



Alameda County Employees' Retirement Association  
BOARD OF RETIREMENT

NOTICE and AGENDA

ACERA MISSION:

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

Thursday, June 15, 2023  
2:00 p.m.

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

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

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

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org 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 14<sup>th</sup> Street, 10<sup>th</sup> Floor, Oakland, CA 94612-1900.

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT**

**4. CONSENT CALENDAR:**

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

**A. REPORT ON SERVICE RETIREMENTS:**

*Appendix A*

**B. LIST OF DEFERRED RETIREMENTS:**

*Appendix B*

**C. LIST OF DECEASED MEMBERS:**

*Appendix C*

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

*None*

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

*None*

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

*None*

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

*May 17, 2023 Investment Committee Minutes*

*May 18, 2023 Actuarial Committee Minutes*

*May 18, 2023 Audit Committee Minutes*

*May 18, 2023 Minutes of the Regular Board Meeting*

*June 7, 2023 Operations Committee Minutes*

*June 7, 2023 Retirees Committee Minutes*

**H. MISCELLANEOUS:**

- *None*

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

**REGULAR CALENDAR  
REPORTS AND ACTION ITEMS**

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

None.

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

**A. Operations: [See June 7, 2023 Operations Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 7, 2023 Meeting.

**B. Retirees: [See June 7, 2023 Retirees Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 7, 2023 Meeting.
2. Motion to authorize Staff to transfer \$7,842,215 from the Supplemental Retiree Benefit Reserve account to the County Advance Reserve to be amortized over 20 years as the Implicit Subsidy payment for Plan Year 2022.
3. Motion to adopt a Statement of Intent to continue the Implicit Subsidy Program for health Plan Year 2024, following a determination by ACERA at the end of Plan Year 2024 that the amount is not greater than the actual retiree Implicit Subsidy.

**C. Investment: [See June 14, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 14, 2023 Meeting.
2. Motion to approve the Finalists for ACERA's General Investment Consultant (GIC) Search.
3. Motion to approve the Minimum Qualifications, and Scoring Matrix for the Emerging Markets Equity Manager Search.

**D. Actuarial: [See June 15, 2023 Actuarial Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 15, 2023 Meeting.

**E. Audit: [See June 15, 2023 Audit Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of June 15, 2023 Meeting.
2. Motion to adopt the audited Schedule of Employer Allocations and Schedule of Pension Amounts by Employer and the audited Schedule of Employer Allocations and Schedule of OPEB Amounts by Employer Based on the Governmental Accounting Standards Board (GASB) Statement No. 67 and Statement No. 74, as of December 31, 2022.

**7. NEW BUSINESS:**

- A. Discussion and Possible Motion regarding Consolidation of Committee Meeting Days.
- B. Chief Executive Officer's Report.

**8. CONFERENCE/ORAL REPORTS**

**9. ANNOUNCEMENTS**

**10. BOARD INPUT**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, July 20, 2023 at 2:00 p.m.**

**12. ADJOURNMENT**

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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ALVAREZ, Jose  
Effective: 3/31/2023  
Social Services Agency

BREINING, Paul  
Effective: 4/1/2023  
Public Works Agency

ALVAREZ, Rafael  
Effective: 4/1/2023  
Sheriff's Office

BROWN, Jenifer  
Effective: 4/1/2023  
Probation

AMARAL, Dale  
Effective: 4/1/2023  
Sheriff's Office

BRUTON, Terri  
Effective: 4/1/2023  
Social Services Agency

ANGELO, Joseph  
Effective: 4/1/2023  
Human Resource Services

CAGE, Renee  
Effective: 4/1/2023  
Social Services Agency

BADUEL, Camila  
Effective: 4/1/2023  
Sheriff's Office

CARROLL, Queenette  
Effective: 3/31/2023  
Social Services Agency

BALOY, Armando  
Effective: 4/1/2023  
Sheriff's Office

CHEN, Elizabeth  
Effective: 4/1/2023  
Information Technology Department

BARNES, Stephanie  
Effective: 3/31/2023  
Social Services Agency

CHEN, Kenneth  
Effective: 4/1/2023  
Health Care Services Agency

BILL, Karen  
Effective: 4/1/2023  
Social Services Agency

CHUNG, Annie  
Effective: 4/1/2023  
Social Services Agency

BLACKSHIRE, Trina  
Effective: 3/31/2023  
Superior Court

CLARK, Cheryl Ann  
Effective: 3/31/2023  
Superior Court

BOCK, Sharmin  
Effective: 4/1/2023  
District Attorney

COMBS, Elena  
Effective: 4/1/2023  
Social Services Agency

BOYOVICH, Alexander  
Effective: 3/31/2023  
Superior Court

CONTRERAS, Martha  
Effective: 4/1/2023  
Health Care Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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COOPER, Sylvina  
Effective: 4/1/2023  
Social Services Agency

FABIANI, Claudia  
Effective: 4/1/2023  
Probation

CORNIST, Sherritta  
Effective: 4/1/2023  
Probation

FETTY, Denise  
Effective: 3/31/2023  
Public Works Agency

DE PAZ, Jaime  
Effective: 4/1/2023  
Information Technology Department

FRENCH, Elizabeth  
Effective: 4/1/2023  
Social Services Agency

DEOL, Gurpaljit  
Effective: 4/1/2023  
Zone 7

FULLER, Dzidra  
Effective: 4/1/2023  
Alameda Health System

DICKENS, Elizabeth  
Effective: 4/1/2023  
Health Care Services Agency

GOMES, Eric  
Effective: 4/1/2023  
Probation

DOOLEY, Keith  
Effective: 4/1/2023  
Public Works Agency

GOODEN, Neisha  
Effective: 3/8/2023  
Alameda Health System

ENCARNACION, Angelina  
Effective: 4/1/2023  
Social Services Agency

GREEN, Karen  
Effective: 4/1/2023  
Social Services Agency

ESPITIA, Zoveyda  
Effective: 3/31/2023  
Superior Court

GUERRERO, Gene  
Effective: 3/31/2023  
District Attorney

ETEMADI, Ahmad  
Effective: 3/18/2023  
Social Services Agency

GUTTERRIEZ, Silvia  
Effective: 3/18/2023  
District Attorney

EVANS, Jonathan  
Effective: 3/18/2023  
Social Services Agency

HAHLBECK, Ronda  
Effective: 3/18/2023  
Social Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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HAITEMA, David  
Effective: 4/1/2023  
Probation

LANDER, Claudia  
Effective: 3/31/2023  
General Services Agency

HALIM, Leo  
Effective: 4/1/2023  
Health Care Services Agency

LINTON, Dorothy  
Effective: 3/31/2023  
Alameda Health System

HERMAN, Jerry  
Effective: 3/18/2023  
District Attorney

LIU, Wanda  
Effective: 4/1/2023  
Human Resource Services

HOANG, Nang  
Effective: 4/1/2023  
Sheriff's Office

LONG, Vicki  
Effective: 4/1/2023  
District Attorney

HUANG, Xiao  
Effective: 4/1/2023  
Social Services Agency

LUMIBAO, Luviminda  
Effective: 4/1/2023  
Assessor

HUNTER, Kim  
Effective: 4/1/2023  
District Attorney

MCRAE, Bernadette  
Effective: 3/28/2023  
Alameda Health System

ILES, Shelly  
Effective: 3/31/2023  
Superior Court

MITCHELL, Gary  
Effective: 4/1/2023  
Sheriff's Office

JAKUB, Barbara Jean  
Effective: 4/1/2023  
Health Care Services Agency

NEIDIFFER, Martin  
Effective: 4/1/2023  
Sheriff's Office

JUDKINS, Andrea  
Effective: 4/1/2023  
Health Care Services Agency

NEWMAN, Rhonda  
Effective: 4/1/2023  
Human Resource Services

JUGARAP, Reneboy  
Effective: 3/31/2023  
Alameda Health System

PARHAM, Steven  
Effective: 4/13/2023  
Sheriff's Office

KAUTZ, Molly  
Effective: 3/31/2023  
Superior Court

PATEL, Mridula  
Effective: 4/1/2023  
Social Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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PEDREGON, Luis  
Effective: 4/1/2023  
Sheriff's Office

SAN AGUSTIN, Bernadette  
Effective: 4/1/2023  
Alameda Health System

PETERS-JENKINS, Denise  
Effective: 3/31/2023  
Public Works Agency

SANCHEZ, Derek  
Effective: 4/1/2023  
Sheriff's Office

PLOURDE, Lisa  
Effective: 4/1/2023  
Community Development Agency

SANCHEZ, Elizabeth  
Effective: 4/1/2023  
Sheriff's Office

PORAL, Lucila  
Effective: 4/1/2023  
Child Support Services

SEPT, Linda  
Effective: 4/1/2023  
Alameda Health System

POWELL, Roxann  
Effective: 4/1/2023  
Treasurer-Tax Collector

SHIA, Jing Jing  
Effective: 4/1/2023  
District Attorney

PRATER, Dean  
Effective: 4/1/2022  
Superior Court

SILVA, Ernest  
Effective: 4/1/2023  
Sheriff's Office

RADFORD, Nicole  
Effective: 4/1/2023  
Social Services Agency

SLONE, Anita  
Effective: 4/1/2023  
Social Services Agency

RICHARDSON, Jachu  
Effective: 3/31/2023  
Probation

SMITH, Lorenzo  
Effective: 4/1/2023  
Public Works Agency

ROLLAND, Theresa  
Effective: 3/10/2018  
Probation

SMITH, Vicella  
Effective: 4/1/2023  
Sheriff's Office

ST. DENIS, Derek  
Effective: 4/1/2023  
Sheriff's Office

SOLOMON-CASTRO, Amor  
Effective: 4/1/2023  
Health Care Services Agency



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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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STEWART, Celeste  
Effective: 4/1/2023  
Library

TRAN, Lien  
Effective: 4/1/2023  
Social Services Agency

STEWART, Denise  
Effective: 4/1/2023  
General Services Agency

TRINIDAD, Cynthia  
Effective: 3/31/2023  
Superior Court

SULLIVAN, Rochelle  
Effective: 4/1/2023  
Social Services Agency

TUAZON, Noel  
Effective: 4/1/2023  
Social Services Agency

TANGRI, Ashok  
Effective: 4/1/2023  
Health Care Services Agency

VALDERRAMA, Arthur  
Effective: 4/1/2023  
Public Works Agency

TAPES, James  
Effective: 3/4/2023  
General Services Agency

VANWEERDHUIZEN, Lester  
Effective: 4/1/2023  
General Services Agency

TAYLOR, Margaret  
Effective: 4/1/2023  
Information Technology Department

VILLA, Roland  
Effective: 4/1/2023  
Probation

TECH, Virginia  
Effective: 4/1/2023  
Alameda Health System

WANG, Jian  
Effective: 4/1/2023  
Health Care Services Agency

TORRES, Ferdinand  
Effective: 4/1/2023  
Alameda Health System

WANG, Teresa  
Effective: 4/1/2023  
Information Technology Department

TORRES, Marie Gloria  
Effective: 4/1/2023  
Social Services Agency

WICKSON, Susan  
Effective: 3/30/2023  
Assessor

TOVAR, Nora  
Effective: 4/1/2023  
Social Services Agency

WILLIAMS, Sandra  
Effective: 4/1/2023  
Sheriff's Office

ZHANG, Jinrong  
Effective: 4/1/2023  
Health Care Services Agency

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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ALVAREZ, Marguerite L.  
Social Services Agency  
Effective Date: 2/24/2023

LEONARD, Jessica J.  
District Attorney  
Effective: 2/22/2023

ANDERSON, Christy  
Social Services Agency  
Effective: 4/28/2023

LEWIS, Marina A.  
District Attorney  
Effective: 2/28/2023

AVILA, Eddy  
Superior Court  
Effective: 2/17/2023

LOVE, Shayanna S.  
Probation  
Effective: 2/24/2023

BALRAM, Neetu C.  
Health Care Services Agency  
Effective: 2/28/2023

MCLAVERTY-CAINA, Marie  
First 5  
Effective: 2/15/2023

CUENCO, Edwin  
Superior Court  
Effective: 3/24/2023

RIECHERS, Jason P.  
District Attorney  
Effective: 2/3/2023

FRITZ, Annie A.  
Social Services Agency  
Effective: 3/3/2023

SHUKLA, Sameer  
District Attorney  
Effective: 3/24/2023

GAGLIOTI, Natalie R.  
Superior Court  
Effective: 2/17/2023

WILSON, Markendra  
Sheriff's Office  
Effective: 5/10/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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AGNEW, Donna  
Social Services Agency  
5/6/2023

BURGASSER, Christian  
Superior Court  
5/19/2023

AVERY, Tim  
Probation  
5/6/2023

CHAN, Annie  
Non-Mbr Survivor of Henry Chan  
4/24/2023

BROWN, Constance  
General Services Agency  
5/16/2023

EVANS, Carolyn  
Social Services Agency  
3/29/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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FAIN, Beth  
Behavioral Health Care Services  
5/7/2023

LOVE, Willie  
Public Defender  
5/7/2023

FIXEL, Mark  
Sheriff's Office  
5/5/2023

MEINS, Rita  
Social Services Agency  
4/28/2023

FONG, Annie  
Board of Supervisors  
5/13/2023

METZER, John  
Sheriff's Office  
5/8/2023

GABRIEL, Geraldine  
Alameda Health System  
4/19/2023

MOLANO, Alice  
Alameda Health System  
4/23/2023

GAINES, Betty  
Alameda Health System  
5/19/2023

PARRA, Ereser  
Superior Court  
4/24/2023

HARVEST, Walter  
Public Works Agency  
5/10/2023

RABAGO, Ferdinand  
Health Care Services Agency  
4/25/2023

HEATHCO, Patricia  
Alameda Health System  
5/14/2023

ROBIN, Dorothy  
Non-Mbr Survivor of Richard Robin  
5/22/2023

KENNISON, Mark  
District Attorney  
4/18/2023

STEWART, Elex  
General Services Agency  
4/28/2023

KIMZEY, James  
District Attorney  
5/2/2023

STROWDER, Melvin  
Auditor-Controller  
5/15/2023

LEE-FRISON, Pamela  
Probation  
5/8/2023

VICENTE, Yolanda  
Alameda Health System  
4/19/2023

**CONSENT CALENDAR ITEM**

**May 18, 2023**

**Minutes of the Regular Board Meeting  
For approval under June 15, 2023  
Board “Consent Calendar”**



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

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**Thursday, May 18, 2023**

Chair Jaime Godfrey called the meeting to order at 2:00 p.m.

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

Trustees Excused: Tarrell Gamble  
Kevin Bryant (*Alternate*)

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

**PUBLIC INPUT**

None.

**CONSENT CALENDAR  
REPORTS AND ACTION ITEMS**

**REPORT ON SERVICE RETIREMENTS**

*Appendix A*

**LIST OF DEFERRED RETIREMENTS**

*Appendix B*

**LIST OF DECEASED MEMBERS**

*Appendix C*

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

*Appendix D*

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

*Appendix E*

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

*None*

**APPROVE MINUTES of BOARD and COMMITTEE MEETINGS**

*April 20, 2023 Minutes of the Regular Board Meeting*

*April 20, 2023 Governance Committee Minutes*

*April 20, 2023 Actuarial Committee Minutes*

*April 20, 2023 Audit Committee Minutes*

**MISCELLANEOUS**

- *Operating Expenses as of 3/31/23*
- *Quarterly Financial Statements as of 3/31/23*
- *Quarterly Cash Forecast as of 3/31/23*
- *Board Conference Expense Report as of 3/31/23*
- *Senior Manager Conference & Training Report as of 3/31/23*
- *Quarterly Report on Member Underpayments and Overpayments*
- *1<sup>st</sup> Quarter 2023 Call Center Report*

**23-31**

**It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Board adopt the Consent Calendar. The motion carried 8 yes (*Basgal, Carson, Clippinger, Godfrey Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions.**

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

**DISABILITY AND DEATH BENEFIT CLAIMS**

**The following item was addressed in Open Session, but the Board also adjourned into Closed Session to receive advice from counsel, per Gov't Code § 54956.9(d)(2):**

Jean Luevano's Service-Connected Death Benefit Application (Deceased Member Kenneth Ryken): Consideration of Hearing Officer's Proposed Findings of Fact and Recommended Decision, pursuant to Gov't Code § 31534.

Trustee George Wood recused himself from any discussion and/or action regarding the Jean Luevano (Deceased Member Kenneth Ryken) matter, because Kenneth Ryken was a member of the District Attorney's Office where Trustee Wood is employed.

Chief Counsel Jeff Rieger provided a brief overview of the surviving spouse process and the discussion that occurred at the April 20, 2023 Board meeting, which resulted in the Board requesting more time to perform a full record review. This matter is now being brought back to the Board so it can determine whether or not Ms. Luevano has met her burden of proof to receive a service-connected surviving spouse benefit. Mr. Rieger reported that Raymond Frost, Esq., Jean Luevano's Attorney, and ACERA Outside Counsel Ashley Dunning were present at today's Board meeting. David Middleton of Myers Nave, also appeared at today's meeting via Zoom. Messrs. Frost and Middleton reiterated their positions based on Mr. Ryken's medical records. Messrs. Frost, Middleton, Rieger and Ms. Dunning responded to Trustees' questions and after discussion, the Board adjourned into Closed Session to receive confidential legal advice from Ms. Dunning, per Gov't Code § 54956.9(d)(2).

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

Chair Godfrey reported that the Board took no reportable action in Closed Session. However, the Board made a motion in Open Session as follows:

**23-32**

**It was moved by Kellie Simon and seconded by Elizabeth Rogers that the Board grant Jean Luevano's application for a service-connected surviving spouse benefit and that Mr. Raymond Frost, Esq. will draft a *proposed Findings of Fact and Decision* for the Board's consideration, subject to approval as to content and form by ACERA counsel. The motion carried 7 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions, 1 Recusal (*Wood*).**

## **COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

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

### ***Investment:***

Vice-Chair George Wood reported that the Investment Committee met on May 17, 2023 and that the Committee discussed an up to \$38 million investment in Davidson Kempner Opportunities Fund VI as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations.

### **23-33**

**It was moved by George Wood and seconded by Elizabeth Rogers that the Board approve an up to \$38 million investment in Davidson Kempner Opportunities Fund VI as part of ACERA's Private Equity Portfolio – Debt-Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 6 yes (*Basgal, Clippinger, Levy, Rogers, Simon, Wood*), 1 no (*Godfrey*), and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Wood further reported that the Committee discussed an up to \$50 million investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts, pending completion of Legal and Investment due diligence and successful contract negotiations.

### **23-34**

**It was moved by George Wood and seconded by Ophelia Basgal that the Board approve an up to \$50 million investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 5 yes (*Basgal, Clippinger, Rogers, Simon, Wood*), 1 no (*Godfrey*), and 1 abstention (*Levy*). *Trustee Carson was not present for the motion.***

Trustee Wood reported that Staff presented the Committee with the following Information Items: **1)** Review of Trust Company of the West; **2)** Update on the Revised International Equity Asset Class Phased Implementation Transition Plan; and **3)** Status Update on the General Investment Consultant (GIC) RFP Search.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the June 15, 2023 Board meeting.



***Actuarial:***

Ophelia Basgal reported that the Actuarial Committee met earlier today and that the Committee completed its review of ACERA's draft Actuarial Valuation and Review as of December 31, 2022.

**23-35**

**It was moved by Ophelia Basgal and seconded by Elizabeth Rogers that the Board adopt ACERA's Actuarial Valuation and Review as of December 31, 2022, as presented. The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

There were no Information Items.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the June 15, 2023 Board meeting.

***Audit:***

Henry Levy reported that the Actuarial Committee met on earlier today and that Williams Adley & Company completed its independent audit of ACERA's December 31, 2022 Audited Financial Statements and Independent Auditor's Report.

**23-36**

**It was moved by Henry Levy and seconded by Ross Clippinger that the Board approve ACERA's December 31, 2022 Audited Financial Statements and Independent Auditor's Report. The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Levy further reported that the Committee completed its review and evaluation of the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022.

**23-37**

**It was moved by Henry Levy and seconded by Ross Clippinger that the Board adopt the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022. The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Levy further reported that the Committee completed its review and evaluation of the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022.

**23-38**

**It was moved by Henry Levy and seconded by Ross Clippinger that the Board adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022. The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Levy reported that Staff presented the Committee with the following Information Items: *1) Progress report on the Internal Audit Plan; and 2) Cybersecurity Update.*

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the June 15, 2023 Board meeting.

**NEW BUSINESS:**

***Participating Employers' Recommended Contribution to Their Alameda County Employees' Retirement Association 401(h) Accounts for the 2023 - 2024 Fiscal Year***

Assistant Chief Executive Officer of Operations Lisa Johnson explained ACERA's Annual 401(h) Contribution Process, which is the process where ACERA's Actuary recommends the amount of contributions each Participating Employer is required to make to their respective ACERA 401(h) Accounts in order to fund ACERA's Other Post-Employment Benefits (OPEB) (non-vested medical benefits) for the 2023-2024 fiscal year. The Board made the following motion:

**23-39**

**It was moved by Ophelia Basgal and seconded by George Wood 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 Benefit 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 2023-2024 fiscal year for each Participating Employer. The exact amount will be adjusted by the balance remaining in each of their 401(h) accounts and is contingent upon receipt by ACERA of an authorizing resolution from each of the Participating Employers' governing bodies. The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

**Discussion and Possible Motion to Hold the Operations, Retirees, and Investment Committee Meetings on the Same Day Each Month in Order to Streamline the Number of Board and Committee Meetings Days to Two Days Each Month**

Board Chair Jaime Godfrey and Chief Executive Officer Dave Nelsen explained their reasons for holding the Operations, Retirees and Investment Committee meetings on the same day each month. Trustees expressed their concerns. Mr. Nelsen, Chief Investment Officer Betty Tse and Mr. Rieger provided feedback from an administrative and governance perspective. After discussion, this matter was postponed and will be brought back for discussion at a future Investment Committee and/or Board meeting.

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

Mr. Nelsen presented his May 18, 2023 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Conference/Event Schedule; 3) Other Items: a) COVID-19 Responses; b) Business Planning; c) Legislation; and 4) Key Performance Indicators.**

Mr. Nelsen provided updates on ACERA's 2023-2024 Business Plan and requested that the Board provide him with its feedback.

Mr. Nelsen reported that, in accordance to the Board's instructions, he voted ACERA's Proxy on behalf of the Board of Retirement to receive and file the Treasurer and Secretary's Reports, to approve the Audit and voted in favor of the SACRS Legislative Committee's recommended Board of Directors Slate at the SACRS Spring Conference Business Meeting. Mr. Nelsen further reported that the vote regarding the Slate passed unanimously. Mr. Nelsen further reported that the SACRS Legislative Committee selected someone for the "Open" seat. Mr. Nelsen will provide the Board with an update.

**CONFERENCE/ORAL REPORTS**

Trustee Elizabeth Rogers reported that she attended the Milken Global and SACRS Spring Conferences.

**ANNOUNCEMENTS**

None.

**BOARD INPUT**

None.

**CLOSED SESSION**

See Motion No. **23-32** above.

Significant exposure to litigation and potential initiation of litigation, pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9: (two potential cases).

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

Chair Godfrey reported that the Board took no reportable action in Closed Session.

To view the May 18, 2023 Board meeting in its entirety, click on the link below:  
<https://youtu.be/tz7IU8xT6oU>.

**ADJOURNMENT**

The meeting was adjourned at approximately 5:00 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

06/15/23

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Date Adopted

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

---

ALFORD, Kimberly  
Effective: 2/18/2023  
Sheriff's Department

DOMINGO, Pete  
Effective: 3/4/2023  
Social Services Agency

BELFER, John  
Effective: 3/5/2023  
Sheriff's Department

DUNN, Ellen  
Effective: 3/18/2023  
Health Care Services Agency

BRESHEARS, Lynne  
Effective: 2/18/2023  
District Attorney

EMERSON, Lisbon  
Effective: 3/18/2023  
Alameda Health System

BUTLER, Douglas  
Effective: 3/29/2023  
District Attorney

GOLDE, Julie  
Effective: 3/1/2023  
Non-Member

CAMPBELL-JONES, Lillan  
Effective: 3/2/2023  
Alameda Health System

GOTO, David  
Effective: 3/4/2023  
Sheriff's Department

CARDONA, Raymundo  
Effective: 3/24/2023  
Probation Department

GREENE, Carl  
Effective: 3/4/2023  
Social Services Agency

CLEMONS, Carol  
Effective: 3/18/2023  
Assessor

HAMMERGREN, Marina  
Effective: 3/18/2023  
District Attorney

COLE, John  
Effective: 3/18/2023  
General Services Agency

HART, Naima  
Effective: 3/20/2023  
Social Services Agency

COOK, John  
Effective: 3/18/2023  
General Services Agency

HODGE, Cathleen  
Effective: 1/7/2023  
Child Support Services

DAVIS, James  
Effective: 3/4/2023  
Sheriff's Department

JENEZON, Bonnie  
Effective: 3/4/2023  
District Attorney

DAWDY, Daniel  
Effective: 3/4/2023  
Sheriff's Department

JOE, Heidi  
Effective: 3/18/2023  
Assessor

DIXON, Daniel  
Effective: 3/4/2023  
Sheriff's Department

JONES, Kimberly  
Effective: 2/13/2023  
Social Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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KELLEY, Darrell  
Effective: 2/15/2023  
District Attorney

SALCIDO, Linda  
Effective: 3/1/2023  
Superior Court

KUROIWA, Michael  
Effective: 2/18/2023  
Alameda Health System

SHAMBLIN, Julie  
Effective: 3/18/2023  
Sheriff's Department

LANDSBOROUGH, William  
Effective: 2/18/2023  
Public Works Agency

SHIEH, Michael  
Effective: 3/29/2023  
Assessor

LU, Quan  
Effective: 3/4/2023  
Assessor

SIEGEL, Lee  
Effective: 3/4/2023  
Health Care Services Agency

NGUYEN, Thuan  
Effective: 3/4/2023  
Sheriff's Department

SNOWDEN, Shelah  
Effective: 3/1/2023  
District Attorney

O'DELL, Christine  
Effective: 2/26/2023  
Alameda Health System

SUEN, Wing  
Effective: 2/18/2023  
Health Care Services Agency

PONS, Marivic  
Effective: 3/18/2023  
Superior Court

YOUNG, Lucille  
Effective: 3/30/2023  
ACERA

RAYSON, Lisa  
Effective: 2/16/2023  
Social Services Agency

YUSBA, Roberta  
Effective: 4/1/2023  
Information Technology Department

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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KO, Warren  
District Attorney  
Effective Date: 3/17/2023

VEGA, Christina  
Superior Court  
Effective: 2/3/2023

TRAN, Binh Q.  
Sheriff's Department  
Effective: 1/20/2023

WATSON, Deandre  
Superior Court  
Effective: 1/17/2023

ULLOM, John  
District Attorney  
Effective: 3/17/2023

WIESE, Evelyn A.  
Public Defender  
Effective: 1/31/2023

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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ZHANG, Wei Y.  
Assessor  
Effective: 2/17/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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CORRECTION: ACERA incorrectly reported JORDAN, ALBERT (Public Works Agency) as deceased on the 11/17/2022 Board Consent Calendar, Appendix C. Retiree is not deceased. We apologize for any inconvenience this error may have caused.

CAPORICCI, Josephine  
Non-Mbr Survivor of Nicholas Caporicci  
4/11/2023

KENT, Natalie  
Housing & Community Development  
4/4/2023

CRAYTON, James  
General Services Agency  
3/16/2023

KOLTZ, John  
Zone 7  
3/27/2023

DALLESKE, Sara  
Superior Court  
4/2/2023

MANGONON, Liwayway N.  
Health Care Services Agency  
6/14/2022

DEEN, Lydia  
General Services Agency  
4/9/2023

MARR, Calvin  
Public Works Agency  
8/19/2022

FASHOKUN, Adeyinka  
Non-Mbr DRO Account  
4/12/2023

MC CLURE, Rinda N.  
Social Services Agency  
4/6/2023

FERDAN, Saul  
Public Works Agency  
4/24/2023

MCDERMOTT, Diane  
Social Services Agency  
4/2/2023

GARCIA, Milagros  
Health Care Services Agency  
3/23/2023

OBRIEN, Audrey  
Superior Court  
4/17/2023

JOHNSON, Justin  
Sheriff's Department  
4/20/2023

O'CONNOR, Charles  
Superior Court  
3/17/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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PENFOLD, John  
Sheriff's Department  
4/6/2023

SPALDING, Nancy  
Non-Mbr Survivor of Robert Spalding  
3/23/2023

PEREZ, Frank  
Social Services Agency  
4/1/2023

TAYLOR, Christine  
Superior Court  
3/20/2023

POLAR, JR., Abraham  
Non-Mbr Survivor of Gwendolyn Polar  
3/30/2023

UHART, Grace  
Alameda Health System  
4/20/2023

REGO, Bianca L.  
Non-Mbr Survivor of Joseph Rego  
4/12/2023

WHEALY, Gene  
Probation Department  
4/12/2023

SIMPSON, Clifton  
Alameda Health System  
4/5/2023

WILLIAMSON, Virginia  
Auditor-Controller  
4/12/2023

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

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MARTIN, Greg  
Government Code § 31641.5 Part Time & Days Prior

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

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**Name:** Bennett, Micah  
**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. Bennett's application for a service-connected disability, and requiring annual medical examinations and questionnaires at this time.

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

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**Name:** Brady, Deania  
**Type of Claim:** Service-Connected

Staff's Recommendation:

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

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

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

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**CONSENT CALENDAR ITEM**

**June 7, 2023  
Operations Committee Minutes  
For approval under June 15, 2023  
Board “Consent Calendar”**

**The June 7, 2023  
Operations Committee Minutes  
will be distributed under separate cover**

**CONSENT CALENDAR ITEM**

**June 7, 2023  
Retirees Committee Minutes  
For approval under June 15, 2023  
Board “Consent Calendar”**

**The June 7, 2023  
Retirees Committee Minutes  
will be distributed under separate cover**

**CONSENT CALENDAR ITEM**

**May 17, 2023**

**Investment Committee Minutes  
For approval under June 15, 2023  
Board “Consent Calendar”**



## MINUTES OF THE MAY 17, 2023, INVESTMENT COMMITTEE MEETING

To: Members of the Board of Retirement  
From: Tarrell Gamble – Chair  
Subject: Summary of May 17, 2023 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, May 17, 2023 at 9:34 a.m. The Committee members present were, Ophelia Basgal, Keith Carson, Tarrell Gamble, Jaime Godfrey, Henry Levy, Elizabeth Rogers, and George Wood. Also present were Alternate General Member Cynthia Baron and Alternate Safety Member Kevin Bryant. ACERA Senior Managers and Presenting Staff present were, David Nelsen – Chief Executive Officer, Carlos Barrios –Assistant Chief Executive Officer, Jeff Rieger – Chief Counsel, Harsh Jadhav – Chief of Internal Audit, Betty Tse – Chief Investment Officer, Julius Cuaresma – Investment Analyst, Clint Kuboyama – Investment Officer, and John Ta – Investment Officer.

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

1. Discussion of and Possible Motion to Recommend that the Board Approve an up to \$38 Million Investment in Davidson Kempner Opportunities Fund VI as part of ACERA’s Private Equity Portfolio – Debt-Related/Special Situations, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations
  - Staff and Verus Advisory Inc. (“Verus”) provided an overview of the due diligence process conducted on the Davidson Kempner Opportunities Fund VI and discussed the investment’s rationale and a potential headline risk issue related to Davidson Kempner.
  - Representatives from Davidson Kempner discussed its organization, ownership, and investment team, as well as the Fund’s investment strategy, investments and opportunities. The representatives also discussed Davidson Kempner’s competitive advantages, underperforming historical investments, and approach to headline risks.
  - After further discussion, Trustee Rogers moved, seconded by Trustee Basgal, to recommend that the Board approve an up to \$38 million investment in Davidson Kempner Opportunities Fund VI as part of ACERA’s Private Equity Portfolio – Debt-Related/Special Situations, pending completion of legal and investment due diligence and successful contract negotiation.
  - The motion carried unanimously with 9 Yes (Baron, Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, and Wood), 0 No, and 0 Abstention.

2. Discussion of and Possible Motion to Recommend that the Board Approve an up to \$50 Million Investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations
  - Staff and Verus Advisory Inc. (“Verus”) provided a brief background on Gridiron Fund V and how the firm's strategy fits into ACERA's Private Equity Portfolio – Buyouts. Representatives from Gridiron discussed the Firm's investment strategy, performance, existing investments, and the investment pipeline.
  - After further discussion, Trustee George Wood moved, seconded by Trustee Basgal, to recommend that the Board approve an up to \$50 million investment in Gridiron Capital Fund V as part of ACERA's Private Equity Portfolio – Buyouts, pending completion of legal and investment due diligence and successful contract negotiation.
  - The motion carried unanimously with 9 Yes (Baron, Basgal, Bryant, Carson, Gamble, Godfrey, Levy, Rogers, and Wood), 0 No, and 0 Abstention.

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

1. Review of TCW
  - Representatives from TCW discussed the transition in portfolio management responsibilities from Mr. Blum to Mr. Bond, as well as Mr. Blum's role as a senior portfolio advisor beginning July 1, 2023. The representatives also discussed the reasons for their strategy's underperformance in 2022, the portfolio's rebound in 2023 so far, changes to the portfolio this year, and how the strategy is positioned going forward.
  - As of 3/31/2023, TCW's 10-year annualized net return was 12.2%, underperforming its account benchmark (Russell 1000 Growth) by 2.4%. The manager's 3- and 5-year annualized net returns were 12.9% and 11.2% underperforming the benchmark by 5.7% and 2.5%, respectively. As of 12/31/2022, the value of ACERA's U.S. equity large cap growth account managed by TCW was \$110.7 million, roughly 1% of ACERA's Total Fund.
2. Update on the Revised International Equity Asset Class Phased Implementation Transition Plan
  - Staff and Verus provided an update on the Phased Implementation Transition Plan for the International Equity Asset Class. This update included a summary of actions taken since the April ICM and a discussion of planned actions in the 2<sup>nd</sup> quarter of 2023.

3. Status Update on the General Investment Consultant (GIC) RFP Search

- Staff provided an update on the GIC RFP milestones since the Board's approval of the named RFP. Staff also shared the names of the five candidates that had submitted their proposals.

**PUBLIC INPUT:**

Chief Investment Officer Betty Tse informed the Committee of the following:

- 1) Promotion of Noe Reynoso, as the new Investment Analyst and Daniel Morales, new Administrative Support Specialist to the Investment Department.
- 2) RE performance report as of 12/31/2022, and an information report about the RE market outlook of the East Bay in the May ICM packet.

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

Wednesday, June 14, 2023

**ADJOURNMENT**

The meeting ended at 12:06 p.m.

**CONSENT CALENDAR ITEM**

**May 18, 2023  
Actuarial Committee Minutes  
For approval under June 15, 2023  
Board “Consent Calendar”**





## **MINUTES OF THE MAY 18, 2023 ACTUARIAL COMMITTEE MEETING**

To: Members of the Actuarial Committee  
From: Ophelia Basgal, Chair  
Subject: **Summary of the May 18, 2023 Actuarial Committee Meeting**

Committee Chair Ophelia Basgal called the May 18, 2023 Actuarial Committee meeting to order at 11:00 a.m.

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

Committee members present were Ophelia Basgal, Keith Carson, Ross Clippinger and George Wood. Also present were Jaime Godfrey and alternate member Cynthia Baron.

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; and Harsh Jadhav, Chief of Internal Audit.

### **PUBLIC INPUT**

None

### **Action Items**

#### **1. Presentation and discussion of the Actuarial Valuation and Review as of December 31, 2022**

ACERA and Segal representatives discussed the draft Actuarial Valuation and Review as of December 31, 2022. Staff presented a motion that the Actuarial Committee recommend to the Board of Retirement that the Board adopt the Actuarial Valuation and Review as of December 31, 2022.

It was moved by George Wood and seconded by Keith Carson that the Actuarial Committee recommend to the Board of Retirement that the Board adopt the Actuarial Valuation and Review as of December 31, 2022.

The Motion Carried 6 yes (Baron, Basgal, Clippinger, Carson, Godfrey, Woods), 0 no, and 0 abstentions.

### **INFORMATION ITEMS**

None

**TRUSTEE INPUT AND DIRECTION TO STAFF**

None

**FUTURE DISCUSSION ITEMS**

**June**

- Segal presentation of the deterministic and stochastic projections as part of the Risk Assessment Report based on the Actuarial Valuation and Review as of December 31, 2022

**September**

- Presentation and discussion of the Triennial Experience for the years 2020-2022 and the economic and non-economic assumptions

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for Thursday, June 15, 2023, at 11:00 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 11:04 a.m.

**CONSENT CALENDAR ITEM**

**May 18, 2023  
Audit Committee Minutes  
For approval under June 15, 2023  
Board “Consent Calendar”**



## MINUTES OF MAY 18, 2023 AUDIT COMMITTEE MEETING

Date: May 18, 2023  
To: Members of the Audit Committee  
From: Henry Levy, Chair  
Subject: **Summary of the May 18, 2023 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the May 18, 2023, Audit Committee meeting to order at 12:30 p.m.

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

Committee members present were, Ross Clippinger, Keith Carson, and Henry Levy. Other Board members present were Ophelia Basgal, Jaime Godfrey, Elizabeth Rogers, George Wood, and alternate Cynthia Baron.

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

### **PUBLIC COMMENT**

None

### **ACTION ITEMS**

#### *External Audit*

#### **1. Discussion and possible motion to recommend approval of the December 31, 2022 Audited Financial Statements and Independent Auditor's Report**

Staff reported that Williams Adley & Co. had completed its independent audit of ACERA's 2022 financial statements.

After discussion, it was moved by Trustee Godfrey and seconded by Trustee Basgal that the Audit Committee recommend that the Board of Retirement accept and file the December 31, 2022 Audited Financial Statements and Independent Auditor's Report.

The motion carried 7 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Wood*), 0 no, 0 abstentions.

**2. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022**

Staff reported the completion of their review and evaluation of the GASB Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022.

After discussion, it was moved by Trustee Basgal and seconded by Trustee Godfrey that the Audit Committee recommend that the Board of Retirement adopt the Government Accounting Standards Board (GASB) Statement No. 67 Actuarial Valuation and addendum as of December 31, 2022.

The motion carried 7 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Wood*), 0 no, 0 abstentions.

**3. Discussion and possible motion to recommend adoption of the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022**

Staff reported the completion of their review and evaluation of the GASB Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022.

After discussion, it was moved by Trustee Godfrey and seconded by Trustee Basgal that the Audit Committee recommend that the Board of Retirement adopt the Government Accounting Standards Board (GASB) Statement No. 74 Actuarial Valuation and addendum as of December 31, 2022.

The motion carried 7 yes (*Basgal, Carson, Clippinger, Godfrey, Levy, Rogers, Wood*), 0 no, 0 abstentions.

**INFORMATION ITEMS**

*Internal Audit*

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

Staff provided a progress report on the Internal Audit Plan.

**2. Cybersecurity Update**

Staff provided an informational update on cybersecurity.

**TRUSTEE INPUT AND DIRECTION TO STAFF**

None

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

June 15, 2023 at 12:30 p.m.

**MEETING ADJOURNED**

The meeting adjourned at 1:23 p.m.

## **NEW BUSINESS**

**7.A. Discussion and Possible Motion re Consolidation of Committee Meeting Days.**



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*Office of the Chief Executive Officer  
Office of Administration*

DATE: June 15, 2023  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Committee/ Board Meeting Day Consolidation to Twice Monthly**

**Background:**

At the May Board of Retirement meeting, an idea was introduced and discussed regarding consolidation of the possible meeting days for Committee and Board meetings. Positive comments about the idea included the reduced travel time, cost, and environmental impact, easier ability to set time aside for the meetings which could facilitate attendance, and some administrative efficiencies with fewer meeting days. There were some concerns raised about the Trustees' ability to prepare for the three meetings given the volume of material that is often provided, and the ability to remain sharp and focused through the duration of the day, particularly if the meetings are long. It was noted that often the Investment Committee presentations can go very long, and occasionally the other meetings can also be challenging given some of the agenda items. The conclusion of the discussion was for the Chair to work with the CEO to bring a firm proposal back to the Board.

**The Proposal:**

The proposal is to pilot a consolidation of the meeting days after August of 2023, for the remainder of the year. The Investment Committee would move to the first Wednesday of the month, and instead of holding Operations and Retirees Committee on the same day every other month, we would stagger those committees. This would result in only two committee meetings on the same first Wednesday for most months. This will help minimize the concerns regarding preparation time. We will take the following additional steps to mitigate concerns about the volume of meeting materials and meeting length:

- We will look at providing informational material in the packets "off-cycle", and try wherever possible to only include information in the meeting packets necessary for the meeting agenda items.
- We will coordinate with Investment Managers to limit their presentations to the most important information they can provide in 30 minutes, and that limit will be managed during the meetings.

**Recommendation:**

We recommend that the Board of Retirement adopt the pilot Meeting Consolidation Proposal discussed above, to last to the Board meeting in January of 2024, at which time the Board could decide to terminate the pilot, extend it, or adopt the changes for on-going meetings.

## **NEW BUSINESS**

### **7.B. Chief Executive Officer's Report.**





*Office of the Chief Executive Officer  
Office of Administration*

DATE: June 15, 2023  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Chief Executive Officer’s Report**

**Senior Manager Recruitment**

None

**Committee/Board Action Items**

**ASSIGNED FOLLOW-UP ITEMS**

<b>Follow-Up Board Item</b>	<b>Assigned Senior Leader</b>	<b>Estimated Completion Date</b>	<b>Completion Date</b>	<b>Notes</b>
Develop ACERA Re-Opening Plan.	Dave Nelsen	April 2023	Completed	We concluded our Meet and Confer meetings with our employee representative groups.

**Conference/Event Schedule**

On June 12-14 I will be teaching at the CALAPRS Management Academy in Pasadena.

**Other Items**

**COVID-19 Responses**

We continue to move forward with our re-opening plan. We completed our Meet and Confer meetings with the unions, and will be implementing the permanent Telework Policy in August. The meetings went very well and the labor representatives were very complementary about our plan and the reputation of ACERA as an employer. We are open to the public every day of the week. Counseling remains by appointment, but walk-ins can be accommodated for questions, and an appointment scheduled. We will continue to use virtual means as the primary source of customer service, but in-person meetings will remain an option for service. Our customers are continuing to use alternative means of service, and feedback has been generally positive that their service needs are being met.

Our Post-COVID Staffing Plan for the organization includes remote work as a team member's work requirements allow. We are not planning to mandate a set number of days in the Office for all team members, such as Monday, Wednesday and Friday. Alternatively, we will allow eligible team members to work from home to the extent their work allows, based upon classification and acceptable performance. Some will need to be on-site more or less than others.

Business Planning Update

Attached is a list of updates for each of the projects.

Legislative Update

I have included in the packet a monthly Legislative Update from the SACRS Lobbying Firm which discusses bills of interest and their status.

Recognition

I would like to recognize Vicki for her work on the Telework Policy, and getting that through the processes of County approval and the Meet and Confer requirements. This was no small undertaking and the feedback we received from County HR and the Labor Representatives was very complimentary.

Key Performance Indicators

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

Scorecard KPI	2022 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
<b>Portfolio Performance vs. Policy Benchmark</b>	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> <b>As of April of 2023: We were .05% short of the benchmark.</b>
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
<b>Actual Spent vs. Approved Budget</b>	<i>On budget or 10% below 2022 approved budget</i> <b>As May of 2023: 1.4% under budget.</b>
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
<b>Employee Engagement Survey Results</b>	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> <b>As of the latest survey (October of 2022): 71%.</b>
<b>SUPERIOR CUSTOMER SERVICE</b>	
<b>Service Excellence Survey</b>	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 1st Quarter of 2023: <b>100%.</b>

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

**1. General Investment Consultant (GIC) RFP****Goal 1 (Sept. 2022 – Sept. 2023)**

Staff and Cortex have completed scoring the five RFP submissions and is presenting the scores at the June 14th ICM. The presentation of scores will include a recommendation of the top three finalists based on overall scores achieved in the 8 categories (Organization, Investment Team, Investment Process, Performance, Performance Measurement Reporting, Fee Proposal, ESG, and References).

**2. Investment License Services for Private Market & Subscription****Goal 1 (Jul. 2023 – Dec. 2023)**

The Investment Operations Team has a goal of obtaining direct access to the Cambridge Associates Private Benchmark data through IHS Markit. This vendor can provide ACERA, or the State Street Bank Performance Team the necessary access to aid in providing timely benchmark performance reporting monthly. Staff has reached out to IHS Markit and is requesting a call to understand any service level or price changes for the subscription since the last conversation of over a year ago. John Ta, Serafin Lim and Daniel Morales will be leading the conversation with Markit.

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

The team met and is developing a scope document to determine cost and effort on the project.

**4. Review Workforce Excellence (WFE) Processes and Tools****Goal 2 (Oct. 2022 – Dec. 2023)**

Departments are in the process of reviewing and updating the materials and getting them back to the team for final review.

A team is being put together for the HR technical solution. The first task for this team will be to determine the needs for the technology with the help of the HR team and leadership.

**5. Continuation of PAS Upgrade to PG3 & 6. On-Base Case Management****Goal 2 (Complete in August 2024) & Goal 3**

Our Pension Administration System vendor, LRS is currently developing the functionality for Design Phase 4 of the project. Training and testing will begin in July. LRS has also proposed a change to the project timeline which will push the go-live date to August of 2024. This change will allow development for the member and employer portals to be ready for use at the same time rather than three to six months later as previously scheduled.

Management has agreed to this approach of allowing all functionality for staff, members and employers to be utilized simultaneously instead of serially.

On-Base process improvement and PG V3 Integration: We are targeting the completion of the Active Death Process which will feature an updated Death Payment Election Letter designed to cover all death payment scenarios using the On-Base correspondence automation. We will initiate development discussions in June for this work.

Process Improvement discussions are underway for the New Member Enrollment Process with a modified MEQ that will capture beneficiary information more effectively, reducing the wait time required to create a member record using PG V3 by almost 50%. The Member Direct' web portal will be added to ongoing discussions for this improvement with the welcome letter made available to new members. The Medicare Age-In process discussions will finalize this month to clarify development plans using Pension Gold V3 and/or On-Base Correspondence and Reporting Capabilities. We have a new Reporting Dashboard for Counseling that is helping us track timely completion of Benefit Estimate Requests/SRA application in preparation for counseling our members. Some updates to the design and visual representation of the data is being provided by the business units to continuously improve capability.

**7. [Board Packet Meeting Software](#) review, analysis, selection and implementation.  
Goal 2 (Fall 2022 – Fall 2023)**

The supporting content needed to activate the platform (user accounts, virtual workrooms, administrative permission settings, Board member accounts) is complete. The orientation for administrative staff is complete as well. In our next steps, the project team is preparing a simulation activity of the board preparation process using the BoardEffect<sup>®</sup> environment which is taking place on 6/19/23. The pilot group for the Board Members will be receiving their orientation of the software during this time as well. Over the next two weeks, we look forward to their participation in providing valuable feedback on the ideal approach for the rollout of the software based on their user experience. A timeline for the implementation has been developed with a target date for implementation of 10/27/23.

**8. [Research Agency Intranet Solution for Internal Document Management](#)  
Goal 3 (Spring 2023 – Fall 2024)**

The team has met and put together a list of stakeholders and risks for the project. The team has also made several high-level decisions around the project, such as a phased rollout and the need to determine and differentiate between must-haves and need-to-haves. The next steps are to gather must-haves from leadership for prioritization. These needs will be an input into determining the best technical solution and implementation plan.

9. Research Expense S/W Subscription Options

**Goal 3 (Mar. 2023 – Jun. 2023)**

We are obtaining product costs and creating a test plan.

10. Product Analysis for GP Upgrade or Similar Accounting Software

**Goal 3 (Aug. 2023 – Dec. 2024)**

The team is assessing the limitations of the current solution in terms of performance and needed capability. The team is also looking at current workflows and areas where technology might help. These inputs will be used as requirements and nice-to-haves for a technology decision.

11. New Member Onboarding

**Goal 4 (Complete by Fall 2023)**

For the New Member Onboarding Process project, staff is using Lean methodology to systematically identify and eliminate waste in the process, streamlining it for new members and employers, as well as reducing ACERA resources. The team met in May and is fleshing out the As-Is Process Map as part of the Initiation/Discovery Phase of the Lean process.

12. Communications Methods

**Goal 4 (Apr. 2023 – Dec. 2023)**

As part of the first stage of the New/Continuing Member Communications Plan, staff has finished the final draft of the video script and begun development of video graphic concepts for a 7-minute introductory video entitled “Getting Started With Your Retirement Benefits”, to be shown during employer orientations. In the next stage before producing the video, staff will test the script and video graphics storyboard live during upcoming county orientations. Staff is also developing an accompanying flyer that will reinforce lessons from the video.

# **LEGISLATIVE UPDATE**



June 2, 2023

TO: State Association of County Retirement Systems

FROM: Edelman Gilbert Robson & Smith, LLC

RE: **Legislative Update – June 2023**

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### **General Update**

The Legislature wrapped up two major legislative deadlines in the last few weeks.

May 19<sup>th</sup> was the fiscal committee deadline, where fiscal bills must be heard in the Appropriations Committee in the first house before going to a vote on the floor. On May 18, the Appropriations Committees in both houses held their “suspense hearing,” where they dispensed hundreds of bills on the “suspense file” at once. It is at this point in the legislative process where we see the number of active bills moving through the legislative process decrease, and this year was no exception with many bills being held in the Committee.

Today was another legislative milestone - the House of Origin Deadline, where bills must be voted on the Floor of the House of Origin. Those bills that move forward must have a policy committee hearing in the second house before the summer recess which begins July 14.

**Budget Update.** The Governor released the May Revision of the 2023-23 Budget on May 12. As anticipated, the May Revision projects an increased deficit of \$31.5 billion, up from the figure in January. Given the delayed tax filing deadline, the revenue picture will remain largely uncertain.

The Governor and Legislature must agree on a budget by the June 15 constitutional deadline. Given the revenue uncertainty, we anticipate budget discussions will continue after the budget is formally adopted.

### **Legislation of Interest**

**SB 885 (Committee on Labor, Public Employment and Retirement).** This is the annual committee omnibus bill that contains various cleanup provisions for CalSTRS, CalPERS and CERL systems. The amendments to the CERL make non-substantive,



technical changes as well as conform provisions on Required Minimum Distributions to federal law under the SECURE ACT 2.0 by referencing the federal law instead of a specific age.

The bill is now in the Senate and will be set for a hearing soon.

**AB 1020 (Grayson) – CERL Disability Presumptions.** This bill would establish several new disability retirement presumptions for various injuries and illnesses in the CERL, similar to provisions that exist in the Labor Code. The bill is sponsored by the California Professional Firefighters. The author and sponsor agreed to technical clarifications proposed by SACRS that were amended into the bill this week.

The bill is in the Senate awaiting its policy committee hearing.

**AB 1637 (Irwin) - Local Government Websites and Email Addresses.** This bill requires cities and counties to use a ".gov" or ".ca.gov" domain for websites and email addresses. The bill was recently amended out of the Assembly Appropriations Committee to narrow the bill to cities and counties as well as push out the implementation dates. The previous version of the bill would have applied to all local agencies.

The bill passed out of the Assembly this week and will go to the Senate.

**SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment.** Senator Gonzalez reintroduced SB 1173 from the last legislative session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of a package of climate legislation.

Despite opposition from CalPERS and CalSTRS, SB 252 passed the Senate and is now in the Assembly awaiting a hearing.

**SB 660 (Alvarado-Gil) - CA Public Retirement System Agency Cost and Liability Panel.** This bill would establish the CA Public Retirement System Agency Cost and Liability Panel that would be tasked to determine how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same retirement system or concurrently retires with two or more systems that have entered into a reciprocity agreement. The panel would include a member from the State Association of County Retirement Systems (SACRS).

This bill was held in the Senate Appropriations Committee so it will not move further.

## **Public Meeting Bills**

**AB 557 (Hart) - Brown Act Emergency Teleconferencing Sunset Extension.** This bill would remove the sunset in current law to allow teleconferencing during certain emergencies as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days.

This bill passed out of the Assembly and is now in the Senate.

**SB 537 (Becker) - Teleconference Flexibilities.** This bill would allow expanded teleconference flexibilities for multijurisdictional, cross county legislative bodies if certain requirements are met, along with adding to the list of circumstances where a member is permitted to participate remotely.

This bill passed out of the Senate Governance and Finance Committee in April after being narrowed considerably, including allowing remote participation only if the meeting location is more than 40 miles one way from the member's home, among other requirements that limit the flexibilities in the bill. The new amendments make the bill less useful for many local government entities who previously supported the bill.

We have met with the author's staff and proposed amendments to clarify that local retirement systems are covered by the bill.

The bill passed out of the Senate this week and will go to the Assembly.