



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

OPERATIONS COMMITTEE/BOARD MEETING
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.

Wednesday, February 5, 2020
9:30 a.m.

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	OPHELIA BASGAL, CHAIR	APPOINTED
	DALE AMARAL, VICE CHAIR	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	JAIME GODFREY	APPOINTED
	HENRY LEVY	TREASURER

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

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

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

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

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 2 – Wednesday, February 5, 2020

Call to Order: 9:30 a.m.

Public Input

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

- 1. Discussion and Possible Motion to Approve the 2019 Discharge Request of Benefits Overpayments**

- Margo Allen

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the 2019 discharge request of benefit overpayments in the amount of \$23,442.44.

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

- 1. ACERA Commercial Banking Presentation (Wells Fargo Bank)**

- Margo Allen

- 2. Un-Audited Financial Statements as of December 31, 2019**

- Margo Allen

- 3. Operating Expenses as of December 31, 2019**

- Margo Allen

- 4. Actual Cash and Forecast Report as of December 31, 2019**

- Margo Allen

- 5. Board Member Conference Expense Report for 4th Qtr. 2019**

- Margo Allen

- 6. Senior Manager Conference and Training Expense Report for 4th Qtr. 2019**

- Margo Allen

- 7. Proposed 2020 Operations Committee Work Plan**

- Margo Allen

Future Discussion Items

Trustee Remarks

Establishment of Next Meeting Date

April 1, 2020, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: 2019 Discharge Request of Uncollectable Benefit Overpayments

Executive Summary

In December 2018, the Board adopted a revised Discharge of Benefit Overpayments Policy to provide management with a means to discharge all types of uncollectable benefit overpayments from ACERA's financial records.

The initial discharge of uncollectable benefit overpayments was completed during the 2016 financial reporting period, in the sum of \$182,693.28, for overpayments generated during January 1, 1996, through December 31, 2012. The second discharge of uncollectable benefit overpayments occurred during the 2017 financial reporting period and covered overpayments generated from January 1 through December 31, 2013, and totaled \$648.12. Both of these actions occurred under previous Board policy which stipulated a four-year waiting period to discharge an account(s) after it was deemed uncollectable. However, revised Board policy eliminates the four-year waiting period and allows staff to make immediate discharge of accounts currently deemed uncollectable. Under the revised policy, the 2018 discharge request removed overpayments through the end of 2016.

For the 2019 financial reporting period, benefits' management has deemed 11 accounts uncollectable, for a total net uncollectable amount of \$23,442.44. The following table summarizes the type, quantity, and respective accrual amounts of each uncollectable account type in the 2019 discharge request.

2019 Discharge Summary				
Type of Benefit Overpayment	QTY	Total Net Uncollectable	Average Net Uncollectable	Largest Net Uncollectable
Continuance	2	\$ 1,262.96	\$ 631.48	\$ 1,017.33
Duty Related Disability Retirement				
Non Duty Related Disability Retirement				
Service Retirement	9	22,179.48	2,464.39	11,944.34
Survivorship				
Health Reimbursement Account (HRA)				
All Other Benefit Related Items				
	11	\$ 23,442.44	\$ 2,131.13	

Budget and Financial Statement Impact

When preparing the 2019 budget, fiscal services staff created a budget expense line item to discharge benefit overpayments in the amount of \$39K. Management is requesting approval to discharge \$23K of uncollectable accruals, which will clear all uncollectable accruals through 2017, which is \$16K under the budgeted amount. The Fiscal Services Officer is requesting approval to discharge \$23,442.44 of uncollectable accruals from ACERA's stated assets.

The impact to the financial statements will be approximately \$167K of accrued receivables for benefit overpayments remaining on the unaudited 2019 end-of-year Statement of Fiduciary Net Position, under "Other Receivables" (Note 8).

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the 2019 discharge request of benefit overpayments in the amount of \$23,442.44.

Attachments:

- 1). Discharge of Benefits Overpayments Receivables Policy (December 20, 2018)



Discharge of Overpayments Policy

I. Purpose

- A. This policy sets forth procedures for discharge of uncollectable benefit overpayments. For purposes of this policy, “benefit overpayments” include retirement benefits, health care premiums, credit union deductions, and taxes.
- B. The primary objective of this policy is to ensure that uncollectable benefit overpayments to a member or a beneficiary are properly identified, tracked and, when appropriate, discharged from ACERA’s financial accounting records.
- C. Therefore, the principal focus of this policy is to ensure that management and staff follow consistent, Board approved guidelines to objectively determine that an account due is deemed uncollectable, and therefore qualifies to be discharged from ACERA’s financial accounting records.

II. Assumptions

- A. Benefit overpayments deemed uncollectable should be discharged from ACERA’s financial accounting records as “receivables” in accordance with generally accepted accounting principles.
- B. Discharging uncollectable benefit overpayments from ACERA’s financial accounting records does not prevent the Board from exercising its fiduciary responsibility to recoup the resulting shortfall to the plan, participants, and beneficiaries by transferring the shortfall to the unfunded liability.
- C. Moreover, ACERA can later accept repayment of the overpayments from the member even after discharging them.

III. Guidelines

- A. Upon discovery of an overpayment of benefits, the Benefits Department will (when necessary) suspend or reduce ongoing payment of benefits, document the overpayment, and proceed to collect all overpayments in accordance with applicable policies and procedures regarding collection activities.
- B. When the Benefits Department, in consultation with the Legal Department, determines that an overpayment is uncollectable following exhaustion of all reasonable efforts (taking into account the statute of limitations for court filings), the Benefits Manager shall notify the Fiscal Services Officer in writing.
- C. Included in that writing shall be name of the recipient, amount of the receivable, the cause of the overpayment, the date on which the Benefits Department initially became aware of the overpayment circumstance, the steps taken to collect the overpayment, and the determination that the overpayment is uncollectable consistent with applicable procedures.
- D. Upon receipt of the writing, the Fiscal Services Department shall track the uncollectable accrued overpayment until approval by the Board of Retirement to discharge the overpayment is received.
- E. At the beginning of each calendar year, the Fiscal Services Officer shall prepare a Notice of Uncollectable Receivables to present to the Operations Committee to request a recommendation to the Board of Retirement that it authorize the discharge of accounts that have been deemed uncollectable receivables for the previous calendar year ending December 31.

IV. Policy Review

The Operations Committee shall review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

V. Policy History

- A. The Board adopted this policy on November 17, 2016.
- B. The Board updated this policy on December 20, 2018.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: **ACERA Commercial Banking Institution Relationship Team Presentation**

Executive Summary

Staff has arranged for the Wells Fargo Bank (WFB) relationship team to attend the February 5, 2020, operations committee meeting to present and discuss its commercial banking services and customer relationship building initiatives. During the past 4 years, the WFB commercial services team has been actively engaged in advancing and improving ACERA's commercial banking experience. That is, WFB has worked collaboratively to upgrade banking interfaces, to expand and improve product offerings, and to flatten, in some cases reduce or eliminate, monthly banking fees. Notable service areas where WFB has really performed outstandingly include:

- Relationship Management
- CEO Portal Services
- Treasury Management
- Commercial Credit Card Services
- Vendor Electronic Payment Services, and
- Consulting

In April 2020, staff will propose a recommendation to the operations committee to consider a three to five-year deferment for conducting a commercial bank Request for Proposal (RFP) in 2020. Wells Fargo Bank has been ACERA's commercial banking intuition since 1999. The service provider policy states that "ACERA will not contract with the same Board Approved Service Provider or General Service Provider for more than five (5) consecutive years without Board Approval" (November, 9, 2017).

In March 2016, staff presented an informational memo outlining an action plan to conduct a RFP during the 2016 calendar year. After review and discussion, it was determined by the operations committee that staff should curtail its plans to pursue a commercial banking RFP given the resource constraints at the time. With that said, staff realizes there are many choices when it comes to commercial banking services; however, much like 2016, ACERA has several strategically important initiatives in the works that require additional staff attention to complete process optimization and reengineering. Furthermore, the resources that the fiscal services department has committed to improving and streamlining ACERA's banking services are finally being realized in our current business operations. Staff is pleased with the banking relationship it has with Wells Fargo Bank and would like to maintain stability in its current banking and financial services.



ACERA Board Presentation

February 5, 2020

Together we'll go far



YOUR NEED

TEAM CONTACT INFORMATION

Relationship management team

- Loan or Credit Approval
- Overdrafts
- Problem Escalation

Tom Burst
VP, Relationship Manager
Email: Thomas.burst@wellsfargo.com
Phone: (510) 625-2546

Betty Huynh
Relationship Associate
Email: betty.t.huynh@wellsfargo.com
Phone: (510)-625-2567

Abhinav Dhar
VP, Customer Service Manager
Email: abhinav.dhar@wellsfargo.com
Phone: (925) 496-4614

Mira Kim
SVP, Commercial Banking Leader
Email: mira.kim@wellsfargo.com
Phone: (510) 625-2577

Michelle Rorex
SVP, Loan Team Manager
Email: michelle.rorex@wellsfargo.com
Phone: (510) 625-2550

Melissa Landay
SVP, Market Executive
Email: melissa.g.landay@wellsfargo.com
Phone: (510) 625-2572

Treasury management consulting team

- Treasury Management support and inquiries

Grant Torres
VP, Treasury Management Consultant
Email: grant.torres@wellsfargo.com
Phone: (510) 625-2537

Joshlyn Meloncon
AVP, Treasury Management Sales Analyst
Email: joshlyn.meloncon@wellsfargo.com
Phone: (510) 625-2581

Christina De La O
Dedicated Client Service Officer
Email: Christina.delao@wellsfargo.com
Phone: (626) 572-1693

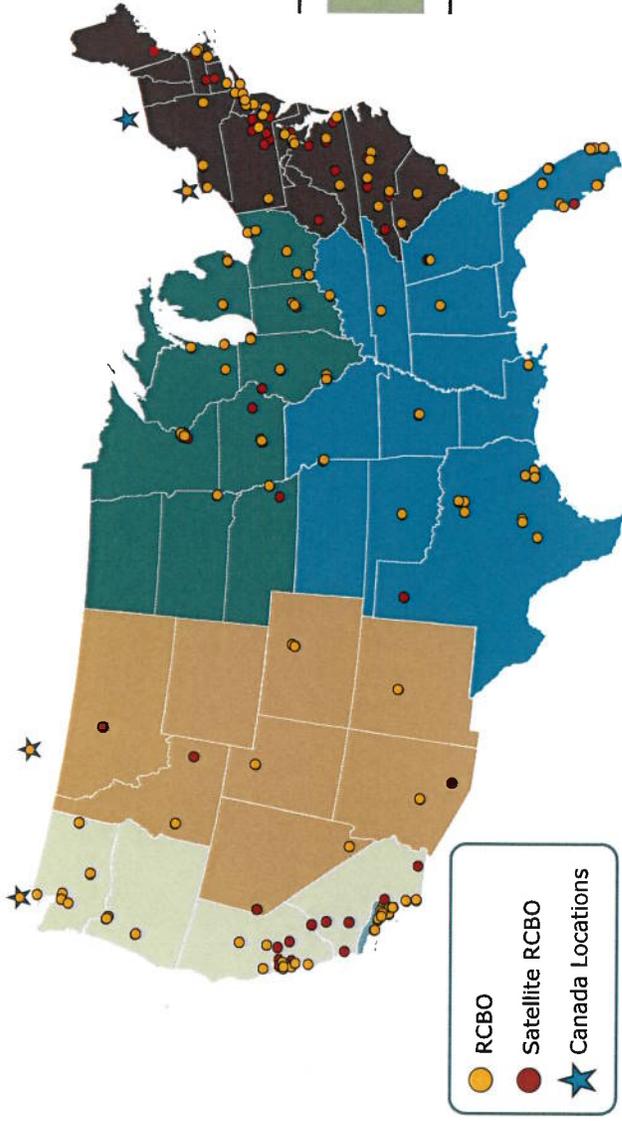
Strategic partners

- Commercial Card

Stacey Moore
VP, Commercial Card Account Manager
Email: mooresta@wellsfargo.com
Phone: (510) 910-6067

WellsOne Service Center
Email: service.wellsonecenters.com
Phone: (800) 932-0036

Building relationships through local market expertise



More than 130 regional offices located nationwide and in four Canadian provinces.

Relationship focused

A relationship with Wells Fargo means you're working with a leader in the industry who, year-after-year, has connected companies with the capital they need to grow and thrive.

Exceptional customer service

After listening to and understanding our customers and their financial goals, we want to provide exceptional service and guidance to help them succeed financially.

Local expertise

With more than 130 regional middle market banking offices and four Canadian provinces, we have relationship teams near you that understand your market. These experienced relationship and lending managers can provide insight into your regional economy and business environment.

Easy to use solutions

The Wells Fargo Commercial Electronic Office® (CEO®) portal is quick and easy to use, allowing our customers to focus on growing their company, raising capital, and gaining market share.

We address ACERA's challenges with solutions and delivery

A full suite of solutions

- **Payments**
 - Payment Manager
- **Collections**
 - Electronic Receivables
- **Information Reporting**
 - Automated Account Reconciliation
 - Cash forecasting
- **Deposits**
 - Sweep services
 - Investment balances
- **Channels**
 - *Commercial Electronic Office*[®] (*CEO*[®]) portal
 - Direct Data Connections

Consultative approach

- Continued streamlining of processes by utilizing Wells Fargo solutions
- Specialized product teams for complex solutions

ACERA experience

- Approximately 90% of service inquiries resolved within two days
- 22 in-person meetings in last two calendar years with finance team

Wells Fargo acknowledgements

Global Finance (2018)

- Best Bank for Payments and Collections in North America – Treasury Management
- Best Information Security and Fraud Management

Wells Fargo Donated \$444 Million to Nearly 11,000 Nonprofits in 2018



Affordable housing

More than **\$117 million** to help people buy a home, including down payment assistance, homebuyer education and financial coaching.



Small business growth

\$24 million to provide access to capital and training for entrepreneurs in rural and urban markets, as part of a **\$175 million** commitment through 2020.



Economic equity and inclusion

\$216 million allocated to nonprofits that serve diverse and historically underserved groups. **\$90 million** advanced inclusion across the LGBTQ community, women, veterans and people with disabilities.



Access to financial education

More than **1.7 million** people learned about money management through the Hands on Banking program.



Enabling a low-carbon economy

\$16 million supported environmental education, resiliency planning, green infrastructure, solar energy for low-income communities and clean technology development.

Wells Fargo team members donated **2 million hours** of volunteer time in 2018. For the **10th consecutive year**, United Way Worldwide has recognized Wells Fargo for having the **No. 1** workplace giving campaign in the U.S.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020
TO: Members of the Operations Committee
FROM: Margo Allen, Fiscal Services Officer ~~MA~~
SUBJECT: December 31, 2019, Unaudited Financial Statements

Executive Summary

Attached for review and discussion is the unaudited financial statements for the period ended December 31, 2019.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2018 increased by \$1.20 billion.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$8.79 billion. Total Receivables increased by \$10 million, Investments at fair value increased by \$1.18 billion, Cash increased by \$3 million, Capital Assets increased by \$1 million and Total Liabilities without Security Lending Liability decreased by \$3 million.
- The year-over-year Change in Net Position increased by \$1.72 billion. This is due to increase in additions of \$1.75 billion and increase in deductions of \$35 million as explained below:
 - Total Additions year-over-year increased by \$1.75 billion. This includes, increase in contributions of \$37 million, and increase in investments of \$1.71 billion.
 - Total Deductions year-over-year increased by \$35 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, retiree health programs, member refunds and administrative expenses.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 12/31/2019

	Year-To-Date 2019	Year-To-Date 2018
ASSETS		
Cash (Note 1)	4,151,369	1,573,133
Securities Lending Cash Collateral (Note 2)	121,705,062	183,002,987
Receivables:		
Contributions (Note 3)	18,232,661	17,422,507
Investment Receivables (Note 4a)	17,044,483	15,986,252
Unsettled Trades - Investments Sold	3,361,020	1,202,614
Futures Contracts - Equity Index (Note 5a)	364,516	0
Foreign Exchange Contracts (Note 7a)	5,129,347	100,999
Other Receivables (Note 8)	290,431	107,881
Total Receivables	44,422,458	34,820,254
Prepaid Expenses	762,812	1,292,997
Total Current Assets	171,041,701	220,689,372
Investments - at Fair Value:		
Short-Term Investments (Note 9)	231,758,980	159,672,681
Domestic Equity	500,700,357	499,759,246
Domestic Equity Commingled Funds	1,976,776,052	1,717,776,383
International Equity	1,185,022,317	1,502,436,172
International Equity Commingled Funds (Note 10)	1,189,559,075	427,396,358
Domestic Fixed Income	981,101,097	930,749,832
International Fixed Income	111,728,420	137,245,365
International Fixed Income - Commingled Funds (Note 11)	148,934,809	135,450,207
Real Estate - Separate Properties (Note 12)	73,870,578	69,120,972
Real Estate - Commingled Funds (Note 13)	511,498,093	492,121,170
Real Assets	436,816,351	293,197,570
Absolute Return (Note 14a)	801,739,911	696,825,066
Private Equity (Note 14b)	615,790,556	522,443,189
Total Investments	8,765,296,597	7,584,194,210
Capital Assets at Cost (Net of Accumulated Depreciation or Amortization) (Note 15)	2,532,109	1,485,300
Total Assets	8,938,870,407	7,806,368,882
LIABILITIES		
Securities Lending Liability (Note 2)	121,705,062	183,002,987
Unsettled Trades - Investments Purchased	6,750,375	6,582,740
Investment-Related Payables (Note 4b)	11,866,889	12,363,273
Futures Contracts - Equity Index (Note 5b)	187,832	1,153,223
Equity Index Swaps (Note 6b)	2,500,986	239,345
Foreign Exchange Contracts (Note 7b)	2,383	3,651,400
Accrued Administration Expenses (Note 16)	2,357,945	2,275,696
Members Benefits & Refunds Payable (Note 17a)	4,042,011	4,150,965
Retirement Payroll Deductions Payable (Note 17b)	255,728	362,685
Total Liabilities	149,669,211	213,782,313
Net Position		
Restricted - Held in Trust for Benefits	8,789,201,196	7,592,586,569
Total Net Position	8,789,201,196	7,592,586,569

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Twelve Months Ending 12/31/2019

	Year-To-Date 2019	Year-To-Date 2018
ADDITIONS		
Contributions: (Note 18)		
Members	103,039,166	94,735,673
Employers	298,526,950	269,684,809
Total Contributions	401,566,116	364,420,482
From Investment Activities:		
Net Appreciation in Fair Value of Investments	1,307,646,904	(417,757,336)
Interest	44,586,060	48,433,720
Dividends	53,531,296	67,385,237
Real Estate - Net	25,869,150	22,526,196
Private Equity and Alternatives	(24,819,701)	(21,075,127)
Brokers Commissions - Directed Brokerage	41,633	80,164
Sub-Total of Dividends, Interest, Other Investment Income (Note 19)	99,208,437	117,350,191
Total Income from Investment Activities	1,406,855,341	(300,407,145)
Total Investment Expenses (Note 20)	(49,755,528)	(57,513,452)
Net Income from Investment Activities (Note 21)	1,357,099,813	(357,920,597)
From Securities Lending Activities:		
Securities Lending Income	5,756,057	7,055,998
Securities Lending Expenses	(4,663,833)	(5,202,570)
Net Income from Securities Lending Activities (Note 22)	1,092,224	1,853,428
Total Net Investment Income	1,358,192,037	(356,067,169)
Miscellaneous Income (Note 23)	1,230,688	1,426,181
Total Additions	1,760,988,842	9,779,494
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	489,452,611	459,141,978
Death Benefits (Note 25)	2,825,577	2,957,440
Supplemental Cost of Living Allowance	1,181,244	1,134,613
Retiree Healthcare Program	43,562,150	40,878,670
Total Benefit Payments	537,021,582	504,112,701
Member Refunds	10,724,708	8,709,150
Administration: (Note 26)		
Administrative Expenses	11,873,106	11,779,201
Actuarial Expenses	307,659	356,909
Business Continuity Expenses	561,529	590,905
Legal Expenses	1,610,203	1,576,702
Technology Expenses	920,928	942,413
401(h) Expenses	1,354,500	1,224,500
Total Administration	16,627,925	16,470,630
Total Deductions	564,374,215	529,292,481
Net Increase(Decrease)	1,196,614,627	(519,512,988)
Net Position Held in Trust for Benefits:		
Net Position - January 1	7,592,586,569	8,112,099,556
Net Position - December 31	8,789,201,196	7,592,586,569

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

Basis of Accounting

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

(Note 1)

Cash - \$4.15 million

Cash balance is the sum of the funds in the Wells Fargo Bank operating accounts. The increase of \$2.58 million from \$1.57 million in December 31, 2018, is primarily due to increase in the average weekly retiree payroll and the timing difference between receipt of contributions and the transfer of funds for retiree payroll and investment.

(Note 2)

Securities Lending Cash Collateral - \$121.71 million

Cash collateral of \$121.71 million and \$183.00 million was held by ACERA related to securities on loan as of December 31, 2019, and December 31, 2018, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with the GASB Statement No. 28. The decrease in securities lending collateral is due to decrease in the balances of traditional active manager accounts in east passive index funds, e.g. Blackrock Russell 1000 index.

(Note 3)

Contributions Receivables - \$18.23 million

The receivable balances of December 31, 2019, increased approximately \$0.81 million from \$17.42 million in December 31, 2018. This is primarily due to increase in the member and employer contribution rates.

(Note 4a)

Investment Receivables - \$17.04 million

The investment receivables balance as of December 31, 2019, increased by \$1.06 million from \$15.99 million for December 31, 2018. The increase is mainly attributed to stock dividend receivables.

(Note 4b)

Investment Related Payables - \$11.87 million

The decrease of \$0.50 million in investment related payables balance as of December 31, 2019, from \$12.36 million for December 31, 2018 is primarily due to investment managers and consultant fees payable.

(Note 5)

Future Contracts Equity Index Receivables - \$0.36 million and Payables - \$0.19 million

5a. The receivable represents unrealized gains on open future contracts. The balance for unrealized gains as of December 31, 2019, and December 31, 2018, were \$0.36 million and none, respectively.

5b. The Payables represents the unrealized losses on open future contracts. The balance for unrealized losses as of December 31, 2019, and December 31, 2018, were \$0.19 million and \$1.15 million, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 6)

Equity Index Swaps Receivable – none and Payable - \$2.50

6a. The receivable represents the amount to be received from the counterparties of the equity index swaps. The total receivable as of December 31, 2019, and December 31, 2018, were none.

6b. The payable represents the amount owed, but not yet paid, to the counterparties of equity index swaps. The total payables as of December 31, 2019, and December 31, 2018, were \$2.50 million and \$0.24 million, respectively. The increase is mainly due to an unrealized loss on AQR fund.

(Note 7)

Foreign Exchange Contracts Receivables - \$5.13 million and Payables - \$0.002 million

Foreign exchange (FX) contracts include currency forward contracts and spot contracts.

7a. The receivables represents unrealized gains on foreign exchange contracts. As of December 31, 2019, and December 31, 2018, unrealized gains on FX contracts were \$5.13 million and \$0.10 million, respectively. The increase of \$5.03 million is due to change in number and valuation of contracts.

7b. The payables represents unrealized losses on foreign exchange contracts. As of December 31, 2019, and December 31, 2018, unrealized losses on FX contracts were \$0.002 million and \$3.65 million, respectively. The decrease in unrealized losses of \$3.65 million is due to market volatility.

(Note 8)

Other Receivables - \$0.29 million

Other receivables as of December 31, 2019, are comprised primarily of funds due from deceased retirees' estates for overpayment of benefits; and from insurance for ACERA legal claims.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 9)

Short-Term Investments - \$231.76 million

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

(Dollars in Millions)

Fund Name	12/31/2019
Brandywine	\$ 86.66
Unallocated Cash	49.32
AQR Capital Management, LLC	32.73
Baird Investors	17.53
Capital Guardian	17.08
Loomis	13.23
TCW	3.96
Kennedy	3.53
William Blair Small Cap Growth	3.40
Pzena	2.31
Mondrian	0.56
Bivium - Arga Investment Management	0.33
Bivium - Denali Advisors	0.33
Bivium - Radin Capital Partners	0.31
Bivium - Dundas Partners	0.24
Bivium - Global Alpha Capital Mgmt	0.15
Bivium - Applied Research Management	0.14
RVX Asset Management LLC	0.08
Transition	0.04
Next Century Investors Ultra	0.02
SSGA Liquid Pool	0.01
Next Century Growth Small Cap	-0.20
Total	\$ 231.76

(Note 10)

International Equity Commingled Funds - \$1,189.56 million

As of December 31, 2019, and December 31, 2018, the International Equity Commingled Funds were \$1,189.56 million and \$427.40 million, respectively. The increase of \$762.16 million is mainly due to market appreciation and the addition of Newton and Blackrock MSCI World Index funds.

(Note 11)

International Fixed Income Commingled Funds - \$148.93 million

The increase of \$13.48 million from the prior year is mainly due to market appreciation. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 12)

Real Estate Separate Properties - \$73.87 million

The following is a summary of Real Estate – Separate Property investments as of December 31, 2019, and December 31, 2018. The year over year increase of \$4.75 million is due to the market appreciation of the Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 12-31-2019</i>	<i>Net Mkt. Value 12-31-2018</i>	<i>No. of Properties 2019</i>	<i>No. of Properties 2018</i>
RREEF	\$ 73.87	\$ 69.12	1	1

Note 13)

Real Estate Commingled Funds - \$511.50 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 6254.26. The increase of \$19.38 million in 2019 as compared to 2018 is due to market appreciation and additional investments net of distributions.

(Note 14a)

Absolute Return - \$801.74 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$104.91 million in 2019 as compared to 2018 is predominantly due to additional investments.

(Note 14b)

Private Equity - \$615.79 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$93.35 million in 2019 as compared to 2018 is mainly due to additional investments net of distributions; and net gain on investments.

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$2.53 million

(Dollars in Millions)

<i>Net Capital Assets</i>	<i>12/31/2019</i>	<i>12/31/2018</i>
Retirement Information System and EDMS - Construction-In-Process	\$ 1.11	\$ -
Equipment, Furniture & Information Systems	13.54	13.49
Electronic Document Management System	4.16	4.16
Less: Accumulated Depreciation	(17.64)	(17.62)
Net Book Value	1.17	0.03
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.23)	(1.13)
Net Book Value	1.36	1.46
Total Capital Assets, Net	\$ 2.53	\$ 1.49

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

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

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

(Note 16)

Accrued Administration Expenses - \$2.36 million

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

(Note 17)

17a. Members' Benefits & Refunds Payable - \$4.04 million

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

<i>Accrued Benefits and Refunds</i>	<i>12/31/2019</i>	<i>12/31/2018</i>
Basic Active Death Benefits	\$ 0.62	\$ 0.74
Active Death Contribution Refunds	1.64	2.01
Retired Death Benefits	1.78	1.40
Members' Contribution Refunds	-	-
Total Members' Benefit & Refunds Payable	\$ 4.04	\$ 4.15

17b. Retirement Payroll Deductions Payables - \$0.26 million

The balance for December 31, 2019, includes \$0.01 of health premium prepayments for 11 retirees and accrual of \$0.25 million Health Reimbursement Account (HRA) benefits. The corresponding balance for December 31, 2018, of \$0.36 million included \$0.01 million of health premium prepayments for 12 retirees and accrual of \$0.35 million of HRA benefits.

(Note 18)

Contributions - \$401.57 million

The increase in contributions of \$37.15 million in 2019 as compared to 2018 is primarily due to increases in employer and member contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 19)

Dividend, Interest, and Other Investment Income - \$99.21 million

(Dollars in Millions)

<i>Dividend, Interest, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>12/31/2019</i>	<i>12/31/2018</i>
Interest Income	\$ 44.59	\$ 48.43
Dividend Income	53.53	67.39
Real Estate Income	25.87	22.53
PEARLS Income/ (Losses) ⁽¹⁾	(24.82)	(21.08)
Directed Brokerage Commission Recapture	0.04	0.08
Total Net Income⁽²⁾	\$ 99.21	\$ 117.35

⁽¹⁾The PEARLS Income/ (Losses) represents the net operating results of Private Equity, Absolute Return and Real Asset Funds. The loss in 2019 is mainly related to Sheridan Production and AQR Real Return OSF funds. The loss in 2018 is mainly related to AQR Global Stock Selection fund.

⁽²⁾The decrease in total Net Income of \$18.14 million in 2019 as compared to 2018 is mostly due to decline in dividend income.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 20)

Investment Expenses - \$49.75 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>12/31/2019</i>	<i>Basis Points</i>	<i>12/31/2018</i>
Investment Manager and Incentive Fees	51.83	\$ 45.43	67.73	\$ 51.37
Investment Custodian	0.63	0.55	0.73	0.56
Investment Consultants & Other Expenses(*)	1.22	1.07	3.26	2.48
Subtotal	53.68	47.05	71.72	54.41
Investment Allocated Cost	3.08	2.70	4.09	3.10
Total Investment Expenses(**)	56.76	\$ 49.75	75.81	\$ 57.51

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>12/31/2019</i>	<i>Basis Points</i>	<i>12/31/2018</i>
Investment Advising & Performance (Pearls, Alternative Investment)	1.03	\$ 0.90	1.17	\$ 0.89
Consultant - Portfolio Rebalancing	0.05	0.05	0.06	0.05
Consultant - Legal (Alternative Investment)	0.26	0.22	0.33	0.25
Subtotal – Consultants Expenses	1.34	1.17	1.56	1.19
Proxy Services	0.06	0.05	0.07	0.05
Transaction Cost Analysis	0.05	0.05	0.06	0.05
Other Investment Expenses/(Income) ***	(0.23)	(0.20)	1.57	1.19
Subtotal – Other Investment Expenses	(0.12)	(0.10)	1.70	1.29
Total Investment Consultants and Other Expenses	1.22	\$ 1.07	3.26	\$ 2.48

(**) The decrease in total investment expenses of \$7.76 million in 2019 as compared to 2018 is primarily due to investment management and incentive fees in Equity Securities, Private Equity and Absolute Return.

(***) The decrease in other investment expenses of \$1.39 million in 2019 as compared to 2018 is primarily due to foreign tax expense which was overbooked in 2018. The correction was made in 2019 which is resulted in reduction of expenses.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 21)

Net Investment Income/ (Losses) - \$1,357.10 million

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

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>12/31/2019</i>	<i>12/31/2018</i>	<i>from prior period</i>
Paper / Unrealized Gains/(Losses)	\$ 1,007.86	\$ (1,572.59)	\$ 2,580.45
Actual / Realized Gains/(Losses)	299.79	1,154.83	(855.04)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	49.45	59.84	(10.39)
Total Net Income/ (Losses)	\$ 1,357.10	\$ (357.92)	\$ 1,715.02

(Note 22)

Securities Lending Net Income - \$1.09 million

The securities lending net income balance as of December 31, 2019, and December 31, 2018, were \$1.09 million and \$1.85 million, respectively. The decrease in securities lending income is due to the fact that we decrease the balances in the traditional active manager accounts in east passive index funds.

(Note 23)

Miscellaneous Income - \$1.23 million

The miscellaneous income of \$1.23 million is predominantly from prior year investment income and recovery.

(Note 24)

Service Retirement and Disability Benefits - \$489.45 million

The increase of \$30.31 million was predominantly due to the higher average benefit paid to the newly added retirees as compared to that of deceased retirees with lower average benefits as well as a modest increase of 305 in the total number of retirees and beneficiaries receiving benefits, from 9,751 on December 31, 2018 to 10,056 on December 31, 2019.

(Note 25)

Death Benefits - \$2.83 million

The death benefits paid out during the year ended December 31, 2019, were comprised of \$0.22 million of Retired Death Benefits, \$0.53 million of Active Death Benefits, and \$2.08 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of December 31, 2019

(Note 26)

Total Administration - \$16.63 million

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

The detail of total Administration Expenses are as follows:

(Dollars in Millions)

	<i>12/31/2019</i>	<i>12/31/2018</i>	<i>Inc./ (Dec.) from previous period</i>
Administrative Expenses	\$ 11.87	\$ 11.78	\$ 0.09
Actuarial Expenses	0.31	0.36	(0.05)
Business Continuity Expenses	0.56	0.59	(0.03)
Legal Expenses	1.61	1.58	0.03
Technology Expenses	0.92	0.94	(0.02)
401(h) Administrative Expenses	1.36	1.22	0.14
Total	\$ 16.63	\$ 16.47	\$ 0.16



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Operating Expense Budget Summary for the period ended December 31, 2019

ACERA's operating expenses are \$1,905K under budget for the period ended December 31, 2019. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Professional Fees*: Professional Fees are \$83K over budget. This amount comprises surplus in actuarial fees¹ of (\$67K); operations consultant fees of (\$22K) due to savings from benchmarking services and process excellence projects, and external audit fees of (\$3K), which are offset by overage in legal fees² of \$175K.

Budget Surpluses

2. *Staffing*: Staffing is \$1,264K under budget. This amount comprises surplus in staff vacancies of (\$850K) and fringe benefits of (\$805K), which are offset by overage in temporary staffing of \$391K due to vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$182K under budget due to savings from unattended staff trainings.
4. *Office Expense*: Office Expense is \$26K under budget. This amount comprises surpluses in building expense³ of (\$7K), bank charges and miscellaneous administrative expenses of (\$15K), office maintenance and supplies of (\$8K), communication expense of (\$27K) primarily due to savings from Intranet upgrade/enhancement project, and printing and postage of (\$7K). Which are offset by overage in minor equipment and furniture of \$3K and equipment lease and maintenance of \$35K due to change in vendor for photocopiers and printers.
5. *Insurance*: Insurance is \$192K under budget. This is primarily due to significant decrease in the 2019/2020 expenses for Alameda County Risk Management Program as compared to 2018/2019.

¹ The surplus in actuarial fees of \$67K is primarily due to savings in supplemental consulting of this year and last year accrual.

² The overage in legal fees of \$175K is primarily due to an unanticipated payment of \$34K to Shaw Law for professional services; \$95K for the settlement of legal claim, and litigation expenses related to Alameda Health System vs ACERA and Employee vs ACERA claims.

³ The surplus in building expense of \$7K is due to credit from CBRE for 2018 escalation reconciliation.

6. *Member Services*: Member Services are \$146K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$34K) due to reduction in number of disability cases, disability medical expense of (\$79K) also due to reduction in number of disability cases, Health Reimbursement Account of (\$4K), and members printing and postage⁴ of (\$33K), which are offset by overage in member training and education of \$4K.
7. *Systems*: Systems are \$76K under budget. This amount comprises surpluses in business continuity expense of (\$14K) mainly due to savings from storage and service charges, software maintenance and support of (\$51K) primarily due to savings from database migration project and audit management software, computer maintenance of (\$6K), and minor computer hardware of (\$11K), which are offset by overage in county data processing of \$6K.
8. *Depreciation*: Depreciation is \$8K under budget, which is mainly related to the office equipment.
9. *Board of Retirement*: Board of Retirement is \$78K under budget. This amount comprises surpluses in board miscellaneous expense of (\$14K) due to reduction in board meetings, board compensation of (\$7K) also due to reduction in board meetings, board software maintenance and support of (\$2K), board conferences and training of (\$103K) due to savings from unattended board conferences and trainings. Which are offset by overage in board election expense⁵ of \$38K and board employer reimbursement of \$10K.

Staffing Detail

As of December 31, 2019, ACERA had the following permanent vacant positions:

Department	Position	QTY	Comments
Fiscal Services	Retirement Accountant II	1	Currently budgeted until 12/2019
Benefits	Retirement Technician	3	Filled by temporary staff - currently budgeted until 12/2019
Investments	Senior Investment Officer	1	Resigned in May - currently budgeted until 12/2019
Investments	Investment Officer	1	Retired in March - currently budgeted until 12/2019
Legal	Associate Counsel	2	Laid off in June - currently budgeted until 12/2019
Total Positions		8	

⁴ The surplus in members printing and postage of \$33K is primarily due to savings from 2019 newsletters and 2018 newsletters accrual.

⁵ The overage in board election expense of \$38K is due to higher estimated 2019 board election expense than budget.



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TOTAL OPERATING EXPENSE SUMMARY

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>December 31, 2019</u>					
	Actual	Budget	YTD	2019	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 13,858,390	\$ 15,122,000	\$ (1,263,610)	\$ 15,122,000	91.6%
Staff Development	327,725	510,000	(182,275)	510,000	64.3%
Professional Fees (Next Page)	1,270,147	1,187,200	82,947	1,187,000	107.0%
Office Expense	528,097	554,000	(25,903)	554,000	95.3%
Insurance	1,112,905	1,305,000	(192,095)	1,305,000	85.3%
Member Services	380,970	527,000	(146,030)	527,000	72.3%
Systems	1,075,930	1,152,000	(76,070)	1,152,000	93.4%
Depreciation	118,168	126,000	(7,832)	126,000	93.8%
Board of Retirement	632,644	711,000	(78,356)	711,000	89.0%
Uncollectable Benefit Payments	23,442	39,000	(15,558)	39,000	60.1%
Total Operating Expense	\$ 19,328,418	\$ 21,233,200	\$ (1,904,782)	\$ 21,233,000	91.0%
Investment Consultant Fees	1,176,049	1,486,000	(309,951)	1,486,000	79.1%
Investment Custodian Fees	551,630	550,000	1,630	550,000	100.3%
Investment Manager and Incentive Fees	44,432,855	54,495,000	(10,062,145)	54,495,000	81.5%
Other Investment Expenses/(Income)	(105,962)	454,000	(559,962)	454,000	-23.3%
Total Portfolio Management Investment Expense	\$ 46,054,572	\$ 56,985,000	\$ (10,930,428)	\$ 56,985,000	80.8%
Total Operating and Portfolio Management Investment Expense	\$ 65,382,990	\$ 78,218,200	\$ (12,835,210)	\$ 78,218,000	83.6%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
PROFESSIONAL FEES
YEAR TO DATE - ACTUAL VS. BUDGET
December 31, 2019

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2019</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 366,000	\$ 388,200	\$ (22,200)	\$ 388,000	94.3%
Actuarial Fees ²	347,659	415,000	(67,341)	415,000	83.8%
External Audit ³	146,341	149,000	(2,659)	149,000	98.2%
Legal Fees ⁴	410,147	235,000	175,147	235,000	174.5%
Total Professional Fees	\$ 1,270,147	\$ 1,187,200	\$ 82,947	\$ 1,187,000	107.0%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2019 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Process Excellence	40,000	50,000	(10,000)	50,000	80.0%
Benchmarking	-	20,000	(20,000)	20,000	0.0%
Total Administration	40,000	70,000	(30,000)	70,000	57.1%
Benefits					
Alameda County HRS (Benefit Services)	126,000	126,000	-	126,000	100.0%
Segal (Benefit Consultant/Retiree Open Enrollment)	123,000	115,200	7,800	115,000	107.0%
Total Benefits	249,000	241,200	7,800	241,000	103.3%
Human Resources					
Lakeside Group (County Personnel)	77,000	77,000	-	77,000	100.0%
Total Human Resources	77,000	77,000	-	77,000	100.0%
Total Consultant Fees - Operations	\$ 366,000	\$ 388,200	\$ (22,200)	\$ 388,000	94.3%

² ACTUARIAL FEES					
Actuarial valuation	75,000	75,000	-	75,000	100.0%
GASB 67 & 68 Valuation	46,000	46,000	-	46,000	100.0%
GASB 74 & 75 Actuarial	13,500	14,000	(500)	14,000	96.4%
Actuarial Standard of Practice 51 Pension Risk	55,000	60,000	(5,000)	60,000	91.7%
Supplemental Consulting	118,159	180,000	(61,841)	180,000	65.6%
Supplemental Retiree Benefit Reserve valuation	40,000	40,000	-	40,000	100.0%
Total Actuarial Fees	\$ 347,659	\$ 415,000	\$ (67,341)	\$ 415,000	83.8%

³ EXTERNAL AUDIT					
External audit	125,580	126,000	(420)	126,000	99.7%
GASB 67 & 68	12,013	12,000	13	12,000	100.1%
GASB 74 & 75-External Audit	8,748	11,000	(2,252)	11,000	79.5%
Total External Audit Fees	\$ 146,341	\$ 149,000	\$ (2,659)	\$ 149,000	98.2%

⁴ LEGAL FEES					
<u>Fiduciary Counseling</u>					
Nossaman	35,382	50,255	(14,872)	50,255	
Meyers Nave	22,449	31,884	(9,436)	31,884	
Reed Smith	19,616	27,861	(8,245)	27,861	
Subtotal	77,447	110,000	(32,553)	110,000	70.4%
<u>Tax and Benefit Issues</u>					
Hanson Bridgett	24,504	39,000	(14,496)	39,000	
Subtotal	24,504	39,000	(14,496)	39,000	62.8%
<u>Litigation</u>					
Nossaman	101,062	24,338	76,724	24,338	
Meyers Nave	76,754	18,484	58,270	18,484	
Mangosing Law Group	95,000	22,878	72,122	22,878	
Reed Smith	646	156	490	156	
Mediation Offices Of Sanford Kingsley	600	144	456	144	
Subtotal	274,061	66,000	208,061	66,000	415.2%
<u>Investigation Services</u>					
Shaw Law Group	34,136	20,000	14,136	20,000	
Subtotal	34,136	20,000	14,136	20,000	170.7%
Total Legal Fees	\$ 410,147	\$ 235,000	\$ 175,147	\$ 235,000	174.5%



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020
TO: Members of the Operations Committee
FROM: Margo Allen, Fiscal Services Officer 
SUBJECT: Actual Cash and Forecast as of December 31, 2019

Executive Summary

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

- Table 1 is a summary of the 2019 Cash Forecast vs Actual Cash year-end review;
- Table 2 is the annual cash forecast from January 2020 to December 2020, which will roll forward monthly as the year progresses; and,
- Tables 3 through 5 is the annualized, 5-year actual cash management information.

Table 1, below, is the Comparison between Cash Forecast and Actual Cash Position for the year 2019:

Table 1 Cash Forecast vs Actual Cash for the year 2019			
	Total Receipts	Total Disbursements	Negative Cash Position
Forecast	\$ 395,497,901	\$ 552,694,502	\$ (157,196,601)
Actual	401,756,315	570,574,725	(168,818,410)
Variance	(6,258,414)	(17,880,223)	11,621,809
Average*	31,156,293	47,325,043	(16,168,750)

Table 1 notes: *This is actual average per month excluding the months having three pay periods.

Table 2 Cash Forecast: Table 2 provides the current forecasted negative cash position for the period spanning January 2020 to December 2020. The average monthly negative cash position for the referenced period is \$17,557,215. Excluding the two three-pay-period months i.e., May 2020 and October 2020, annotated by an *. The year-over-year increase in average monthly negative cash position compared to the same period in 2019 is \$1,388,465.

Table 2 Annual Cash Forecast from January 2020 to December 2020			
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position
Jan-20	\$ 30,775,000	\$ 47,655,213	\$ (16,880,213)
Feb-20	30,904,376	48,472,702	(17,568,327)
Mar-20	30,988,751	48,570,191	(17,581,440)
Apr-20	31,073,127	48,667,680	(17,594,554)
May-20*	46,584,066	48,765,170	(2,181,104)
Jun-20	31,241,878	48,862,659	(17,620,781)
Jul-20	31,326,254	48,960,148	(17,633,894)
Aug-20	31,410,629	49,057,637	(17,647,008)
Sep-20	31,495,005	49,155,126	(17,660,121)
Oct-20*	47,259,071	49,252,615	(1,993,544)
Nov-20	31,663,756	49,350,104	(17,686,348)
Dec-20	31,748,132	49,447,593	(17,699,461)
Total	\$ 406,470,043	\$ 586,216,838	\$ (179,746,795)
Average	\$ 31,262,691	\$ 48,819,905	\$ (17,557,215)

Table 2 notes: *These are three-pay-period months which are excluded from the average because they cause inaccuracy with extreme fluctuation.

Tables 3 through 5, below, provide a 5-year, annualized analysis of ACERA's cash management.

Table 3 5-Year Annual Cash Inflow			
Year	Total Contributions, Misc. Cash Receipts, etc.	Cash Draw from SSB*	Total Cash Inflow
2019	\$ 401,756,315	\$ 232,000,000	\$ 633,756,315
2018	361,633,074	224,000,000	585,633,074
2017	335,099,875	217,350,000	552,449,875
2016	325,836,998	196,400,000	522,236,998
2015	316,918,096	216,100,000	533,018,096

Table 3. Annualized inflow of total cash receipts. The Cash Draw from SSB, in the second column is the actual net cash drawn from ACERA's investment portfolio.

Table 4 5-Year Annual Cash Outflow			
Year	Retiree Payroll, Accounts Payable, ACERA Payroll, etc.	Cash Return to SSB*	Total Cash Outflow
2019	\$ 570,574,725	\$ 60,500,000	\$ 631,074,725
2018	534,704,781	66,503,646	601,208,427
2017	502,857,234	33,750,000	536,607,234
2016	475,743,162	45,900,000	521,643,162
2015	454,551,561	78,200,000	532,751,561

Table 4. Annualized outflow of retirement and benefit payments, accounts payable, and ACERA payroll. Excess cash (Cash Return to SSB column) is wired to the SSB H11A account.

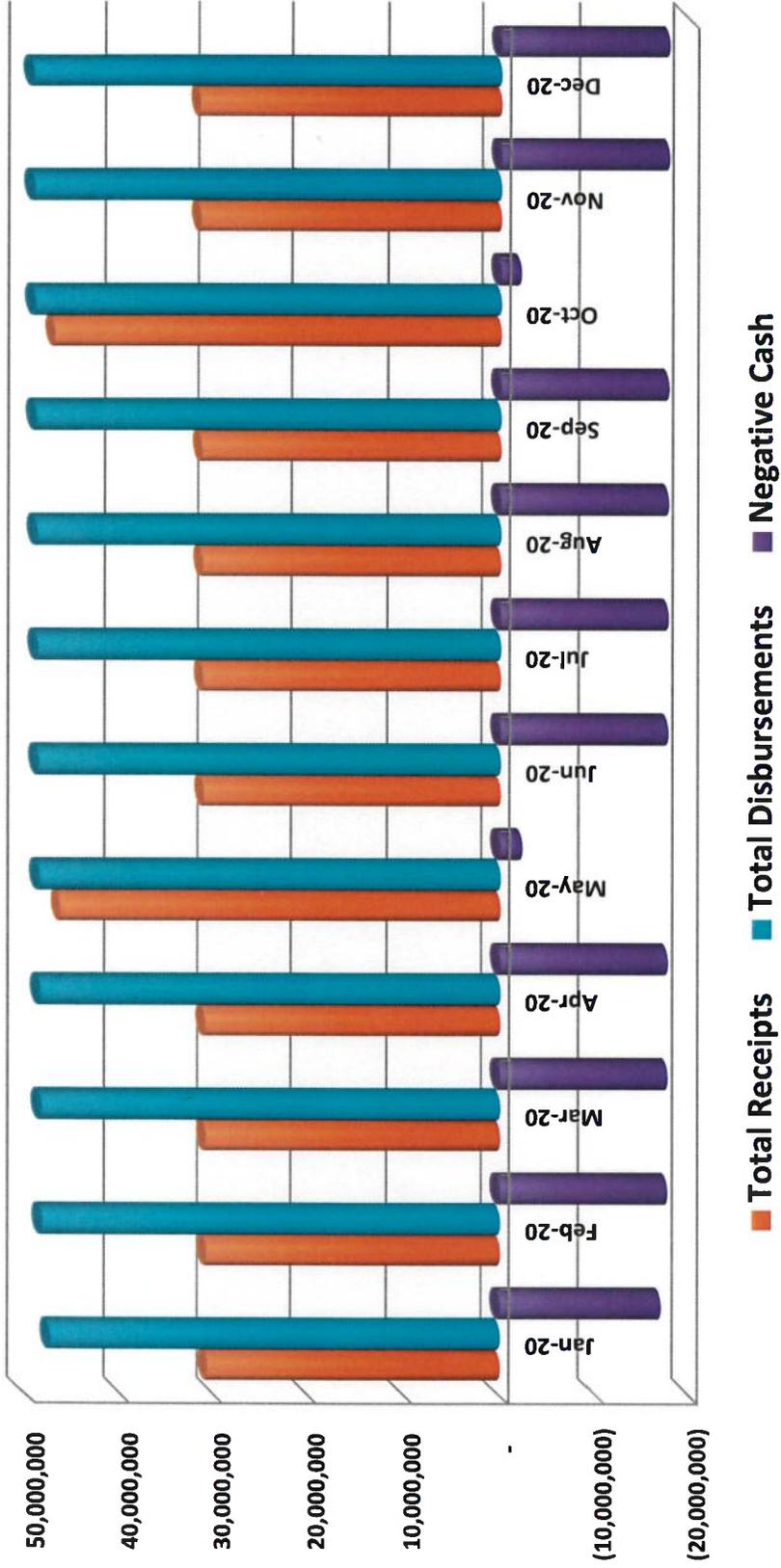
Table 5 5-Year Annual Net Cash Position			
Year	Negative Cash	Net Cash Draw from SSB	Variance
2019	\$ (168,818,410)	\$ 171,500,000	\$ 2,681,590
2018	(173,071,707)	157,496,354	(15,575,353)
2017	(167,757,359)	183,600,000	15,842,641
2016	(149,906,164)	150,500,000	593,836
2015	(137,633,465)	137,900,000	266,535

Table 5. Annualized Negative Cash position and the SSB Net Cash Draw. Due to timing differences and end-of-year balance differences, the net cash draw can fluctuate several hundred-thousand dollars in a year-over-year comparison.

* State Street Bank (SSB)

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

Cash Forecast January 2020 - December 2020





MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer *MA*

SUBJECT: Board Conference and Training Expense Report for the period January 1, 2019, to December 31, 2019

Attached is the year-to-date board conference and training expense report. As of December 31, 2019, reported expenses totaled \$99,868.

ACERA Trustees
Board Conference Expense Report
January 1, 2019 to December 31, 2019

From	To	Attendee	Conference/Location	Location	Total
05/07/19	05/10/19	Dale Amaral	SACRS - Spring Conference	Olympic Valley, CA	\$ 721
Dale Amaral Total					\$ 721
01/09/19	01/11/19	Darryl Walker	Opal Public Funds Summit	Scottsdale, AZ	\$ 32
01/28/19	01/30/19	Darryl Walker	Callan Institute - 2019 National Conference	San Francisco, CA	\$ 20
02/11/19	02/13/19	Darryl Walker	Super Return US West	Los Angeles, CA	\$ 638
03/27/19	03/28/19	Darryl Walker	NASP Day of Education in Private Equity for Trustees	Los Angeles, CA	\$ 737
04/09/19	04/10/19	Darryl Walker	Pension Bridge, Private Equity Exclusive	San Francisco, CA	\$ 189
05/07/19	05/10/19	Darryl Walker	SACRS - Spring Conference	Olympic Valley, CA	\$ 1,934
06/12/19	06/15/19	Darryl Walker	Andes Capital Curtis Spears Dinner	New York, NY	\$ 429
06/14/19	06/14/19	Darryl Walker	GCM Grosvenor Capital Management, LP - 16th Annual Consortium EAST	New York, NY	\$ 1,304
06/24/19	06/24/19	Darryl Walker	NASP 30th Anniversary Pension/Financial Services	Baltimore, MD	\$ 1,828
07/22/19	07/24/19	Darryl Walker	Opal Public Funds Summit	Scottsdale, AZ	\$ 1,366
09/03/19	09/05/19	Darryl Walker	2019 AAAIM National Conference	Manhattan, CA	\$ 1,178
09/20/19	09/20/19	Darryl Walker	Think Asia - Think Hong Kong	Los Angeles, CA	\$ 414
10/23/19	10/24/19	Darryl Walker	NAIC National Association of Investment Cos. - 2019 Annual Conference	Los Angeles, CA	\$ 635
10/29/19	10/29/19	Darryl Walker	KACALP-Kayne Anderson Capital Advisors, Annual Conference	Beverly Hills, CA	\$ 729
11/10/19	11/13/19	Darryl Walker	SACRS - Fall Conference	Olympic Valley, CA	\$ 879
11/19/19	11/19/19	Darryl Walker	TOIGO Foundation, Industry Insight, City Club	Los Angeles, CA	\$ 435
Darryl Walker Total					\$ 12,746
04/09/19	04/10/19	Elizabeth Rogers	Foundation Research Associates - 5th Annual Conference	New York, NY	\$ 3,630
05/07/19	05/10/19	Elizabeth Rogers	SACRS - Spring Conference	Olympic Valley, CA	\$ 946
07/22/19	07/22/19	Elizabeth Rogers	Pension Bridge, Private Equity Exclusive	Chicago, IL	\$ 1,696
07/24/19	07/24/19	Elizabeth Rogers	PRI Forum - Principles of Responsible Investment	New York, NY	\$ 2,411
09/04/19	09/05/19	Elizabeth Rogers	Nossaman 2019 Fiduciaries Forum	Berkeley, CA	\$ 450
11/10/19	11/13/19	Elizabeth Rogers	SACRS - Fall Conference	Olympic Valley, CA	\$ 1,143
Elizabeth Rogers Total					\$ 10,277
03/02/19	03/05/19	George Wood	CALAPRS General Assembly	Monterrey, CA	\$ 767
04/28/19	05/01/19	George Wood	Milken Global Conference 2019	Beverly Hills, CA	\$ 11,752
05/07/19	05/10/19	George Wood	SACRS - Spring Conference	Olympic Valley, CA	\$ 120
07/22/19	07/22/19	George Wood	Pension Bridge, Private Equity Exclusive	Chicago, IL	\$ 937
11/10/19	11/13/19	George Wood	SACRS - Fall Conference	Olympic Valley, CA	\$ 582
George Wood Total					\$ 14,158
01/28/19	01/30/19	Henry Levy	Callan Institute - 2019 National Conference	San Francisco, CA	\$ 31
03/02/19	03/05/19	Henry Levy	CALAPRS General Assembly	Monterrey, CA	\$ 872
03/18/19	03/22/19	Henry Levy	Black Rock-Indexing & Alpha Strategies	San Francisco, CA	\$ 23
04/09/19	04/10/19	Henry Levy	Pension Bridge, Private Equity Exclusive	San Francisco, CA	\$ 213
04/16/19	04/17/19	Henry Levy	Callan Institute - Introduction to Investment	San Jose, CA	\$ 15
04/24/19	04/26/19	Henry Levy	Institutional Investor Forums - Public Funds	Beverly Hills, CA	\$ 1,273
04/29/19	05/02/19	Henry Levy	Wharton Advanced Investments Management	Pensylvania, PA	\$ 8,439
05/06/19	05/06/19	Henry Levy	Callan Regional Workshop	San Francisco, CA	\$ 15
05/07/19	05/10/19	Henry Levy	SACRS - Spring Conference	Olympic Valley, CA	\$ 860
07/22/19	07/24/19	Henry Levy	International and Emerging Market Investing	Pensylvania, PA	\$ 4,188
09/04/19	09/05/19	Henry Levy	2019 Public Pensions and Investments Fiduciaries	Berkeley, CA	\$ 395
09/16/19	09/19/19	Henry Levy	2019 PIMCO, Pacific Investment Management Co. LLC - Institute Educational Seminar	Newport Beach, CA	\$ 1,325
10/22/19	10/24/19	Henry Levy	MSCI Conference	Sacramento, CA	\$ 629
10/25/19	10/25/19	Henry Levy	CALAPRS Trustees Round Table	Oakland, CA	\$ 125
11/04/19	11/04/19	Henry Levy	Blackrock Educational Academy, Asset Allocation Factor Based Investing Event	San Francisco, CA	\$ 2,863
11/10/19	11/13/19	Henry Levy	SACRS - Fall Conference	Olympic Valley, CA	\$ 984
Henry Levy Total					\$ 22,249

ACERA Trustees
Board Conference Expense Report
January 1, 2019 to December 31, 2019

From	To	Attendee	Conference/Location	Location	Total
03/27/19	03/29/19	Jaime Godfrey	CALAPRS Advanced Principles of Pension Management for Trustees	Los Angeles, CA	\$ 3,456
04/24/19	04/26/19	Jaime Godfrey	Institutional Investor Forums - Public Funds	Beverly Hills, CA	\$ 869
05/07/19	05/10/19	Jaime Godfrey	SACRS - Spring Conference	Olympic Valley, CA	\$ 1,335
07/22/19	07/22/19	Jaime Godfrey	Pension Bridge, Private Equity Exclusive	Chicago, IL	\$ 2,190
07/24/19	07/24/19	Jaime Godfrey	PRI Forum - Principles of Responsible Investment	New York, NY	\$ 1,265
10/28/19	10/29/19	Jaime Godfrey	Pension Bridge Alternatives, Public Fund Session	Beverly Hills, CA	\$ 1,456
Jaime Godfrey Total					\$ 10,571
04/28/19	05/01/19	Keith Carson	Milken Global Conference 2018	Los Angeles, CA	\$ 11,615
11/10/19	11/13/19	Keith Carson	SACRS - Fall Conference	Olympic Valley, CA	\$ 120
Keith Carson Total					\$ 11,735
05/07/19	05/10/19	Liz Koppenhaver	SACRS - Spring Conference	Olympic Valley, CA	\$ 1,510
11/10/19	11/13/19	Liz Koppenhaver	SACRS - Fall Conference	Olympic Valley, CA	\$ 988
Liz Koppenhaver Total					\$ 2,498
04/09/19	04/10/19	Nancy Reilly	Pension Bridge, Private Equity Exclusive	San Francisco, CA	\$ 189
05/07/19	05/10/19	Nancy Reilly	SACRS - Spring Conference	Olympic Valley, CA	\$ 904
11/10/19	11/13/19	Nancy Reilly	SACRS - Fall Conference	Olympic Valley, CA	\$ 965
Nancy Reilly Total					\$ 2,058
09/04/19	09/05/19	Ophelia Basgal	Nossaman 2019 Fiduciaries Forum	Berkeley, CA	\$ 427
Ophelia Basgal Total					\$ 427
01/17/19	01/17/19	Tarrell Gamble	NASP - Diverse and Emerging Manager Forum	Baltimore, MD	\$ 2,044
01/24/19	01/26/19	Tarrell Gamble	African Diaspora Investment Symposium 2019	Mountain View, CA	\$ 419
01/24/19	01/26/19	Tarrell Gamble	NASP - Pension Bridge Annual Conference	San Francisco, CA	\$ 203
01/28/19	01/30/19	Tarrell Gamble	Callan Institute - 2019 National Conference	San Francisco, CA	\$ 21
02/01/19	02/01/19	Tarrell Gamble	CALAPRS Trustees Round Table	Oakland, CA	\$ 134
03/07/19	03/07/19	Tarrell Gamble	SEO Alternative Investments	New York, NY	\$ 1,371
03/27/19	03/28/19	Tarrell Gamble	NASP Day of Education in Private Equity for Trustees	Los Angeles, CA	\$ 782
05/07/19	05/10/19	Tarrell Gamble	SACRS - Spring Conference	Olympic Valley, CA	\$ 1,322
06/18/19	06/19/19	Tarrell Gamble	Accelerate Investors 2019 Annual Conference, NY	New York, NY	\$ 2,058
06/24/19	06/24/19	Tarrell Gamble	NASP 30th Anniversary Pension/Financial Services	Baltimore, MD	\$ 1,588
07/22/19	07/22/19	Tarrell Gamble	Pension Bridge, Private Equity Exclusive	Chicago, IL	\$ 1,528
09/09/19	09/11/19	Tarrell Gamble	The Carlyle Group - 2019 Investor Conference	Washington, DC	\$ 520
09/23/19	09/24/19	Tarrell Gamble	2019 Emerging Managers Summit	Manhattan, CA	\$ 438
Tarrell Gamble Total					\$ 12,427
Grand Total					\$ 99,868



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: February 5, 2020

TO: Members of the Operations Committee

FROM: Margo Allen, Fiscal Services Officer 

SUBJECT: Senior Managers Conference and Training Expense Report for the period
January 1, 2019, to December 31, 2019

Attached is the year-to-date senior managers' conference and training expense report. As of December 31, 2019, reported expenses totaled \$52,718.

**ACERA Sr. Managers
SM Conference and Training Expense Report
January 1, 2019 to December 31, 2019**

From	To	Senior Manager	Training/Conference	Training or Conference	Total
Conferences					
01/30/19	01/30/19	Betty Tse	Callan Conference	Conference	\$ 34
03/01/19	03/01/19	Betty Tse	CALAPRS Conference	Conference	\$ 6
03/04/19	03/04/19	Betty Tse	CALAPRS General Assembly	Conference	\$ 457
04/10/19	04/10/19	Betty Tse	Pension Bridge	Conference	\$ 7
04/26/19	04/26/19	Betty Tse	Women's Leadership Forum	Conference	\$ 325
04/29/19	05/01/19	Betty Tse	Milken Conference	Conference	\$ 12,201
05/07/19	05/10/19	Betty Tse	SACRS Spring Conference	Conference	\$ 705
10/11/19	10/11/19	Betty Tse	PCAM Meeting	Conference	\$ 40
11/12/19	11/15/19	Betty Tse	SACRS Fall Conference	Conference	\$ 731
		Betty Tse Total			\$ 14,505
Training					
05/20/19	05/20/19	Betty Tse	Employee Benefit Plans Annual Audit Webcast	Training	\$ 345
06/01/19	06/01/20	Betty Tse	AICPA	Training	\$ 425
06/04/19	06/04/19	Betty Tse	Create Reports that Matter Webcast	Training	\$ 295
06/14/19	06/14/19	Betty Tse	California Frauds, Scams, Webcast	Training	\$ 295
07/16/19	07/16/19	Betty Tse	California Ethics and Frauds Studies Webcast	Training	\$ 295
07/31/19	07/31/19	Betty Tse	Common Frauds and Internal Controls Webcast	Training	\$ 295
		Betty Tse Total			\$ 1,950
Conferences					
03/02/19	03/05/19	Dave Nelsen	CALAPRS General Assembly	Conference	\$ 710
05/07/19	05/10/19	Dave Nelsen	SACRS Spring Conference	Conference	\$ 889
05/19/19	05/22/19	Dave Nelsen	NCPERS National Conference	Conference	\$ 1,809
08/03/19	08/07/19	Dave Nelsen	NASRA 65th Annual Conference	Conference	\$ 2,265
09/04/19	09/05/19	Dave Nelsen	Nossaman 2019 Fiduciaries Forum	Conference	\$ 451
11/12/19	11/15/19	Dave Nelsen	SACRS Fall Conference	Conference	\$ 945
		Dave Nelsen Total			\$ 7,068
Training					
01/25/19	01/25/19	Dave Nelsen	CALAPRS Administrators Roundtable	Training	\$ 563
04/16/19	04/16/19	Dave Nelsen	CALAPRS Management Academy, Module 2	Training	\$ 140
06/21/19	06/21/19	Dave Nelsen	CALAPRS Administrators Roundtable	Training	\$ 125
08/26/19	08/29/19	Dave Nelsen	CALAPRS Principles of Pension Governance	Training	\$ 289
09/26/19	09/28/19	Dave Nelsen	CALAPRS Administrators Institute	Training	\$ 1,250
06/10/19	06/12/19	Dave Nelsen	CALAPRS Management Academy	Training	\$ 138
06/14/19	06/14/19	Dave Nelsen	SACRS Legislative Committee Meeting	Training	\$ 40
06/20/19	06/21/19	Dave Nelsen	SACRS Board & CALAPRS Meeting	Training	\$ 281
		Dave Nelsen Total			2,827
Conferences					
03/04/19	03/05/19	Harsh Jadhav	Cybersecurity Conference	Conference	\$ 1,595
05/07/19	05/10/19	Harsh Jadhav	SACRS Spring Conference	Conference	\$ 1,143
10/29/19	10/29/19	Harsh Jadhav	APPFA	Conference	\$ 775
11/12/19	11/15/19	Harsh Jadhav	SACRS Fall Conference	Conference	\$ 948
		Harsh Jadhav Total			\$ 4,460
Training					
07/08/19	07/08/19	Harsh Jadhav	Leading with EQ	Training	\$ 129
08/08/19	08/08/19	Harsh Jadhav	ISACA	Training	\$ 736
10/22/19	10/22/19	Harsh Jadhav	Lorman Learning Tool	Training	\$ 573
11/07/19	11/07/19	Harsh Jadhav	2019 GAAP Update	Training	\$ 125
02/06/20	02/06/20	Harsh Jadhav	Strength Finder (*)	Training	\$ 25
02/27/20	02/27/20	Harsh Jadhav	7 Habits for High Efficiency (*)	Training	\$ 25
12/05/19	12/05/19	Harsh Jadhav	Cybersecurity Task Force Meeting	Training	\$ 107
12/12/19	12/12/19	Harsh Jadhav	CALAPRS Advance Training	Training	\$ 19
		Harsh Jadhav Total			\$ 1,738
Conferences					
05/07/19	05/10/19	Jessica Huffman	SACRS Spring Conference	Conference	\$ 616
09/17/19	09/19/19	Jessica Huffman	PG User Conference	Conference	\$ 619
11/12/19	11/15/19	Jessica Huffman	SACRS Fall Conference	Conference	\$ 955
		Jessica Huffman Total			\$ 2,190
Training					
10/03/19	10/03/19	Jessica Huffman	Disability Awareness	Training	\$ 36
		Jessica Huffman Total			\$ 36

(*) 2020 Expenses paid in 2019

Note: This report only shows expenses received and processed by the FSD on or before December 31, 2019. This report does not include accruals, only actuals.

**ACERA Sr. Managers
SM Conference and Training Expense Report
January 1, 2019 to December 31, 2019**

From	To	Senior Manager	Training/Conference	Training or Conference	Total
Conferences					
05/07/19	05/10/19	Kathy Foster	SACRS Spring Conference	Conference	\$ 935
10/20/19	10/23/19	Kathy Foster	IBEBP Conference	Conference	\$ 3,343
11/12/19	11/15/19	Kathy Foster	SACRS Fall Conference	Conference	\$ 823
		Kathy Foster Total			\$ 5,101
Training					
10/18/19	10/18/19	Kathy Foster	CALAPRS Intermediate Course in Retirement Plan Administration	Training	\$ 16
		Kathy Foster Total			\$ 16
Conferences					
05/07/19	05/10/19	Kathy Mount	SACRS Spring Conference	Conference	\$ 120
09/05/19	09/05/19	Kathy Mount	Nossaman 2019 Fiduciaries Forum	Conference	\$ 447
11/12/19	11/15/19	Kathy Mount	SACRS Fall Conference	Conference	\$ 924
		Kathy Mount Total			\$ 1,491
Training					
02/01/19	02/01/19	Kathy Mount	CALAPRS Attorneys' Roundtable	Training	\$ 135
06/07/19	06/07/19	Kathy Mount	CALAPRS Attorneys' Roundtable	Training	\$ 125
		Kathy Mount Total			\$ 260
Conferences					
05/07/19	05/10/19	Margo Allen	SACRS Spring Conference	Conference	\$ 867
10/20/19	10/23/19	Margo Allen	P2F2 - 16th Annual Conference	Conference	\$ 1,910
11/12/19	11/15/19	Margo Allen	SACRS Fall Conference	Conference	\$ 874
		Margo Allen Total			\$ 3,651
Training					
10/29/19	10/29/19	Margo Allen	Coaching Toxic Personalities	Training	\$ 145
11/07/19	11/07/19	Margo Allen	2019 GAAP Update (*)	Training	\$ 125
		Margo Allen Total			\$ 270
Conferences					
05/07/19	05/10/19	Sandra Dueñas-Cuevas	SACRS Spring Conference	Conference	\$ 1,185
09/30/19	09/30/19	Sandra Dueñas-Cuevas	PG User Conference	Conference	\$ 1,917
11/12/19	11/15/19	Sandra Dueñas-Cuevas	SACRS Fall Conference	Conference	\$ 918
		Sandra Dueñas-Cuevas Total			\$ 4,020
Conferences					
12/04/19	12/07/19	Victoria Arruda	CALPELRA HR Conference	Conference	\$ 1,811
		Victoria Arruda Total			\$ 1,811
Conferences					
05/07/19	05/10/19	Vijay Jagar	SACRS Spring Conference	Conference	\$ 952
10/03/19	10/03/19	Vijay Jagar	Disability Awareness	Conference	\$ 30
		Vijay Jagar Total			\$ 982
Training					
08/08/19	08/08/19	Vijay Jagar	NEKO OnBase Government Day	Training	\$ 53
08/08/19	08/08/19	Vijay Jagar	Leading with EQ	Training	\$ 80
08/14/19	08/14/19	Vijay Jagar	ISACA	Training	\$ 135
09/06/19	09/06/19	Vijay Jagar	SME Train the Trainer	Training	\$ 49
10/25/19	10/25/19	Vijay Jagar	CALAPRS	Training	\$ 25
		Vijay Jagar Total			\$ 341
		Grand Total			\$ 52,718

(*) 2020 Expenses paid in 2019

Note: This report only shows expenses received and processed by the FSD on or before December 31, 2019. This report does not include accruals, only actuals.



Proposed 2020 Operations Committee Work Plan

	Action Items	Information Items	Owners
December 2	<ol style="list-style-type: none">1. Discussion and possible motion to approve the annual agreement for Segal Consulting, ACERA's Benefits Consultant2. Review, Discussion and Possible Motion to Recommend Approval of the Proposed 2021 ACERA Operating Expense Budget	<ul style="list-style-type: none">• Operating Expenses as of 10/31/20• Technology Update	<ul style="list-style-type: none">• Margo• Vijay <p>#1 - Kathy #2 - Margo</p>

Note:

- 1) This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.
- 2) Meeting date is assumed to be the first Wednesday of the month, unless otherwise noted.
- 3) Board Policy and legislative updates will be added as directed by the legal department.
- 4) New pay codes will be added as directed by the benefits department.
- 5) Technology updates will be added as directed by the PRISM department.