alameda Health System  
Effective: 1/19/2024

BERNINZON, George E.  
Social Services Agency  
Effective: 3/4/2024

BOHANON, Michanne E.  
Social Services Agency  
Effective: 3/1/2024

CORREIA, Kyle J.  
Sheriff's Office  
Effective: 3/30/2024

CORTES ZERMENO, Raul  
General Services Agency  
Effective: 4/19/2024

COX, Carrie A.  
Sheriff's Office  
Effective: 3/27/2024

DAVIS, Kayla  
Superior Court  
Effective: 3/22/2024

EGWUATU, Nonso N.  
Alameda Health System  
Effective: 3/1/2024

ESPINEDA, Christopher M.  
Alameda Health System  
Effective: 2/29/2024

FANG, Hillman  
Superior Court  
Effective: 3/1/2024

FAY, Megan E.  
Alameda County Health  
Effective: 3/29/2024

GIFFORD, Elizabeth D.  
Alameda Health System  
Effective: 3/15/2024

GOMEZ, Maria D.  
Alameda Health System  
Effective: 3/8/2024

HANSEN, Adryane L.  
Alameda Health System  
Effective: 3/15/2024

HENDERSON, James  
Community Development Agency  
Effective: 3/15/2024

JACKSON, Emmanuel D.  
Health Care Services Agency  
Effective: 3/11/2024

JIMENEZ RUIZ, Jessica J.  
Sheriff's Office  
Effective: 3/29/2024

LATOURELLE, Marie  
Alameda Health System  
Effective: 3/1/2024

MANSOURIAN, Amir  
Alameda Health System  
Effective: 3/4/2024

MAQSOODI, Mehrdad  
Alameda Health System  
Effective: 3/1/2024

MOONEY, Michael R.  
Alameda County Health  
Effective: 3/29/2024



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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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MUSGRAVE, Jenny L.  
Sheriff's Office  
Effective: 3/14/2024

SCOTT, Lynsey M.  
Superior Court  
Effective: 3/1/2024

NASSIRRUDDIN, Saida  
Auditor-Controller  
Effective: 3/29/2024

SCOTT, Pierre  
Alameda Health System  
Effective: 3/22/2024

NAVARRO, Erika  
Superior Court  
Effective: 3/18/2024

STRANDBERG, Lindsey K.  
Alameda Health System  
Effective: 2/27/2024

OSTLUND, Kristyn M.  
Sheriff's Office  
Effective: 3/30/2024

TRUONG, Rebecca  
Superior Court  
Effective: 3/5/2024

PULLMAN, Jason C.  
Alameda Health System  
Effective: 3/8/2024

VAUGHN, Kevin E.  
Social Services Agency  
Effective: 3/5/2024

SANTANA, Miranda B.  
Social Services Agency  
Effective: 3/8/2024

ZHENG, Kelly  
Auditor-Controller  
Effective Date: 3/29/2024

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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ADAMS, Bruce A.  
General Services Agency  
5/4/2024

DEAN, Miranda J.  
Social Services Agency  
5/4/2024

CARTER, Johnny R.  
Community Development Agency  
5/18/2024

EBERLE, Patricia J.  
Alameda Health System  
4/30/2024

CHUMLEY, Delia E.  
Sheriff's Office  
5/13/2024

EDELHOFER, Satomi  
Behavioral Health Care Services  
5/14/2024

COUNTS, Walter  
Probation  
4/23/2024

ENNIS, Janice C.  
District Attorney  
5/9/2024

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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FREEMAN, Betty J.  
Social Services Agency  
4/22/2024

PALMER-SILVA, Katherine I.  
Behavioral Health Care Services  
5/24/2024

FRIEDEBERG, Ursula  
Public Health  
4/28/2024

PRESTOZA, Bernarda D.  
Assessor  
5/12/2024

GRACIAS, Joaquina B.  
Public Health  
5/12/2024

SHEA, Michael P.  
General Services Agency  
4/19/2024

LEWIS, Paul A.  
Sheriff's Office  
4/30/2024

SHIU, Matthew H.  
General Services Agency  
5/13/2024

LUNDBERG, Leonard S.  
Social Services Agency  
4/25/2024

SILVA, Cesar A.  
Community Development Agency  
5/6/2024

MARR, Diane M.  
Superior Court  
5/14/2024

SILVERIO, Felipe M.  
Alameda Health System  
5/22/2024

MARTINEZ, Vincent  
Public Defender  
5/16/2024

SMALL, Leslie B.  
Non-Member Survivor of James Pointer  
4/25/2024

MONTALVO, Adam C.  
Public Works Agency  
5/5/2024

SMITH, Teresa M.  
Probation  
5/3/2024

MOYA, Gilbert U.  
Non-Mbr DRO recipient of Dora P. Moya  
5/20/2024

SOO, Marieann  
Sheriff's Office  
5/8/2024

NUNES, Donald R.  
Library  
5/27/2024

WILLIAMS, Lindnell  
Superior Court  
4/29/2024

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

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**Name:** Amason, Cynthia  
**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. Amason’s application for a non-service-connected disability and waiving annual medical examinations and questionnaires.

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

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**Name:** Cabotage, Marcene  
**Type of Claim:** Earlier Effective Date

Staff’s Recommendation:

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

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**Name:** Lieu, Thanh  
**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. Lieu’s application for a service-connected disability and waiving annual medical examinations and questionnaires.

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

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

Pending decision on the earlier effective date.

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**Name:** Shamblin, Julie  
**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. Shamblin’s application for a service-connected disability and waiving annual medical examinations and questionnaires.

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

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**Thursday, May 16, 2024**

Chair Ophelia Basgal called the meeting to order at 2:00 p.m.

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

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

**PUBLIC INPUT**

None.

**CONSENT CALENDAR  
REPORTS AND ACTION ITEMS**

**REPORT ON SERVICE RETIREMENTS**

*Appendix A*

**LIST OF DEFERRED RETIREMENTS**

*Appendix B*

**LIST OF DECEASED MEMBERS**

*Appendix C*

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

*Appendix D*

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

*Appendix E*

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

*None*

**APPROVE MINUTES of BOARD and COMMITTEE MEETINGS**

*April 18, 2024 Minutes of the Regular Board Meeting*

*April 18, 2024 Actuarial Committee Minutes*

*April 18, 2024 Audit Committee Minutes*

*May 1, 2024 Operations Committee Minutes*

*May 1, 2024 Investment Committee Minutes*

**MISCELLANEOUS**

- *Quarterly Report on Member Underpayments and Overpayments*
- *1st Quarter 2024 Call Center Report*

**24-21**

**It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board adopt the Consent Calendar. The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.**

**REGULAR CALENDAR**  
**REPORTS AND ACTION ITEMS**

**DISABILITY, DEATH AND OTHER BENEFIT CLAIMS**

The following item was addressed in Closed Session, pursuant to Gov't Code § 54957(b):

Service-Connected Disability Retirement Application of Michael D. Dalisay, Lieutenant in the Alameda County Sheriff's Office: Consideration of Hearing Officer's Proposed Findings of Fact and Recommended Decision, pursuant to Gov't Code § 31534.

Trustee Ross Clippinger recused himself and left the Board Room prior to any discussion and/or voting during the Michael D. Dalisay Closed Session matter due to Trustee Clippinger's close working relationship with Mr. Dalisay.

The Board reconvened into Open Session and the following Trustees returned: ***Baron, Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, Simon and Wood.*** ***Trustee Clippinger also returned to Open Session.***

Chief Counsel Jeff Rieger reported the Board's motion in Open Session as follows:

**24-22**

**Motion to adopt the Hearing Officer's Recommended Decision to deny Michael D. Dalisay's application for a service-connected retirement benefit. The motion carried 6 yes (*Basgal, Carson, Gamble, Godfrey, Levy, Wood*), 3 no (*Bryant, Rogers, Simon*), 0 abstentions, 1 recusal (*Clippinger*).**

Trustee Clippinger returned to the Board Room.

**COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

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

***Operations:***

Trustee Jaime Godfrey reported that the Operations Committee met on May 1, 2024 and that the Operations Committee reviewed and discussed the *E-Signature Policy*.

**24-23**

**It was moved by Jaime Godfrey and seconded by Ross Clippinger that the Board renew the *E-Signature Policy* without revision, as recommended by the Operations Committee. The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.**

Trustees Kevin Bryant, Ross Clippinger, Kellie Simon and George Wood recused themselves from all discussion and/or voting and left the Board room during the *Employer Reimbursement Policy* matter based on a potential conflict of interest, given that the *Employer Reimbursement Policy* relates to ACERA reimbursements to their employing departments for a portion of their salaries.

Trustee Godfrey reported that the Operations Committee reviewed and discussed the *Employer Reimbursement Policy*.

**24-24**

**It was moved by Jaime Godfrey and seconded by Cynthia Baron that the Board renew the *Employer Reimbursement Policy*, without revision, as recommended by the Operations Committee. The motion carried 6 yes (*Baron, Basgal, Carson, Godfrey, Levy, Rogers*), 1 no (*Gamble*), 0 abstentions, 4 recusals (*Bryant, Clippinger, Simon, Wood*).**

Trustees Kevin Bryant, Ross Clippinger and Kellie Simon returned to the Board Room. Trustee George Wood did not return to the Board meeting.

Staff presented the Committee with the following Information Items: **1)** Quarterly Financial Statements as of 03/31/2024; **2)** Operating Expenses as of 03/31/2024; **3)** Quarterly Cash Forecast Report; **4)** Board Member Conference Expense Report for 1<sup>st</sup> Quarter 2024; **5)** Senior Manager Conference and Training Expense Report for 1<sup>st</sup> Quarter 2024; and **6)** 2024 Board of Retirement Election update.

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

***Investment:***

Trustee Godfrey reported that the Investment Committee met on May 1, 2024 and that the Investment Committee discussed an up to \$50 million investment in Heitman Value Partners VI as part of ACERA's Real Estate Portfolio, pending completion of Legal and Investment due diligence and successful contract negotiations.

**24-25**

**It was moved by Jaime Godfrey and seconded by Tarrell Gamble that the Board adopt an up to \$50 million investment in Heitman Value Partners VI as part of ACERA's Real Estate Portfolio, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 6 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood*), 0 no, and 2 abstentions (*Carson, Rogers*). Trustee Wood was not present for the motion.**

Staff presented the Committee with and discussed the following Information Items: **1)** Performance Review for the period ending December 31, 2023 – Total Fund Highlighting Public Markets Asset Classes; and **2)** Education Session: Presentation of Asset Liability Study Findings and Discussion of Possible Asset Allocation Mixes.

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



***Actuarial:***

Trustee Kellie Simon reported that the Actuarial Committee met earlier today and that the Actuarial Committee completed its review of ACERA's Draft Actuarial Valuation and Review as of December 31, 2023.

**24-26**

**It was moved by Kellie Simon and seconded by Elizabeth Rogers that the Board adopt ACERA's Actuarial Valuation and Review as of December 31, 2023, as presented. The motion carried 7 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Simon, Wood*), 0 no, and 1 abstention (*Carson*). *Trustee Wood was not present for the motion.***

There were no Information Items.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the June 20, 2024 Board meeting.

***Audit:***

Trustee Henry Levy reported that the Audit Committee met earlier today and that the Audit Committee completed its review of the December 31, 2023 Audited Financial Statements and Independent Auditor's Report.

**24-27**

**It was moved by Henry Levy and seconded by Jaime Godfrey that the Board adopt the December 31, 2023 Audited Financial Statements and Independent Auditor's Report. The motion carried 8 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Wood was not present for the motion.***

Trustee Levy reported that the Audit Committee completed its review of ACERA's Draft Government Accounting Standards Board (GASB) Statement No. 67 Valuation and addenda as of December 31, 2023.

**24-28**

**It was moved by Henry Levy and seconded by Jaime Godfrey that the Board adopt the Government Accounting Standards Board (GASB) Statement No. 67 Valuation and addendum as of December 31, 2023, as presented. The motion carried 8 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Wood was not present for the motion.***

Trustee Levy reported that the Audit Committee completed its review of ACERA's Draft Government Accounting Standards Board (GASB) Statement No. 74 Valuation and addenda as of December 31, 2023.

**24-29**

**It was moved by Henry Levy and seconded by Jaime Godfrey that the Board adopt the Government Accounting Standards Board (GASB) Statement No. 74 Valuation and addendum as of December 31, 2023, as presented. The motion carried 8 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Wood was not present for the motion.***

Trustee Henry Levy reported that the Committee was presented with and discussed the following Information Items: *1) Progress report on the Internal Audit Plan; and 2) Review of Completed Audits.*

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the June 20, 2024 Board meeting.

**NEW BUSINESS:**

***Participating Employers' Recommended Contribution to Their Alameda County Employees' Retirement Association 401(h) Accounts for the 2024 - 2025 Fiscal Year***

Assistant Chief Executive Officer of Operations Lisa Johnson explained ACERA's Annual 401(h) Contribution Process, which is the process where ACERA's Actuary recommends the amount of contributions each Participating Employer is required to make to their respective ACERA 401(h) Accounts in order to fund ACERA's Other Post-Employment Benefits (OPEB) (non-vested medical benefits) for the 2024-2025 fiscal year. The Board made the following motion:

**24-30**

**It was moved by Tarrell Gamble and seconded by Henry Levy that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2024-2025 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401 (h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers' governing bodies. The motion carried 8 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Wood was not present for the motion.***

**Debut of ACERA's New Member Orientation Animated Video**

Communications Manager Michael Fara presented an animated video regarding ACERA's New Member Orientation Process entitled: *Getting Stated With Your Retirement Benefits*. The video explains how ACERA's pension benefits work, how a pension benefit is calculated, instructions on how to get started and how to plan for retirement in a simplified manner. The video will be shown to new employees/members during their Onboarding Process. Mr. Fara stated that new members will also receive a Flyer which encourages new members to re-watch the video. It was noted that the 4 minute, 50 second video was created in-house by Mr. Fara and ACERA Graphic Designer Brehanna Ramirez. The Board stated that the video is excellent and very informative. To view the *Getting Stated With Your Retirement Benefits* Animated Video, go to "**Members**" and "**New To ACERA?**" on ACERA's Website at: [www.acera.org](http://www.acera.org).

**David Nelsen, Chief Executive Officer's Report**

Mr. Nelsen presented his May 16, 2024 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Conference/Event Schedule; 3) Other Items: a) Business Planning; b) Legislation; c) Budget; d) Pension Administration System; and 3) Key Performance Indicators.**

Mr. Nelsen reported that, as directed by the Board, he voted to receive and file the Secretary and Treasurer's Reports, approved the Annual Audit and voted in favor of the recommended Board of Directors slate in support of the SACRS Nominating Committee at the SACRS Business Meeting. Mr. Nelsen reported that all motions passed; however, Mendocino County abstained from all voting.

Mr. Nelsen announced that, in accordance with "Best Practices" and for full transparency, YouTube Video Recordings of ACERA's monthly Committee and Board meetings will be posted to ACERA's Website effective immediately.

**CONFERENCE/ORAL REPORTS**

None.

**ANNOUNCEMENTS**

None.

**BOARD INPUT**

Trustee Levy reported that he and Mr. Fara prepared a PowerPoint Presentation (PPP) that includes some of the statistical tables from ACERA's Annual Comprehensive Financial Report (ACFR). The ACFR provides in-depth information about the operations and financial position of ACERA. Trustee Levy reported that he presented the PPP to the REAC Board on May 13, 2024 and that he will present a summarized version of the PPP at the REAC Luncheon in October. Trustee Levy stated that Deferred Compensation Representatives want to survey some of the retirees to obtain information that they may be unaware of in order to learn how well members are prepared for retirement. The PPP will be presented to the Board at a later date.

**CLOSED SESSION**

The Board adjourned into Closed Session to discuss the following:

**Agenda Items:**

- 5A (Motion No. **24-22** above).
- 12A. Conference With Legal Counsel—Existing Litigation (Gov’t Code §54956.9(d)(1)): Preciosa Bachan v. Alameda County Employees’ Retirement Association, Alameda County Superior Court Case No: 23CV028214.
- 12B. Conference With Legal Counsel—Existing Litigation (Gov’t Code §54956.9(d)(1)): Alameda Health System v. Alameda County Employees’ Retirement Association California Court of Appeal, First District Case No. A165587.

The Board reconvened into Open Session and the following Trustees returned:  
***Baron, Basgal, Bryant, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood***

Mr. Rieger reported that the Board took no reportable action on Closed Session Items 12A and 12B.

To view the May 16, 2024 Board meeting YouTube video in its entirety, go to ACERA’s Website at: <https://youtu.be/k1RwMbcc00w>.

**ADJOURNMENT**

The meeting was adjourned at approximately 3:48 p.m.

Respectfully Submitted,



\_\_\_\_\_  
David Nelsen  
Chief Executive Officer

06/20/24

\_\_\_\_\_  
Date Adopted

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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ACOSTA, Dolores  
Effective: 3/30/2024  
Social Services Agency

FIRMEZA, Gina  
Effective: 3/9/2024  
Sheriffs Office

ADAMS, Jack  
Effective: 3/2/2024  
Public Works Agency

FLORENDO, Andrew  
Effective: 3/30/2024  
Zone 7 Water Agency

BAHRIBEK, Leo  
Effective: 3/30/2024  
Public Works Agency

FOXALL, Richard  
Effective: 3/2/2024  
Public Defender

BALOLONG, Alma  
Effective: 3/16/2024  
Social Services Agency

IRAIS GARCIA-VALDIVIA, Maria  
Effective: 2/17/2024  
Alameda Health System

BENDER, Monica  
Effective: 3/16/2024  
Health Care Services Agency

GARRY, Susan  
Effective: 3/12/2024  
Superior Court

BROWN, Pamela  
Effective: 3/16/2024  
Social Services Agency

GILKERSON, Keith  
Effective: 3/2/2024  
Sheriff's Office

CARTER, Michael  
Effective: 3/16/2024  
District Attorney

GREENWOOD, Jacqueline  
Effective: 3/16/2024  
Health Care Services Agency

CARUTH, Brian  
Effective: 3/15/2024  
Public Defender

HART, Jeffrey  
Effective: 3/2/2024  
Sheriff's Office

CLARK, Ilona  
Effective: 2/9/2024  
Alameda Health System

SHAW, Lesley  
Effective: 3/2/2024  
LARPD

CORPUZ, Lilia  
Effective: 3/1/2024  
County Counsel

MARKIE, Carol  
Effective: 3/1/2024  
LARPD

ESCOBAR, Natalie  
Effective: 3/2/2024  
Child Support Services

LEY, William  
Effective: 2/4/2024  
Probation

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**APPENDIX A**  
**REPORT ON SERVICE RETIREMENTS**

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NOBLE, Venus  
Effective: 2/15/2024  
Health Care Services Agency

SENG, Victoria  
Effective: 2/17/2024  
Health Care Services Agency

PACHECO, Kathleen  
Effective: 3/16/2024  
County Counsel

SMITH, Jay  
Effective: 3/1/2024  
Library

PIEDAD, Rizal  
Effective: 3/17/2024  
Sheriff's Office

STRONG, Shu Fen  
Effective: 3/16/2024  
Health Care Services Agency

RIMSHAW, Edward  
Effective: 3/2/2024  
Information Technology Department

TAEZA, Norberto  
Effective: 3/16/2024  
Social Services Agency

RIVERA-CARDENAS, Elizabeth  
Effective: 3/29/2024  
Alameda Health System

HILLS, Francine  
Effective: 3/2/2024  
Social Services Agency

ROSS, Sally  
Effective: 3/17/2024  
Library

WANG, Qiang  
Effective: 3/4/2024  
Alameda Health System

SALAMON, Rebecca  
Effective: 3/2/2024  
LARPD

WARDER, Rosa  
Effective: 3/16/2024  
Health Care Services Agency

WILLIS, Frank  
Effective: 3/2/2024  
Alameda Health System

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**APPENDIX B**  
**LIST OF DEFERRED RETIREMENTS**

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AHERN, Michael D.  
Sheriff's Office  
Effective Date: 4/11/2024

ATH, Jamie K.  
Social Services Agency  
Effective: 2/17/2024

ANINIPOT, Brandon A.  
District Attorney  
Effective: 2/26/2024

BIZZLE-KING, Briana D.  
Sheriff's Office  
Effective: 3/1/2024

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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CREGGETT, Jessica A.  
Alameda Health System  
Effective: 2/21/2024

MOWRER, Thomas J.  
Sheriff's Office  
Effective: 3/2/2024

DELBRIDGE, Taylor B.  
Sheriff's Office  
Effective: 2/21/2024

OKEKE, Judith  
Alameda Health System  
Effective: 2/22/2024

HANSON, Mark R.  
Social Services Agency  
Effective: 3/1/2024

ORDAZ, Alicia  
General Services Agency  
Effective: 3/1/2024

JACOBSON, Heather M.  
Sheriff's Office  
Effective: 2/24/2024

SATARZADEH, Bentrish  
Superior Court  
Effective: 2/1/2024

JENKS, Casey M.  
Sheriff's Office  
Effective: 3/7/2024

SOUKSAMPHANH, Don  
Superior Court  
Effective: 3/8/2024

LEWASENI, Laniana  
Health Care Services Agency  
Effective: 2/14/2024

STROUBE, Jessica L  
Assesor  
Effective: 2/23/2024

LIN, Yin  
Public Works Agency  
Effective: 3/15/2024

TAYLOR, LaKisha M.  
Sheriff's Office  
Effective: 3/15/2024

LOZA, Jennifer  
Sheriff's Office  
Effective: 3/2/2024

VANCE, Ermelinda P.  
Sheriff's Office  
Effective: 2/16/2024

MARAGA, William  
Alameda Health System  
Effective: 2/2/2024

VERGARA PEREZ, Sergio  
Alameda Health System  
Effective: 2/16/2024

MENDOZA, Arnold J.  
Information Technology Department  
Effective: 2/23/2024

WONG, Catherine S.  
Human Resource Services  
Effective: 1/24/2024

YEE, Jennifer N.  
Auditor-Controller  
Effective: 4/12/2024

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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ANDERSON, Helen  
Alameda Health System  
4/10/2024

HALLISEY, Barbara  
County Counsel  
3/22/2024

BLANEY, Carol  
Health Care Services Agency  
2/1/2024

HAMILTON, Patricia  
Sheriff's Office  
4/16/2024

BLANK, Peninnah  
Alameda Health System  
4/16/2024

HENDERSON, Irma  
County Administrator's Office  
3/8/2024

BUTLER, Addie  
Social Services Agency  
4/11/2024

HERRERA-BERMAN, Gladys  
Social Services Agency  
4/13/2024

CAMPBELL, Shirley  
Non-Mbr Survivor of Roger Campbell  
4/10/2024

HOLLIDAY, Rita  
General Services Agency  
4/9/2024

CHU, Jaime  
Social Services Agency  
3/28/2024

IVANOV, Sonja  
Non-Mbr Survivor of Vladimir Ivanov  
4/16/2024

COLE, Dortha  
Non-Mbr Survivor of James Cole  
4/13/2024

KOHLER, Susan  
Board of Supervisors  
4/3/2024

COLEMAN, Elizabeth  
Behavioral Health Care Services  
4/16/2024

MATSUOKA, Dianne  
Assessor  
4/3/2024

CRAMER, James  
Public Defender  
3/20/2024

MC INTOSH, Jane  
Public Defender  
3/15/2024

DAVIS, Kenneth  
Behavioral Health Care Services  
4/17/2024

MYLES, Sylvia  
Social Services Agency  
4/6/2024

DOMINO, Lawrence  
Sheriff's Office  
4/7/2024

NGUYEN, Elizabeth  
Social Services Agency  
4/5/2024



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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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QUINTAL, Erin  
Health Care Services Agency  
3/24/2024

SMITH, Timothy  
General Services Agency  
4/8/2024

SHANS SR., Mervin  
Alameda Health System  
2/26/2023

TATUM, Donna  
Alameda Health System  
4/1/2024

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

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DAVIS, Teri D.  
Government Code § 31641.1 Other Public Service

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

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

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**MINUTES OF MAY 16, 2024 ACTUARIAL COMMITTEE MEETING**

To: Members of the Actuarial Committee  
From: Kellie Simon, Chair  
Subject: **Summary of the May 16, 2024 Actuarial Committee Meeting**

Committee Chair Kellie Simon called the May 16, 2024 Actuarial Committee meeting to order at 11:00 a.m.

**ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Kellie Simon and Elizabeth Rogers. Also present were Ophelia Basgal, Ross Clippinger, Jaime Godfrey and alternate members Cynthia Baron and Kevin Bryant. George Wood arrived after roll call.

Staff present were David Nelsen, Chief Executive Officer; Lisa Johnson, Assistant Chief Executive Officer; Carlos Barrios, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Betty Tse, Chief Investment Officer; Vijay Jagar, Chief Technology Officer; Erica Haywood, Fiscal Services Officer; Saundra Duenas-Cuevas, Benefits Manager (Via Zoom); and Harsh Jadhav, Chief of Internal Audit.

**PUBLIC INPUT**

None

**Action Items**

**1. Discussion and possible motion to adopt the Actuarial Valuation and Review as of December 31, 2023.**

ACERA and Segal representatives discussed the draft Actuarial Valuation and Review as of December 31, 2023. Staff recommended a motion that the Actuarial Committee recommend to the Board of Retirement that the Board adopt the Actuarial Valuation and Review as of December 31, 2023.

It was moved by Jaime Godfrey and seconded by Elizabeth Rogers that the Actuarial Committee recommend to the Board of Retirement that the Board adopt the Actuarial Valuation and Review as of December 31, 2023.

The Motion Carried 6 yes (Basgal, Clippinger, Simon, Godfrey, Rogers, Wood), 0 no, and 0 abstentions.

**INFORMATION ITEMS**

**TRUSTEE INPUT AND DIRECTION TO STAFF**

**FUTURE DISCUSSION ITEMS**

**August**

- Segal presentation of the deterministic projections as part of the Risk Assessment Report based on the Actuarial Valuation and Review as of December 31, 2023

**October**

- Interest Crediting Policy review
- Actuarial Funding Policy review

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for Thursday, August 15, 2024, at 11:00 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 11:05 a.m.



**MINUTES OF MAY 16, 2024 AUDIT COMMITTEE MEETING**

Date: May 16, 2024  
To: Members of the Audit Committee  
From: Henry Levy, Chair  
Subject: **Summary of the May 16, 2024 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the May 16, 2024, Audit Committee meeting to order at 12:31 p.m.

**ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

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

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

**PUBLIC COMMENT**

None

**ACTION ITEMS**

*External Audit*

**1. Discussion and possible motion to recommend approval of the December 31, 2023 Audited Financial Statements and Independent Auditor’s Report**

Staff reported that Williams Adley & Co. had completed its independent audit of ACERA’s 2023 financial statements.

After discussion, it was moved by Trustee Levy and seconded by Trustee Clippinger that the Audit Committee recommend that the Board of Retirement accept and file the December 31, 2023 Audited Financial Statements and Independent Auditor’s Report.

The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

**2. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2023**

Staff reported the completion of their review and evaluation of the GASB Statement No. 67 Actuarial Valuation and addendum as of December 31, 2023.

After discussion, it was moved by Trustee Levy and seconded by Trustee Gamble that the Audit Committee recommend that the Board of Retirement adopt the GASB Statement No. 67 Actuarial Valuation and addendum as of December 31, 2023.

The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

**3. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2023**

Staff reported the completion of their review and evaluation of the GASB Statement No. 74 Actuarial Valuation and addendum as of December 31, 2023.

After discussion, it was moved by Trustee Levy and seconded by Trustee Gamble that the Audit Committee recommend that the Board of Retirement adopt the GASB Statement No. 74 Actuarial Valuation and addendum as of December 31, 2023.

The motion carried 9 yes (*Basgal, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

**INFORMATION ITEMS**

Internal Audit

**1. Progress report on the Internal Audit Plan.**

Staff provided a progress report on the Internal Audit Plan.

PRISM staff presented an education on AI Risks and Threats.

**TRUSTEE INPUT AND DIRECTION TO STAFF**

None

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

June 20, 2024 at 12:30 p.m.

**MEETING ADJOURNED**

The meeting adjourned at 1:10 p.m.



**MINUTES OF JUNE 5, 2024 RETIREES COMMITTEE MEETING**

To: Members of the Retirees Committee  
From: Elizabeth Rogers, Chair  
**Subject: Summary of the June 5, 2024 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the June 5, 2024 Committee meeting to order at 9:36 a.m.

**ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Elizabeth Rogers (Remote Location), Ross Clippinger and Kellie Simon. Also present were Ophelia Basgal, Tarrell Gamble, George Wood and alternate member Cynthia Baron. Committee member Henry Levy joined the meeting after roll call.

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

**PUBLIC INPUT**

None.

**ACTION ITEMS**

**1. Approval of Payment for Implicit Subsidy Cost for 2023**

Staff provided a letter from the County of Alameda (County) stating that the final Implicit Subsidy amount for 2023 is \$4,037,312. This amount was verified by Segal, ACERA's Benefits Consultant.

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Retirees Committee recommend to the Board of Retirement that it authorize Staff to transfer \$4,037,312 from the Supplemental Retiree Benefit Reserve account to the County Advance Reserve to be amortized over 20 years as the Implicit Subsidy payment for Plan Year 2023.

The motion carried 6 yes (*Basgal, Clippinger, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

## **2. Possible Declaration of Intent to Fund Implicit Subsidy Program for 2025**

Staff recommended that ACERA state its intent to fund the Implicit Subsidy Program for Plan Year 2025. The Implicit Subsidy cost for Plan Year 2024 is estimated by the County of Alameda (County) to be \$2,472,346. The estimated cost of the Implicit Subsidy for Plan Year 2025 will not be known until the County has completed its medical plan contract negotiations.

It was moved by Kellie Simon and seconded by Ophelia Basgal that the Retirees Committee recommend to the Board of Retirement that it adopt a Statement of Intent to continue the Implicit Subsidy Program for health Plan Year 2025, following a determination by ACERA at the end of Plan Year 2025 that the amount is not greater than the actual retiree Implicit Subsidy.

The motion carried 6 yes (*Basgal, Clippinger, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

### **INFORMATION ITEMS**

#### **1. Presentation and Report on Health Care Inflation/Trends**

Staff provided health care inflation factors for 2024 and 2025 based on the information provided by Segal, ACERA's Actuary. The trend assumptions provided will increase to 8.50% for non-Medicare plans and 16.47% for Medicare Advantage plans. The annual trend assumptions for dental and vision remain at 4.00%. However, due to the two-year 2024 rate guarantee for dental, and the five-year 2021 rate guarantee for vision, the first year of trend rates will be 0.00%. The trend used for Medicare Part B will remain at 4.50%. These trends will be used in accordance with ACERA's GASB 43 substantive plan definition. Segal's benefits consulting team also provided health care trend information.

#### **2. Preliminary Report on Projected Benefit Costs Funded through the Supplemental Retiree Benefit Reserve**

Segal, ACERA's Actuary, provided a preliminary report of the Supplemental Retiree Benefit Reserve (SRBR) financial status, which indicates that the terminal year of Other Post-Employment Benefits (OPEB) is projected to be 2047 with full benefits paid through 2046, for a total of 23 full years and one partial year. The terminal year of the SRBR for non-OPEB is projected to be 2046, for a total of 23 full years and one partial year.

Staff stated that the preliminary review of the valuation is based on projections using substantive plan and medical inflation trends. This information is used in the decision making process to set the Monthly Medical Allowance (MMA), and the dental and vision benefit amounts for the 2025 Plan Year.

### **3. Discussion of Monthly Medical Allowance for 2025**

Staff presented Group and Individual plan enrollment Monthly Medical Allowance (MMA) cost comparisons for the 2024 and 2025 Plan Years. This item will be brought back to the Retirees Committee for further discussion and possible approval of the 2025 MMA at the July 2024 meeting.

In response to Trustee Clippinger's request for an actuarial cost projection using increases to the MMA, Trustee Rogers stated that after receiving requests from the Trustees, she will work with Staff to determine if there is a need to obtain an estimate for actuarial services.

In response to Pete Albert, President of Alameda County Retired Employees (ACRE) retiree association, Staff stated that the change in the policy in 2007 was due to the GASB requirement to develop a policy regarding any ongoing increases to the MMA as part of the substantive plan.

### **4. 2025 Medical Plans Update/Renewal Requests of ACERA/County of Alameda**

Staff reported that the 2025 annual medical plan renewal request letter was provided to the County of Alameda, and a summary of the information provided is included in the meeting materials.

### **5. Report on Health Reimbursement Arrangement Account Balances and Reimbursements**

Staff provided information on retirees' 2023 Health Reimbursement Arrangement (HRA) account balances categorized by years of service contribution levels and cost analysis as of April 30, 2024.

### **6. Over Age 65 Medical Plan Compliance**

Staff provided information regarding 25 retirees who are over the age of 65, and have not taken the necessary steps to enroll into the over age 65 medical insurance plan. Information was also provided on the steps Staff has taken to contact these retirees to move them over to the Kaiser Permanente Senior Advantage or a Via Benefits individual plan. Staff is continuing efforts to reach the remaining seven retirees who have not responded.

### **7. Plans for Open Enrollment and Retiree Health and Wellness Fair**

Staff provided information on the planning for ACERA's annual Open Enrollment and Retiree Health and Wellness Fair, which will be held as a hybrid event where retirees can attend either in person or via Zoom. The on-site event will be held at the Hilton Garden Inn San Francisco/Oakland Bay Bridge in Emeryville on October 24, 2024.



## **8. Report on Annual Health Care Planning Meeting with Retiree Groups**

Staff provided a report on the participants and topics discussed at the virtual Annual Health Care Planning meeting, which was held on April 9, 2024.

### **TRUSTEE REMARKS**

In response to Trustee Levy's comment, Trustee Rogers stated that she and Trustee Baron will discuss with ACRE and REAC representatives their desire to have Trustees' involved in a more formal role in interacting with retirees.

In response to Trustee Simon's question, Staff will change the current location of the income-related monthly adjustment amount (IRMAA) information on the website to another location that would be easier to find.

### **FUTURE DISCUSSION ITEMS**

- Adoption of 2025 Monthly Medical Allowance for Group Plans
- Adoption of 2025 Monthly Medical Allowance for Early Retiree Individual Plans
- Adoption of 2025 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

### **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for July 3, 2024 at 9:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 10:50 a.m.



**MINUTES OF THE JUNE 5, 2024, INVESTMENT COMMITTEE MEETING**

To: Members of the Board of Retirement  
From: George Wood – Vice Chair  
Subject: Summary of June 5, 2024 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, June 5, 2024, at 10:59 a.m. The Committee members present were, Ophelia Basgal, Ross Clippinger, Tarrell Gamble, Henry Levy, Elizabeth Rogers (via Zoom with “just cause”), Kellie Simon, and George Wood. Also present was Alternate General Member Cynthia Baron. ACERA Senior Managers and Presenting Staff present were, David Nelsen – Chief Executive Officer, Erica Haywood –Fiscal Services, Jeff Rieger – Chief Counsel, Harsh Jadhav – Chief of Internal Audit, Clint Kuboyama – Investment Officer, Serafin Lim – Investment Operations Officer, Betty Tse – Chief Investment Officer (via Zoom).

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

1. Recommendation that the Board Authorize Staff to Negotiate an Extension of the Custody Contract with State Street Bank and Trust Company for up to two years
  - Trustee discussion covered questions about the Custody fee amount for the two-year extension, the accounting deficiencies identified by Fiscal Services, and if an RFP is planned. Staff was able to provide answers for the Trustees.
  - Trustee Levy moved, seconded by Trustee Clippinger, to recommend that the Board authorize Staff to negotiate an extension of the custody contract with State Street Bank and Trust Company for up to two years.
  - The motion carried unanimously with 7 Yes (Basgal, Clippinger, Gamble, Levy, Rogers, Simon, and Wood), 0 No, and 0 Abstention.

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

1. Status Update: Review of Asset Allocation Mixes
  - Representatives from NEPC provided a status update on its ongoing review of possible asset allocation mixes.
2. Education Session: Private Credit/Private Debt

- Representatives from NEPC provided information on private credit/private debt investments.

**PUBLIC INPUT**

None

**TRUSTEES INPUT:**

**None**

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

Wednesday, July 3, 2024

**ADJOURNMENT**

The meeting ended at 12:16 p.m.

To view the June 5, 2024 Investment Committee Meeting in its entirety, click on the link below: <https://www.youtube.com/watch?v=JL5IJCWleQ>



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: June 20, 2024

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *E/H*

SUBJECT: Year-to-Date Operating Expenses & Budget Summary for April 30, 2024

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ACERA's year-to-date operating expenses are \$87K over budget for the period ended April 30, 2024. Budget overages and surpluses worth noting are as follows:

**Budget Overages**

1. *Staffing*: Staffing remains \$213K over budget. The overage is attributed to the January \$267K which is reflected in the year-to-date financials. The year-to-date for April is comprised of overages in temporary staffing of \$102K, and 5% staff vacancy adjustment of \$293K, and offset by surpluses in salaries & wages expenses of (\$118K), and fringe benefits of (\$64K).
2. *Member Services*: Member Services are \$32K over budget. This amount comprised overages in disability medical expenses of \$42K, offset by surplus in disability legal arbitration & transcripts of (\$9K), and member training & education of (\$1K).
3. *Systems*: Systems are \$15K over budget. This amount comprised overages in business continuity expense of \$9K, minor computer hardware of \$9K, and GASB 96 of \$28K, offset by surplus in software maintenance & support of (\$31K).
4. *Depreciation*: Depreciation expense is \$3K over budget from purchased of new equipment.

**Budget Surpluses**

1. *Staff Development*: Staff Development is \$33K under budget for staff training and conferences.
2. *Professional Fees*: Professional Fees are \$15K under budget. This amount comprised surplus in actuarial fees of (\$5K), and legal fees of (\$10K).
3. *Office Expense*: Office Expense is \$22K under budget. This amount comprised surpluses in bank charges of (\$4K), building expenses of (\$2K), communications of (\$1K), equipment lease and maintenance of (\$8K), minor equipment and furniture of (\$4K), and printing and postage of (\$3K).

## Operating Expenses Budget Summary for the period ended April 30, 2024

4. *Board of Retirement*: Board of Retirement is \$106K under budget. This amount comprised surpluses in board compensation of (\$4K), board conferences & training of (\$98K), and board miscellaneous expenses of (\$4K).

**Staffing Detail**

Vacant positions as of April 30, 2024:

Department	Position	Qty	Comments
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Retirement Support Specialist	1	Vacant – currently budgeted for the year
Investment	Investment Officer	1	Vacant - currently budgeted for the year
	<b>Total Positions</b>	4	

Pension Administration System Project - as of April 30, 2024					
	Year-To-Date			2024 Budget	2019-23 Actual
	Actual	Budget	Variance		
<b>Consultant Fees</b>					
Levi, Ray and Shoup	\$1,015,358	\$650,000	\$365,358	\$1,950,000	\$3,231,571
Segal and other consultant fees	243,526	197,667	45,860	593,000	2,323,470
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	1,258,884	847,667	411,217	2,543,000	5,655,511
<b>Staffing</b>	262,132	257,000	5,132	771,000	2,845,789
<b>TOTAL</b>	<b>\$1,521,016</b>	<b>\$1,104,667</b>	<b>\$416,349</b>	<b>\$3,314,000</b>	<b>\$8,501,300</b>

## Attachments:

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



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

YEAR TO DATE - ACTUAL VS. BUDGET						
<u>April 30, 2024</u>						
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2024</u>	<u>% Actual to</u>	
	<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>		
<b>Staffing</b>	\$ 5,672,139	\$ 5,458,920	\$ 213,219	\$ 17,032,000		33.3%
<b>Staff Development</b>	53,800	86,440	(32,640)	351,000		15.3%
<b>Professional Fees (Next Page)</b>	397,569	412,090	(14,521)	1,141,000		34.8%
<b>Office Expense</b>	130,072	152,480	(22,408)	468,000		27.8%
<b>Insurance</b>	206,361	206,920	(559)	637,000		32.4%
<b>Member Services</b>	217,467	185,400	32,067	608,000		35.8%
<b>Systems</b>	420,139	404,600	15,539	1,288,000		32.6%
<b>Depreciation</b>	40,813	37,160	3,653	112,000		36.4%
<b>Board of Retirement</b>	155,509	262,360	(106,851)	707,000		22.0%
<b>Uncollectable Benefit Payments</b>	-	-	-	78,000		0.0%
<b>Total Operating Expense</b>	<b>\$ 7,293,869</b>	<b>\$ 7,206,370</b>	<b>\$ 87,499</b>	<b>\$ 22,422,000</b>		<b>32.5%</b>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

April 30, 2024

	<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>2024</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<b>Professional Fees</b>					
Consultant Fees - Operations and Projects <sup>1</sup>	\$ 112,000	\$ 111,920	\$ 80	\$ 356,000	31.5%
Actuarial Fees <sup>2</sup>	147,277	152,250	(4,973)	490,000	30.1%
External Audit <sup>3</sup>	98,000	98,000	-	145,000	67.6%
Legal Fees <sup>4</sup>	40,292	49,920	(9,628)	150,000	26.9%
<b>Total Professional Fees</b>	<b>\$ 397,569</b>	<b>\$ 412,090</b>	<b>\$ (14,521)</b>	<b>\$ 1,141,000</b>	<b>34.8%</b>

	<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>2024 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<b><sup>1</sup> CONSULTANT FEES - OPERATIONS AND PROJECTS:</b>					
Benefits					
Alameda County HRS (Benefit Services)	42,000	42,000	-	126,000	33.3%
Segal (Benefit Consultant/Retiree Open Enrollment)	44,333	44,320	13	133,000	33.3%
Total Benefits	86,333	86,320	13	259,000	33.3%
Fiscal Services					
Cashlog	-	-	-	20,000	0.0%
Total Fiscal Services	-	-	-	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	25,667	25,600	67	77,000	33.3%
Total Human Resources	25,667	25,600	67	77,000	33.3%
<b>Total Consultant Fees - Operations</b>	<b>112,000</b>	<b>111,920</b>	<b>80</b>	<b>356,000</b>	<b>31.5%</b>
<b><sup>2</sup> ACTUARIAL FEES</b>					
Actuarial Valuation	43,750	43,750	-	87,500	50.0%
GASB 67 & 68 Valuation	-	-	-	53,500	0.0%
GASB 74 & 75 Actuarial	-	-	-	16,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	30,000	0.0%
Supplemental Consulting	81,027	86,000	(4,973)	258,000	31.4%
Supplemental Retiree Benefit Reserve valuation	22,500	22,500	-	45,000	50.0%
<b>Total Actuarial Fees</b>	<b>147,277</b>	<b>152,250</b>	<b>(4,973)</b>	<b>490,000</b>	<b>30.1%</b>
<b><sup>3</sup> EXTERNAL AUDIT</b>					
External audit	82,000	82,000	-	122,000	67.2%
GASB 67 & 68 audit	8,000	8,000	-	11,000	72.7%
GASB 74 & 75 audit	8,000	8,000	-	12,000	66.7%
<b>Total External Audit Fees</b>	<b>98,000</b>	<b>98,000</b>	<b>-</b>	<b>145,000</b>	<b>67.6%</b>
<b><sup>4</sup> LEGAL FEES</b>					
Fiduciary & Litigation	9,493	20,000	(10,507)	60,000	15.8%
Tax and Benefit Issues	2,381	8,320	(5,939)	25,000	9.5%
Miscellaneous Legal Advice	28,418	21,600	6,818	65,000	43.7%
<b>Total Legal Fees</b>	<b>40,292</b>	<b>49,920</b>	<b>(9,628)</b>	<b>150,000</b>	<b>26.9%</b>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Four Months Ending 4/30/2024

	<u>For the Month of April 2024</u>	<u>For the Month of April 2023</u>	<u>Variance</u>	<u>Year-To-Date 2024</u>	<u>Year-To-Date 2023</u>	<u>Variance</u>
<b>STAFFING</b>						
Salaries	908,822	827,987	80,835	3,605,728	3,359,988	245,740
Fringe Benefits	457,004	404,711	52,293	1,897,997	1,718,862	179,135
Temporary Staffing Cost	36,938	40,521	(3,583)	168,414	157,973	10,441
<b>Staffing Total</b>	<u>1,402,764</u>	<u>1,273,219</u>	<u>129,545</u>	<u>5,672,139</u>	<u>5,236,823</u>	<u>435,316</u>
<b>STAFF DEVELOPMENT</b>	8,956	8,751	205	53,800	42,856	10,944
<b>PROFESSIONAL FEES</b>						
Actuarial Fees	21,500	25,900	(4,400)	147,277	152,923	(5,646)
Consultant Fees - Operations	28,000	27,712	288	112,000	117,442	(5,442)
Consultant Fees - Legal	3,844	6,844	(3,000)	40,292	34,144	6,148
External Audit	25,000	24,100	900	98,000	96,400	1,600
<b>Professional Fees Total</b>	<u>78,344</u>	<u>84,556</u>	<u>(6,212)</u>	<u>397,569</u>	<u>400,909</u>	<u>(3,340)</u>
<b>OFFICE EXPENSE</b>						
Bank Charges & Misc. Admin	5,513	4,831	682	23,566	19,249	4,317
Building Expenses	1,962	1,397	565	10,261	5,797	4,464
Communications	9,546	8,334	1,212	38,947	35,579	3,368
Equipment Lease/Maintenance	15,899	11,699	4,200	37,402	35,223	2,179
Minor Equipment and Furniture	49	1,023	(974)	49	6,359	(6,310)
Office Supplies/Maintenance	2,025	1,813	212	15,175	10,689	4,486
Printing & Postage	1,130	1,031	99	4,672	4,369	303
<b>Office Expense Total</b>	<u>36,124</u>	<u>30,128</u>	<u>5,996</u>	<u>130,072</u>	<u>117,265</u>	<u>12,807</u>
<b>INSURANCE</b>	51,590	46,924	4,666	206,361	187,697	18,664
<b>MEMBER SERVICES</b>						
Disability - Legal Arbitration & Transcripts	0	0	0	17,658	(3,283)	20,941
Disability Medical Expense	0	9,650	(9,650)	103,225	43,450	59,775
Disability Claims Management	3,850	3,850	0	15,400	15,400	0
Health Reimbursement Acct. (HRA)	5,535	5,325	210	23,891	22,541	1,350
Member Training & Education	685	427	258	2,508	1,870	638
Printing & Postage - Members	4,970	883	4,087	33,046	9,288	23,758
Virtual Call Center	5,425	5,422	3	21,739	21,628	111
<b>Member Services Total</b>	<u>20,465</u>	<u>25,557</u>	<u>(5,092)</u>	<u>217,467</u>	<u>110,894</u>	<u>106,573</u>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Four Months Ending 4/30/2024

	<u>For the Month of April 2024</u>	<u>For the Month of April 2023</u>	<u>Variance</u>	<u>Year-To-Date 2024</u>	<u>Year-To-Date 2023</u>	<u>Variance</u>
<b>SYSTEMS</b>						
Business Continuity Expense	18,965	(4,782)	23,747	85,665	91,982	(6,317)
County Data Processing	11,424	10,881	543	45,720	43,547	2,173
Minor Computer Hardware	7,616	4,379	3,237	23,527	25,482	(1,955)
Intangible right to use SBITA - GASB96	7,348	0	7,348	28,124	0	28,124
Software Maintenance & Support	55,308	61,401	(6,093)	237,103	250,236	(13,133)
Systems Total	<u>100,661</u>	<u>71,879</u>	<u>28,782</u>	<u>420,139</u>	<u>411,247</u>	<u>8,892</u>
<b>DEPRECIATION</b>						
Depreciation Expense	10,203	9,961	242	40,813	39,846	967
<b>BOARD OF RETIREMENT</b>						
Board Compensation	1,300	2,800	(1,500)	5,000	7,400	(2,400)
Board Conferences & Training	1,349	65,748	(64,399)	15,859	79,852	(63,993)
Board Employer Reimbursement	31,570	29,660	1,910	126,580	123,240	3,340
Board Miscellaneous Expense	798	2,791	(1,993)	2,912	6,358	(3,446)
Board Software Maint. & Support	1,335	1,042	293	5,158	1,042	4,116
Board of Retirement Total	<u>36,352</u>	<u>102,041</u>	<u>(65,689)</u>	<u>155,509</u>	<u>217,892</u>	<u>(62,383)</u>
<b>GRAND TOTALS</b>	<u><u>1,745,459</u></u>	<u><u>1,653,016</u></u>	<u><u>92,443</u></u>	<u><u>7,293,869</u></u>	<u><u>6,765,429</u></u>	<u><u>528,440</u></u>




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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: June 20, 2024  
TO: Members of the Board of Retirement  
FROM: Sandra Dueñas-Cuevas, Benefits Manager   
SUBJECT: **Exclusion of New Pay Code as “Compensation Earnable” and  
“Pensionable Compensation” – County of Alameda**

The County of Alameda (County) requested that new pay code Hiring Incentive - 74H be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation”. To address ongoing critical recruitment and retention challenges for Juvenile Institutional Officer Associate (Job Code 6214) and Juvenile Institutional Officer (Job Code 6216), a hiring incentive program was established effective June 9, 2024. This hiring incentive program pays up to \$15,000 for newly-hired or newly-promoted employees in these classifications. The hiring incentive amounts are paid in specified increments based on defined criteria over a four year period. This program will sunset on November 4, 2029, and will be deleted from the Salary Ordinance on the sunset date.

On May 14, 2024, the Board of Supervisors approved adding Subsection 3-14.27 to Article 3, Section 3-14 of the County of Alameda Salary Ordinance. It states: “Effective June 9, 2024, employees newly hired or newly promoted (excluding flex promotions from the Juvenile Institution Officer (“JIO”) Associate (Job Code (“JC”) 6214) classification) into the classification of JIO Associate (JC 6214) or JIO (JC 6216) on or after June 9, 2024 through September 27, 2025, shall receive a hiring incentive of \$15,000 to be paid in increments as follows:

- \$2,500 third (3<sup>rd</sup>) pay period after hire.
- \$2,500 six (6) months after hire.
- \$3,000 after successful completion of a 12-month probationary period.
- \$2,000 after two (2) years of continuous service.
- \$2,000 after three (3) years of continuous service.
- \$3,000 after four (4) years of continuous service.

Newly hired or newly promoted employees shall only be entitled to one (1) hiring incentive of \$15,000 paid in six (6) increments. An eligible JIO Associate who flex promotes to JIO shall continue to progress through and receive the remaining hiring incentive pay increments.

This subsection shall sunset effective November 4, 2029, and shall be deleted from the Salary Ordinance upon the sunset date.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that this new pay code does not qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members), or “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members).

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

Staff informed the County that its determination will be included on the Board’s consent calendar for its June 20, 2024 meeting. If this item is not pulled from the consent calendar for discussion, then the Board will approve Staff’s determination to exclude pay code Hiring Incentive - 74H from “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members).

Attachments



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

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

Employer Name:	County of Alameda
Date of Request	05/23/24
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510)272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
<b>Pay Item Name (and code Number)</b>	74H Hiring Incentive
Pay Item Effective Date per authorization:	6/9/24
State if additional documentation is attached	Yes – Board Letter

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

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

**RESPONSE #1: 6216 – Juvenile Institutional Officer (JIO)**  
**6214 – Juvenile Institutional Officer Associate**

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

**RESPONSE #2: Full Time**

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

**RESPONSE #3: Persons newly hired or newly promoted**

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

**RESPONSE #4: Hiring Incentive Pay**

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

**RESPONSE #5: Percentage – Fixed Amount**

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

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

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

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

**Clerk-Recorder’s Office, Main**  
1106 Madison St., 1<sup>st</sup> Floor  
Oakland, CA 94607  
Tel: (510) 272-6362  
Fax: (510) 208-9858

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

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

**RESPONSE #7: Yes**

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

**RESPONSE #8: No**

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

**RESPONSE #9: 40.0 Hour Work Week**

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

**RESPONSE #10: No**

11. State whether the pay item if for deferred compensation

**RESPONSE #11: No**

12. State whether the pay item is for retro payments

**RESPONSE #12: No**

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

**RESPONSE #13: No**

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

**RESPONSE #14: No**

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

**RESPONSE #15: No**

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

**RESPONSE #16: Lump Sum**

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

**RESPONSE #17: Board Letter**

- iv. Article 3, Section 3-14 (Probation Department), to add new subsection 3-14.27 to establish a hiring incentive pay of up to \$15,000 for newly-hired or newly-promoted employees in the classifications of Juvenile Institutional Officer ("JIO") (Job Code ("JC") 6214) and JIO Associate (JC 6216) in the Alameda County Probation Department ("ACPD"), paid in specified increments based on defined criteria over a four (4) year period effective June 9, 2024.

**SECTION IV**

**Article 3, Section 3-14, Subsection 3-14.27** of the County of Alameda Salary Ordinance is hereby **added** to read as follows:

3-14.27 – Hiring Incentive Pay. Effective June 9, 2024, employees newly hired or newly promoted (excluding flex promotions from the Juvenile Institutional Officer ("JIO") Associate (Job Code ("JC") 6214) classification) into the classifications of JIO Associate (JC 6214) or JIO (JC 6216) on or after June 9, 2024 through September 27, 2025, shall receive a hiring incentive of \$15,000 to be paid in increments as follows:

- \$2,500 third (3<sup>rd</sup>) pay period after hire.
- \$2,500 six (6) months after hire.
- \$3,000 after successful completion of a 12-month probationary period.
- \$2,000 after two (2) years of continuous service.
- \$2,000 after three (3) years of continuous service.
- \$3,000 after four (4) years of continuous service.

Newly hired or newly promoted employees shall only be entitled to one (1) hiring incentive of \$15,000 paid in six (6) increments. An eligible JIO Associate who flex promotes to JIO shall continue to progress through and receive the remaining hiring incentive pay increments.

This subsection shall sunset effective November 4, 2029, and shall be deleted from the Salary Ordinance upon the sunset date.

---

May 14, 2024

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

**SUBJECT:** ADOPT SALARY ORDINANCE AMENDMENTS TO SUBSECTIONS 1-1.1, TO ESTABLISH A NEW CLASSIFICATION OF DETENTION AND CORRECTIONS OMBUDSPERSON (JOB CODE (“JC”) 1290), 3-17.36, TO ADD SALARY ADMINISTRATION CRITERIA FOR JC 1290, AND 3-12.93 AND 3-12.99, TO ADD THE SUNSET DATE; AND ADD NEW SUBSECTION 3-14.27

Dear Board Members:

**RECOMMENDATION**

Adopt Salary Ordinance amendments to amend:

- i. Article 1, Section 1-1 (Pay Rate Schedules), subsection 1-1.1 to establish a new classification of Detention and Corrections Ombudsperson (“Ombudsperson”) (Job Code (“JC”) 1290) located in the Alameda County Sheriff’s Office (“ACSO”) effective June 9, 2024;
- ii. Article 3, Section 3-17 (Sheriff’s Department), subsection 3-17.36 to establish salary administration criteria for the new classification of Ombudsperson (JC 1290) effective June 9, 2024;
- iii. Article 3, Section 3-12 (Health Care Services Agency), subsections 3-12.93 and 3-12.99, to add the sunset date of June 30, 2027 in said subsections which was inadvertently omitted on the March 26, 2024 Salary Ordinance amendment; and
- iv. Article 3, Section 3-14 (Probation Department), to add new subsection 3-14.27 to establish a hiring incentive pay of up to \$15,000 for newly-hired or newly-promoted employees in the classifications of Juvenile Institutional Officer (“JIO”) (Job Code (“JC”) 6214) and JIO Associate (JC 6216) in the Alameda County Probation Department (“ACPD”), paid in specified increments based on defined criteria over a four (4) year period effective June 9, 2024.

**DISCUSSION/SUMMARY:**

The ACSO requested that the Human Resources Services Department create a departmental-unique classification of Ombudsperson (JC 1290) to provide incarcerated individuals at the Santa Rita Jail (“SRJ”) a venue to raise and address new and ongoing concerns with the living conditions at SRJ. The Ombudsperson will be responsible for handling grievances and complaints related to the safety, care, and custody of inmates; and acting as a neutral third party to provide advice and consultation and make recommendations to executive-level staff regarding ACSO departmental policies, procedures, and programs related to detention facilities.

The Ombudsperson will report to the Division Commander in Management Services, who is outside SRJ chain of command. The ACSO believes that this new non-sworn classification is pivotal to ensuring ACSO and the County of Alameda meet the requirements issued in the consent decree. The new classification job specification was approved

*An Equal Opportunity Employer*

by the Civil Service Commission on February 21, 2024. Subsequently, staff conducted an external salary survey of the surrounding Bay Area counties and determined that there was no external market for the new classification. Consequently, the proposed salary for the new classification is based on an internal relationship of similar classifications with a comparable level of duties and responsibilities. On March 25, 2024, staff extended an offer to the Alameda County Management Employees Association – Sheriff's Non-Sworn Unit 029 ("ACMEA") to meet and confer on the impacts of the decision to implement the proposed salary for the Ombudsperson classification (JC 1290). Staff met with ACMEA and on April 22, 2024, ACMEA confirmed that they agreed with the proposed salary. As such, staff recommends the salary for the new classification of Ombudsperson (JC 1290) to be established as outlined in the Salary Ordinance amendment.

In addition, On March 26, 2024, your Board approved the creation of a department-unique classification of Forensic Mental Health Specialist (JC 6532) and amended subsections 3-12.93 and 3-12.99 of the Salary Ordinance to add said new classification as eligible for the recruitment and retention bonuses, respectively. At that time, staff inadvertently omitted the previously adopted sunset date language applicable to said subsections in the Salary Ordinance amendments. As such, staff recommends amending subsections 3-12.93 and 3-12.99 of the Salary Ordinance by adding the sunset date of June 30, 2027 and deleting said subsections from the Salary Ordinance upon the sunset date.

Lastly, at the request of ACPD to explore options to address ongoing critical recruitment and retention challenges for JIO and JIO Associate classifications, staff completed its thorough analysis of said ongoing challenges and recommends establishing a hiring incentive pay for said classifications located in the Juvenile Justice Center ("JJC") effective June 9, 2024. The program pays up to \$15,000 for newly-hired or newly-promoted employees in the classifications of JIO (JC 6214) and JIO Associate (JC 6216), and paid in specified increments based on defined criteria over a four (4) year period as outlined in the attached Salary Ordinance. The ACPD continues to have difficulty hiring and retaining JIOs with close to 70 vacant positions, and the proposed hiring incentive pay will help fill these critical positions at JJC. This program shall sunset on November 4, 2029, and shall be deleted from the Salary Ordinance upon the sunset date.

**SELECTION CRITERIA:**

N/A


**FINANCING:**

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

**VISION 2026 GOAL:**

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

Very truly yours,

DocuSigned by:  
  
24C63D8E074A48D...  
Margarita Zamora, Interim Director  
Human Resource Services

cc: CAO  
Auditor-Controller



Sheriff  
Director, ACH  
Chief Probation Officer

By   
Kristy van Herick, Asst. County Counsel

CERTAIN PROVISIONS OF THE 2023-2024  
COUNTY OF ALAMEDA SALARY ORDINANCE

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

**SECTION I**

**Article 1, Section 1-1, Subsection 1-1.1** of the County of Alameda Salary Ordinance is hereby amended thereto of the following new job code, title, and salary effective on June 9, 2024 as shown below:

Item	MC	Classification Title	Unit Code	Step 01	Step 02	Step 03	Step 04	Step 05	FLSA Status
<u>1290</u>	<u>PA</u>	<u>Detention and Corrections Ombudsperson</u>	<u>029</u>	<u>3,780.80</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,594.40</u>	<u>X</u>

**SECTION II**

**Article 3, Section 3-17, Subsection 317.36** of the County of Alameda Salary Ordinance is hereby amended to read as follows:

3-17.36 – Employees in Job Codes 1290 (effective 6/9/24), 1871, 5151, 6072, 6500, 6502, 8549, 8561, 8562, 8724, 8751, 8756, 8850, 8851, and 8860 may be compensated at any biweekly amount in the salary range for that classification as determined by the Department Head. (BOS approved 2/5/13 Job Codes 6502PA and 8724PA effective 2/17/13) (BOS approved 5/24/16 Job Codes 8756PA and 8751N effective 6/5/16) (BOS approved 8/2/16 Job Code 1871SM effective 7/31/16), and Job Code 6072EM effective 1/29/17 (BOS approved 1/24/17). (BOS approved Job Codes 5151PA; 8561N; 8562N 6/9/20) (BOS approved Job Codes 1871SM; 6072EM; 8549N; 8751N; 8756PA 6/23/20) (BOS approved 3/12/24)

**SECTION III**

**Article 3, Section 3-12, Subsections 3-12.93 and 3-12.99** of the County of Alameda Salary Ordinance is hereby amended to read as follows:

**3-12.93** – Effective January 23, 2022, persons newly hired with the County of Alameda on or after January 23, 2022 into the classification groups (Job Code (“JC”) 6490 and/or 6491), (JCs 6638 and/or 6640), (JCs 6505 and/or 6528), (JCs 6510 and/or 6529), or individual JCs 6492, 6497, 6525, 6527 and 5065; effective May 14, 2023, persons newly hired in JCs 6530 and 6531; and effective April 14, 2024, persons newly hired in JC 6532, assigned to Santa Rita Jail, shall receive a one-time hiring incentive to be paid in specified increments over a three (3) year period as follows:

Mental Health Specialist I (JC 6490), Mental Health Specialist II (JC 6491) and/or Forensic Mental Health Specialist (JC 6532) – \$8,000

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

Rehabilitation Counselor I (JC 6638) and/or Rehabilitation Counselor II (JC 6640) – \$8,000

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

Mental Health Specialist III (JC 6492) and/or Forensic Mental Health Specialist (JC 6532) – \$8,000

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

Marriage and Family Therapist II (JC 6497) – \$12,000

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

Behavioral Health Clinician I (JC 6505) and/or Forensic Behavioral Health Clinician I (JC 6528) – \$12,000

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

Behavioral Health Clinician II (JC 6510) and/or Forensic Behavioral Health Clinician II (JC 6529) – \$12,000

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

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

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

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

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

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

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

Newly hired employees shall only be entitled to one (1) recruitment bonus based on date of hire.

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

**3-12.99** – Effective March 19, 2023, employees hired prior to January 23, 2022, and assigned to Santa Rita Jail in the listed classification groups (Job Code (“JC”) 6490 and/or 6491), (JCs 6638 and/or 6640), (JCs 6505 and/or 6528), (JCs 6510 and/or 6529), or individual JCs 6492 or 6497; and effective April 14, 2024, JC 6532, shall receive a one-time retention bonus to be paid over a 3-year period.

Mental Health Specialist I (JC 6490), Mental Health Specialist II (JC 6491) and/or Forensic Mental Health Specialist (JC 6532) – \$8,000

- \$500 after completion of 6-pay periods of continuous service following March 19, 2023.
- \$650 after completion of 12-pay periods of continuous service following March 19, 2023.
- \$850 after completion of 19-pay periods of continuous service following March 19, 2023.
- \$1,500 after completion of 26-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 52-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 78-pay periods of continuous service following March 19, 2023.

Mental Health Specialist III (JC 6492) and/or Forensic Mental Health Specialist (JC 6532) – \$8,000

- \$500 after completion of 6-pay periods of continuous service following March 19, 2023.
- \$650 after completion of 12-pay periods of continuous service following March 19, 2023.
- \$850 after completion of 19-pay periods of continuous service following March 19, 2023.
- \$1,500 after completion of 26-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 52-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 78-pay periods of continuous service following March 19, 2023.

Rehabilitation Counselor I (JC 6638) and/or Rehabilitation Counselor II (JC 6640) – \$8,000

- \$500 after completion of 6-pay periods of continuous service following March 19, 2023.
- \$650 after completion of 12-pay periods of continuous service following March 19, 2023.
- \$850 after completion of 19-pay periods of continuous service following March 19, 2023.
- \$1,500 after completion of 26-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 52-pay periods of continuous service following March 19, 2023.
- \$2,250 after completion of 78-pay periods of continuous service following March 19, 2023.

Marriage and Family Therapist II (JC 6497) – \$12,000

- \$1,000 after completion of 6-pay periods of continuous service following March 19, 2023.
- \$1,300 after completion of 12-pay periods of continuous service following March 19, 2023.
- \$1,700 after completion of 19-pay periods of continuous service following March 19, 2023.
- \$2,000 after completion of 26-pay periods of continuous service following March 19, 2023.
- \$3,000 after completion of 52-pay periods of continuous service following March 19, 2023.
- \$3,000 after completion of 78-pay periods of continuous service following March 19, 2023.

Behavioral Health Clinician I (JC 6505) or Forensic Behavioral Health Clinician I (JC 6528) or Behavioral Health Clinician II (JC 6510) or Forensic Behavioral Health Clinician II (JC 6529) – \$12,000

- \$1,000 after completion of 6-pay periods of continuous service following March 19, 2023.
- \$1,300 after completion of 12-pay periods of continuous service following March 19, 2023.
- \$1,700 after completion of 19-pay periods of continuous service following March 19, 2023.
- \$2,000 after completion of 26-pay periods of continuous service following March 19, 2023.
- \$3,000 after completion of 52-pay periods of continuous service following March 19, 2023.
- \$3,000 after completion of 78-pay periods of continuous service following March 19, 2023.

Those employees who qualify for the retention bonus under this subsection shall only be eligible for one-time retention bonus based on their assignment and continuous service as of March 19, 2023. An employee who is promoted or reclassified to a different classification shall not be eligible for additional retention bonuses in a different job code.

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

## SECTION IV

**Article 3, Section 3-14, Subsection 3-14.27** of the County of Alameda Salary Ordinance is hereby **added** to read as follows:

**3-14.27 – Hiring Incentive Pay.** Effective June 9, 2024, employees newly hired or newly promoted (excluding flex promotions from the Juvenile Institutional Officer (“JIO”) Associate (Job Code (“JC”) 6214) classification) into the classifications of JIO Associate (JC 6214) or JIO (JC 6216) on or after June 9, 2024 through September 27, 2025, shall receive a hiring incentive of \$15,000 to be paid in increments as follows:

- \$2,500 third (3<sup>rd</sup>) pay period after hire.
- \$2,500 six (6) months after hire.
- \$3,000 after successful completion of a 12-month probationary period.
- \$2,000 after two (2) years of continuous service.
- \$2,000 after three (3) years of continuous service.
- \$3,000 after four (4) years of continuous service.


Newly hired or newly promoted employees shall only be entitled to one (1) hiring incentive of \$15,000 paid in six (6) increments. An eligible JIO Associate who flex promotes to JIO shall continue to progress through and receive the remaining hiring incentive pay increments.

This subsection shall sunset effective November 4, 2029, and shall be deleted from the Salary Ordinance upon the sunset date.

## SECTION V

This ordinance shall take effect immediately, and before the expiration of fifteen days after its passage, shall be published once with the names of the members voting for and against it in the Inter-City Express, a newspaper published in the County of Alameda.



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

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### INTRODUCTION

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

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

### ANALYSIS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## CONCLUSIONS AND RECOMMENDATIONS

### ***County Pay Codes 741, 742 and 743***

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**REGULAR CALENDAR**  
**REPORTS and ACTION ITEMS**

**COMMITTEE REPORTS,**  
**RECOMMENDATIONS and MOTIONS:**

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



TO: Members of the Board of Retirement

FROM: Serafin Lim, Investment Operations Officer *SL*

DATE: June 20, 2024

SUBJECT: Follow Up on Fee Details of the Custody Contract with State Street Bank and Trust Company

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At the June 5, 2024 Investment Committee meeting, a Trustee asked about the fees set forth in the current Third Amended and Restated Custody Contract between ACERA and State Street Bank and Trust Company dated July 7, 2021 ("Contract"). Staff provided an approximate figure at the meeting. Since the Contract is about to be renewed under the same terms and fees for an additional two-year period, Staff wanted to provide more specifics regarding the fees set forth in the Contract. Below is an outline containing additional details:

1. Annual Flat Fee of \$490,000, includes:
  - a. Assets Under Administration
  - b. Portfolio Accounting and Reporting
  - c. Transaction Processing and Activity Based Fees
  - d. Cash Processing
  - e. Regulatory Compliance Support
  - f. Transition Management Administration Services
  - g. Performance and Analytics Services
2. ACERA also pays approximately \$97,600 per year related to private funds servicing.
3. There are additional servicing fees, charges and expenses including but not limited to data extracts, custom or manual reports, etc. These services are not frequent and are usually one-off requests.

Investment Staff is happy to provide additional information, if requested.



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: June 20, 2024

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **Managed Medical Review Organization (MMRO) Update**

The attached information regarding disability applications processed by Managed Medical Review Organization (MMRO) will be presented at the June Board meeting.

Attachment:  
Performance Data

Status Report  
on  
Managed Medical Review  
Organization  
(MMRO)

Board Meeting  
June 20, 2024

Sandra Dueñas-Cuevas – Benefits Manager



# MMRO Performance - Standard Cases

Duration of time to review, exhibit, conduct member outreach before disability packet is distributed to applicant and employer for comment review period	<b>Average 43 days</b>
Duration of time from completion of comment period to production and receipt of medical recommendation report	<b>Average 48 days</b>

- Duration periods were calculated based on cases completed from **July 1, 2023** to present.
- Total days decreased from a total of **120 to 91 days** when compared to the report previously provided to the Operations Committee in August 2023.
- Cases included in average numbers did not need an Independent Medical Examination (IME), Peer Review, or submit additional records after the initial file was deemed complete

# MMRO Performance (continued)

<b>Completed Cases</b>	<b>32</b>
<b>Cases in Progress</b>	<b>47</b>
<b>New Accepted Cases</b> (Pending Assignment to MMRO)	<b>8</b>
<b>Cases Requiring Annual Exam</b>	<b>6</b>

# Non-Standard Cases

Type of Cases	Number
<b>Cases in need of IME, IPE or Peer Review</b> ➤ These cases will take longer to process due to scheduling of examinations, receipt of report, review time of parties and final completion of medical recommendations	13
<b>Employer Filed Applications</b> ➤ These cases may take longer to process due to additional information required to make a determination.	4
<b>Contested Cases</b> ➤ The recommendation for these cases are being contested by the employer or the applicant and anticipated to be scheduled for hearing	15



# Year Over Year Performance

	<b>MMRO</b> 2019 – 2020 Average	<b>MMRO</b> 2020 – 2021 Average	<b>MMRO</b> 2021 – 2022 Average	<b>MMRO</b> 2022 – 2023 Average	<b>MMRO</b> 2023 – 2024 Average
<b>Phase 1</b> Exhibiting	52	59	63	69	43
<b>Phase 2</b> Medical Advisor Report	34	27	39	51	48
<b>Total Days</b>	<b>86</b>	<b>86</b>	<b>102</b>	<b>120</b>	<b>91</b>

# Technology Update

June 20, 2024  
Vijay Jagar

# PRISM Updates

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1. PAS
2. OnBase
3. Cloud File Storage
4. Windows 11



# PAS

1. Modern interface
2. Remotely hosted
3. Web accessible
4. Integrations
5. Secure



# OnBase

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1. PAS integrations
2. HR workflows
3. Major upgrade in 2025



# Cloud File Storage

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1. (Almost) Anywhere access
2. Backups
3. Searchability
4. Sharing
5. Data leaking
6. Access restriction



# Windows 11

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1. Cloud desktops
2. Physical computers
3. A big deal?



# Questions?

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*Office of the Chief Executive Officer*

DATE: June 20, 2024  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Chief Executive Officer's Report**

**Senior Manager Recruitment**

None

**Committee/Board Action Items**

**ASSIGNED FOLLOW-UP ITEMS**

<b>Follow-Up Board Item</b>	<b>Assigned Senior Leader</b>	<b>Estimated Completion Date</b>	<b>Completion Date</b>	<b>Notes</b>
Off-Site Meeting	Dave Nelsen	Summer 2024		We will be gathering input and scheduling a Board Off-site meeting for later this year.

**Conference/Event Schedule**

I will be out of the Country on Vacation from June 22<sup>nd</sup> thru July 6<sup>th</sup>. For the first week of my absence, Carlos will be in charge. During the Second week, Lisa will be in charge.

**Other Items**

*Business Planning Update*

See Attached Memo regarding 2024 Business Plan.

*Legislative Update*

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

One item of particular interest was AB 817, which would have allowed more flexibility for non-legislative local government bodies to meet virtually. This bill faced strong editorial and ACLU opposition and was voted down in committee by a 0-4 vote. This was a strong message by the legislature that they are not in favor of loosening the *Brown Act* requirements to allow for more virtual participation by Board or Committee members.

Other Items

Budget: The monthly budget snapshot showed an overage of nearly \$300,000 for the month of January. This was primarily due to an unbudgeted increase in health care premium costs, which increased our fringe benefit costs significantly, as well as vacation sells that were either unanticipated or were budgeted for later in the year.

As of the end of April, we are still over budget by 1.21%, which is about \$87,000 over budget. We are continuing to reduce the amount and anticipate that we will be able to recover from the first month without budget adjustments but will continue to monitor this and report to the Board on the results.

Pension Administration System: We are still on track to begin parallel processing in August and go live in October. This parallel processing includes ACERA internal actions as well as employer data files.

Key Performance Indicators

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

Scorecard KPI	2022 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
<b>Portfolio Performance vs. Policy Benchmark</b>	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> As of April of 2024: 10 year return 7.24%, policy index 7.45%.
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
<b>Actual Spent vs. Approved Budget</b>	<i>On budget or 10% below 2024 approved budget</i> As of April of 2024: 1.21% over budget.
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
<b>Employee Engagement Survey Results</b>	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> As of the latest survey (October of 2023): 73%.
<b>SUPERIOR CUSTOMER SERVICE</b>	
<b>Service Excellence Survey</b>	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 1st Quarter of 2024: 100%.

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

1. [Comprehensive Pension Administration System PG3 Training](#)  
**Goal 2 (May 2023 – Fall 2024)**

All final drafts of job aids scheduled to be delivered pre-go-live of PGV3 are complete. The job aids are complete. The second round of the four Standard Operating Procedures is in the final stages of review. A milestone decision regarding standard operating procedures that are currently available and the content of the current version of standard operating procedures will be added to the ACERA Intranet Training Page as is. All Pension Gold V3 training materials will be available on the SharePoint Agency Intranet under a Phase 1 roll out in mid to late June. This project is proceeding on schedule.

2. [PGV3 Upgrade](#)  
**Goal 2 (October 2024) & Goal 3**

User Acceptance Testing for the V3 member portal (Member Direct) is underway with a target completion in early May, A plan for the rollout of Member Direct is now complete. Planning discussions for the employer portal (Employer Direct) are in progress. A timeline for implementation will be presented internally in early May. An outreach to all employers with dates and times for training in early July will be sent out this month. A cross-departmental Employer Reporting training manual is complete CR's needing retesting will wrap up during D5 UAT Testing set to close on 7/12/24

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

Cutover readiness planning to the V3 environment for the Case Managers continues with a target finish of late June 2024 as scheduled.

4. [Investment License Services For Private Market & Subscription](#)  
**Goal 1 (March 2023 – September 30, 2024)**

As part of monthly reporting and Total Fund snapshot reports to the Board, Investments produces materials that report performance of funds compared to the appropriate benchmarks. However, Investments does not have the license to access Private Market benchmarks and has not been able to include the benchmark data. Investments has been researching vendors and will obtain direct access to the Cambridge Associates Private Benchmark data through S&P Dow Jones Indices. This vendor can provide ACERA and the State Street Bank Performance team with the necessary access to aid in providing timely benchmark performance reporting monthly. Staff has completed several actions related to this project, including meeting with NEPC and receiving pricing options from the vendor. The vendor has provided their Pricing Schedule and a quote for the annual fee. Investments has reviewed the pricing schedule and annual fee quote. ACERA legal is reviewing all of the documents provided by the vendor. The project is at about 60% complete.

5. WFE Phase II

**Goal 2 (Complete in October 2024)**

OnBase will be the platform used for Workforce Excellence materials, namely evaluations and coaching tracking. It will house the needed files, allow for access by appropriate team members to complete these tasks, and it will automatically calculate the related metrics for ACERA-wide KPIs.

6. Agency Intranet Solution Implementation

**Goal 2 (September 2024)**

Training on adding and maintaining materials for project team members was completed in April. Workshops for managing content led by Mike will begin the week of 6/18/24. The remaining training content will be added to the training site by future process owners. Phase 1 implementation of the SharePoint Intranet with Pension Gold V3 content is officially live.

Phase II: The departments initiated the work for organizing and categorizing network files for the migration pre-work for their department’s discussions on the desired content for the ACERA Home page which will begin in July. Content planning and organizational work is moving along well, towards the goal.

7. Expense Submission Phase II - Software Training

**Goal 3 (March 2024 through May 2024)**

Expensify software subscription was tested and selected during Phase I, research segment of the project during 2023. Phase II training sessions with the Trustees are in progress with a target completion of training in early May. Expensify is being used to submit expenses for conferences attended throughout the training period. Discussions on coordination of Expensify submissions with fiscal services in the reimbursement process have initiated. To date the software orientation is complete for all Trustees. Ongoing training for first time users remains available to achieve full adoption throughout this month. Full adoption has been achieved for all users with attendance at conferences this year. The training phase of this project is more than 90% complete.

8. Great Plains Update Planning and Process Improvement Review

**Goal 3 (March 2024 – December 2024)**

During calendar year 2024 Accounting processes and interfaces will be reviewed for process improvement opportunities. The technology and fiscal services teams will work together to research the best tools and technology for upgrades in this area. The processes fiscal services will continue to review are primarily around Accounts Payable.

# **LEGISLATIVE UPDATE**



TO: State Association of County Retirement Systems  
FROM: Cara Martinson, Public House Consulting  
Laurie Johnson, LJ Consulting & Advocacy  
RE: **Legislative Update – June 2024**

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## **Capitol Update**

We are midway through the Legislative year and bills that made it through their House of Origin and the Appropriations Committee gauntlet are currently being scheduled for June policy hearings. The Legislature will have until July 3<sup>rd</sup> to hear all bills in their various policy committees before taking a summer recess, scheduled for July 4- August 4<sup>th</sup>. That leaves August for Appropriations Committees and Floor Hearings only.

The state's dire budget scenario will make passing bills that have any state revenue impact very challenging. Out of the 2600 bills that were introduced this year, only 60% of bills introduced in the Assembly made it to the Senate, while 75% of bills introduced in the Senate made it to the Assembly. At the same time, the Legislature and Administration are in the throes of budget negotiations, and the legislative leadership recently reached a budget agreement to address the remaining \$27 billion deficit (they already cut \$17 billion in early-April). The legislative proposal rejects some of the major spending cuts that Governor Newsom is seeking, including reductions to college scholarships for middle-income students, public health programs, subsidized child care slots and housing development, while pushing for more substantial reductions to prison funding.

However, the Legislature's proposal does align with the Governor's approach of minimizing the use of reserve accounts next year, as California faces a revenue shortfall that is expected to continue for several years to come. The proposal also suggests doubling the size of the state's rainy-day fund over time. The Legislature has until June 15<sup>th</sup> to send the Governor a balanced budget. As is common, we anticipate a budget bill passed by the required deadlines, but several associated bills implementing the details, or "trailer bills" following for consideration in August.

## **SACRS is tracking the following bills:**

- **AB 2770 (Committee on Public Employment and Retirement)** – This is the annual housekeeping bill that includes various technical amendments for CalPERS, CalSTRS, and '37 Act systems. SACRS is a



co-sponsor of the bill. The bill removes the “return receipt” requirements as part of current procedures in statute that systems must follow to locate members and beneficiaries. The bill also conforms the sunset date of January 1, 2025 to the Labor Code for the recently added disability presumption for post-traumatic stress disorder. Status: Approved by the Senate Labor Committee. This bill will now be sent to the Senate Floor for approval.

- **AB 2474 (Lackey)** – This is a SACRS-sponsored bill and was amended in Committee to allow LACERA-only to deposit retirement allowances into prepaid accounts until January 1, 2028, as a pilot program. The bill also provides clarity regarding the ability of a system to deposit pension payments in a member’s living trust bank account. The bill also clarifies potential consequences when a retiree exceeds the 960-hour post-retirement employment limit and provides systems with administrative flexibility on that matter. This bill was pulled from the June 5<sup>th</sup> Senate Labor Committee hearing for further discussion with the Chair regarding the LACERA provisions of the bill. Status: This bill will be set for a future Senate Labor Committee hearing.
- **AB 2284 (Grayson)** – The bill amends the definition of “compensation earnable” to define a work classification “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping. The SACRS Legislative Committee has been engaged with the bill’s author and sponsors regarding compliance with PEPR and the *Alameda* decision. Status: This bill passed off the Assembly Floor and is pending Committee referral in the Senate.
- **AB 3025 (Valencia)** – This bill creates a framework for making benefit corrections and contribution refunds when disallowed compensation is inadvertently included in pension calculations. This bill includes a penalty to be paid by the employer to the member if compensation is later determined to be disallowed. The bill also includes language that is intended to protect a system’s *Alameda* correction process currently underway. The SACRS Legislative Committee is working with the bill’s author and sponsor on amendments to ensure ’37 Act systems can properly implement the bill, consistent with IRS regulations. Status: The bill passed off the Assembly Floor and has been double referred to the





Senate Labor, Public Employment and Retirement Committee and the Senate Judiciary Committee.

- **AB 2301 (Ngyuen)** – This bill, the Sacramento Area Sewer District Pension Protection Act of 2024, provides for the continuation of benefits and pension obligations for employees transferring from the County of Sacramento to the Sacramento Area Sewer District. Status: This bill passed out of the Senate Labor, Public Employment and Retirement Committee and will be transmitted to the Senate Floor for final approval.
- **SB 1189 (Limon)** – This bill authorizes the Ventura County Employees' Retirement Association to appoint a chief technology officer. Status: This bill has been referred to the Assembly Public Employment and Retirement Committee.

SACRS is also monitoring the following bills that do not impact the '37 Act systems but are of interest:

- **AB 817 (Pacheco)** -This bill was recently removed from the inactive file and was heard in the Senate Local Government Committee this week. The bill would have provided flexibility for local government agencies to conduct remote meetings under Open Meeting laws. Specifically, this bill would have allowed a subsidiary body of a local agency to teleconference their meetings without having to publicly notice or make all locations publicly available. Despite significant support from local governments, transparency concerns, as advocated by the ACLU, resulted in the bill being voted down 0-4. Status: Dead
- **SB 537 (Becker)** – This bill provides flexibility for local government agencies to conduct remote meetings under Open Meeting laws and exempts multijurisdictional, cross county local agencies from certain Brown Act provisions. Status: This bill was moved off of the Assembly Inactive file and is currently pending on the Assembly Floor.
- **SB 252 (Gonzalez)** – This bill prohibits CalPERS and CalSTRS from making new investments in a fossil fuel company and requires those systems to divest from fossil fuel companies by July 1, 2031, unless the board determines in good faith that the action is inconsistent with the board's fiduciary responsibilities. Status: Approved by Senate, pending in Assembly Committee.



- **SB 1240 (Alvarado-Gil)** – This bill provides for the continuation of pension benefits for employees of El Dorado County Fire Protection District and the Diamond Springs Fire Protection District under a new consolidated district. Status: Approved by Senate, pending in the Assembly.
- **SB 1379 (Dodd)** - This bill exempts specified California Public Employees' Retirement System (CalPERS) retirees hired by the Solano County Sheriff's Office from the Public Employees' Pension Reform Act (PEPRA)'s 960-hour post-retirement earnings limit. Status: Currently in Senate PERS Committee. Bill hearing canceled at the request of the author.