



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

NOTICE and AGENDA

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Thursday, May 16, 2024
2:00 p.m.**

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

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

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

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

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

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

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT CALENDAR:

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

A. REPORT ON SERVICE RETIREMENTS:

Appendix A

B. LIST OF DEFERRED RETIREMENTS:

Appendix B

C. LIST OF DECEASED MEMBERS:

Appendix C

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

Appendix D

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

Appendix E

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

None

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

April 18, 2024 Minutes of the Regular Board Meeting

April 18, 2024 Actuarial Committee Minutes

April 18, 2024 Audit Committee Minutes

May 1, 2024 Operations Committee Minutes

May 1, 2024 Investment Committee Minutes

H. MISCELLANEOUS:

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

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

This Item will be addressed in Closed Session, pursuant to Gov't Code § 54957(b):

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

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

- A. Operations:** **[See May 1, 2024 Operations Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of May 1, 2024 Meeting.
2. Motion to renew the *E-signature Policy* without revision, as recommended by the Operations Committee.
3. Motion to renew the *Employer Reimbursement Policy* without revision, as recommended by the Operations Committee.

- B. Investment:** **[See May 1, 2024 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of May 1, 2024 Meeting.
2. Motion to approve an up to \$50 million investment in Heitman Value Partners VI as part of ACERA's Real Estate Portfolio, pending completion of Legal and Investment due diligence and successful contract negotiations.

- C. Actuarial:** **[See May 16, 2024 Actuarial Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of May 16, 2024 Meeting.
2. Motion to adopt the Actuarial Valuation and Review as of December 31, 2023.

D. Audit: [See May 16, 2024 Audit Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of May 16, 2024 Meeting.
2. Motion to approve the December 31, 2023 Audited Financial Statements and Independent Auditor’s Report.
3. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2023.
4. Motion to adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2023.

7. NEW BUSINESS:

A. Motion that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2024-2025 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401 (h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers' governing bodies.

B. Debut of ACERA's New Member Orientation Video.

C. Chief Executive Officer’s Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, June 20, 2024 at 2:00 p.m.

12. CLOSED SESSION:

- A. Michael D. Dalisay Matter (see Item 5A Above).
- B. Conference With Legal Counsel—Existing Litigation (Gov’t Code § 54956.9(d)(1)): Preciosa Bachan v. Alameda County Employees’ Retirement Association, Alameda County Superior Court Case No: 23CV028214.
- C. Conference With Legal Counsel—Existing Litigation (Gov’t Code § 54956.9(d)(1)): Alameda Health System v. Alameda County Employees’ Retirement Association, California Court of Appeal, First District Case No. A165587.

13. REPORT ON ACTION TAKEN IN CLOSED SESSION

14. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SHAW, Lesley
Effective: 3/2/2024
LARPD

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

MARKIE, Carol
Effective: 3/1/2024
LARPD

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

LEY, William
Effective: 2/4/2024
Probation

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

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

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

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

SMITH, Jay
Effective: 3/1/2024
Library

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

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

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

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

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

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

ROSS, Sally
Effective: 3/17/2024
Library

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

SALAMON, Rebecca
Effective: 3/2/2024
LARPD

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

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

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

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

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

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

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

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**APPENDIX C
LIST OF DECEASED MEMBERS**

ANDERSON, Helen
Alameda Health System
4/10/2024

HALLISEY, Barbara
County Counsel
3/22/2024

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

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

BLANK, Peninnah
Alameda Health System
4/16/2024

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

BUTLER, Addie
Social Services Agency
4/11/2024

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

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

HOLLIDAY, Rita
General Services Agency
4/9/2024

CHU, Jaime
Social Services Agency
3/28/2024

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

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

KOHLER, Susan
Board of Supervisors
4/3/2024

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

MATSUOKA, Dianne
Assessor
4/3/2024

CRAMER, James
Public Defender
3/20/2024

MC INTOSH, Jane
Public Defender
3/15/2024

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

MYLES, Sylvia
Social Services Agency
4/6/2024

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

NGUYEN, Elizabeth
Social Services Agency
4/5/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

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

SMITH, Timothy
General Services Agency
4/8/2024

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

TATUM, Donna
Alameda Health System
4/1/2024

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

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

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

Name: Irving, Julius
Type of Claim: Service-Connected

Staff's Recommendation:

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



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
MINUTES

Thursday, April 18, 2024

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

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

Trustees Excused: Keith Carson
Tarrell Gamble
Elizabeth Rogers

Staff Present: Carlos Barrios, Assistant Chief Executive Officer-Benefits
Angela Bradford, Executive Secretary
Erica Haywood, Fiscal Services Officer
Jessica Huffman, Benefits Manager
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
Lisa Johnson, Assistant Chief Executive Officer-Operations
David Nelsen, Chief Executive Officer
Jeff Rieger, Chief Counsel
Betty Tse, Chief Investment Officer

Staff Excused: Victoria Arruda, Human Resource Officer
Sandra Dueñas-Cuevas, Benefits Manager

PUBLIC INPUT

None.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

REPORT ON SERVICE RETIREMENTS

Appendix A

LIST OF DEFERRED RETIREMENTS

Appendix B

LIST OF DECEASED MEMBERS

Appendix C

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

None

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

Appendix E

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

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

March 21, 2024 Minutes of the Regular Board Meeting

April 3, 2024 Retirees Committee Minutes

MISCELLANEOUS

- *Operating Expenses as of 02/29/24*
- *Statement of Reserves as of 12/31/23*
- *Approve Staff Recommendation regarding the County of Alameda's Amendment to Pay Item/Code Lead/Training Responsibilities (PD Office) – 41G*
- *Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Certified Access Specialist (CAsp) – 43B*
- *Order Granting ACERA Lead Plaintiff Status in Veradigm Inc. Securities Litigation*

24-18

It was moved by Jaime Godfrey and seconded by Kellie Simon that the Board adopt the Consent Calendar. The motion carried 7 yes (*Baron, Basgal, Clippinger, Godfrey, Levy, Simon, Wood*), 0 no, and 0 abstentions.

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

DISABILITY, DEATH AND OTHER BENEFIT CLAIMS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Retirees:

Trustee Cynthia Baron reported that the Retirees Committee met on April 3, 2024 and that the Committee reviewed and discussed Staff's proposed revisions to the *Death Benefit Equity Policy*, which Staff determined were prudent as Staff was implementing the *Policy*.

24-19

It was moved by Cynthia Baron and seconded by Ross Clippinger that the Board adopt Staff's proposed revisions to the *Death Benefit Equity Policy*, as recommended by the Retirees Committee. The motion carried 7 yes (*Baron, Basgal, Clippinger, Godfrey, Levy, Simon, Wood*), 0 no, and 0 abstentions.

Staff presented the Committee with the following Information Items: *1) Via Benefits 2023 Year in Review; 2) Hearing Aid Reimbursement Options and Information; and 3) Supplemental Retiree Benefit Reserve Financial Status.*

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

Actuarial:

Trustee Kellie Simon reported that the Actuarial Committee met earlier today and that there were no Action Items. However, the Committee was presented with and discussed the following Information Items: *1) 2024 Actuarial Committee Work Plan; and 2) Draft Actuarial Valuation and Review as of December 31, 2023.* Trustee Simon reported that the UAAL decreased and that the aggregate employer contribution rate decreased from 23.72% of payroll to 23.54% of payroll. The Actuarial Valuation will be presented to the Participating Employers and then presented as an action item at the May 16, 2024 Board meeting for the Board's consideration.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 16, 2024 Board meeting.

Audit:

Trustee Henry Levy reported that the Audit Committee met earlier today and that there were no Action Items. However, the Committee was presented with and discussed the following Information Items: **1)** Draft GASB Statement No. 67 Valuation and addendum as of December 31, 2023, which measures and reports the Total/Net Pension Liability (TPL/NPL); **2)** Draft GASB Statement No. 74 Valuation and addendum as of December 31, 2023, which measures and reports the Total/Net OPEB (Other Postemployment Benefits) Liability (TOL/NOL). Both the Draft GASB 67 and 74 Valuations will be presented as actions items at the May 16, 2024 Board meeting for the Board’s consideration. Other Information Items presented and discussed were: **3)** Progress report on the Internal Audit Plan; and **4)** Completed Audits, which included a presentation on Benefit Certification.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the May 16, 2024 Board meeting.

NEW BUSINESS:

Proxy Vote on SACRS Business Meeting Action Items

Chief Executive Officer Dave Nelsen requested direction from the Board on how he (or his Designee) should vote ACERA’s Proxy on behalf of the Board of Retirement regarding the following SACRS Business Meeting action items: **1)** Receive and file the Secretary and Treasurer’s Reports and approve of the Annual Audit; and **2)** approve the SACRS Nominating Committee’s recommended slate regarding the 2024-2025 SACRS Board of Directors Election.

Mr. Nelsen presented his April 18, 2024 memo which included the SACRS Nominating Committee’s recommended slate, which is as follows: **1) President – David MacDonald**, Contra Costa CERA; **2) Vice President – Adele Tagaloo**, Orange CERS; **3) Treasurer – Jordan Kaufman**, Kern CERA; and **4) Secretary – Zandra Cholmondeley**, Santa Barbara CERS; **5) Regular Member – David Gilmore**, San Diego CERA; and **6) Regular Member – Rhonda Biesemeier**, Stanislaus CERA.

The following individuals were also nominated. However, they were not recommended by the Nominating Committee:

- Daniel Vasquez, Marin CERA, Regular Member
- Alysia Bonner, Fresno CERA, Secretary

Mr. Nelsen recommended that the Board give him authority to receive and file the Secretary and Treasurer’s Reports, approve the Annual Audit and to vote in favor of the recommended slate in support of the SACRS Nominating Committee.

24-20

It was moved by Jaime Godfrey and seconded by Henry Levy that the Board give CEO Dave Nelsen (or his Designee) the authority to vote ACERA's Proxy on behalf of the Board of Retirement as follows: 1) Receive and file the Secretary and Treasurer's Reports, approve the Annual Audit; and 2) Vote in favor of the recommended slate in support of the SACRS Nominating Committee. The motion carried 7 yes (*Baron, Basgal, Clippinger, Godfrey, Levy, Simon, Wood*), 0 no, and 0 abstentions.

Education Session: Asset Liability Study Overview and Methodology

Chief Investment Officer Betty Tse explained the importance of today's discussion regarding asset liability and how it helps to build the foundation for the next important topic of discussion which is asset allocation. Sam Austin of NEPC, ACERA's General Investment Consultant, gave a presentation on the asset liability study and methodology. Mr. Austin referred to and explained the following PowerPoint (PP) Slides and stated that the data on PP Slides are just examples of how ACERA's data will be presented: *a)* Purpose of Asset - Liability Study, Page 3; *b)* First Principles, Page 4; *c)* Balancing The Pension Equation, Page 5; *d)* Expected Return, Page 6; *e)* ACERA Current Portfolio Expectations, Page 7; *f)* Funded Status and Projected Contributions, Page 9; *g)* Alternative Portfolio Analysis-Process for Preliminary Recommendation, Page 13; *h)* Asset Allocation Decision-Making, Page 14; *i)* Scenario Analysis: Regime Changes, Page 15; *j)* Economic Scenario Analysis, Page 16; *k)* Interpreting Stochastic Results, Page 17; *l)* Basic Tools For The Asset Allocation Process-Asset Allocation Defined, Page 20; *m)* Capital Market Line, Page 24; *n)* Asset Allocation Model: Mean-Variance Optimization Return, Page 25; and *o)* Model Inputs, Page 27. Mr. Austin and Ms. Tse responded to the Trustees' questions. Mr. Austin reported that NEPC will present various mixes for discussion at the May Investment Committee meeting to determine ACERA's asset allocation and that this item will be brought back to the June Investment Committee and Board meetings for the Board's consideration. Included in today's Board materials was an audio clip recording of Mr. Austin's oral presentation during the February 7, 2024 Investment Committee meeting regarding Capital Market Assumptions. Click the following link to access the audio clip recording: https://www.acera.org/sites/main/files/file-attachments/extractedaudio_1_1.mp3?1712167037.

For detailed information regarding this item, please refer to Ms. Betty Tse's April 18, 2024 memo and the attached PP Slides.

Trustee Basgal recommended that these types of PP Presentation materials should be included in the BoardEffect® Library; Ms. Tse agreed.

David Nelsen, Chief Executive Officer's Report

Mr. Nelsen presented his April 18, 2024 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Conference/Event Schedule; 3) Other Items: a) Business Planning; b) Legislation; c) Budget; and 3) Key Performance Indicators.**

Mr. Nelsen gave an update on the Pension Administration System (PAS) Project stating that Staff will perform Parallel Processing in August, the Project is on track and that PAS is scheduled to go live October 2024. Mr. Nelsen reported that the Board will be able to measure the effectiveness of the implementation of PAS in November and/or in December.

Mr. Nelsen gave an update on ACERA's Expense Budget stating that the budget overage has decreased. Mr. Nelsen will continue to provide the Board with updates on the status.

Mr. Nelsen and Chief Counsel Jeff Rieger responded to Trustee Ophelia Basgal's question about AB 3025 regarding final compensation included in disallowed compensation, etc.

CONFERENCE/ORAL REPORTS

None.

ANNOUNCEMENTS

None.

BOARD INPUT

Trustee Simon asked if the May 16, 2024 Board materials could be distributed earlier than a week prior to the Board meeting due to the number of agenda items that will be presented at the May 16, 2024 Board meeting. Mr. Rieger stated he will provide the Board with the anticipated Disability Claim information earlier than the usual one-week distribution date. Mr. Nelsen explained that the Actuarial and Audit Committee items that were discussed at today's meetings will not need further discussion at the May 16th Board meeting, as they will be Action Items for the Board's consideration.

To view the April 18, 2024, Board meeting in its entirety, click on the link below:
<https://www.youtube.com/watch?v=A-ndwDZZVPI>.

ADJOURNMENT

The meeting was adjourned at approximately 2:51 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

05/16/24

Date Adopted

APPENDIX A
REPORT ON SERVICE RETIREMENTS

ALVARADO, Ivonne
Effective: 1/17/2024
Alameda Health System

GLODOWSKI, Jacob
Effective: 1/6/2024
Probation

ANDRES, Genie
Effective: 2/4/2024
Health Care Services Agency

HESS, Paul
Effective: 1/20/2024
Sheriff's Office

AYALA, Berta
Effective: 1/20/2024
Alameda Health System

KILGORE, Stephen
Effective: 2/2/2024
Alameda Health System

BARBER, Brenda
Effective: 1/6/2024
Social Services Agency

MARSDEN, Roger
Effective: 1/20/2024
Health Care Services Agency

CHAUS, Mumtaz
Effective: 12/30/2023
Alameda Health System

MARTIN, Monica
Effective: 2/2/2024
Superior Court

CULLY, Debra
Effective: 2/13/2024
Probation

MARTINEZ, Brian
Effective: 2/3/2024
Sheriff's Office

DAWAL, Marcus
Effective: 1/20/2024
Probation

MARYLANDER, Teresa
Effective: 1/23/2024
Non-Member

EDNALAGA, Editha
Effective: 1/20/2024
Assessor

MILLER, Scott
Effective: 2/3/2024
Sheriff's Office

ELDRIDGE, Elaine
Effective: 2/3/2024
Health Care Services Agency

MILLER, William
Effective: 1/6/2024
Alameda Health System

FISHER LEVY, Francey
Effective: 1/20/2024
Library

MITCHELL ABERNATHY, Lisa
Effective: 1/20/2024
Probation

FLORES, Priscilla
Effective: 11/30/2023
Social Services Agency

NORTON, Michael
Effective: 2/3/2024
Sheriff's Office

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

PAOLINI, Michael
Effective: 1/20/2024
Social Services Agency

RUDOLPH, Jon
Effective: 2/2/2024
Sheriff's Office

PERALES, Nicole
Effective: 2/4/2024
Probation

SMITH, Clinton
Effective: 1/20/2024
Sheriff's Office

PINA, Ismael
Effective: 1/31/2024
ACERA

STEINBACH, Kimberly
Effective: 2/21/2024
Superior Court

PRINCE, Cleveland
Effective: 1/20/2024
Social Services Agency

TAVARES, Gregg
Effective: 2/3/2024
General Services Agency

TAYLOR, Thomas
Effective: 2/1/2024
ACERA

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ALLEN, Ramona
Alameda Health System
Effective Date: 1/24/2024

DAVIS, Georgina
Social Services Agency
Effective: 2/2/2024

BENNATON, Robert C.
Community Development Agency
Effective: 2/16/2024

JONES, Quientosa M.
Alameda Health System
Effective: 2/1/2024

BROTHERS, Nicholas S.
Sheriff's Office
Effective: 2/17/2024

KONOVER, Kimberle S.
Health Care Services Agency
Effective: 2/13/2024

CHUN, David W.
Sheriff's Office
Effective: 2/16/2024

MACE, Darrell
Zone 7 Water Agency
Effective: 1/26/2024

COLEMAN, Monae J.
Alameda Health System
Effective: 2/2/2024

MANUEL, Ieshia
General Services Agency
Effective: 2/16/2024

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

OXLEY, Rhealynn T.
Alameda Health System
Effective: 1/18/2024

SHIROMA NAKAMINE, Ruben M.
General Services Agency
Effective: 2/1/2024

PANCONI, Lucas S.
Sheriff's Office
Effective: 2/5/2024

TAMPLIN, Khatera A.
Health Care Services Agency
Effective: 11/17/2023

PERRY, Monique V.
Alameda Health System
Effective: 1/20/2024

VALENTINO, Chet M.
Health Care Services Agency
Effective: 2/2/2024

WALUND, Michael C.
Sheriff's Office
Effective: 1/26/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

ANGST, Arthur
Sheriff's Office
3/4/2024

BYERS-MC CARTHY, Barbara
Non-Mbr Survivor of Walter Byers
2/25/2024

BERNEY, Jerome
Health Care Services Agency
3/2/2024

COSCA, Joseph
Sheriff's Office
3/9/2024

BREAULT, Ronald
Registrar Of Voters
2/25/2024

CRUME, Alfred
Sheriff's Office
3/18/2024

BROWN, Lillie
Social Services Agency
2/28/2024

DEGUZMAN, Mario
Superior Court
3/13/2024

BUSH, Russell
Public Works Agency
3/17/2024

DRUMGOOLE, Margie
Alameda Health System
3/11/2024

BUTNER, David
Social Services Agency
3/7/2024

FURLONG, Patrick
Behavioral Health Care Services
1/28/2024

APPENDIX C
LIST OF DECEASED MEMBERS

GARDEMAN, Carl
Community Development Agency
3/9/2024

LENDRUM, Betty
Non-Mbr Survivor of Earl Lendrum
2/29/2024

GREGORIO, Ernesto
Alameda Health System
3/13/2024

MEESE, George
Superior Court
3/6/2024

HOGNER, Don
Probation
2/21/2024

MORADO, Vincente
Sheriff's Office
3/18/2024

KENNEDY, Carl
Non-Mbr Survivor of Beverly Elaine Kennedy
3/17/2024

NUNES, Norman
Social Services Agency
3/9/2024

LA MARCHE, Michael
Probation
3/8/2024

SIVERSON, Doris
Public Health
2/22/2024

LANG, Ivory
General Services Agency
2/26/2024

SMYER, Harry
Probation
3/3/2024

SPENCER-CLARK, Corinne
Non-Mbr DRO recipient of Andrew G. Theobald
2/27/2024

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

Name: Bass, April
Type of Claim: Non-Service Connected

Staff's Recommendation:

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

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

Name: Stevens, Gregory
Type of Claim: Service-Connected

Staff’s Recommendation:

Adopt the findings and conclusions and approve and adopt the recommendation contained in the Medical Advisor’s report, including but not limited to, granting Mr. Steven’s application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

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MINUTES OF APRIL 18, 2024 ACTUARIAL COMMITTEE MEETING

To: Members of the Actuarial Committee

From: Kellie Simon, Chair

Subject: Summary of the April 18, 2024 Actuarial Committee Meeting

Committee Chair Kellie Simon called the April 18, 2024 Actuarial Committee meeting to order at 11:01 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee member present was Kellie Simon. Also present were Ophelia Basgal, Ross Clippinger, Jaime Godfrey and alternate members Cynthia Baron and Kevin Bryant. Committee member Henry Levy arrived after roll call.

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

PUBLIC INPUT

None

Action Items

None

INFORMATION ITEMS

1. Presentation of the 2024 Actuarial Committee Work Plan

Staff presented the 2024 Actuarial Committee Work Plan highlighting meeting dates and future points of discussion.

2. Presentation and discussion of the Actuarial Valuation and Review as of December 31, 2023.

ACERA and Segal representatives presented the draft of the Actuarial Valuation and Review as of December 31, 2023. It will be presented for discussion and review to ACERA's participating employers' group at a meeting scheduled for April 24, 2024. Staff will bring the Actuarial Valuation and Review as of December 31, 2023, to the May 16, 2024, committee meeting for final adoption.

TRUSTEE INPUT AND DIRECTION TO STAFF

FUTURE DISCUSSION ITEMS

May

- Discussion and possible motion to adopt the Actuarial Valuation as of December 31, 2023

August

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

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Thursday, May 16, 2024, at 11:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:49 p.m.



MINUTES OF APRIL 18, 2024 AUDIT COMMITTEE MEETING

Date: April 18, 2024
To: Members of the Audit Committee
From: Henry Levy, Chair
Subject: **Summary of the April 18, 2024 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the April 18, 2024, Audit Committee meeting to order at 12:31 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Henry Levy, Jaime Godfrey, and Kellie Simon. Other Board members present were Ophelia Basgal, Ross Clippinger, and alternates Cynthia Baron and Kevin Bryant.

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

PUBLIC COMMENT

None

ACTION ITEMS

None

INFORMATION ITEMS

External Audit

1. Presentation and discussion of the draft Governmental Accounting Standards Board (GASB) Statements No. 67 and 74 Valuations as of December 31, 2023 (Segal).

Staff and Segal representatives presented the drafts of the GASB Statements No. 67 and No.74 valuations (financial reporting) for review by the Audit Committee.

The GASB 67 valuation measures and reports the Total/Net Pension Liability (TPL/NPL), while the GASB 74 valuation measures and reports the Total/Net OPEB (Other Postemployment Benefits) Liability (TOL/NOL).

The GASB Statement No. 67 Actuarial Valuation and No. 74 Actuarial Valuation and their respective addendums as of December 31, 2023, will be brought back to the May 16th Audit Committee for discussion and approval.

Internal Audit

1. Progress report on the Internal Audit Plan.

Staff provided a progress report on the Internal Audit Plan.

2. Review of completed audits.

Staff provided the results of the Benefit Certification Audit.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

May 16, 2024 at 12:30 p.m.

MEETING ADJOURNED

The meeting adjourned at 1:37 p.m.



MINUTES OF MAY 1, 2024 OPERATIONS COMMITTEE MEETING

To: Members of the Operations Committee
From: Ross Clippinger, Chair
Subject: **Summary of the May 1, 2024 Operations Committee Meeting**

Committee member Jaime Godfrey called the May 1, 2024, Operations Committee meeting to order at 9:36 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Jaime Godfrey, Cynthia Baron (for Elizabeth Rogers) and Kevin Bryant (for Ross Clippinger). Also present were Ophelia Basgal and George Wood. Henry Levy, Kellie Simon and Committee member Tarrell Gamble arrived after roll call.

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

PUBLIC INPUT
None

Action Items

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

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

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Operations Committee recommend that the Board of Retirement approve the E-Signature Policy, without revision.

The Motion carried 5 yes (*Basgal, Godfrey, Wood, Baron, and Bryant*), 0 no, and 0 abstentions.

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

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

George Wood and Kevin Bryant recused themselves from all discussion and voting and left the room during the discussion based on a potential conflict of interest, given that the Policy relates to ACERA reimbursements to their employing departments for a portion of their salaries. Kellie Simon and Ross Clippinger (also County employees) were not present for this item.

It was moved by Ophelia Basgal and seconded by Cynthia Baron that the Operations Committee recommend that the Board of Retirement approve the Employer Reimbursement Policy without revision.

The motion carried 4 yes (*Basgal, Gamble, Godfrey, and Baron*), 0 no, and 2 recusals (*Wood and Bryant*).

INFORMATION ITEMS

1. Quarterly Financial Statements

Staff presented the Unaudited Financial Statements for the period ending March 31, 2024. Staff stated that the Net Position Held in Trust and the change in Fiduciary Net Position compared to the same period in 2023 increased by \$984.9 million.

2. Operating Expenses as of 3/31/2024.

Staff presented the Operating Expense Report. As of March 31, 2024, actual expenses were \$188K over budget. Budget overages were Staffing (\$158K over budget), Member Services (\$56K over budget), Systems (\$15K over budget), and Depreciation (\$2K over budget). Budget surpluses noted were Staff Development (\$14K under budget), Board of Retirement (\$2K under budget), Professional Fees (\$6K under budget), and Office Expense (\$21K under budget).

3. Quarterly Cash Forecast Report.

Staff presented the Cash Forecast Report as of March 31, 2024.

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

Staff presented the Board Conference and Training Report from January 1, 2024-March 31, 2024. As of March 31, 2024, reported expenses totaled \$39,153.

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

Staff presented the Senior Manger Conference and Training Expense Report from January 1, 2024-March 31, 2024. As of March 31, 2024, reported expenses totaled \$8,033.

6. 2024 Board of Retirement Election Update.

Staff provided an update on the 2024 ACERA Board of Retirement Election including key dates from the election calendar and an overview of the services provided by the election vendor, MK Election Services, LLC.

TRUSTEE INPUT AND DIRECTION TO STAFF

Trustee Basgal inquired about an additional layer of security pertaining to DocuSign involving the verification of previous addresses for users. Staff will review to see if this additional security measure can be implanted in ACERA's use of DocuSign.

FUTURE DISCUSSION ITEMS

June (to be presented at Board)

- Operating Expenses as of 4/30/24
- Technology Report
- MMRO Annual Report

July (to be presented at Board)

- Operating Expenses as of 05/31/24

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Wednesday, September 4, 2024, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 9:58 a.m.

CONSENT CALENDAR ITEM

**May 1, 2024
Investment Committee Minutes
For approval under May 16, 2024
Board “Consent Calendar”**

**The May 1, 2024
Investment Committee Minutes
will be distributed under separate cover**



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 16, 2024

TO: Members of the Board of Retirement

FROM: Jessica Huffman, Retirement Benefits Manager 

SUBJECT: **Quarterly Report on Member Underpayments and Overpayments**

Attached are the quarterly reports regarding member contributions and overpayments of retirement allowance due to death for the most current six-month period. The report regarding staff errors contains the cases initially presented that have not yet been resolved, along with recently discovered errors. The information below provides more specifics in each of these categories.

Overpayments of Retirement Allowance Due to Death

This report provides any payments (including HRA (Health Reimbursement Arrangements) payments) made after the death of a retiree. In instances where a death is not reported timely, an overpayment occurs. For the six-month reporting period July 9, 2023 through December 23, 2023, 135 deaths occurred. There are eight overpayments due to unreported deaths to report at this time. Staff is actively attempting to collect on these overpayments.

Staff Errors

There are no staff errors to report.

Overpayments and Underpayments of Member Contributions

This report, which is for the period July 9, 2023 through December 23, 2023, shows discrepancies in member contribution amounts resulting in an underpayment or overpayment above the \$50 threshold, average time to resolve, and an explanation of the error type. For this reporting period, staff identified four members who underpaid their mandatory employee contributions and no members who overpaid their mandatory employee contributions. Staff reviewed and resolved the four cases of incorrect payment. There were a total of 3,470 exceptions from all Participating Employers. The most common exception type was underpayments due to the Employers withholding retirement contributions based on the incorrect salary.

Attachments

Overpayments of Retirement Allowance Due to Unreported Death July 9, 2023 thru December 23, 2023

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement	7/16/2023	7/27/2023	7/31/2023	\$2,328.55	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	7/28/2023	8/11/2023	7/31/2023	\$4,725.88	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	9/29/2023	10/3/2023	9/29/2023	\$2,007.69	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	7/26/2023	10/4/2023	9/29/2023	\$5,210.55	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Health Reimbursement	7/26/2023	10/4/2023	10/19/2023	\$397.85	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Four unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	10/9/2023	11/6/2023	10/31/2023	\$4,489.57	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement	6/18/2020	12/5/2023	11/30/2023	\$42,530.46	Staff collected \$20,165.80 through ACH reclaims thus far. ACERA's Legal Department is working directly with member's bank which received the overpayments to recover the remaining \$42,530.46 net receivable owed. Funds exist in the deceased member's account and ACERA is confident that all funds can be recovered.
Duty Disability Retirement	11/24/2023	12/19/2023	11/30/2023	\$2,513.60	Staff initiated a reclaim request with JPMorgan but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Total Receivable				\$64,204.15	

**Active Members - Overpayments and Underpayments of Member Contributions
July 9, 2023 to December 23, 2023**

Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayment 1:	\$63.13	11/16/2023	11/16/2023	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayment 2:	\$85.56	11/16/2023	11/16/2023	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayment 3:	\$89.81	11/16/2023	11/16/2023	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayment 4:	\$73.88	11/16/2023	11/16/2023	1	Employer Withheld Contribution Based at Incorrect Salary
Summary	Most Common Exception Type: Employer Withheld Contribution Based at Incorrect salary Total Exceptions: 1,339 % Above Exceptions of Total Exceptions: 0.30%				

Alameda County Superior Courts					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 944 % Above Exceptions of Total Exceptions: 0%				

Alameda County Housing Authority					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 46 % Above Exceptions of Total Exceptions: 0%				

Alameda Health Systems					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 1,125 % Above Exceptions of Total Exceptions: 0%				

First 5 Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 14 % Above Exceptions of Total Exceptions: 0%				

Livermore Area Recreation and Park District					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 2 % Above Exceptions of Total Exceptions: 0%				



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 16, 2024

TO: Members of the Board of Retirement *JH*

FROM: Jessica Huffman, Retirement Benefits Manager

SUBJECT: **1st Quarter 2024 Call Center Report**

Attached is the Service Level Report for the 1st quarter of 2024. Our service levels exceeded our benchmark this past quarter. The team handled a total of 4,994 incoming calls this past quarter, 95.35% of which were answered within 60 seconds. The team also responded to a total of 68 member voicemails within 1 business day or less.

The matrix below provides the five highest call volume categories for Q4 2023 and Q1 2024.

Q4 2023 Highest Volume	Categories of Calls	Q1 2024 Highest Volume	Categories of Calls
27%	Retiree Payroll Change Requests	28%	Retiree Payroll Change Requests
25%	Retirement/Membership/ Job Status Change Related Q's	29%	Retirement/Membership/ Job Status Change Related Q's
34%	Health/Dental/ Vision related Q's	25%	Health/Dental/ Vision related Q's
12%	Award Letter/EFT Statement/1099R Requests	14%	Award Letter/EFT Statement/1099R Requests
3%	Service Purchase/Retirement Estimate Requests	4%	Service Purchase/Retirement Estimate Requests

Attachment

ACERA

YTD 2024 Member Services Service Level Report

Performance Indicators	January 2024 Member Services	February 2024 Member Services	March 2024 Member Services	April 2024 Member Services	May 2024 Member Services	June 2024 Member Services
KPI - Service Level (% of calls answered within 60 seconds)	96.80%	93.57%	95.69%	0.00%	0.00%	0.00%
Total Calls Within KPI	1482	1614	1662	0	0	0
Total Number of Call Offered	1548	1756	1761	0	0	0
Call Center Agent Handled Calls	1531	1725	1738	0	0	0
Number of Abandoned Calls	17	31	23	0	0	0
Average Hold Time Before Abandoned (minutes:seconds)	00:32	01:08	00:36	00:00	00:00	00:00
Abandoned Call Rate (Goal: 3% or less)	1.10%	1.77%	1.31%	0.00%	0.00%	0.00%
Average Talk Time (minutes:seconds)	04:41	04:32	04:41	00:00	00:00	00:00

Performance Indicators	July 2024 Member Services	August 2024 Member Services	September 2024 Member Services	October 2024 Member Services	November 2024 Member Services	December 2024 Member Services
KPI - Service Level (% of calls answered within 60 seconds)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Calls Within KPI	0	0	0	0	0	0
Total Number of Call Offered	0	0	0	0	0	0
Call Center Agent Handled Calls	0	0	0	0	0	0
Number of Abandoned Calls	0	0	0	0	0	0
Average Hold Time Before Abandoned (minutes:seconds)	00:00	00:00	00:00	00:00	00:00	00:00
Abandoned Call Rate (Goal: 3% or less)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average Talk Time (minutes:seconds)	00:00	00:00	00:00	00:00	00:00	00:00

YTD 2024

Total Call Center Agent Handled Calls

4994

**REGULAR CALENDAR
REPORTS and ACTION ITEMS**

**COMMITTEE REPORTS,
RECOMMENDATIONS and MOTIONS:**

See Page 3 and 4 of the Attached Board Agenda for this month's Committee Reports and Motions.



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: May 16, 2024

TO: Members of the Board of Retirement

FROM: Lisa Johnson, Assistant Chief Executive Officer 

SUBJECT: **Participating Employers' Recommended Contributions to their Alameda County Employees' Retirement Association 401(h) Accounts for the 2024 - 2025 Fiscal Year**

Each year, the governing bodies of ACERA's Participating Employers authorize ACERA to establish a 401(h) account on their behalf. These accounts are funded by the Participating Employers with a portion of the normal annual contributions to ACERA. Simultaneously, after contributions are made in accordance with the County Employee Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfers that amount to the appropriate Employer Advance Reserve. This procedure provides retirees with contributions towards their Retiree Health Benefits (RHBs) on a tax-free basis in compliance with Internal Revenue Code Section (IRC) §401(h).

Background

Beginning with resolution 96-634 for the fiscal year ending June 30, 1996, the Alameda County Board of Supervisors has annually authorized County contributions to a 401(h) account to provide non-vested RHBs to retirees on a non-taxable basis. In accordance with the County's annual resolution, ACERA's actuary has estimated the cost to fund this account, and the County has paid these funds into the 401(h) account in conjunction with its annual normal retirement contribution payment.

In 2005, in an effort to limit its cost related to Other Post-Employment Benefits (OPEBs) the Alameda County Board of Supervisors adopted Resolution number R-2005-292. The resolution states: (1) the County's annual contribution to ACERA's 401(h) account be limited to costs related to non-vested OPEB benefits attributed to retired County employees, and (2) that contributions for retired employees of other ACERA member entities (e.g. Alameda County Medical Center now named Alameda Health System, Housing Authority and Livermore Area Recreation and Park District, etc.) were the responsibility of those entities. Subsequently, the Alameda County Housing Authority, the Alameda Health System (AHS), the Livermore Area Recreation and Park District (LARPD) and First Five-Alameda County Children and Families Commission (First 5) chose to establish their own 401(h) accounts. Alameda County includes the Alameda County Office of Education in the County's 401(h). In accordance with Government Code 71624, the Superior Court of California is also included in the County's 401(h). However, the Superior Court funds its own 401(h) contribution amount.

The Segal Company, ACERA’s actuary, projected that \$62,590,000 will be required in contributions for the 2024-2025 fiscal year. IRC § 401(h) limits the total contribution under the plan to 25% of total contributions. In the attached letter, The Segal Company confirmed that the estimate of the 401(h) contributions does not exceed the 25% limit of the total contribution under the plan imposed by the IRC Section 401(h).

The attached 401(h) Contributions Summary by Participating Employer schedule shows a percentage breakdown of the 401(h) expense by employer based on the number of retirees eligible for non-vested OPEB benefits. This percentage was applied to the projected 401(h) contributions total of \$ 62,590,000 and was adjusted by the estimated balance remaining in the 401(h) account, as of June 30, 2024, for fiscal year 2024-2025.

<u>Employer</u>	<u>Percentage</u>	<u>Net Contribution</u>
Alameda County	79.08%	\$42,167,715.00
AHS	13.78%	\$7,350,988.00
First 5	0.19%	\$102,436.00
Housing Authority	0.64%	\$344,137.00
LARPD	0.70%	\$374,274.00
<u>Superior Court</u>	<u>5.61%</u>	<u>\$3,003,355.00</u>
Total Net Contribution	100.00%	\$53,342,905.00

The estimated contributions for all Participating Employers include:

- Projected health premium subsidy increases of 3.125% for medical, 4.50% for Medicare Part B, and 0.00% for dental and vision;
- An additional 10% subsidy requirement for 2024-2025 to provide a margin for unexpected retirements (e.g., if the employer grants Golden Handshake benefits);
- Administrative expenses for health benefits

ACERA will send a letter to each of the Participating Employers requesting that their respective governing bodies pass a resolution to approve the funding of their 401(h) account in the upcoming fiscal year in the amount specified by ACERA’s actuary and adjusted by the balance remaining in their 401(h) account.

Recommendation

Staff recommends to the Board of Retirement that after contributions are made to the 401(h) accounts by the respective Participating Employers, ACERA, in accordance with the CERL, treat an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions and transfer the amount equal to the pro rata share of the 401(h) contributions for the 2024-2025 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers’ governing bodies.

Attachment:

Memo from Segal

401(h) Contributions Needed for County and Special Districts FY 2024-2025

April 15, 2024

Lisa Johnson
 Assistant Chief Executive Officer
 Alameda County Employees' Retirement Association
 475 14th Street, Suite 1000
 Oakland, CA 94612-1900

Re: 401(h) Contributions for the 2024–2025 Fiscal Year

Dear Lisa:

Pursuant to the Association’s request, we have estimated the 401(h) contributions for the 2024–2025 fiscal year.

Results and analysis

We project that, for the 2024–2025 fiscal year, the Association will need \$62,590,000 to provide medical benefit subsidies from the 401(h) account. The process used to determine the actual biweekly contribution amounts is discussed on page 2. Please note that as previously directed by ACERA, in developing the estimated 401(h) contribution amount, we have included the expenses related to the administration of health benefits for retirees.

The 401(h) funding requirement is developed as follows:

Component	Amount
1. Total monthly premium subsidy paid by ACERA to all health benefit plan providers during the month of February 2024, projected to June 2024 by the Association (for comparison purposes only).	\$4,274,000*
2. Annualized premium subsidy as of February 2024, projected to June 2024 (for comparison purposes only).	\$51,288,000

* Last year, the total monthly premium subsidy paid by ACERA to all health benefit plan providers for February 2023 and projected to June 2023 by the Association was \$4,009,000, or \$48,108,000 annualized. There is an increase in the projected monthly premium subsidy amount from last year to this year primarily as a result of an increase in the medical and dental premium subsidies from 2023 to 2024.

Component	Amount
3. Best estimate of annualized premium subsidy required for 2024–2025 (based on actual payouts from July 2023 through February 2024 and estimated payouts from March 2024 through June 2024 provided by ACERA). Following the Association’s current practice, we have assumed that the Retirement Board will increase the Monthly Medical Allowance at the rate equal to one-half of the lowest medical trend assumption for the non-Medicare and Medicare Advantage plans. We have assumed that the Medicare Part B, dental and vision subsidies will increase at the full rate of the trend assumption for those plans for calendar year 2024 (as assumed in the December 31, 2022 SRBR valuation). The assumed increases in the subsidy calculation are 3.125% for medical, ¹ 4.50% for Medicare Part B, 0.00% for dental and vision plans.	\$54,983,000
4. Increase of 10% in Item 3 to provide a margin for unexpected retirements rounded to nearest \$1,000.	\$5,498,000
5. Administrative expenses for health benefits, rounded to nearest \$1,000.	\$2,109,000 ²
6. Sum of Items 3, 4, and 5.	\$62,590,000

Important assumptions regarding anticipated change in health premium subsidy

Except for the projected health premium subsidy increases described above, we have not assumed any other changes in the level of subsidy from 2023–2024 to 2024–2025. Our estimate will have to be revised if the Retirement Board later decides to amend the level of benefits.

401(h) contributions

The actual required contributions for the 2024–2025 fiscal year should be determined by subtracting the June 30, 2024 balance in the 401(h) account from the \$62,590,000. We understand that this net amount will be contributed to the 401(h) account on a biweekly basis by the employers and the Association will transfer a like amount from the Supplemental Retirees Benefit Reserve to the Employer Advance Reserve.

¹ This is based on 50% of the 6.25% trend assumption used to project the increase for Medicare Advantage plans from calendar year 2024 to calendar year 2025, as described in the assumptions section of the December 31, 2022 SRBR sufficiency valuation. The medical trend assumptions in our draft letter dated March 22, 2024, recommended for the December 31, 2023 sufficiency valuation, will be applied in the 401(h) contribution estimate for the 2025–2026 fiscal year. Although the December 31, 2022 assumptions do not reflect the anticipated impact of the Inflation Reduction Act of 2022 (IRA) on the 2025 premiums for the Medicare plans, we believe the 10% margin included in these calculations will provide a sufficient allowance for the potential premium increase caused by the IRA.

² As part of the determination of the 401(h) contributions for the 2023–2024 fiscal year, we followed the directions from the Association (as provided in the past) to use the actual 2022 calendar year expense as a proxy for the 2023–2024 fiscal year. We have maintained this procedure and have used the actual 2023 calendar year expense as a proxy for the 2024–2025 fiscal year expense.

As instructed by the Association, we have provided a breakdown of the 401(h) expense by employer in the following table. We understand that the breakdown has been compiled by the Association as of February 2024, based on the number of retirees eligible for retirement benefits.

Employer	Percentage of 401(h) Contributions
Alameda County*	79.08%
Health System	13.78%
Superior Court	5.61%
Livermore Area Recreation and Park District	0.70%
Housing Authority	0.64%
First 5	0.19%
Total	100.00%

Under IRC Section 401(h), medical benefits must be “incidental” to the retirement benefits under a plan. Section 401(h) indicates that medical benefits will be considered “incidental” if the contributions for medical benefits are less than 25% of the total contributions under the plan (excluding unfunded actuarial accrued liability (UAAL) payments). We believe that the transfer from the Supplemental Retirees Benefit Reserve should be treated as an offset to the UAAL contribution requirement (to the extent that the net UAAL payment after the offset is still positive), which means that in a given year the medical contributions can be up to 25% of the total Normal Cost contributions.

In the following table, we demonstrate that the value of the medical benefits is in compliance with the above requirement. Please note that as the Retirement Board has not yet adopted the contribution rates for the December 31, 2023 pension funding valuation, we have continued to apply the average employer and employee contribution rates calculated in the last valuation, that is, as of December 31, 2022, to the payroll calculated in that valuation, increased by 3.25% to reflect one year of projected payroll growth.

Source of Contributions	Estimated Amount (\$ millions)
Employee Normal Cost (based on an aggregate member rate of 10.08% calculated in the December 31, 2022 valuation and an estimated payroll of \$1,299 million)	\$130.9
Employer Normal Cost (based on aggregate employer normal cost rate of 10.88% calculated in the December 31, 2022 valuation and an estimated payroll of \$1,299 million)	\$141.3
Recommended 401(h) Medical Contributions	\$62.6

* As in years past, retirees from the Office of Education and the Alameda County Fire Department are included in the County's percentage by ACERA.

Source of Contributions	Estimated Amount (\$ millions)
Total Normal Cost and Recommended 401(h) Medical Contributions	\$334.8
Ratio of 401(h) Contributions to the Total Normal Cost Contributions and Recommended 401(h) Medical Contributions	18.7%*

These calculations were prepared under our supervision. Except as noted above, the calculations are based on the December 31, 2022 actuarial pension funding valuation results including the membership data and the non-health care cost trend actuarial assumptions on which that valuation was based, and the health care cost trend assumptions in the December 31, 2022 SRBR sufficiency valuation.

This document has been prepared for the exclusive use and benefit of the client, based upon information provided by you and your other service providers or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. Except as may be required by law, this document should not be shared, copied or quoted, in whole or in part, without the consent of Segal. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. Please let us know if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary



Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

/elf

cc: Eva Hardy
Katherine Martinez

* This ratio was 18.6% as provided in our 401(h) contributions letter for the 2023–2024 fiscal year.

401(h) Contributions needed for County and Special Districts - For the Fiscal Year 2024-25

Employer	Percentage of 401(h) Contribution	Paid Interval	Actuarial 401(h) Account Balance Required for FY 2024-25		FY 2024-25 Required 401(h) Contribution Amount	FY 2024-25 Per Pay Period 401(h) Payment	Monthly Payment 2 PP	Aug '24 & Jan'25 3 PP	Required Adm. Allocation 2023-24	
				Est. 401(h) Balance as of 6/30/2024					Total	Monthly Adm. Allocation
Alameda County	79.08%	Bi-Weekly (26 PP)	\$ 49,496,172.00	\$ 7,328,457.07	\$ 42,167,715.00	\$ 1,621,835.00	\$ 3,243,670.00	\$ 4,865,505.00	\$ 1,667,797.00	\$ 138,983.00
AHS	13.78%	Bi-Weekly (26 PP)	8,624,902.00	1,273,913.95	7,350,988.00	282,730.00	565,460.00	848,190.00	290,620.00	24,218.00
Superior Court	5.61%	Bi-Weekly (26 PP)	3,511,299.00	507,943.93	3,003,355.00	115,514.00	231,028.00	346,542.00	118,315.00	9,860.00
Livermore Area Recreation & Park District	0.70%	Bi-Weekly (26 PP)	438,130.00	63,855.81	374,274.00	14,395.00	28,790.00	43,185.00	14,763.00	1,230.00
Housing Authority	0.64%	Bi-Weekly (26 PP)	400,576.00	56,438.77	344,137.00	13,238.00	26,472.00	39,708.00	13,498.00	1,125.00
First 5	0.18%	Bi-Weekly (26 PP)	118,821.00	16,485.18	102,436.00	3,940.00	7,880.00	11,820.00	4,007.00	334.00
Total	100.00%		\$ 62,590,000.00	\$ 9,247,094.71	\$ 53,342,905.00	\$ 2,051,650.00	\$ 4,103,300.00	\$ 6,154,950.00	\$ 2,108,000.00	\$ 175,750.00

Per SEGAL letter dated April 15, 2024 required amount

\$ 62,590,000.00

** Please see attached payment schedule.

Prepared by: Hems - 4/19/24

Reviewed by: Hermelle - 4/22/24

NEW BUSINESS:

7.B. Debut of ACERA's New Member Orientation Video

It there are any materials for
distribution, they will be distributed
under separate cover



Office of the Chief Executive Officer

DATE: May 16, 2024
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer’s Report**

Senior Manager Recruitment

None

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS

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

Conference/Event Schedule

I will be at the NCPERS CEO/CIO Summit in Nashville Tennessee from June 17th through June 19th.

Other Items

Business Planning Update

See Attached 2024 Business Plan.

Legislative Update

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

Other Items

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

As of the end of March, we are still over budget, but are continuing to reduce the amount. We anticipate that we will be able to recover from the first month without budget adjustments, but will continue to monitor this and report to the Board on the results.

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

Key Performance Indicators

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

Scorecard KPI	2022 Performance Goal
PRUDENT INVESTMENT PRACTICES	
Portfolio Performance vs. Policy Benchmark	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> As of March of 2024: 10 year-return 7.44%, policy index 7.70%
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2024 approved budget</i> As of March of 2024: 3.5% over budget.
COMPREHENSIVE ORGANIZATION DEVELOPMENT	
Employee Engagement Survey Results	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> As of the latest survey (October of 2023): 73%.
SUPERIOR CUSTOMER SERVICE	
Service Excellence Survey	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 4 th Quarter of 2023: 100%.

ACERA 2023-2024 BUSINESS PLANNING PROJECTS UPDATE

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

Group 1 of 4 of the V3 job aids is complete. The scope of work for the job aids is at 53% of goal and on schedule. The second round of four Standard Operating Procedures is in its final stages of review. This month all training materials finalized in mid-May will be leveraged to review critical functionality in V3. T All V3 training materials will be available on the SharePoint Agency Intranet under a Phase 1 roll out mid-June.

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

User Acceptance Testing for the V3 member portal (Member Direct is underway with a target completion in early May, A plan for the rollout of Member Direct is now complete. Planning discussions for the employer portal (Employer Direct) are in progress. A timeline for implementation will be presented internally in early May. An outreach to all employers with dates and times for training in early July will be sent out this month. A cross-departmental Employer Reporting training manual is under development targeted for completion in early June.

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

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

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

As part of monthly reporting and Total Fund snapshot reports to the Board, Investments produces materials that report performance of funds compared to the appropriate benchmarks. However, Investments does not have the license to access Private Market benchmarks and has not been able to include the benchmark data. Investments has been researching vendors and will obtain direct access to the Cambridge Associates Private Benchmark data through S&P Dow Jones Indices. This vendor can provide ACERA and the State Street Bank Performance team with the necessary access to aid in providing timely benchmark performance reporting monthly. Staff has completed several actions related to this project, including meeting with NEPC and receiving pricing options from the vendor. Currently, we are waiting on the vendor to send their Pricing Schedule, which is undergoing legal review with the vendor. Once received, Investments will review, and work with ACERA legal to formally start negotiations. The project is at about 50%.

5. **WFE Phase II**
Goal 2 (Complete in October 2024)

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

6. Agency Intranet solution Implementation

Goal 2 (September 2024)

The design for agency procedure templates for phase 1 of the agency intranet is complete. Content for the intranet for PG3 readiness POC is ready and will be added in late April. Training on adding and maintaining materials for project team members in April was complete. The departments initiated the work for organizing and categorizing network files for the migration pre-work.

Phase 1 implementation of the SharePoint Intranet with Pension Gold V3 content is on schedule for mid-June.

7. Expense Submission Phase II - Software Training

Goal 3 (March 2024 through May 2024)

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

8. Great Plains Update Planning and Process Improvement Review

Goal 3 (March 2024 – December 2024)

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

LEGISLATIVE UPDATE



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

SACRS Welcomes New Lobbyists

SACRS welcomes Laurie Johnson of LJ Consulting & Advocacy and Cara Martinson of Public House Consulting as our new Legislative Representatives. Cara and Laurie bring us much experience in California state government, as both have represented county clients in front of the Legislature and worked in and around the Capitol for many years. They started with SACRS on May 1st.

Legislative Update

With a challenging budget scenario looming over the Legislature, bills are cycling fast as Members try and move over 2600+ bills through policy and fiscal committees. Deadlines dominate this time of year, with May 3rd being the deadline for all bills to move out of policy committees and report to either the floor or fiscal committees. Appropriations committees have until May 10th to hear all fiscal bills, and we expect the release of the Suspense File on the 15th. Finally, the House of Origin deadline is May 24th. It is anticipated a significant number of bills will be “held” this year, due to fiscal constraints and this year’s looming election (voting on some of the more controversial bills might jeopardize vulnerable Members).

Budget Update

In early-April, the Administration and Legislative Leadership came to an early agreement to trim \$17 billion from the state’s unknown, but massive deficit. This Early Action Agreement, includes:

- \$3.6 billion in Reductions from Multi-Year Budget Commitments, which include some climate programs, CalWORKs reversions, broadband and a housing foreclosure program.
- \$3.1 billion in Delays of funding to areas such as the Transit and Intercity Rail Capital Program, Behavioral Bridge Housing and Continuum programs, Broadband Last Mile to mention a few.



Budget Update (Continued)

- \$5.2 billion in Revenue /Borrowing with the Managed Care Organization tax bringing in \$3.8 billion of that total.
- \$3.4 billion in Fund Shifts from the Greenhouse Gas Reduction Fund, Medi-Cal Drug Rebate Program, Retirement Contributions, etc.
- \$2.1 billion in Deferrals which include statewide payroll deferral and UC/CSU deferrals.

While this early agreement is a positive and proactive plan to address the state's growing deficit, there is more uncertainty than answers at this point. This uncertainty is firmly predicated on the actual size of our deficit. The Administration in recent weeks has conceded that their original estimate of \$38 billion has grown with monthly projections overstating incoming revenue – it is nothing compared to LAO's assertion that it is upwards of \$73 billion. Before April, state revenues from all sources were running \$5.6 billion below what Newsom had projected for the current fiscal year in his proposed 2024-25 budget, according to the Governor's budget staff.

The immense disparity between the Newsom Administration's budget picture and the LAO remains unresolved. However, the net personal income tax collections tracked by the controller's office so far in April appear to be hitting the Administration's estimate of \$16.3 billion for the month.

What happens in the remaining six weeks before the June 15 constitutional budget deadline will center on two related factors: settling on a deficit number and deciding what actions can be taken that would reduce it to zero.

SACRS is tracking the following bills:

- **AB 2770 (Committee on Public Employment and Retirement)** – This is the annual housekeeping bill that includes various technical amendments for CalPERS, CalSTRS, and '37 Act systems. SACRS is a co-sponsor of the bill. The bill removes the “return receipt” requirements as part of current procedures in statute that systems must follow to locate members and beneficiaries. The bill also conforms the sunset date of January 1, 2025 to the Labor Code for the recently added disability presumption for post-traumatic stress disorder. Status: Approved by Assembly; pending in Senate Committee.



- **AB 2474 (Lackey)** – This is a SACRS-sponsored bill and was amended in Committee to allow LACERA-only to deposit retirement allowances into prepaid accounts until January 1, 2028, as a pilot program. The bill also provides clarity regarding the ability of a system to deposit pension payments in a member’s living trust bank account. The bill also clarifies potential consequences when a retiree exceeds the 960-hour post-retirement employment limit and provides systems with administrative flexibility on that matter. This bill continues to be discussed with amendments forthcoming. Status: Approved by Assembly; pending in Senate Committee.
- **AB 2284 (Grayson)** – The bill amends the definition of “compensation earnable” to define a work classification “grade” to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping. The SACRS Legislative Committee has been engaged with the bill’s author and sponsors regarding compliance with PEPPRA and the *Alameda* decision. Status: Pending on Assembly Floor.
- **AB 3025 (Valencia)** – This bill creates a framework for making benefit corrections and contribution refunds when disallowed compensation is inadvertently included in pension calculations. This bill includes a penalty to be paid by the employer to the member if compensation is later determined to be disallowed. The bill also includes language that is intended to protect a system’s *Alameda* correction process currently underway. The SACRS Legislative Committee is working with the bill’s author and sponsor on amendments to ensure ’37 Act systems can properly implement the bill, consistent with IRS regulations. Status: Pending on Assembly Floor.
- **AB 2301 (Nguyen)** – This bill, the Sacramento Area Sewer District Pension Protection Act of 2024, provides for the continuation of benefits and pension obligations for employees transferring from the County of Sacramento to the Sacramento Area Sewer District. Status: Approved by Assembly; pending in Senate Committee.
- **SB 1189 (Limon)** – This bill authorizes the Ventura County Employees’ Retirement Association to appoint a chief technology officer. Status: Approved by Senate; pending in the Assembly.



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

- **AB 817 (Pacheco)** and **SB 537 (Becker)** – These bills provide flexibility for local government agencies to conduct remote meetings under Open Meeting laws. Status: Approved by Assembly, pending in Senate Committee (AB 817); Ordered to the Assembly Inactive File (SB 537).
- **SB 252 (Gonzalez)** – This bill prohibits CalPERS and CalSTRS from making new investments in a fossil fuel company and requires those systems to divest from fossil fuel companies by July 1, 2031, unless the board determines in good faith that the action is inconsistent with the board's fiduciary responsibilities. Status: Approved by Senate, pending in Assembly Committee.
- **SB 1240 (Alvarado-Gil)** – This bill provides for the continuation of pension benefits for employees of El Dorado County Fire Protection District and the Diamond Springs Fire Protection District under a new consolidated district. Status: Approved by Senate, pending in the Assembly.

CLOSED SESSION

- 5.A. **This Item will be addressed in Closed Session, pursuant to Gov't Code § 54957(b)**

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

**BECAUSE THIS MATTER IS SO VOLUMINOUS,
PLEASE REFER TO THE "CONFIDENTIAL DISABILITY MATTER"
FOLDER IN THE BOARD EFFECT LIBRARY**

12. CLOSED SESSION:

- A. Michael D. Dalisay Matter (see Item 5A).**
- B. Conference With Legal Counsel—Existing Litigation (Gov't Code § 54956.9(d)(1)): Preciosa Bachan v. Alameda County Employees' Retirement Association, Alameda County Superior Court Case No: 23CV028214.**
- C. Conference With Legal Counsel—Existing Litigation (Gov't Code § 54956.9(d)(1)): Alameda Health System v. Alameda County Employees' Retirement Association, California Court of Appeal, First District Case No. A165587.**

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