



Alameda County Employees' Retirement Association
BOARD OF RETIREMENT

OPERATIONS COMMITTEE/BOARD MEETING
NOTICE and AGENDA

ACERA MISSION:

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

Thursday, July 16, 2026
12:30 p.m.

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>https://zoom.us/join Call-In Number: 1 699 900 6833 Meeting ID: 879 6337 8479 Password: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	KELLIE SIMON, CHAIR	ELECTED GENERAL
	OPHELIA BASGAL, VICE CHAIR	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	SCOTT FORD	ELECTED GENERAL
	STEVEN WILKINSON	APPOINTED

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.

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

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

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

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

OPERATIONS COMMITTEE/BOARD MEETING

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Call to Order: 12:30 p.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

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

1. Proposed Adoption of Pay Code Policy

-Jeff Rieger

Recommendation

The Committee recommend that the Board adopt a Pay Code Policy per the proposed policy in the public agenda backup.

2. Proposed Revisions to Disability Retirement Procedures

-Jeff Rieger

Recommendation

The Committee recommend that the Board revise the Disability Retirement Procedures per the redline in the public agenda backup.

3. Review of service credit costs for members who exceed the PEPRA cap

-Jeff Rieger

Recommendation

The Committee recommend that the Board apply to all similarly situated members the same rule that the Board applied to Dr. Wadhvani at its December 18, 2025 meeting, per the memorandum in the public agenda backup.

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

1. MMRO Annual Report

- Doug Minke, MMRO
- Sandra Dueñas-Cuevas

2. Operating Expenses as of 05/31/26

- David Puente

3. ACERA Strategic Business Initiatives 2026 Presentation

-ACERA Senior Leaders

Trustee Remarks

OPERATIONS COMMITTEE/BOARD MEETING

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Future Discussion Items

- **2027 ACERA Operating Expense Budget**
- **Operating Expenses as of 06/30/26**
- **Quarterly Financial Statements as of 06/30/26**
- **Quarterly Cash Forecast Report**
- **Board Member Conference Expense Report as of 06/30/26**
- **Senior Manager Conference and Training Expense Report as of 06/30/26**
- **Technology Report**

Establishment of Next Meeting Date

November 19, 2026, at 12:30 pm

Adjournment



Office of the Chief Counsel

To: Operations Committee
From: Jeff Rieger, Chief Counsel
Meeting: July 16, 2026
Subject: **Proposed Adoption of Pay Code Policy**

A handwritten signature in blue ink, appearing to be "MR", is written over the "From" and "Meeting" lines.

At the September 18, 2025 Board meeting, pursuant to the Board Policy Development Process the Board directed staff to develop a Board Pay Code Policy for review and discussion and at a future Operations Committee meeting.

The main purpose of the proposed policy is to provide guidance to staff, Trustees, employers and members about the Board's historical interpretations of the laws that govern "compensation earnable" for Tiers 1, 2 and 3 and "pensionable compensation" for Tier 4. There are ambiguities in those laws, as applied to the many of the kinds of pay ACERA members receive. Over the years, staff's pay code recommendations have been based on how the Board has resolved those ambiguities in its prior decisions. There is, however, no easily accessible resource with those historical interpretations that staff, Trustees, employers and members can access. The proposed policy would be that resource and provide greater transparency to ACERA's administration of contributions and benefits. The proposed policy will also help maintain institutional memory at ACERA and provide clarity regarding the process for determining whether pay codes are reported as "compensation earnable" and "pensionable compensation."

Finally, the formal adoption of a Board policy should help the Board defend its historical practices if they are challenged. In *Yamaha Corp. of America v. State Bd. of Equalization* (1998) 19 Cal.4th 1, the California Supreme Court explained how courts should take account of a public agency's longstanding interpretations of laws it is charged with administering. *Id.* at 25. Based on the principles stated in *Yamaha*, courts may show greater deference to the Board's historical interpretations of the laws regarding "compensation earnable" and "pensionable compensation" if there is a Board-adopted policy that articulates those historical interpretations.

The proposed Board Pay Code Policy follows this memorandum.

I. Purpose

This Board Pay Code Policy provides guidelines for participating employers and ACERA staff regarding the types of pay that are reported to ACERA as “compensation earnable” for Tier 1, 2 and 3 members and as “pensionable compensation” for Tier 4 members.

II. Policy Guidelines

- A. To the extent this Policy and applicable law are in conflict, applicable law governs.
- B. If applicable law is ambiguous, this Policy states the Board’s interpretation of that law.
- C. The Board finds that there is value in stability and consistency with respect to which types of pay are reported to ACERA as “compensation earnable” and “pensionable compensation.” Thus, the Board will make determinations that are consistent with its prior determinations and ordinarily will change prior determinations only when the law clearly requires a change. This Policy ratifies ACERA’s existing practices as of the adoption of this Policy unless it is later determined that a practice is not consistent with a reasonable interpretation of applicable law, in which case the matter will be brought to the Board to determine appropriate corrective action.
- D. The reporting of a pay code as “compensation earnable” or “pensionable compensation” in compliance with this Policy does not preclude ACERA from reviewing all facts and circumstances at the time of a member’s retirement and removing reported compensation from a member’s “final compensation” when doing so is consistent with applicable law.

III. Procedures

A. New Pay Codes

1. Employers must provide information about all new pay codes to ACERA staff as soon as practicable. Such information must include, at minimum, a completed Pay Code Questionnaire and documentation related to the creation of pay code, such as the applicable MOU and formal resolution of the employer’s governing authority.
2. Employers must promptly provide any further information that ACERA staff requests after staff receives the employer’s initial submission.

3. When ACERA staff has sufficient information, the CEO (or designee) may decide whether the pay code, or new use of an existing pay code, should be reported to ACERA as “compensation earnable” and “pensionable compensation.” The CEO (or designee) will make those decisions only in cases when the law and Board precedent on similar pay codes are sufficiently clear that there is no reasonable question about how the Board would act if the pay code were before the Board. If an employer disagrees with a CEO (or designee) decision, the employer may request Board review of the decision.
4. If there is a reasonable question about how the Board will act on a pay code, the decision about whether a pay code should be reported as “compensation earnable” and “pensionable compensation” will be on the Board’s next practicable open meeting agenda. The matter will normally appear on the Consent Calendar, but it may appear on the Regular Calendar.
5. ACERA staff will notify the employer when a pay code is considered by the Board at least 72 hours before the Board meeting. Such notice will include the materials that will be presented to the Board, including staff’s recommendation.

B. Changes To Existing Pay Codes

1. A pay code ordinarily should not be used for a kind of pay that is for different services or is paid to different kinds of employees than the pay for which the pay code was initially created. Employers should create new pay codes for all new kinds of pay or pay that will be paid to different kinds of employees.
 2. If an employer uses an existing pay code for a new kind of pay or for different kinds of employees, the employer must follow the procedures described above for new pay codes so that the new use of the existing pay code is approved.
- C.** ACERA staff will notify the employer of all decisions regarding pay codes. The employer must comply with those decisions.
- D.** ACERA will maintain, for each employer, a pay code list that states whether a pay code is reported to ACERA as “compensation earnable” and “pensionable compensation.” The pay code lists will be posted on ACERA’s website under the “Employers” heading.

IV. Board Determinations

- A. “Compensation Earnable,” which applies to Tiers 1, 2 and 3 members, is governed by Gov’t Code § 31461. Pursuant to Section 31461, published precedent and the Board’s historical interpretations of applicable law the Board finds as follows:
1. Subject to any exclusions listed below, remuneration paid in cash out of employer funds for services rendered during normal working hours must be reported to ACERA as “compensation earnable” for Tier 1, 2 and 3 members.
 2. Overtime may not be reported to ACERA as “compensation earnable” except for premium pay for hours worked within the normally scheduled or regular working hours that are in excess of the statutory maximum workweek or work period applicable to the employee under Section 201 and following of Title 29 of the United States Code.
 3. Used paid leave (e.g., regular pay while on vacation) is reported to ACERA as “compensation earnable.”
 4. Paid leave converted to cash (sell back or cash out) is reported to ACERA as “compensation earnable” only if the member is converting the paid leave to cash before termination or if the member is converting the cash at termination but could have converted that paid leave to cash before termination. If the member is able to convert paid leave to cash only because the member is terminating, then such payment should not be reported to ACERA as “compensation earnable.” Any footnotes, premiums, incentives, differentials, or other pay associated with leave sell back or cash out shall be reported as “compensation earnable” only if (a) that associated pay is normally reported as “compensation earnable,” and (b) the sell back or cash out to which it is attached is reported as “compensation earnable.”
 5. Payments for additional services rendered outside of normal working hours may not be reported to ACERA as “compensation earnable.” Standby pay and similar pay items (for being ready to work if necessary) may be considered part of normal working hours and therefore reportable to ACERA as “compensation earnable” only if the standby or similar duty is mandatory and ordinarily worked in essentially the same amount by employees in the member’s grade or class.

6. Bonuses are reported to ACERA as “compensation earnable” only when paid in the same amount to all similarly situated members in the member’s grade or class.
 7. Termination pay should not be reported to ACERA, except as provided in Section IV(A)(4) above.
 8. Employer contributions to deferred compensation or defined contribution plans may not be reported as “compensation earnable.”
 9. Amounts deducted from a member’s pay for participation in a deferred compensation plan are reported as “compensation earnable” if such amounts otherwise would have been reported as “compensation earnable” had they not been deducted.
 10. ACERA staff will determine whether a payment has been made to enhance a member’s retirement benefits and, if so, staff will exclude that amount from the member’s “final compensation.” Such determinations are subject to review pursuant to ACERA’s Administrative Hearing Policy.
- B. “Pensionable Compensation,” which applies to Tier 4 members, is governed by Gov’t Code § 7522.34. Pursuant to Section 7522.34, applicable published precedent and the Board’s historical interpretations of applicable law the Board finds as follows:
1. Subject to the exclusions listed below, the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules must be reported to ACERA as “pensionable compensation” for Tier 4 members.
 2. If a pay item is paid to only one employee, then it is not paid to any other similarly situated employees and therefore may not be reported to ACERA as “pensionable compensation.”
 3. The phrase “publicly available pay schedules” includes information regarding a pay item found in publicly available employer resolutions, MOUs and similar documents regardless of the format in which the information appears.
 4. Compensation that had previously been provided in kind to the member by the employer or paid to a third party for the benefit of the member and which was

converted to and received by the member in the form of a cash payment may not be reported to ACERA as “pensionable compensation.”

5. Bonuses, one-time payments and ad hoc payments may not be reported to ACERA as “pensionable compensation.” The Board has determined that “ad hoc” refers to payments that are not expected to regularly recur. A payment that is made for a specific purpose may be included in “pensionable compensation” if it is expected to regularly recur and does not violate any other rules of “pensionable compensation.” For example, shift differentials, amounts paid while training other employees and amounts paid for additional responsibilities are reported to ACERA as “pensionable compensation” if they are paid to more than one employee in the member’s grade or class for services during normal working hours.
6. Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment may not be reported as “pensionable compensation” even if the payment is received by the member while employed
7. Used paid leave (e.g., salary received while on vacation) is reported to ACERA as “pensionable compensation.”
8. Payments for unused paid leave (e.g., vacation sell back or cash out) may not be reported as “pensionable compensation” under any circumstances. Footnotes, premiums, incentives, differentials, or other pay associated with payments for unused paid leave also may not be reported as “pensionable compensation.”
9. Payments for additional services rendered outside of normal working hours may not be reported to ACERA as “pensionable compensation.” For example, standby pay and similar pay items (for being ready to work if necessary) may not be reported as “pensionable compensation.” To the extent such services arguably might be considered part of the member’s normal working hours, the Board has exercised its discretion under Gov’t Code § 7522.34(c)(11)(12) to exclude these payments.
10. Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms, may not be reported as “pensionable compensation.”

11. Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code, may not be reported to ACERA as “pensionable compensation.”
12. Employer contributions to deferred compensation or defined contribution plans may not be reported as “pensionable compensation.”
13. Amounts deducted from a member’s pay for participation in a deferred compensation plan are reported as “pensionable compensation” if such amounts otherwise would have been reported as “pensionable compensation” had they not been deducted.
14. ACERA staff will determine whether a payment has been made to enhance a member’s retirement benefits and, if so, staff exclude that amount from the member’s “final compensation.” Such determinations are subject to review pursuant to ACERA’s Administrative Hearing Policy.

V. Policy Review

The Operations Committee will review this Policy at least every three years.

VI. Policy History

The Board adopted this policy on July 16, 2026.



Office of the Chief Counsel

To: Operations Committee
From: Jeff Rieger, Chief Counsel
Meeting: July 16, 2026
Subject: **Proposed Revisions To The Disability Retirement Procedures (DRP)**



A full copy of the DRP can be found here: <https://www.acera.org/sites/main/files/file-attachments/disability-retirement-procedures.pdf?1751315179>. I expect to bring further proposed revisions to the Committee later this year or early next year. At this time, I recommend only renaming the DRP to the “Disability Retirement and Service-Connected Death Allowance Procedures” and adding a new Section 17 per below. This will formally document existing procedures for transparency and the benefit of applicants. It will not result in any changes to how ACERA processes service-connected death claims.

17. SERVICE-CONNECTED DEATH ALLOWANCES

17.1 General Procedure.

A claim for a service-connected death allowance under Government Code § 31787 (for spouses, domestic partners and children under age 22 only) shall proceed under these Disability Retirement and Service-Connected Death Allowance Procedures.

When a member has filed an Advanced Death Benefit Election, the disability application will proceed according to the procedures described in ACERA's Death Benefit Equity Policy.

17.2 Service-Connected Death Allowance Application.

Instead of filing a disability retirement Application, the surviving spouse, domestic partner or legal guardian of the estate for the minor child(ren) must file with the D.U. a completed *Service-Connected Death Allowance Application* and all documents required by the *Service-Connected Death Allowance Application*. After the D.U. accepts a completed *Service-Connected Death Allowance Application*, the claim for a service-connected death allowance shall proceed through all provisions of these Disability Retirement and Service-Connected Death Allowance Procedures but the only question to be addressed will be service-connection.

17.3 Board Consideration.

The Board's consideration of a claim for a service-connected death allowance will occur in open session.



Office of the Chief Counsel

To: Operations Committee
From: Jeff Rieger, Chief Counsel
Meeting: July 16, 2026
Subject: **PEPRA Cap Applied To Service Credit Purchases**

INTRODUCTION

At the Board's December 18, 2025 meeting, the Board considered Dr. Rita Wadhvani's claim that she was overcharged for her purchase of service credit. She asserted two theories. The Board rejected one theory and accepted the other. Staff sought direction about how broadly to apply the Board's decision to similarly situated members. The Board directed staff to return with information about similarly situated members. This memorandum provides that information and states staff's recommendation that the Board apply the rule it applied to Dr. Wadhvani to all similarly situated members.

ISSUE

There is an annual cap on "pensionable compensation" used for determining Tier 4 (PEPRA) members' benefits and contributions. A Tier 4 member may make member contributions in their first year of ACERA membership and later purchase credit for service prior to membership. Some of that service prior to membership may have occurred in the same calendar year that the member started making member contributions. When this happens, it is possible that neither the member contributions alone nor the purchase cost alone exceeds the cap, but the combined amount exceeds the cap. That happened to Dr. Wadhvani. After considering her claims, the Board refunded the amount she paid in excess of the cap for service in her first calendar year of membership, plus interest.

SIMILARLY SITUATED MEMBERS (INCLUDING DR. WADHWANI)

Similarly Situated Members:	64
Total Refunds With Interest:	\$217,980.45
Lowest Refund With Interest	\$363.57
Highest Refund With Interest	\$17,207.01
Earliest Purchase Contract:	March 23, 2015
Latest Purchase Contract:	November 4, 2025

***NOTE 1:** ACERA's system was not programmed to account for the "pensionable compensation" cap when pricing service credit purchases. The CEO, with input from Chief Counsel, determined that was an error, which did not require Board input to be corrected. That error was corrected for Dr. Wadhvani before staff brought Dr. Wadhvani's claim to*

the Board. Staff expects to make the same corrections as part of this process. The total estimated refunds (within interest) is \$516,567.12 (inclusive of the \$217,980.45 referenced above).

NOTE 2: The dollar figures above include interest credited through December 31, 2025. If the Board approves the recommended refunds, interest credited through June 30, 2026 will be included, so all dollar figures will be slightly higher than stated above.

NOTE 3: The CEO of ACERA, David Nelsen, is one of the 64 members described above. If the Board adopts Staff's recommendation, he will be owed \$1,391.36 as of December 31, 2025 (and a small amount more after June 30, 2026 interest crediting). His interest is similar to my own interest that I explained in the public backup materials for the December 18, 2025 meeting (and orally at that meeting). Each of us reached the PEPRA cap in our first year of service to ACERA. In 2016, Mr. Nelsen purchased approximately two weeks of service prior to membership. I have not purchased my approximately two weeks of service prior to membership, but I will be entitled to receive that service credit at no cost under the rule that the Board applied to Dr. Wadhvani. Based on my analysis and informal input from the FPPC, I am confident that these interests do not disqualify Mr. Nelsen or me from participating in the Board's decision-making process on this matter, but we are disclosing our interests for the purpose of transparency.

RECOMMENDATION


In some cases, the cost and administrative burden of a lookback project might outweigh the value of the project. In such cases, the Board might limit a lookback project in some manner (e.g., looking back a specified amount of time). In this case, however, staff has already identified the amounts that would be owed to all similarly situated members, so most of the work of a full lookback project has already been done. Staff estimates soft costs (i.e., staff time) of less than \$15,000 to complete this project and no material hard costs. Staff cannot identify any reasonable line to draw that would allow for some, but not all, similarly situated members to be subject to the same rule as Dr. Wadhvani. When cost and administrative burden are not material issues, staff recommends consistent application of rules across all similarly situated members. Accordingly, Staff recommends that the Board apply the rule it applied to Dr. Wadhvani to all similarly situated members.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: July 16, 2026

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

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

This memo provides historical background information regarding the disability applications processed by Managed Medical Review Organization (MMRO).

Each year, ACERA receives disability retirement applications that are accepted and assigned to MMRO for medical advisor recommendation. Since taking on the medical advisor role in 2017, MMRO has continually refined its service model and processes, resulting in improved efficiency and reduced processing times for applicants.

DISABILITY APPLICATION PROCESS

PHASE I Duration of time to review, exhibit, conduct member outreach before disability packet is distributed to applicant and employer for comment review period	Standard Cases = 25 Days Non – Standard Cases = 42 Days
PHASE II Duration of time from completion of comment period to production and receipt of medical recommendation report	Standard Cases = 29 Days Non – Standard Cases = 108 Days

* Non-standard Cases include those requiring an Independent Medical Examination (IME), Peer Review, extension requests or additional records submitted after the initial file was deemed complete

HISTORICAL PERFORMANCE DATA

MMRO Performance Averages Standard Cases	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Phase I	63	69	43	33	25
Phase II	39	51	48	41	29
# of Days	102	120	91	74	54



MEDICAL ADVISOR TO THE ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRESENTED BY MANAGED MEDICAL REVIEW ORGANIZATION, INC.

JULY 16, 2026



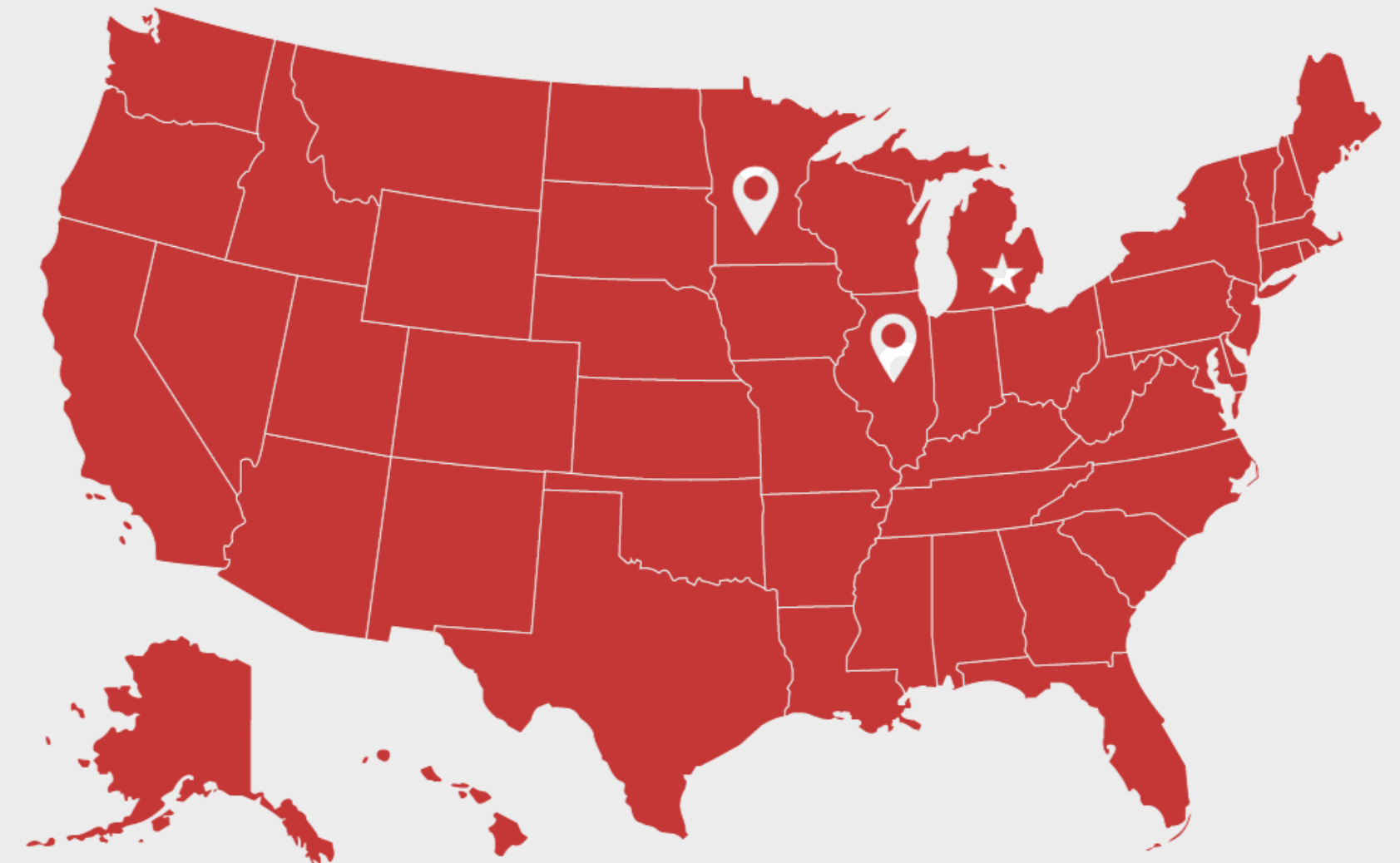
ABOUT MMRO

MMRO is a national leader in providing Case Management and Disability Retirement Review Services to Public Retirement Systems. We partner with more than 75 state, county and municipal retirement systems nationwide.

Our specialties include:

- Modernizing and streamlining disability retirement programs
- Incorporating the most advanced technology and the industry's best practices
- Meeting all applicable statutes, ordinances, and administrative requirements

Approximately 10,000 disability reviews performed per year



Corporate Offices

Satellite Offices





URAC ACCREDITATION

MMRO maintains accreditation as an Independent Review Organization, with certification remaining valid through April 1, 2029.

MMRO adheres to nationally recognized standards to ensure Quality, Credibility, and Independence.

MMRO applies URAC Standards to every aspect of the disability retirement program, including:



Credentialing & Qualifications

Conflict of Interest

Quality Review & Measure

Quality Management & Control



TESTING & CERTIFICATION

MMRO's security systems and controls are reviewed and tested on an ongoing basis.

SOC2 Type II

Annual Audit of MMRO's internal control environment

- SOC2 Type II report provided by outside audit firm
- Currently finishing our annual SOC2 Audit, with final report expected in July 2025



Security Testing

- Internal Vulnerability Scans
- Web Application (Portal) Scans
- External Penetration Tests
- Internal Penetration Tests



Managed Medical Review Organization, Inc.

CALIFORNIA COUNTY RETIRMENT SYSTEM/STATE GOVERNMENT CLIENTS



MMRO currently serves as Medical Advisor to eight (8) California County Retirement Systems, including:



Alameda County Employees' Retirement Association (ACERA)



Kern County Employees' Retirement Association (KCERA)



Mendocino County Employees' Retirement Association (MCERA)



San Mateo County Employees' Retirement Association (SAMCERA)



Contra Costa County Employees' Retirement Association (CCCERA)



Orange County Employees' Retirement System (OCERS)



San Luis Obispo County Pension Trust (SLOCPT) (California Charter County)**



Sacramento County Employees' Retirement System (SCERS)

In 2026, MMRO began performing independent medical review work for the California Department of Managed Healthcare (DMHC)





THE ACERA-MMRO PARTNERSHIP

MMRO is proud to have served as ACERA's Medical Advisor since 2017.

Since 2017, MMRO has handled more than **470 disability retirement claims** on behalf of ACERA.

- **25** disability retirement claims currently amid the clinical review process
 - **10** Periodic Reviews in process

A strong working relationship has developed between the MMRO and ACERA Disability Staff, with bi-weekly meetings to discuss claim status, statutory/regulatory changes, etc.

Our teams are constantly looking for process improvements that will strengthen the disability retirement claim process.





MEDICAL BOARD PROGRAM RESULTS

Review of the past 12 months of Medical Board Operations

Claims Completed:

43 Claims have completed clinical handling over the past 12 months. While this reflects a drop in volume completed from the same period last year (64 claims completed), we are seeing a material increase in Employer medical record requests from members during the Commenting Period.

Phase 1 Timeframes:

Measuring time spent in clinical review, outreach and medical claim file organization prior to sending the Disability Packet to the Member and Employer for commenting:

- Standard Cases: **25 Days** (a reduction from an average of 33 days in the previous 12-month period).
- *Note:* Non-Standard Cases: **42 Days** (involving cases where additional medical records were submitted prior to Disability Packet being sent to the Member and Employer).

Phase 2 Timeframes:

Measuring time from the end of the Commenting Period to completion of the Medical Board Recommendation Report:

- Standard Cases: **29 Days** (a reduction from an average of 41 days in the previous 12-month period).
- *Note:* Non-Standard Cases: **108 Days** (involving cases requiring an Independent Medical Examination, Disability Peer Review and/or the submission of additional medical records after Report completion. This also includes time spent in preparing follow-up Addendum Reports by the Medical Board physician).





MEDICAL BOARD PROGRAM RESULTS

Review of the past 12 months of Medical Board Operations

Historical Performance Trends (Standard Cases):

Timeframes	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Phase 1	63	69	43	33	25
Phase 2	39	51	48	41	29
Total Days in Active Handling	102	120	91	74	54

Efficiency Gains:

- Investment in Medical Records organization software is cutting down administrative processing time at the outset of the claim, and in the completion of the Medical Board Recommendation Report at the end of the claim.
- A continued effort in training our Medical Board Physician Panel on the unique CERL requirements are reducing amount of QA revisions needed to properly finalized Medical Board Recommendation Reports.
- Functionality IME/IPE processes are proving quicker to schedule, causing less burden to Members as well, and providing better objective clinical evidence to assist in reaching the clinical recommendation.





DISABILITY PROGRAM ENHANCEMENTS

In 2022, MMRO and ACERA jointly developed and implemented an enhanced disability claim review model based on clinical review by physician specialists



This Specialist Review model utilizes MMRO's panel of more than 375 board-certified physicians, in virtually all major specialties and sub-specialties.

- **BENEFIT**: Recommendation Reports are completed by specialists who are board-certified in the condition(s) at issue (e.g., a heart presumption claim is best reviewed by a Cardiologist; a PTSD claim is best reviewed by a Psychiatrist, etc.)



A specialized, expert opinion in each Disability Retirement claim makes the claim process more efficient and less burdensome on members.

- **BENEFIT**: The revised process is leading to a decrease in the overall claim completion timeframes, while in-person "Functionality" Independent Medical Examinations (IME) are reserved for claims where there is a dis-correlation within the medical evidence after an initial Medical Board review. In these instances, the member will be seen for an IME, and then the specialist reviewer will review the IME report and issue an Addendum with a final recommendation.



PHYSICIAN REVIEWER/EXAMINER NETWORK

MMRO maintains an extensive network of **over 200** board certified and fully credentialed physician medical consultants for disability retirement claim review services **in virtually all major specialties and sub-specialties**. Physician Reviewer specialties utilized by MMRO are in accordance with those recognized by:



American Board of Professional Psychology (ABPP)



American Board of Medical Specialties (ABMS)



Osteopathic Board Certification (AOA)



American Board of Podiatric Medicine (ABPM)

Physician reviewers possess extensive training and expertise in the specific statutes and considerations relevant to disability retirement. Their specialties encompass, but are not limited to:

- Addiction Medicine
- Addiction Psychiatry
- Anesthesiology
- Anesthesiology - Pain Medicine
- Cardiovascular Disease
- Child & Adolescent Psychiatry
- Clinical Cardiac Electrophysiology
- Colon & Rectal Surgery
- Dermatology
- Diagnostic Radiology
- Emergency Medicine
- Emergency Medicine - Medical Toxicology
- Endocrinology, Diabetes, & Metabolism
- Family Medicine
- Female Pelvic Medicine and Reconstructive Surgery
- Gastroenterology
- General Allergy & Immunology
- Geriatric Medicine
- Gynecologic Oncology
- Hematology
- Infectious Disease
- Internal Medicine
- Internal Medicine – Sleep Medicine
- Internal Medicine – Sports Medicine
- Interventional Cardiology
- Interventional Radiology and Diagnostic Radiology
- Medical Oncology
- Medical Toxicology
- Nephrology
- Neurological Surgery
- Neurology
- Neurology - Pain Medicine
- Neurology - Sleep Medicine
- Neuromuscular Medicine
- Neurotology
- Obstetrics and Gynecology
- Occupational Medicine
- Orthopedic Surgery
- Orthopedic Surgery – Surgery of the Hand
- Otolaryngology
- Otolaryngology - Sleep Medicine
- Physical Medicine & Rehabilitation - Pain Medicine
- Physical Medicine & Rehabilitation - Sports Medicine
- Physical Medicine and Rehabilitation
- Plastic Surgery
- Plastic Surgery - Surgery of the Hand
- Plastic Surgery w/in Head & Neck
- Psychiatry
- Pulmonary Disease
- Radiation Oncology
- Rheumatology
- Spinal Cord Injury Medicine
- Sports Medicine
- Surgery
- Thoracic Surgery
- Urology
- Vascular and Interventional Radiology
- Vascular Surgery
- Vascular Surgery - Surgery of the Hand



CREDENTIALING STANDARDS

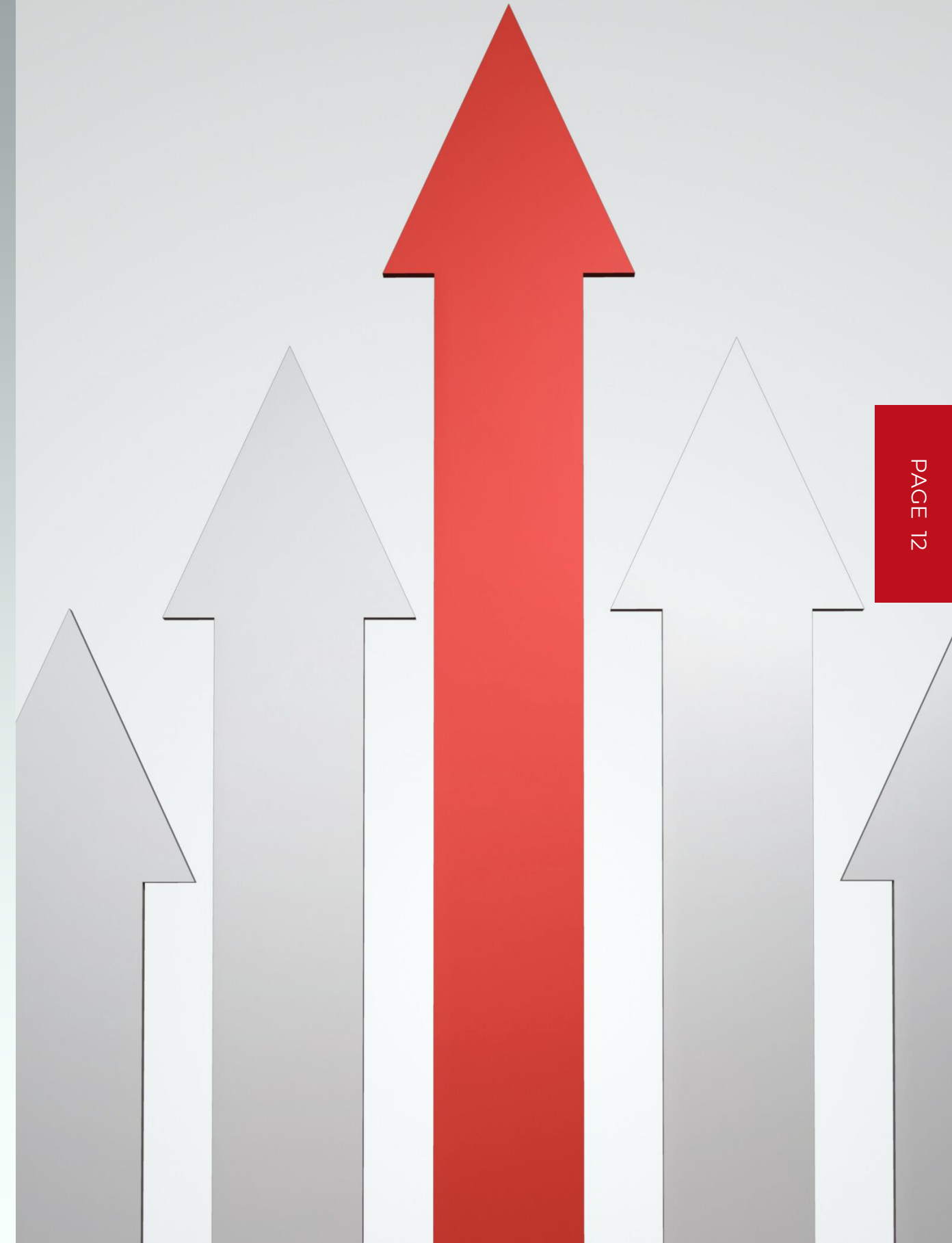
- Current non-restricted license or certification
- Board Certification
 - American Board of Medical Specialties (ABMS),
 - American Osteopathic Association (AOA),
 - American Board of Podiatric Surgery (ABPS),
 - American Board of Podiatric Orthopedics and Primary Podiatric Medicine (ABPOPPM), or
 - American Board of Professional Psychology (ABPP)
- Professional experience to include five (5) years' full-time experience providing direct clinical care to patients
- No history of sanctions or disciplinary actions
- Specialty-matched based on clinical analysis of diagnosis under review



DISABILITY PROGRAM ENHANCEMENTS

The ACERA/MMRO Partnership continues to strengthen the Disability Retirement Program with the following enhancements:

- **MMRO's Associate Medical Director, Michelle Brezinski, M.D., continues in her lead role in oversight of the ACERA Claim review program. Her system-specific training of our Physician Panel continues to cut down on clinical review timeframes.**
- **The transition to the "Functionality" IME process (from a more traditional Disability IME) has led to efficiencies in the in-person evaluation process, including ease in scheduling, a reduction in travel required from members, and a material drop in IME costs.**





DISABILITY PROGRAM ENHANCEMENTS

MMRO continues to invest in software solutions to better manage large claim files.

Issue

Claim file sizes (especially when receiving large record sets from health systems (*e.g.* Kaiser Permanente)) are getting very large, making file organization and review difficult for MMRO administrative, clinical and physician teams.

Solution

MMRO has invested in medical records organization software that can better organize large claim files (identify and remove duplicate records, immaterial correspondence, etc.) and compress them for ease in review and transfer to the parties.

Benefits

Claim files can be efficiently organized for review by the parties (Member, Employer/County Counsel), as well the Physician Reviewer. This can cut down administrative processing time at the outset of the claim, and in the completion of the Medical Board Recommendation Report at the end of the claim.



Managed Medical Review Organization, Inc.

QUESTIONS?

THANK YOU!



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: July 16, 2026
TO: Members of the Operations Committee
FROM: David Puente, Fiscal Services Officer *J. D. Puente*
SUBJECT: Operating Expenses & Budget Summary for May 31, 2026

ACERA's operating expenses are \$459K under budget for the period ending May 31, 2026. The budget surpluses worth noting are as follows:

Budget Surpluses of \$459K

Staffing Expense is \$260K under budget.

The surplus is attributed to the temporary staffing of \$45K, and 5% staff vacancy adjustment of \$437K; offset by surpluses in salaries of (\$187K) and fringe benefits of (\$555K).

Staff Development is \$11K under budget.

The surplus in staff development is due to unattended training.

Office Expense is \$39K under budget.

The surplus in office expense is primarily due to lower-than-expected spending on office supplies, equipment and furniture, and building operating expenses.

Member Services Expense is \$72K under budget.

The member services expense is currently under budget, primarily due to fewer cases in medical disability review cases and disability Arbitration cases.

Systems Expense is \$24K under budget.

The surplus in systems expense is primarily due to in-house execution of intrusion testing project that reduced external costs and the timing of vendor invoicing.

Depreciation Expense is \$9K under budget.

Depreciation expense is under budget due to lower-than-anticipated cost for the post PGv3 implementation.

Board of Retirement is \$44K under budget.

The surplus is attributed to board compensation (\$3K), board conferences & training (\$28K), board employer reimbursement (\$16K), offset overage in board software maintenance & support \$3K.

Staffing Detail

Vacant positions as of May 31, 2026:

Department	Position	Qty	Comments
Administration	Administrative Specialist II	1	Vacant-currently budgeted for the year
Benefits	Retirement Benefit Specialist	1	Vacant – currently budgeted for the year
Fiscal Services	Fiscal Services Officer	1	Vacant - currently budgeted for the year
	Total Positions	3	

Attachments:

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



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

TOTAL OPERATING EXPENSES SUMMARY

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>May 31, 2026</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2026</u>	<u>% Actual to</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 7,823,938	\$ 8,083,900	\$ (259,962)	\$ 20,313,000	38.5%
Staff Development	85,866	97,040	(11,174)	290,000	29.6%
Professional Fees (Next Page)	544,956	545,550	(594)	1,255,000	43.4%
Office Expense	172,731	211,660	(38,929)	497,000	34.8%
Insurance	266,156	267,100	(944)	658,000	40.4%
Member Services	185,752	256,950	(71,198)	720,000	25.8%
Systems	533,842	557,400	(23,558)	1,379,000	38.7%
Depreciation	838,534	846,970	(8,436)	2,079,000	40.3%
Board of Retirement	238,772	283,000	(44,228)	658,000	36.3%
Uncollectable Benefit Payments	-	-	-	25,000	0.0%
Total Operating Expense	\$ 10,690,547	\$ 11,149,570	\$ (459,023)	\$ 27,874,000	38.4%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

May 31, 2026

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2026</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 202,817	\$ 204,150	\$ (1,333)	\$ 458,000	44.3%
Actuarial Fees ²	176,288	177,250	(962)	550,000	32.1%
External Audit ³	122,500	122,500	-	147,000	83.3%
Legal Fees ⁴	43,351	41,650	1,701	100,000	43.4%
Total Professional Fees	\$ 544,956	\$ 545,550	\$ (594)	\$ 1,255,000	43.4%

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2026 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
CEM Benchmarking	29,150	29,150	-	35,000	83.3%
Total Administration	29,150	29,150	-	35,000	83.3%
Benefits					
Alameda County HRS (Benefit Services)	52,500	52,500	-	126,000	41.7%
Segal (Benefit Consultant/Retiree Open Enrollment)	58,750	60,000	(1,250)	144,000	40.8%
Total Benefits	111,250	112,500	(1,250)	270,000	41.2%
Human Resources					
Lakeside Group (County Personnel)	62,417	62,500	(83)	153,000	40.8%
Total Human Resources	62,417	62,500	(83)	153,000	40.8%
Total Consultant Fees - Operations	202,817	204,150	(1,333)	458,000	44.3%
² ACTUARIAL FEES					
Actuarial Valuation	46,250	46,250	-	92,500	50.0%
GASB 67 & 68 Valuation	-	-	-	56,500	0.0%
GASB 74 & 75 Actuarial	-	-	-	17,000	0.0%
Actuarial Standard of Practice 51 Pension Risk	-	-	-	35,000	0.0%
Supplemental Consulting	106,538	107,500	(962)	258,000	41.3%
Triennial Experience Study	-	-	-	44,000	0.0%
Supplemental Retiree Benefit Reserve valuation	23,500	23,500	-	47,000	50.0%
Total Actuarial Fees	176,288	177,250	(962)	550,000	32.1%
³ EXTERNAL AUDIT					
External audit	102,500	102,500	-	123,000	83.3%
GASB 67 & 68 audit	10,000	10,000	-	12,000	83.3%
GASB 74 & 75 audit	10,000	10,000	-	12,000	83.3%
Total External Audit Fees	122,500	122,500	-	147,000	83.3%
⁴ LEGAL FEES					
Fiduciary & Litigation, Tax & Benefit Issues, and Misc.	43,351	41,650	1,701	100,000	43.4%
Total Legal Fees	43,351	41,650	1,701	100,000	43.4%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Five Months Ending 5/31/2026

	<u>For the Month of May 2026</u>	<u>For the Month of May 2025</u>	<u>Variance</u>	<u>Year-To-Date 2026</u>	<u>Year-To-Date 2025</u>	<u>Variance</u>
STAFFING						
Salaries	1,048,893	1,034,084	14,809	5,296,031	5,113,673	182,358
Fringe Benefits	467,069	513,765	(46,696)	2,374,143	2,490,990	(116,847)
Temporary Staffing Cost	27,958	40,833	(12,875)	153,764	185,907	(32,143)
Staffing Total	<u>1,543,920</u>	<u>1,588,682</u>	<u>(44,762)</u>	<u>7,823,938</u>	<u>7,790,570</u>	<u>33,368</u>
STAFF DEVELOPMENT						
	29,247	29,586	(339)	85,866	71,126	14,740
PROFESSIONAL FEES						
Actuarial Fees	21,500	21,500	0	176,288	174,646	1,642
Consultant Fees - Operations	40,564	19,149	21,415	202,817	170,746	32,071
Consultant Fees - Legal	22,160	37,079	(14,919)	43,351	48,322	(4,971)
External Audit	24,500	24,000	500	122,500	121,000	1,500
Professional Fees Total	<u>108,724</u>	<u>101,728</u>	<u>6,996</u>	<u>544,956</u>	<u>514,714</u>	<u>30,242</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	6,464	6,135	329	30,244	28,602	1,642
Building Expenses	11,346	5,970	5,376	53,710	24,262	29,448
Communications	4,783	5,783	(1,000)	24,201	24,487	(286)
Equipment Lease/Maintenance	6,927	7,637	(710)	41,746	47,810	(6,064)
Minor Equipment and Furniture	0	453	(453)	0	1,381	(1,381)
Office Supplies/Maintenance	1,337	10,629	(9,292)	15,844	23,176	(7,332)
Printing & Postage	1,343	1,600	(257)	6,986	12,171	(5,185)
Office Expense Total	<u>32,200</u>	<u>38,207</u>	<u>(6,007)</u>	<u>172,731</u>	<u>161,889</u>	<u>10,842</u>
INSURANCE						
	53,231	56,485	(3,254)	266,156	295,538	(29,382)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	0	7,098	(7,098)	15,935	42,356	(26,421)
Disability Medical Expense	13,195	3,600	9,595	42,270	53,220	(10,950)
Disability Claims Management	3,850	3,850	0	19,250	19,250	0
Health Reimbursement Acct. (HRA)	7,580	7,496	84	38,168	39,432	(1,264)
Member Training & Education	669	714	(45)	6,810	5,726	1,084
Printing & Postage - Members	4,525	4,467	58	36,275	50,030	(13,755)
Virtual Call Center	5,414	(12)	5,426	27,044	25,298	1,746
Member Services Total	<u>35,233</u>	<u>27,213</u>	<u>8,020</u>	<u>185,752</u>	<u>235,312</u>	<u>(49,560)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
For the Five Months Ending 5/31/2026

	<u><i>For the Month of May 2026</i></u>	<u><i>For the Month of May 2025</i></u>	<u>Variance</u>	<u><i>Year-To-Date 2026</i></u>	<u><i>Year-To-Date 2025</i></u>	<u>Variance</u>
SYSTEMS						
Business Continuity Expense	24,192	21,083	3,109	97,409	102,670	(5,261)
County Data Processing	14,325	12,410	1,915	71,623	62,036	9,587
Minor Computer Hardware	0	6,382	(6,382)	7,788	20,528	(12,740)
Intangible right to use SBITA - GASB96	8,168	7,376	792	41,138	37,152	3,986
Software Maintenance & Support	57,452	56,140	1,312	315,884	284,423	31,461
Systems Total	<u>104,137</u>	<u>103,391</u>	<u>746</u>	<u>533,842</u>	<u>506,809</u>	<u>27,033</u>
DEPRECIATION						
Depreciation Expense	167,706	152,392	15,314	838,534	761,963	76,571
BOARD OF RETIREMENT						
Board Compensation	2,100	1,700	400	10,100	8,000	2,100
Board Conferences & Training	49,937	79,329	(29,392)	68,152	98,203	(30,051)
Board Employer Reimbursement	32,410	32,490	(80)	146,050	149,750	(3,700)
Board Miscellaneous Expense	1,059	737	322	3,974	4,000	(26)
Board Software Maint. & Support	2,660	1,379	1,281	10,496	6,763	3,733
Board of Retirement Total	<u>88,166</u>	<u>115,635</u>	<u>(27,469)</u>	<u>238,772</u>	<u>266,716</u>	<u>(27,944)</u>
GRAND TOTALS	<u>2,162,564</u>	<u>2,213,319</u>	<u>(50,755)</u>	<u>10,690,547</u>	<u>10,604,637</u>	<u>85,910</u>

ACERA Strategic Projects Q2 Updates

Operations Committee Presentation - July 16th

ACERA's Strategic Business Goals

Goal 1: Improve Funded Status while maintaining an appropriate risk posture in the area of Investments

Goal 2: Manage Internal and External People transitions at all levels

Goal 3: Modernize Technology & Optimize Processes and Operations

Goal 4: Implement Cost-Effective Member Service Improvements and Expanded Communication

Cost Effectiveness Measurement (CEM) Benchmarking

Provides Peer Intelligence and sharing with objective actionable benchmarking across pension fund activities such as:

- *Emerging Trends Pension Market*
- *Customer Journeys*
 - *Digital Services*
 - *Self Service*
- *Service to Employers*
- *Staffing Service Models*



Modernize Technology & Optimize Processes

HR Department Workflow Optimization

The initiative centers on assessment and selection of a Cloud-Based HR tool optimizing scale, storage and availability of information

Examples of Information

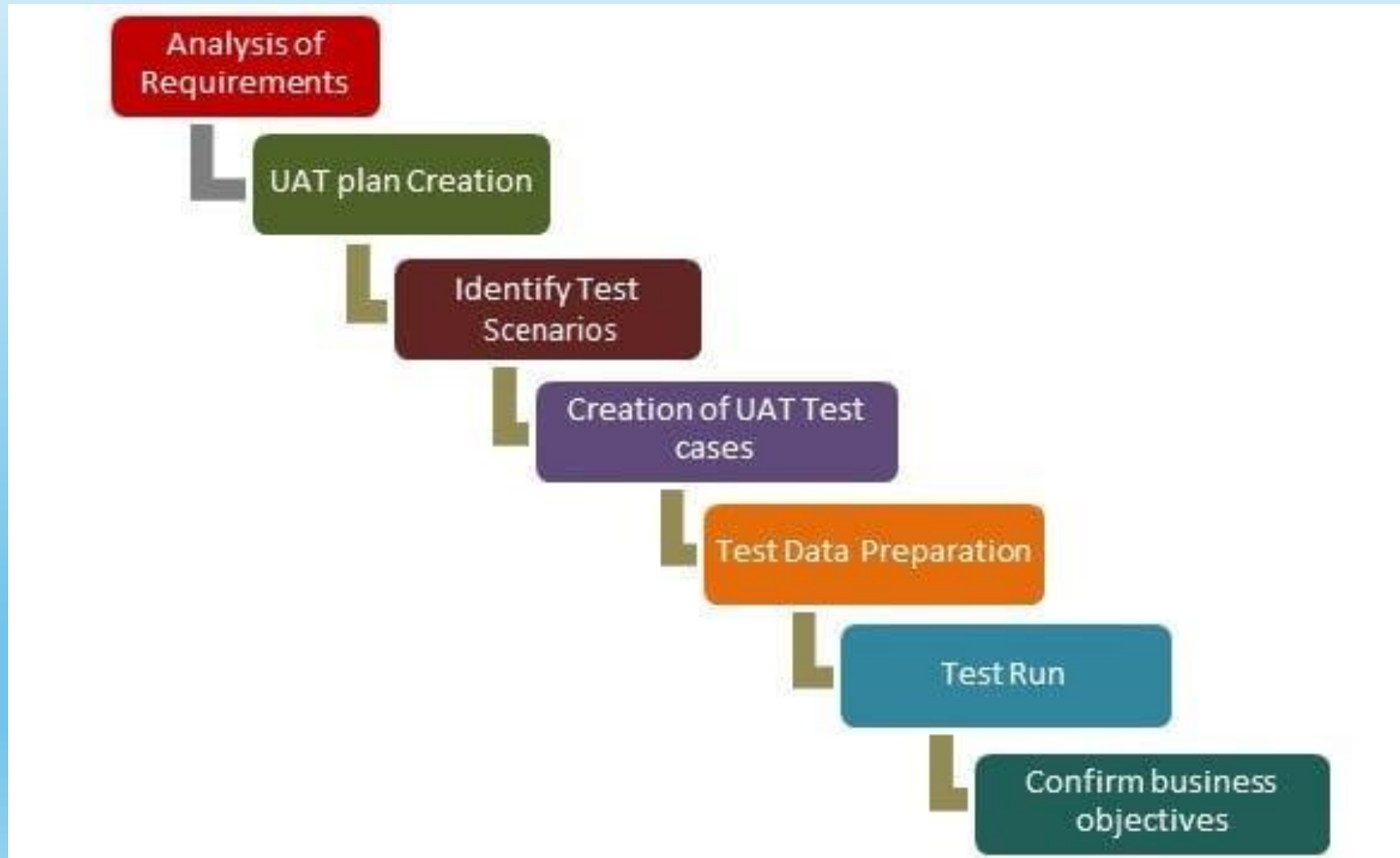
- **Job applicant tracking**
- **Onboarding Efficiencies**
- **Disaster Recovery for HR files**

Current Status: Additional research in process



Microsoft 365 Cloud-Based General Ledger System


User Acceptance Testing Phase



Project Sponsor: Lisa Johnson

ICM Visibility Enhancement Project

Strategic Projects Update | Investment Committee Materials

 **Objective:** Research and recommend three best-in-class enhancements creating a more intuitive experience for Trustees.

Enhancements



01

Summary-to-Detail View in a Click

Consolidate recommendation and compliance checklist with one-click drill-down into supporting analysis for Trustees who want more depth.



02

Board Effect Navigation Enhancements

Reducing the number of clicks to access agenda items easily



03

IPSI Internal Process Optimization

Create efficiencies in the intake process to increase transparency and visibility of IPSI performance reporting.

Implementation approach: Evaluate all three against Trustee feedback and IT feasibility; pilot the leading option with a subset of the Committee ahead of full rollout.

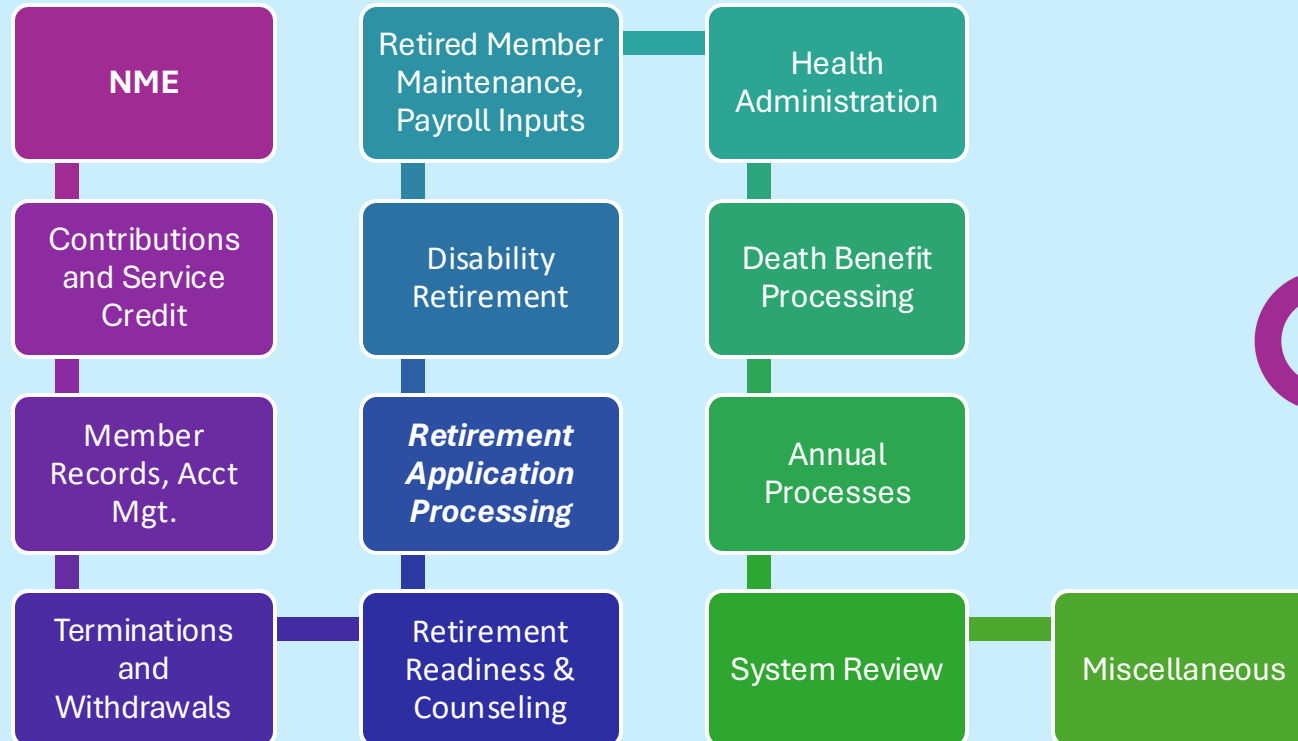
Project Sponsor: Betty Tse

Benefits Workforce Training Program Design

Curriculum Outline

Work Areas: 13

Modules: 57



Accessibility of Digital Content Project

Project Sponsor: Jeff Rieger

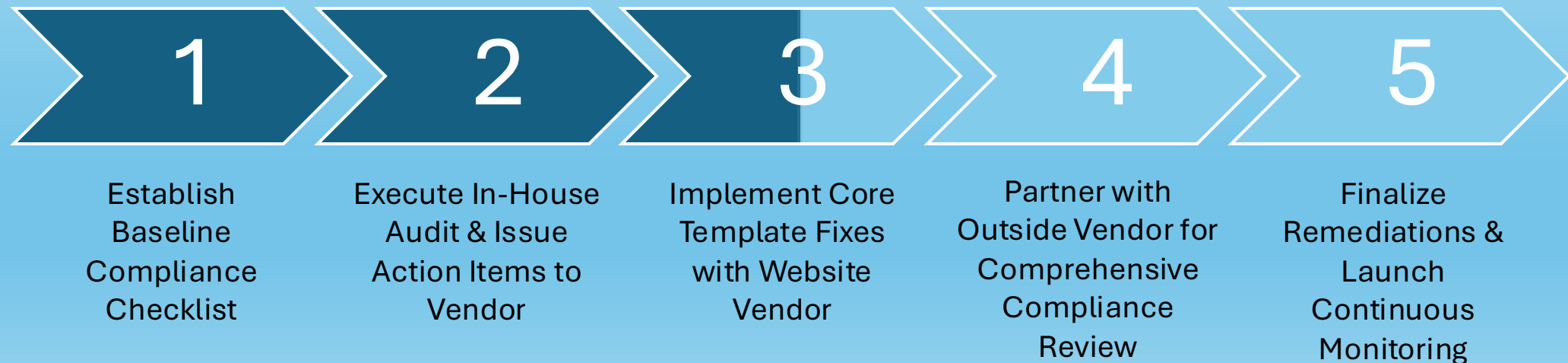
Goal:

Ensure accessibility for all web users by meeting ADA and WCAG 2.1 AA standards across public-facing and internal web-based systems.

Benefits:

- Inclusive digital experiences for all members and the public
- Regulatory Compliance
- Workforce Diversity Readiness

Progress:



Best Practices 2027

Improving the Member Experience

Research and Development Project

CEM Survey

Service Types and Volumes—81 Data Questions

Peer Survey—APPFA

Portal Services

Secure Access

Protection of High-Risk Transactions

Metrics on Effectiveness

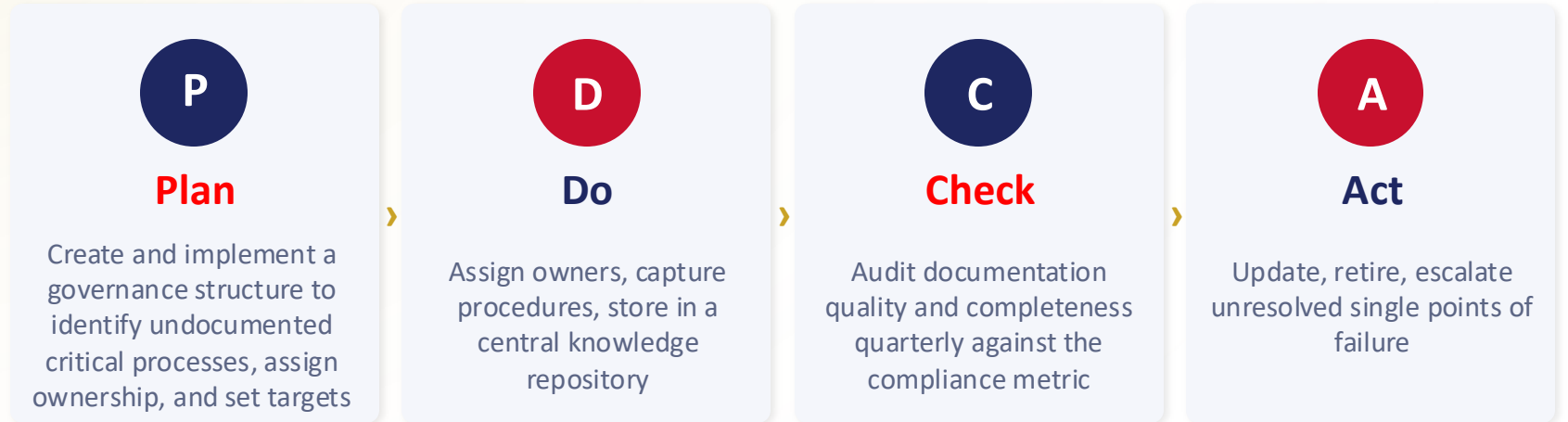
Future Enhancements



Information Risk Mgt Framework (IRMF 2.0)- **Documentation as an Asset**

Building one governance model, applied across every strategic project

The Quality Assurance PROCESS follows a Four Action Life Cycle



Every deliverable enters through the same PDCA cycle

— *integrating RMF at the project level, not a parallel or optional process.*

DOCUMENTATION ASSET TYPES

