



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, May 1, 2024
9:30 a.m.

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>https://zoom.us/join Call-In Number: 1 699 900 6833 Meeting ID: 852 7189 6345 Password: 869443 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	ROSS CLIPPINGER, CHAIR	ELECTED SAFETY
	KEITH CARSON, VICE CHAIR	APPOINTED
	TARRELL GAMBLE	APPOINTED
	JAIME GODFREY	APPOINTED
	ELIZABETH ROGERS	ELECTED RETIRED

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.

The Alternate Safety Member votes in the absence of the Elected Safety, either of the two Elected General Members, or both the Retired and Alternate Retired members.

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

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

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

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 prior to the meeting at accommodation@acera.org or at 510-628-3000.

OPERATIONS COMMITTEE/BOARD MEETING

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Call to Order: 9:30 p.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

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

1. E-Signature Policy review, discussion, and possible motion.

-Lisa Johnson

Recommendation

Staff recommends that the Operations Committee make a recommendation to the Board of Retirement to approve the E-Signature Policy, without revision.

2. Employer Reimbursement Policy review, discussion, and possible motion.

-Lisa Johnson

Recommendation

Staff recommends that the Operations Committee make a recommendation to the Board of Retirement to approve the Employer Reimbursement Policy, without revision.

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

1. Quarterly Financial Statements as of 03/31/2024.

-Erica Haywood

2. Operating Expenses as of 03/31/2024.

-Erica Haywood

3. Quarterly Cash Forecast Report.

-Erica Haywood

4. Board Member Conference Expense Report for 1st Quarter 2024.

-Erica Haywood

5. Senior Manager Conference and Training Expense Report for 1st Quarter 2024.

-Erica Haywood

6. 2024 Board of Retirement Election update.

-Lisa Johnson

OPERATIONS COMMITTEE/BOARD MEETING

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Trustee Remarks

Future Discussion Items

June (to be presented at Board)

- Operating Expenses as 04/30/24
- Technology Report
- MMRO Annual Report

July (to be presented at Board)

- Operating Expenses as of 05/31/24

Establishment of Next Meeting Date

September 4, 2024, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024
TO: Members of the Operations Committee
FROM: Lisa Johnson, Assistant Chief Executive Officer
SUBJECT: **E-Signature Policy Review**

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Executive Summary

The E-Signature Policy (Policy) is set for review by the Operations Committee every three years, to ensure that it remains relevant and appropriate. The policy was originally adopted on May 20, 2021.

Staff's review of the Policy resulted in the following findings:

- The Policy continues to be appropriate and does not overlap with other Board policies.
- The DocuSign E-signature tool continues to be a valuable tool.

Background

The Policy exists to foster efficiency and leverage technology in ACERA's service delivery to its members and beneficiaries and the prudent administration of benefits. The Board deemed the DocuSign electronic signature tool sufficient to ensure the integrity, security, and authenticity of a document with electronic signature submitted to ACERA by a member or beneficiary, pursuant to Gov't Code § 31527(i) and Section 4.5 of the Regulations of the Board of Retirement.

Recommendation

Staff recommends that the Operations Committee make a recommendation to the Board of Retirement to approve the E-Signature Policy, without revision.

Attachment:

E-Signature Policy

I. Purpose

As technology has improved, ACERA has been able to serve its members and beneficiaries more effectively and efficiently through electronic means. This E-Signature Policy is designed to further improve ACERA's service to its members and beneficiaries and ACERA's prudent administration of benefits.

II. Applicable Law

- A. Gov't Code § 31527(i) provides: "In its regulations, the board may include the following provisions: ... (i) Notwithstanding any other law, for the use and acceptance of a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the board deems sufficient to ensure its integrity, security, and authenticity. A document submitted pursuant to the regulation shall be given the same force as a signed, valid original document."
- B. Section 4.5 of the Regulations of the Board of Retirement provides: "The Board may adopt such other policies and procedures relating to the conduct of Board business as it deem necessary."

III. Policy

The Board deems DocuSign sufficient to ensure the integrity, security, and authenticity of a document with electronic signature submitted to ACERA by a member or beneficiary. Thus, pursuant to Gov't Code § 31527(i) and Section 4.5 of the Regulations of the Board of Retirement, ACERA will use and accept any document requiring a signature that is submitted to ACERA by a member or beneficiary through DocuSign with an electronic signature. A document with electronic signature that a member or beneficiary submits to ACERA through DocuSign shall be given the same force as a signed, valid original document.

IV. Policy Modification

This Policy was first adopted on May 20, 2021. The Operations Committee will review this Policy approximately every three years and recommend appropriate revisions to the Board.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024

TO: Members of the Operations Committee

FROM: Lisa Johnson, Assistant Chief Executive Officer

SUBJECT: **Employer Reimbursement Policy Review**

A handwritten signature in blue ink, appearing to read "Lisa Johnson", is positioned to the right of the "FROM:" line.

Executive Summary

The Employer Reimbursement Policy (Policy) is set for review by the Operations Committee to ensure that it remains relevant and appropriate. The policy was last reviewed by the Operations Committee on August 2, 2023.

Staff recommends that, due to conflict of interest concerns, Trustees Ms. Kellie Simon, Mr. George Wood, Mr. Ross Clippinger, and Mr. Kevin Bryant recuse themselves from participating in any discussion or Committee and Board actions associated with the Employer Reimbursement Policy.

Staff's review of the Policy resulted in the following findings:

- The policy continues to address the Board's intent to reimburse Departments employing ACERA Board Trustees.
- The issues addressed by this Policy continue to be within the Board's responsibilities of managing the Plan's budgetary requirements, and are legally permissible as an administrative expense of the Plan.
- The Policy continues to be appropriate and does not overlap with other Board policies.
- The Policy content continues to be appropriate in meeting the needs of ACERA.

Background

In April 2000, the Board adopted the Policy to reimburse employers of Elected Trustees for the time that these Trustees spend away from their traditional employment responsibilities. In 2008 and 2009, the Board comprehensively reviewed the Policy, examining: the Policy's financial impacts; any potential conflicts of interest concerns; whether the Policy is permissible as an administrative expense; and whether the Policy presents fiduciary concerns for the Board. The Board was advised to implement a methodology to quantify the reimbursement to ensure that it is reasonable and based upon an objective standard. Outside counsel provided a legal opinion confirming that the cost was permissible as an administrative expense. In February 2010, the Board voted to continue the Policy, with an amendment to require Elected Trustees to certify that annually they have devoted a minimum of 520 hours towards ACERA related activities. That process has been successfully implemented to date.

Recommendation

Staff recommends that the Operations Committee make a recommendation to the Board of Retirement to approve the Employer Reimbursement Policy, without revision.

Attachment:

Employer Reimbursement Policy



Employer Reimbursement Policy

I. Purpose

The Board of Retirement believes that the interests of the members and retirees of the Association are best served by attracting and retaining highly competent Board members who embrace the fiduciary responsibilities of ACERA Trustees and who are selected through a process that supports the statutory configuration of the Board.

II. Objectives

The objectives of this policy are as follows:

- A. To assist employers of active employee elected Board members (hereinafter “elected Board members”);
- B. To promote free and open participation of members in the democratic Board electoral process; and
- C. To maximize the opportunities for elected Board members to fulfill their fiduciary responsibilities to ACERA.

However, elected member employer reimbursement is not a statutorily mandated benefit to employers. Further, its authorization is subject to annual renewal at the discretion of the Board. Reimbursement is dependent upon ACERA budgetary considerations and Board approval.

III. Assumptions

In preparing this policy, the following assumptions were made:

- A. The 1937 County Employees Retirement Law specifies that the Board of Retirement of the Alameda County Employees’ Retirement Association shall consist of nine members, and up to two (2) alternate members.

While all qualified members of ACERA have the constitutional right to seek election to the Board of Retirement, the members' employer does not enjoy a statutory right to reimbursement.

- B. The Board recognizes that, in order to fulfill their fiduciary duties to ACERA, Board members will be required to expend a significant amount of time on ACERA business to the possible detriment of their other professional and personal activities. This may create conflicts with respect to the non-ACERA duties of these members and may, in the case of elected Board members, inhibit or deter Association members from seeking election to the Board of Retirement or satisfactorily discharging the duties of an elected Board member.
- C. The Board further recognizes that the precise amount of time an individual Board member may spend on ACERA activities will differ with the member's interests, committee assignments and general Association activity level. Elected Board members will, generally, incur additional responsibilities in conjunction with their duty to serve as an intermediary between their constituency and the Association.
- D. The Board acknowledges that it is not practical or useful to precisely quantify the amount of time spent on ACERA activities by each elected Board member over any given period of time and it is reasonable to limit reimbursement to 25% of the elected member's full time employment requirements which equates to 520 hours per year.

IV. Guidelines

In order to assist the employers of ACERA elected Board members, to promote free and open participation of ACERA active members in the democratic Board electoral process and to maximize the opportunities for elected Board members to fulfill their fiduciary responsibilities to ACERA, the Board hereby approves:

- A. Reimbursement to the employers of ACERA elected Board members;
- B. Not to Exceed 25% of the cost of the salary (excluding overtime and any lump-sum sell back) and benefits of such members, however under no circumstance will the total paid to the employers exceed \$300,000 for the calendar year with an annual cost of living

adjustment based upon the consumer price index. The \$300,000 is calculated based upon a pro rata share of each trustee's salary;

- C. The promulgation of guidelines to help illustrate how an elected Board member may reasonably spend at least 520 hours per year on ACERA business (See Appendix A);
- D. A process by which, at the end of the calendar year, each elected Board member will review Appendix A and certify in writing that he/she spent at least 520 hours that year on ACERA business;
- E. A proportional adjustment of the reimbursement if the elected Board member determines that he/she has spent less than 520 hours that year on ACERA business;
- F. Reimbursement of the elected Board member's employer in the appropriate amount at the end of the calendar year.

V. **Policy Modifications**

This document shall be reviewed by the Operations Committee annually during the budgetary process. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

VI. **Policy History**

- A. The Board adopted this policy on April 20, 2000.
- B. The Board reviewed and affirmed this policy, with no revisions, on August 17, 2023¹.

¹ The Board adopted the Policy on April 20, 2000. It was reviewed and affirmed with revisions November 9, 2006; February 18, 2010; November 21, 2013; and October 19, 2017. It was reviewed and affirmed without revisions December 15, 2011; November 8, 2012; December 18, 2014; December 17, 2015; November 17, 2016; January 19, 2017; December 15, 2022; and August 17, 2023.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024
TO: Members of the Operations Committee
FROM: Erica Haywood, Fiscal Services Officer *EH*
SUBJECT: Quarterly Unaudited Financial Statements as of March 31, 2024

Executive Summary

Attached for review is the unaudited financial statements for the period ended March 31, 2024. The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2023 increased by \$984.9 million.

Financial Highlights

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$11.7 billion. Total Receivables decreased by \$2.1 million, Investments at fair value increased by \$966.6 million, Capital Assets increased by \$2.6 million, and Total Liabilities without Security Lending Liability decreased by \$19.0 million.
- The year-over-year Change in Net Position increased by \$4.6 million.
 - Total Additions year-over-year increased by \$12.1 million. This include an increase in net investment income of \$3.1 million.
 - Total Deductions year-over-year increased by \$7.5 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, and retiree healthcare program.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
As of 3/31/2024

	Year-To-Date 2024	Year-To-Date 2023
ASSETS		
Cash (Note 1)	4,746,263	6,027,301
Securities Lending Cash Collateral (Note 2)	163,138,379	168,995,578
Receivables:		
Contributions (Note 3)	18,492,954	14,474,715
Investment Receivables (Note 4a)	25,196,499	24,399,271
Unsettled Trades - Investments Sold	4,878,213	9,540,626
Futures Contracts (Note 5a)	2,458,424	4,360,956
Foreign Exchange Contracts (Note 7a)	11,832	358,501
Other Receivables (Note 8)	303,821	317,747
Total Receivables	51,341,744	53,451,816
Prepaid Expenses	752,905	647,240
Total Current Assets	219,979,291	229,121,934
Investments - at Fair Value:		
Short-Term Investments (Note 9)	228,117,836	200,205,972
Domestic Equity	680,988,433	542,747,713
Domestic Equity Commingled Funds	2,364,137,100	2,102,887,710
International Equity	832,672,942	1,219,641,486
International Equity Commingled Funds (Note 10)	2,083,871,213	1,457,957,104
Domestic Fixed Income	1,428,111,723	1,379,619,522
International Fixed Income	95,672,756	88,134,982
International Fixed Income - Commingled Funds (Note 11)	78,765,305	78,950,081
Real Estate - Separate Properties (Note 12)	48,535,404	55,828,638
Real Estate - Commingled Funds (Note 13)	744,194,861	781,333,504
Real Assets (Note 14)	673,919,338	633,160,287
Absolute Return (Note 15)	928,797,921	861,186,860
Private Equity (Note 16)	1,141,122,037	1,003,057,951
Private Credit (Note 17)	311,408,251	269,028,450
Total Investments	11,640,315,121	10,673,740,261
Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) (Note 18)	10,695,101	8,063,208
Total Assets	11,870,989,513	10,910,925,403
LIABILITIES		
Securities Lending Liability (Note 2)	163,138,379	168,995,578
Unsettled Trades - Investments Purchased	20,135,622	40,050,826
Investment-Related Payables (Note 4b)	15,305,085	14,490,170
Futures Contracts (Note 5b)	18,193	0
Foreign Exchange Contracts (Note 7b)	2,175,801	34,669
Accrued Administration Expenses (Note 19)	2,583,430	3,148,599
Members Benefits & Refunds Payable (Note 20a)	5,846,889	7,690,483
Retirement Payroll Deductions Payable (Note 20b)	97,477	32,465
Lease Liability	144,195	40,418
SBITA GASB 96 Liability	174,522	0
Total Liabilities	209,619,594	234,483,208
DEFERRED INFLOWS OF RESOURCES		
Net Position		
Restricted - Held in Trust for Benefits	11,661,369,919	10,676,442,195
Total Net Position	11,661,369,919	10,676,442,195

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Three Months Ending 3/31/2024

	Year-To-Date 2024	Year-To-Date 2023
ADDITIONS		
Contributions: (Note 21)		
Members	33,423,268	31,104,299
Employers	77,807,782	70,733,672
Total Contributions	111,231,050	101,837,971
From Investment Activities:		
Net Appreciation/(Depreciation) in FV of Investments (Note 22)	417,658,858	410,694,070
Interest	17,228,632	14,273,321
Dividends	6,847,089	10,041,914
Real Estate - Net	6,616,575	5,627,153
Private Equity and Alternatives	16,843,594	11,275,697
Brokers Commissions - Directed Brokerage	1,902	1,010
Sub-Total Dividends, Interest, Other Investment Inc. (Note 23)	47,537,791	41,219,094
Total Income from Investment Activities	465,196,650	451,913,164
Total Investment Expenses (Note 24)	(20,775,782)	(10,577,062)
Net Income from Investment Activities (Note 25)	444,420,868	441,336,102
From Securities Lending Activities:		
Securities Lending Income	2,115,354	199,575
Securities Lending Expenses	(1,933,877)	(39,916)
Net Income from Securities Lending Activities (Note 26)	181,477	159,659
Total Net Investment Income	444,602,344	441,495,760
Miscellaneous Income (Note 27)	160,493	537,875
Total Additions	555,993,887	543,871,607
DEDUCTIONS		
Benefits:		
Service Retirement and Disability Benefits (Note 28)	152,614,432	146,178,531
Death Benefits (Note 29)	834,848	796,500
Supplemental Cost of Living Allowance	288,034	227,106
Retiree Healthcare Program	12,373,659	11,503,552
Total Benefit Payments	166,110,973	158,705,689
Member Refunds	2,658,618	2,938,218
Administration: (Note 30)		
Administrative Expenses	3,460,999	3,165,613
Actuarial Expenses	103,277	105,023
Business Continuity Expenses	169,215	187,731
Legal Expenses	234,310	189,914
Technology Expenses	256,121	245,287
401(h) Expenses	451,250	404,000
Total Administration	4,675,172	4,297,568
Total Deductions	173,444,763	165,941,475
Net Increase(Decrease)	382,549,124	377,930,132
Net Position Held in Trust for Benefits:		
Net Position - January 1	11,278,820,795	10,298,512,063
Net Position - March 31	11,661,369,919	10,676,442,195

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

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 - \$4.75 million

Cash balance is the sum of the funds in the JP Morgan Bank operating accounts. The decrease of \$1.28 million from 6.03 million on March 31, 2023, is primarily due to timing difference between receipt of contributions and the transfer of funds for retiree payroll and investments.

(Note 2)

Securities Lending Cash Collateral - \$163.14 million

Cash collateral of \$163.14 million and \$169.00 million were held by ACERA, related to securities on loan as of March 31, 2024, and March 31, 2023, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with GASB Statement No. 28.

(Note 3)

Contributions Receivables - \$18.49 million

The receivable balances of March 31, 2024, increase by approximately \$4.02 million from \$14.47 million on March 31, 2023. This is primarily due to an increase in contribution rates.

(Note 4)

4a. Investment Receivables - \$25.20 million

The investment receivables balance as of March 31, 2024, increase by \$0.80 million from \$24.40 million on March 31, 2023. The increase is mainly attributed to interest and dividend receivables.

4b. Investment Related Payables - \$15.31 million

The increase of \$0.82 million in investment related payables balance as of March 31, 2024, from \$14.49 million on March 31, 2023, is primarily due to timing difference of investment manager fee payments.

(Note 5)

5a. Futures Contracts Receivables - \$2.46 million

The receivables represent the unrealized gains on open futures contracts. The balance for unrealized gains as of March 31, 2024, and March 31, 2023, were \$2.46 and \$4.36 million, respectively

5b. Futures Contracts Payables - \$0.02 million

The payables represent the unrealized losses on open futures contracts. The balance for unrealized losses as of March 31, 2024, and March 31, 2023, were \$0.02 and \$0 million, respectively.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 7)

7a. Foreign Exchange Contracts Receivables - \$0.01 million

The receivables represent unrealized gains on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of March 31, 2024, and March 31, 2023, the unrealized on FX contracts were \$0.01 million and \$0.36 million, respectively. The decrease in unrealized gains of \$0.35 million is mainly due to the change in foreign exchange contracts and market volatility.

7b. Foreign Exchange Contracts Payables - \$2.18 million

The payables represent unrealized losses on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts.

(Note 8)

Other Receivables - \$0.30 million

Other receivables as of March 31, 2024, 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 March 31, 2024

(Note 9)

Short-Term Investments - \$228.11 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	3/31/2024
Unallocated Cash	\$ 116.52
Parametric Portfolio Associates (cash overlay)	30.25
Baird Investors	19.21
Capital Guardian	15.66
Brandywine	13.14
Loomis	6.19
Kennedy	6.16
TCW	5.21
Aristotle Capital	3.96
William Blair Small Cap Growth	3.37
Bivium - Arga Investment Management	1.58
Bivium - Dundas Partners	1.49
Bivium - Haven Global Partners	1.22
Bivium - Promethos Capital, LLC	1.03
BIVIUM - Redwood DM	0.91
Bivium - Denali Advisors	0.73
Bivium - Cedar Street Asset Mgmt	0.54
AQR Capital Management, LLC	0.42
Mondrian	0.31
Bivium - Global Alpha Capital Mgmt	0.20
Bivium - Applied Research Management	0.01
Grand total	\$ 228.11

(Note 10)

International Equity Commingled Funds - \$2,083.87 million

As of March 31, 2024, and March 31, 2023, the International Equity Commingled Funds were \$2,083.87 million and \$1,457.96 million, respectively. The increase of \$625.91 million is mainly due to unrealized gains from higher market valuations and the Board-approved structural changes to the International Equity portfolio.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 11)

International Fixed Income Commingled Funds - \$78.77 million

The decrease of \$0.18 million from the previous year is due to market depreciation of investments. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

(Note 12)

Real Estate Separate Properties - \$48.54 million

The following is a summary of Real Estate – Separate Property investments as of March 31, 2024, and March 31, 2023. The year-over-year decrease of \$7.29 million is due to the market value decrease of Oakland 14th Street property.

(Dollars in Millions)

<i>Investment Manager</i>	<i>Net Mkt. Value 3-31-2024</i>	<i>Net Mkt. Value 3-31-2023</i>	<i>No. of Properties 2024</i>	<i>No. of Properties 2023</i>
RREEF	\$ 48.54	\$ 55.83	1	1

(Note 13)

Real Estate Commingled Funds - \$744.19 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 7928.710. The decrease of \$37.14 million in 2024 as compared to 2023 is mainly due to unrealized losses from investments.

(Note 14)

Real Assets - \$673.92 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 7928.710. The increase of \$40.76 million in 2024 as compared to 2023 is mainly due to net gain on investments.

(Note 15)

Absolute Return - \$928.80 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 7928.710. The increase of \$67.61 million in 2024 as compared to 2023 is mainly due to net gain on investments.

(Note 16)

Private Equity - \$1,141.12 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 7928.710. The increase of \$138.06 million in 2024 as compared to 2023 is due to additional investments net of distributions and net gain on investments.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 17)

Private Credit - \$311.41 million

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 7928.710. The increase of \$42.38 million in 2024 as compared to 2023 is due to additional investments net of distributions and net gain on investments.

(Note 18)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$10.70 million

(Dollars in Millions)

	3/31/2024	3/31/2023
Retirement Information System and Others - Construction-In-Process	\$ 9.40	\$ 6.94
Equipment, Furniture & Information Systems	13.60	13.58
Electronic Document Management System	4.18	4.18
Right-to-Use Leased Office Equipments	0.39	0.21
Less: Accumulated Depreciation and Amortization	(17.83)	(17.90)
Net Book Value	9.74	7.01
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.63)	(1.54)
Net Book Value	0.96	1.05
Total Capital Assets, Net	\$ 10.70	\$ 8.06

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

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

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 19)

Accrued Administration Expenses - \$2.58 million

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

(Note 20)

20a. Members' Benefits & Refunds Payable - \$5.85 million

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

(Dollars in Millions)

<i>Accrued Benefits and Refunds</i>	<i>3/31/2024</i>	<i>3/31/2023</i>
Basic Active Death Benefits	\$ 0.60	\$ 0.94
Active Death Contribution Refunds	1.02	1.75
Retired Death Benefits	3.99	3.84
Members' Contribution Refunds	0.24	1.16
Total Members' Benefits & Refunds Payable	\$ 5.85	\$ 7.69

20b. Retirement Payroll Deductions Payables - \$0.10 million

The balance for March 31, 2024, includes \$0.04 million in health premium prepayments and accrual of \$0.06 million Health Reimbursement Account (HRA) benefits. The corresponding balance for March 31, 2023, included \$0.03 million in health premium prepayments.

(Note 21)

Contributions - \$111.23 million

The increase in contributions of \$9.39 million in 2024 as compared to 2023 is primarily due to an increase in contribution rates.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 22)

Net Appreciation/ (Depreciation) in Fair Value of Investments – \$417.65 million

(Dollars in Millions)

	<i>For the Period Ended</i>	
	<i>3/31/2024</i>	<i>3/31/2023</i>
<u>Actual / Realized Gains/(Losses)</u>		
Domestic Equities	\$ 62.41	\$ 24.42
International Equities	14.31	4.29
Domestic Bonds	(3.77)	(5.85)
International Bonds	(1.51)	(2.36)
Real Estate Commingled Funds	1.44	2.47
Private Equity & Alternative	31.59	4.58
Real Assets	(0.58)	4.34
Private Credit	0.11	0.31
Futures	7.61	(0.06)
Currency	(0.92)	0.63
<i>Total Realized Gains/(Losses)</i>	110.69	32.77
<u>Paper / Unrealized Gains/(Losses)</u>		
Domestic Equities	214.01	151.34
International Equities	107.07	199.34
Domestic Bonds	(12.50)	38.02
International Bonds	(1.74)	9.73
Real Estate Commingled Funds	(29.59)	(35.84)
Real Estate Sep. Props.	-	0.19
Private Equity & Alternative	28.58	5.77
Real Assets	11.73	5.86
Private Credit	1.18	0.16
Futures	(6.49)	5.36
Currency	(5.29)	(2.01)
<i>Total Unrealized Gains/(Losses)</i>	306.96	377.92
Total Net Realized and Unrealized Gains/(Losses)	\$ 417.65	\$ 410.69

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 23)

Dividend, Interest, and Other Investment Income - \$47.54 million

(Dollars in Millions)

<i>Dividend, Interest, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>3/31/2024</i>	<i>3/31/2023</i>
Interest Income	\$ 17.23	\$ 14.27
Dividend Income	6.85	10.04
Real Estate Income	6.62	5.63
Private Equity, Absolute Return and Real Asset Income / (losses)	16.84	11.28
Total Net Income	\$ 47.54	\$ 41.22

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 24)

Investment Expenses - \$20.77 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2024</i>	<i>Basis Points</i>	<i>3/31/2023</i>
Investment Manager and Incentive Fees	16.60	\$ 19.36	8.67	\$ 9.25
Investment Custodian	0.12	0.14	0.15	0.16
Investment Consultants & Other Expenses(*)	0.35	0.40	0.33	0.36
Subtotal	17.07	19.90	9.15	9.77
Investment Allocated Cost	0.75	0.87	0.76	0.80
Total Investment Expenses(**)	17.82	\$ 20.77	9.91	\$ 10.57

(*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>3/31/2024</i>	<i>Basis Points</i>	<i>3/31/2023</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.27	\$ 0.31	0.23	\$ 0.25
Consultant - Portfolio Rebalancing	0	-	0.01	0.01
Consultant - Legal (Alternative Investment)	0.04	0.05	0.04	0.05
Subtotal – Consultants Expenses	0.31	0.36	0.28	0.31
Proxy Services	0.01	0.01	-	-
Transaction Cost Analysis	0.01	0.01	0.01	0.01
Other Investment Expenses/(Income)	0.02	0.02	0.04	0.04
Subtotal – Other Investment Expenses	0.04	0.04	0.05	0.05
Total Investment Consultants and Other Expenses	0.35	\$ 0.40	0.33	\$ 0.36

(**) The increase in total investment expenses of \$10.20 million in 2024 as compared to 2023 is primarily due to incentive fees and management fees from alternative investment managers.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

(Note 25)

Net Investment Income/ (Losses) – 444.42 million

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>3/31/2024</i>	<i>3/31/2023</i>	<i>from previous period</i>
Paper / Unrealized Gains/(Losses)	\$ 306.96	\$ 377.93	\$ (70.97)
Actual / Realized Gains/(Losses)	110.70	32.77	77.93
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	26.76	30.64	(3.88)
Total Net Income/ (Losses)	\$ 444.42	\$ 441.34	\$ 3.08

(Note 26)

Securities Lending Net Income - \$0.18 million

The securities lending net income balance as of March 31, 2024, and March 31, 2023, were \$0.18 million and \$0.16 million, respectively.

(Note 27)

Miscellaneous Income - \$0.16 million

The miscellaneous income of \$0.16 million is predominantly from prior year investment income and security litigation income recovery.

(Note 28)

Service Retirement and Disability Benefits - \$152.61 million

The increase of \$6.43 million was predominantly due to a higher average of benefits paid to newly added retirees compared to that of deceased retirees with lower average benefits. In addition, this included a modest increase of 224 in the total number of retirees and beneficiaries receiving benefits, from 10,805 on March 31, 2023, to 11,029 on March 31, 2024.

(Note 29)

Death Benefits - \$0.83 million

The death benefits paid out during the three months ended March 31, 2024, were comprised of \$0.06 million of Retired Death Benefits, \$0.03 million of Active Death Benefits, and \$0.74 million of Survivorship Benefits.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
As of March 31, 2024

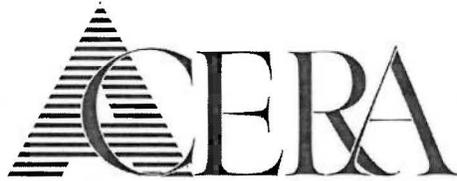
(Note 30)

Total Administration - \$4.67 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 statutory limits. Under Section 31618.5 ACERA excludes the SRBR administrative expenses from its total administrative expenses. ACERA's SRBR administrative expenses are the amounts that exceed 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)

	3/31/2024	3/31/2023	<i>Inc./</i> (Dec.) <i>from previous</i> <i>period</i>
Administrative Expenses	\$ 3.46	\$ 3.17	\$ 0.29
Actuarial Expenses	0.10	0.10	-
Business Continuity Expenses	0.17	0.19	(0.02)
Legal Expenses	0.23	0.19	0.04
Technology Expenses	0.26	0.25	0.01
401(h) Administrative Expenses	0.45	0.40	0.05
Total	\$ 4.67	\$ 4.30	\$ 0.37



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Year-to-Date Operating Expenses & Budget Summary for March 31, 2024

ACERA's year-to-date operating expenses are \$188K over budget for the period ended March 31, 2024. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Staffing*: Staffing remains \$158K over budget, despite being \$99K and \$10K under budget for the months of March and February, respectively. The overage is attributed to the January \$267K which is reflected in the year-to-date financials. The year-to-date for March is comprised of overages in temporary staffing of \$81K, and 5% staff vacancy adjustment of \$220K, and offset by surpluses in salaries & wages expenses of (\$100K), and fringe benefits of (\$43K).
2. *Member Services*: Member Services are \$56K over budget. This amount comprised overages in disability medical expenses of \$58K, and health reimbursement account of \$1K, and offset by surplus in disability legal arbitration & transcripts of (\$3K).
3. *Systems*: Systems are \$15K over budget. This amount comprised overages in business continuity expense of \$10K, and minor computer hardware of \$5K.
4. *Depreciation*: Depreciation expense is \$2K over budget from purchased of new equipment.

Budget Surpluses

1. *Staff Development*: Staff Development is \$14K under budget for staff training and conferences.
2. *Professional Fees*: Professional Fees are \$6K under budget. This amount comprised surplus in actuarial fees of (\$5K), and legal fees of (\$1K).
3. *Office Expense*: Office Expense is \$21K under budget. This amount comprised surpluses in bank charges of (\$2K), communications of (\$1K), equipment lease and maintenance of (\$13K), minor equipment and furniture of (\$3K), and printing and postage of (\$2K).
4. *Board of Retirement*: Board of Retirement is \$2K under budget in board compensation.

Staffing Detail

Vacant positions as of March 31, 2024:

Department	Position	Qty	Comments
Benefits	Retirement Assistant Benefit Manager	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
Fiscal Services	Retirement Accountant II	1	Vacant - currently budgeted for the year
Investment	Investment Officer	1	Vacant - currently budgeted for the year
	Total Positions	5	

Pension Administration System Project - as of March 31, 2024					
	Year-To-Date			2024 Budget	2019-23 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	\$526,563	\$487,500	\$39,063	\$1,950,000	\$3,231,571
Segal and other consultant fees	174,190	148,250	25,940	593,000	2,323,470
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	700,753	635,750	65,003	2,543,000	5,655,511
Staffing	196,041	192,750	3,291	771,000	2,845,789
TOTAL	\$896,794	\$828,500	\$68,294	\$3,314,000	\$8,501,300

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>March 31, 2024</u>					
	Actual	Budget	YTD	2024	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>% Actual to</u>
			<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 4,269,374	\$ 4,111,690	\$ 157,684	\$ 17,032,000	25.1%
Staff Development	44,844	58,910	(14,066)	351,000	12.8%
Professional Fees (Next Page)	319,225	325,130	(5,905)	1,141,000	28.0%
Office Expense	93,948	114,810	(20,862)	468,000	20.1%
Insurance	154,771	155,190	(419)	637,000	24.3%
Member Services	197,003	140,910	56,093	608,000	32.4%
Systems	319,476	304,700	14,776	1,288,000	24.8%
Depreciation	30,610	27,850	2,760	112,000	27.3%
Board of Retirement	119,157	121,520	(2,363)	707,000	16.9%
Uncollectable Benefit Payments	-	-	-	78,000	0.0%
Total Operating Expense	\$ 5,548,408	\$ 5,360,710	\$ 187,698	\$ 22,422,000	24.7%
Investment Consultant Fees	388,302	404,970	(16,668)	1,620,000	24.0%
Investment Custodian Fees	137,270	161,250	(23,980)	645,000	21.3%
Investment Manager and Incentive Fees	19,358,289	13,394,250	5,964,039	54,977,000	35.2%
Other Investment Expenses	18,685	156,960	(138,275)	633,000	3.0%
Total Portfolio Management Investment Expense	\$ 19,902,546	\$ 14,117,430	\$ 5,785,116	\$ 57,875,000	34.4%
Total Operating and Portfolio Management Investment Expense	\$ 25,450,954	\$ 19,478,140	\$ 5,972,814	\$ 80,297,000	31.7%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

March 31, 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>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 84,000	\$ 83,940	\$ 60	\$ 356,000	23.6%
Actuarial Fees ²	125,777	130,750	(4,973)	490,000	25.7%
External Audit ³	73,000	73,000	-	145,000	50.3%
Legal Fees ⁴	36,448	37,440	(992)	150,000	24.3%
Total Professional Fees	\$ 319,225	\$ 325,130	\$ (5,905)	\$ 1,141,000	28.0%

	<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>2024 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Benefits					
Alameda County HRS (Benefit Services)	42,583	31,500	11,083	126,000	33.8%
Segal (Benefit Consultant/Retiree Open Enrollment)	22,167	33,240	(11,073)	133,000	16.7%
Total Benefits	64,750	64,740	10	259,000	25.0%
Fiscal Services					
Cashlog	-	-	-	20,000	0.0%
Total Fiscal Services	-	-	-	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	19,250	19,200	50	77,000	25.0%
Total Human Resources	19,250	19,200	50	77,000	25.0%
Total Consultant Fees - Operations	84,000	83,940	60	356,000	23.6%
² ACTUARIAL FEES					
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	59,527	64,500	(4,973)	258,000	23.1%
Supplemental Retiree Benefit Reserve valuation	22,500	22,500	-	45,000	50.0%
Total Actuarial Fees	125,777	130,750	(4,973)	490,000	25.7%
³ EXTERNAL AUDIT					
External audit	61,000	61,000	-	122,000	50.0%
GASB 67 & 68 audit	6,000	6,000	-	11,000	54.5%
GASB 74 & 75 audit	6,000	6,000	-	12,000	50.0%
Total External Audit Fees	73,000	73,000	-	145,000	50.3%
⁴ LEGAL FEES					
Fiduciary & Litigation	5,649	15,000	(9,351)	60,000	9.4%
Tax and Benefit Issues	2,381	6,240	(3,859)	25,000	9.5%
Miscellaneous Legal Advice	28,418	16,200	12,218	65,000	43.7%
Total Legal Fees	36,448	37,440	(992)	150,000	24.3%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES ACTUAL VS. BUDGET
For the Three Months Ending 3/31/2024

	Current Month			Year-to-Date			
	Actual	Budget	Variance (Under)/Over	Actual	Budget	Variance (Under)/Over	Annual Budget
STAFFING							
Salaries	\$848,527	\$880,540	(\$32,013)	\$2,696,905	\$2,652,620	\$44,285	\$11,145,000
Fringe Benefits	362,312	457,030	(94,718)	1,440,993	1,409,090	31,903	5,687,000
Temporary Staffing Cost	44,304	16,660	27,644	131,476	49,980	81,496	200,000
Staffing Total	<u>1,255,143</u>	<u>1,354,230</u>	<u>(99,087)</u>	<u>4,269,374</u>	<u>4,111,690</u>	<u>157,684</u>	<u>17,032,000</u>
STAFF DEVELOPMENT	15,270	18,680	(3,410)	44,844	58,910	(14,066)	351,000
PROFESSIONAL FEES							
Actuarial Fees	87,777	87,750	27	125,777	130,750	(4,973)	490,000
Consultant Fees - Operations	28,000	27,980	20	84,000	83,940	60	356,000
Consultant Fees - Legal	7,901	12,480	(4,579)	36,448	37,440	(992)	150,000
External Audit	25,000	25,000		73,000	73,000		145,000
Professional Fees Total	<u>148,678</u>	<u>153,210</u>	<u>(4,532)</u>	<u>319,225</u>	<u>325,130</u>	<u>(5,905)</u>	<u>1,141,000</u>
OFFICE EXPENSE							
Bank Charges & Misc. Admin	6,609	6,980	(371)	18,053	20,740	(2,687)	85,000
Building Expenses	2,985	3,100	(115)	8,299	9,300	(1,001)	38,000
Communications	9,668	9,650	18	29,401	29,950	(549)	117,000
Equipment Lease/Maintenance	7,503	11,380	(3,877)	21,504	34,140	(12,636)	138,000
Minor Equipment and Furniture		1,080	(1,080)		3,240	(3,240)	13,000
Office Supplies/Maintenance	7,654	3,570	4,084	13,149	11,710	1,439	54,000
Printing & Postage	1,145	1,910	(765)	3,542	5,730	(2,188)	23,000
Office Expense Total	<u>35,564</u>	<u>37,670</u>	<u>(2,106)</u>	<u>93,948</u>	<u>114,810</u>	<u>(20,862)</u>	<u>468,000</u>
INSURANCE	51,590	51,730	(140)	154,771	155,190	(419)	637,000
MEMBER SERVICES							
Disability - Legal Arbitration & Transcripts	2,125	6,850	(4,725)	17,658	20,330	(2,672)	80,000
Disability Medical Expense	25,850	14,990	10,860	103,225	44,970	58,255	180,000
Disability Claims Management	3,850	3,920	(70)	11,550	11,760	(210)	47,000
Health Reimbursement Acct. (HRA)	6,800	5,830	970	18,356	17,490	866	70,000
Member Training & Education	571	500	71	1,824	2,500	(676)	22,000
Printing & Postage - Members	4,892	6,120	(1,228)	28,075	27,360	715	143,000
Virtual Call Center	5,438	5,500	(62)	16,315	16,500	(185)	66,000
Member Services Total	<u>49,526</u>	<u>43,710</u>	<u>5,816</u>	<u>197,003</u>	<u>140,910</u>	<u>56,093</u>	<u>608,000</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES ACTUAL VS. BUDGET
For the Three Months Ending 3/31/2024

	Current Month			Year-to-Date			
	Actual	Budget	Variance (Under)/Over	Actual	Budget	Variance (Under)/Over	Annual Budget
SYSTEMS							
Business Continuity Expense	17,942	19,730	(1,788)	66,700	57,190	9,510	248,000
County Data Processing	11,424	11,600	(176)	34,296	34,800	(504)	139,000
Minor Computer Hardware	1,702	3,500	(1,798)	15,912	10,500	5,412	42,000
Intangible right to use SBITA - GASB96	7,348		7,348	20,774		20,774	
Software Maintenance & Support	59,436	66,070	(6,634)	181,794	202,210	(20,416)	859,000
Systems Total	<u>97,852</u>	<u>100,900</u>	<u>(3,048)</u>	<u>319,476</u>	<u>304,700</u>	<u>14,776</u>	<u>1,288,000</u>
DEPRECIATION							
Depreciation Expense	10,203	9,310	893	30,610	27,850	2,760	112,000
BOARD OF RETIREMENT							
Board Compensation	300	1,800	(1,500)	3,700	6,000	(2,300)	28,000
Board Conferences & Training	9,921	6,030	3,891	14,510	11,090	3,420	209,000
Board Election							43,000
Board Employer Reimbursement	31,571	31,570	1	95,010	94,710	300	379,000
Board Miscellaneous Expense	200	1,830	(1,630)	2,114	5,490	(3,376)	22,000
Board Software Maint. & Support	1,294	1,410	(116)	3,823	4,230	(407)	18,000
Board Strategic Planning							8,000
Board of Retirement Total	<u>43,286</u>	<u>42,640</u>	<u>646</u>	<u>119,157</u>	<u>121,520</u>	<u>(2,363)</u>	<u>707,000</u>
UNCOLLECTABLE BENEFIT PAYMENTS							78,000
GRAND TOTALS	<u>\$1,707,112</u>	<u>\$1,812,080</u>	<u>(\$104,968)</u>	<u>\$5,548,408</u>	<u>\$5,360,710</u>	<u>\$187,698</u>	<u>\$22,422,000</u>



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024
 TO: Members of the Operations Committee
 FROM: Erica Haywood, Fiscal Services Officer *EH*
 SUBJECT: Actual Cash and Forecast as of March 31, 2024

Executive Summary

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

- Table 1 is the annual cash forecast from April 2024 to March 2025, which will roll forward monthly as the year progresses; and,
- Tables 2 through 4 is the annualized, 5-year actual cash management information. Please note that the current year 2024 comprises the three months actual and nine months forecast information.

Table 1 Cash Forecast: Table 1 provides the current forecasted negative cash position for the period spanning April 2024 to March 2025. The average monthly negative cash position for the referenced period is \$24,787,072. Excluding the two three-pay-period months i.e., August 2024 and January 2025, annotated by an *. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2023-2024 is \$1,258,641.

Table 1 Annual Cash Forecast from April 2024 to March 2025			
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position
Apr-24	\$ 33,706,871	\$ 58,678,313	\$ (24,971,442)
May-24	33,822,689	58,738,034	(24,915,345)
Jun-24	33,938,507	58,797,756	(24,859,249)
Jul-24	33,938,507	58,797,756	(24,859,249)
Aug-24*	50,630,358	59,534,248	(8,903,890)
Sep-24	34,085,961	58,917,199	(24,831,238)
Oct-24	34,201,779	58,976,921	(24,775,142)
Nov-24	34,317,597	59,036,643	(24,719,046)
Dec-24	34,433,414	59,096,364	(24,662,950)
Jan-25*	51,614,810	59,832,856	(8,218,046)
Feb-25	34,549,232	59,215,808	(24,666,576)
Mar-25	34,665,050	59,275,529	(24,610,479)
Total	443,904,775	708,897,427	(264,992,652)
Average	\$ 34,165,961	\$ 58,953,032	\$ (24,787,072)

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

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

Table 2 5-Year Annual Cash Inflow			
Year	Total Contributions, Misc. Cash Receipts, etc.	Cash Draw from SSB**	Total Cash Inflow
2024	\$ 442,697,430	\$ 329,000,000	\$ 771,697,430
2023	414,899,787	355,000,000	769,899,787
2022	403,696,551	358,000,000	761,696,551
2021	415,814,788	278,500,000	694,314,788
2020	413,586,022	247,200,000	660,786,022

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

Table 3 5-Year Annual Cash Outflow			
Year	Retiree Payroll, Accounts Payable, ACERA Payroll, etc.	Cash Return to SSB**	Total Cash Outflow
2024	\$ 707,671,154	\$ 65,000,000	\$ 772,671,154
2023	695,633,991	76,000,000	771,633,991
2022	661,897,144	92,000,000	753,897,144
2021	626,589,116	64,700,000	691,289,116
2020	597,872,011	64,013,096	661,885,107

Table 3. Annualized outflow of retirement and benefit payments, accounts payable, and ACERA payroll. Excess cash (Cash Return to SSB column) is wired to the SSB H11A account.

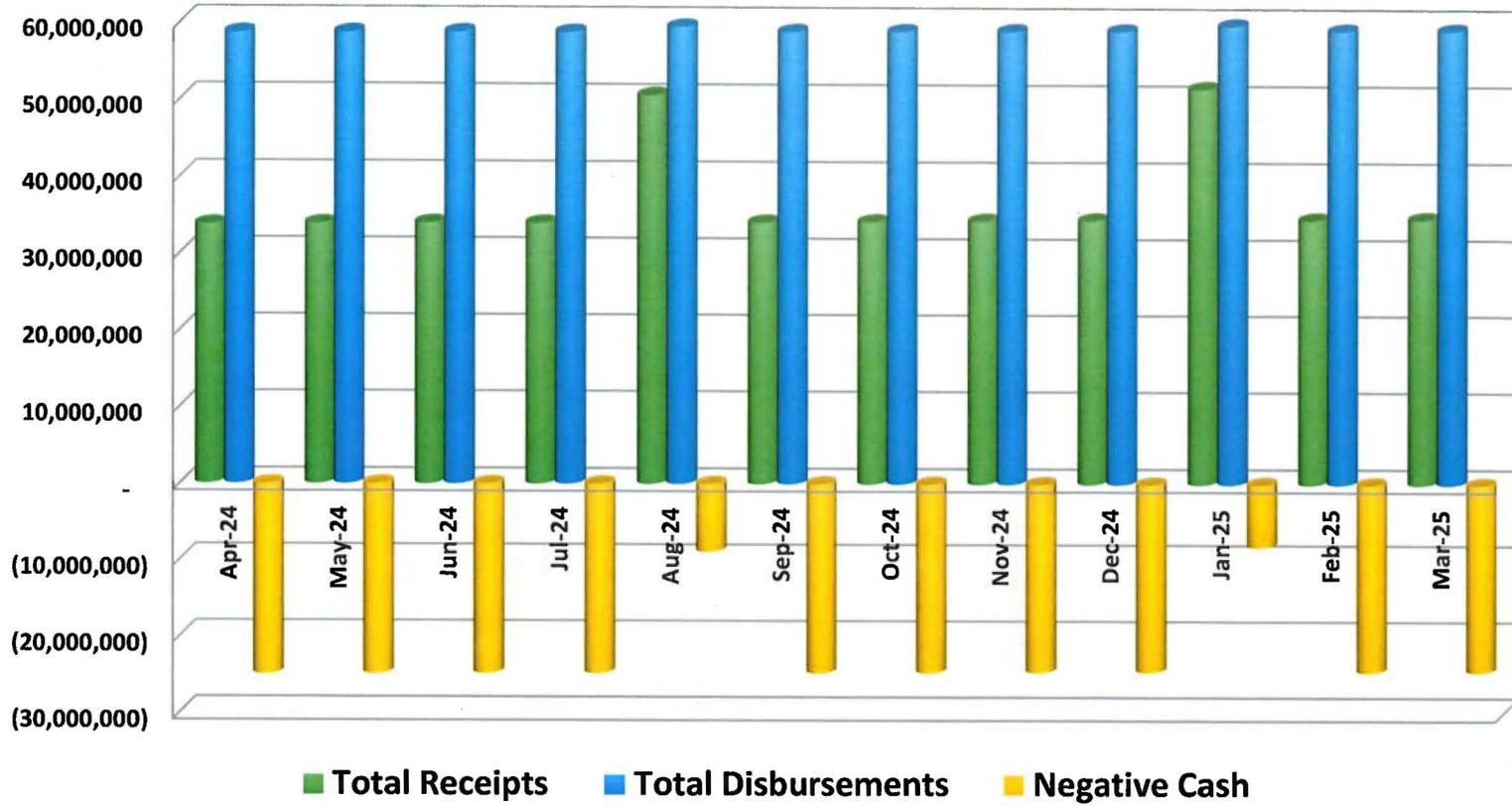
Table 4 5-Year Annual Net Cash Position			
Year	Negative Cash	Net Cash Draw from SSB**	Variance
2024	\$ (264,973,724)	\$ 264,000,000	\$ (973,724)
2023	(280,734,204)	279,000,000	(1,734,204)
2022	(258,200,593)	266,000,000	7,799,407
2021	(210,774,327)	213,800,000	3,025,673
2020	(184,285,989)	183,186,904	(1,099,085)

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

* State Street Bank (SSB)

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

Cash Forecast April 2024 - March 2025





MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024

TO: Members of the Operations Committee *EH*

FROM: Erica Haywood, Fiscal Services Officer

SUBJECT: Quarterly Board Conference and Training Expense Report for the period
January 1, 2024, to March 31, 2024

Attached is the January 1, 2024 – March 31, 2024 Board conference and training expense report. As of March 31, 2024, reported expenses totaled \$39,153.

ACERA Trustees
Board Conference Expense Report
January 1, 2024 to
March 31, 2024

From	To	Attendee	Conference	Location	Total
05/07/24	05/10/24	Cynthia Baron	SACRS Spring Conference	Santa Barbara, CA	\$ 120
Cynthia Baron Total					\$ 120
05/05/24	05/08/24	George Wood	Milken Global Conference	Los Angeles, CA	\$ 7,500
George Wood Total					\$ 7,500
03/21/24	03/29/24	Henry Levy	PIMCO Conference and Berkeley Corporate + Climate	SF & Berkeley, CA	\$ 20
05/07/24	05/10/24	Henry Levy	SACRS Spring Conference	Santa Barbara, CA	\$ 120
05/17/24	05/17/24	Henry Levy	CALAPRS Trustees Round Table	Virtual	\$ 50
Henry Levy Total					\$ 190
01/30/24	01/31/24	Jaime Godfrey	NEPC Conference	Tempe, AZ	\$ 963
02/26/24	02/27/24	Jaime Godfrey	Pension Bridge Private Credit Conference	Carlsbad, CA	\$ 1,099
03/18/24	03/20/24	Jaime Godfrey	Markets Group ALTSLA Conference	Los Angeles, CA	\$ 1,347
05/07/24	05/10/24	Jaime Godfrey	SACRS Spring Conference	Santa Barbara, CA	\$ 120
05/17/24	05/17/24	Jaime Godfrey	CALAPRS Trustees Round Table	Virtual	\$ 50
Jaime Godfrey Total					\$ 3,578
05/05/24	05/08/24	Kevin Bryant	Milken Global Conference	Los Angeles, CA	\$ 7,701
Kevin Bryant Total					\$ 7,701
05/05/24	05/08/24	Keith Carson	Milken Global Conference	Los Angeles, CA	\$ 7,500
Keith Carson Total					\$ 7,500
03/27/24	03/29/24	Kellie Simon	CALAPRS Advanced Principles of Pension Governance for Trustees	Los Angeles, CA	\$ 3,660
05/07/24	05/10/24	Kellie Simon	SACRS Spring Conference	Santa Barbara, CA	\$ 120
05/17/24	05/17/24	Kellie Simon	CALAPRS Trustees Round Table	Virtual	\$ 50
Kellie Simon Total					\$ 3,830
05/07/24	05/10/24	Ross Clippinger	SACRS Spring Conference	Santa Barbara, CA	\$ 120
Ross Clippinger Total					\$ 120
Ongoing		Tarrell Gamble	CAIA Conference	Virtual	\$ 395
01/30/24	01/31/24	Tarrell Gamble	NEPC Conference	Tempe, AZ	\$ 810
02/26/24	02/27/24	Tarrell Gamble	Pension Bridge Private Credit Conference	Carlsbad, CA	\$ 1,411
03/04/24	03/06/24	Tarrell Gamble	CII Conference	Washington, DC	\$ 2,080
03/13/24	03/14/24	Tarrell Gamble	SEO Alternative Investments Conference	New York, NY	\$ 2,300
03/18/24	03/20/24	Tarrell Gamble	Markets Group ALTSLA Conference	Los Angeles, CA	\$ 724
03/21/24	03/21/24	Tarrell Gamble	NASP Day of Education in Private Equity Conference	Los Angeles, CA	\$ 220
04/09/24	04/10/24	Tarrell Gamble	P&I Private Markets Conference	Chicago, IL	\$ 554
05/07/24	05/10/24	Tarrell Gamble	SACRS Spring Conference	Santa Barbara, CA	\$ 120
Tarrell Gamble Total					\$ 8,613
GRAND TOTAL					\$ 39,153



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024

TO: Members of the Operations Committee

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly SLT Conference and Training Expense Report for the period
January 1, 2024, to March 31, 2024

Attached is the January 1, 2024 – March 31, 2024 Senior Leadership Team conference and training expense report. As of March 31, 2024, reported expenses totaled \$8,033.

ACERA SLT
Conference and Training Expense Report
January 1, 2024 to March 31, 2024

From	To	SLT	Training or Conference	Name	Amount
Conferences					
02/08/24	02/08/24	Dave Nelsen	Conference	CALARPS Administrator's Round Table	\$ 50
03/02/24	03/05/24	Dave Nelsen	Conference	CALAPRS General Assembly	\$ 1,644
Dave Nelsen Total					\$ 1,694
Conferences					
03/02/24	03/05/24	Lisa Johnson	Conference	CALAPRS General Assembly	\$ 1,821
Trainings					
01/01/24	12/31/24	Lisa Johnson	Training	AMA Training Annual Pass	\$ 874
03/11/24	03/12/24	Lisa Johnson	Training	AMA Business Certificate Program	\$ 6
Lisa Johnson Total					\$ 2,701
Conferences					
03/02/24	03/05/24	Carlos Barrios	Conference	CALAPRS General Assembly	\$ 1,732
Carlos Barrios Total					\$ 1,732
Conferences					
Trainings					
01/09/24	01/11/24	Erica Haywood	Training	GFOA - Preparing an Annual Comprehensive Financial Report	\$ 420
02/14/24	02/14/24	Erica Haywood	Training	CA CPA Ethics & CA Rules & Regulations	\$ 155
Erica Haywood Total					\$ 575
Conferences					
01/11/24	01/11/24	Harsh Jadhav	Conference	CalCPA Government Accounting & Audit	\$ 140
02/13/24	02/13/24	Harsh Jadhav	Conference	Cybersecurity Summit	\$ 54
Trainings					
01/18/24	01/18/24	Harsh Jadhav	Training	Compliance Week Webinar Training - Third Party Risk Management	\$ 399.00
01/23/24	12/31/24	Harsh Jadhav	Training	Lorman Education Services - Continuing Education	\$ 559.20
02/28/24	12/31/24	Harsh Jadhav	Training	CPE247 - Continuing Education	\$ 150.00
Harsh Jadhav Total					\$ 1,301
Conferences					
03/12/24	03/12/24	Vijay Jadhav	Conference	Copilot for Microsoft 365 Strategy Briefing	\$ 29.71
Vijay Jagar Total					\$ 30
Grand Total					\$ 8,033



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: May 1, 2024
TO: Members of the Operations Committee
FROM: Lisa Johnson, Assistant Chief Executive Officer
SUBJECT: **ACERA 2024 Board of Retirement Election**

A handwritten signature in blue ink, appearing to read "Lisa Johnson", positioned to the right of the "FROM:" line.

Executive Summary

ACERA's 2024 election will be conducted for the following seat on the Board of Retirement:

- Second member to represent the general membership

MK Election Services, LLC (MK Election) will manage the vote-by-mail portion of the election. MK Election's scope of services includes ballot programming services, ballot printing and assembly, ballot mailing, reissuing lost or damaged ballots, crediting of returned ballots from voters, maintaining ballot statistics, counting of the ballots, and certifying election results. As with all elections conducted by MK Election, ballots will be mailed to the home address on file with the employer.

2024 Board of Retirement Election Calendar

- **Notice of Election** begins on August 5th and ends on August 30th (20 business days);
- **Nomination Period** begins on September 3rd and ends on September 30th (20 business days);
- **Review Period of the Candidate Statements** begins on October 2nd and ends on October 11th (10 calendar days);
- **What's Up Newsletter Mailing (Election Edition)** will be mailed November 4th to active and deferred general members;
- **Ballot Mailing** will be November 13th to active and deferred general members;
- **Election Period** is between November 13th and December 18th (36 calendar days);
- **End of the Election and Deadline** for ballots to be returned to MK Election is on December 18th at 5:00 pm;
- **Ballot Counting** will be on December 19th beginning at 9:00 am at ACERA's office; and,
- **Election Results** will be announced on December 19th at ACERA's Board Meeting and posted to ACERA's website on December 27th.

Staff will provide a report on the certified candidates at the October 17, 2024, ACERA Board Meeting. Questions regarding the election can be directed to Lisa Johnson (510) 628-3014 or ljohnson@acera.org.