



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, October 17, 2024
2:00 p.m.**

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

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

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

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

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

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

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC COMMENT

4. CONSENT CALENDAR:

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

A. REPORT ON SERVICE RETIREMENTS:

Appendix A

B. LIST OF DEFERRED RETIREMENTS:

Appendix B

C. LIST OF DECEASED MEMBERS:

Appendix C

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

Appendix D

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

Appendix E

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

Appendix F

G. APPROVE MINUTES of BOARD and COMMITTEE MEETINGS:

September 19, 2024 of the Regular Board Meeting

September 19, 2024 Retirees Committee Minutes

October 2, 2024 Retirees Committee Minutes

October 2, 2024 Investment Committee Minutes

H. MISCELLANEOUS:

- *Operation Expenses as of 08/31/24*
- *Statement of Reserves as of 06/30/24*
- *Approve Staff Recommendation regarding the Superior Court's New Pay Item/Code Finder's Fee SB 170 – 170FF*
- *Approve Staff Recommendation regarding the Superior Court's New Pay Item/Code Retention Bonus SB170 – 170RB*

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITY, DEATH AND OTHER BENEFIT CLAIMS:

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

Service-Connected Disability Retirement Application of Michael Grygo, Jr., Deputy Sheriff II for the County of Alameda: Consideration of Hearing Officer's Proposed Findings of Fact and Recommended Decision, per Gov't Code § 31534.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

- A. Retirees: [See October 2, 2024 Retirees Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of October 2, 2024 Meeting.
2. Motion to accept the December 31, 2023 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

- B. Investment: [See October 2, 2024 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of October 2, 2024 Meeting.
2. Motion to approve the *Amended Private Credit Policy*, as recommended by the Investment Committee.
3. Motion to approve the 2024 Private Credit Investment Plan.

- C. Actuarial: [See October 17, 2024 Actuarial Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of October 17, 2024 Meeting.
2. Motion to adopt the Actuarial Committee's recommendations regarding the *Interest Crediting Policy*.
3. Motion to adopt the Actuarial Committee's recommendations regarding the *Actuarial Funding Policy*.

D. Audit: [See October 17, 2024 Audit Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 17, 2024 Meeting.
2. Motion to adopt the Audit Committee’s recommendations regarding the *Employer Audit Policy*.

7. NEW BUSINESS:

- A. Discussion and possible motion to approve Trustee Keith Carson’s request to travel outside of the United States to: 1) Mexico City to attend the Milken Global Investors Symposium on October 24, 2024; and 2) Abu Dhabi to attend the Milken Middle East and Africa Summit on December 5 thru 6, 2024, per Section III.F (Page 3) of the *Board Travel Policy*.
- B. Motion to Direct the Chief Executive Officer (CEO) (or His Designee) on How to Vote ACERA’s Proxy on Behalf of the Board of Retirement at the State Association of County Retirement Systems (SACRS) Fall Conference Business Meeting.
- C. Board Elections Update.
- D. Chief Executive Officer’s Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

**11. ESTABLISHMENT OF NEXT MEETING:
Thursday, November 21, 2024 at 2:00 p.m.**

12. CLOSED SESSION:

- A. See Item 5A Above.
- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

13. REPORT ON ACTION TAKEN IN CLOSED SESSION

14. ADJOURNMENT

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

AUMA, Caroline
Effective: 7/25/2024
Alameda Health System

KEELER, Ann
Effective: 7/12/2024
Sheriff's Office

BREAULT JONES, Martin
Effective: 7/6/2024
Social Services Agency

LEAGUE, Sean
Effective: 6/12/2024
Sheriff's Office

CONWRIGHT, Craig
Effective: 7/6/2024
County Administrator's Office

LEECH, Amy
Effective: 7/15/2024
Alameda County Health

DAMGIA, Dan
Effective: 7/6/2024
Social Services Agency

MARCONI-GORA, Abbie
Effective: 7/25/2024
Sheriff's Office

DAVID, Wilfrido
Effective: 7/20/2024
Public Works Agency

MCRAE-JONES, Carol
Effective: 7/13/2024
Housing & Community Development

DEGGELMAN, Mary
Effective: 7/24/2024
Sheriff's Office

MIYASHIRO, Paul
Effective: 7/21/2024
Sheriff's Office

DEMARTHA, Loretta
Effective: 7/20/2024
Social Services Agency

MORALES, Robin
Effective: 7/20/2024
Alameda County Health

DUNAWAY, Kenneth
Effective: 7/20/2024
Alameda Health System

PAJONG, Sam
Effective: 8/1/2024
Alameda Health System

ECKER, Robin
Effective: 7/6/2024
Alameda Health System

PLOCK, Charles
Effective: 7/20/2024
Information Technology Department

ELIAS, Irene
Effective: 7/20/2024
District Attorney

QUALLS, Robin
Effective: 7/1/2024
Social Services Agency

JOHNSON, Larry Donnell
Effective: 7/24/2024
Probation

SALALIMA, Gina
Effective: 7/20/2024
Social Services Agency

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

SANDERS, Zach
Effective: 8/3/2024
Social Services Agency

WISE, Eric
Effective: 7/20/2024
Alameda County Health

SAUERHAFT, Beth
Effective: 7/6/2024
Alameda County Health

WONG, Winson
Effective: 8/3/2024
Information Technology Department

WU, Victoria
Effective: 7/20/2024
County Counsel

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

BASKERVILLE, Vanessa
Social Services Agency
Effective Date: 8/16/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

BARTOO, Diane L.
Non-Member Survivor of JAMES BARTOO
8/31/2024

GRAY, Mary E.
Alameda Health System
9/1/2024

BUSH, Ann E.
Non-Member Survivor of RUSSELL BUSH
9/11/2024

HAL, Sheilah
Non-Member Survivor of LEONARD HAL
9/5/2024

COBER, Frederic A.
Superior Court
8/3/2024

HARRIS, Connie L.
Alameda County Health
8/27/2024

DE NARDE, Linda K.
Alameda Health System
7/12/2024

HINRICHSEN, Margaret
Non-Member Survivor of KEITH HINRICHSEN
7/19/2023

GATES Jr., Henry
Alameda Health System
9/6/2024

KIMBROUGH, Rewanna J.
Social Services Agency
9/1/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

LATHON, William E.
Probation
8/30/2024

PETERSEN, Richard P.
Probation
9/12/2024

OWENS, Hazel
Probation
9/15/2024

SPEAR, Charles S.
Public Defender
9/9/2024

PEARSON, Marjorie J.
Non-Member Survivor of RALPH PEARSON
9/5/2024

STEWART, Lillar
Alameda Health System
9/11/2024

WYNNE, Charlie M.
Social Services Agency
9/9/2024

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

SPEARS, Mahogany
Government Code § 31652 Redeposit

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

Name: Carter, Kittrell
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. Carter's application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

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

Name: Eric Williams
Type of Claim: Service-Connected Disability

Staff's Recommendation:

Adopt the Hearing Officer's Proposed Findings of Fact and Recommended Decision as the Board's own final decision to grant Mr. Williams application for a Non-Service-Connected disability and deny Mr. Eric William's application for a Service-Connected Disability Retirement.



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

Thursday, September 19, 2024

Chair Ophelia Basgal called the meeting to order at 2:05 p.m.

Trustees Present: Ophelia Basgal
Ross Clippinger
Tarrell Gamble (*Arrived After Roll Call*)
Jaime Godfrey
Henry Levy (*Arrived After Roll Call*)
Elizabeth Rogers
Kellie Simon
Cynthia Baron (*Alternate*)
Kevin Bryant (*Alternate*)

Trustees Excused: Keith Carson
George Wood

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

REAC President Alica Baptista invited the Board and Staff to attend the REAC Fall Luncheon which will be held on Wednesday, October 21, 2024 at the Double Tree Hotel, Olympic Room, 7050 Johnson Drive Pleasanton, CA 94588.

ACRE President Pete Albert announced that ACRE will resume hosting its Annual Holiday Luncheon and invited the Board and Staff to attend. The Luncheon will be held on Thursday, December 5, 2024 at the DoubleTree by Hilton Hotel Berkeley Marina, 200 Marina Blvd, Berkeley, CA 94710.

CONSENT CALENDAR
REPORTS AND ACTION ITEMS

REPORT ON SERVICE RETIREMENTS

Appendix A

LIST OF DEFERRED RETIREMENTS

Appendix B

LIST OF DECEASED MEMBERS

Appendix C

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

None

APPROVE UNCONTESTED STAFF RECOMMENDATIONS ON DISABILITY RETIREMENTS AND DEATH BENEFITS

Appendix E

APPROVE UNCONTESTED HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS AND DEATH BENEFITS

None

APPROVE MINUTES of BOARD and COMMITTEE MEETINGS

August 15, 2024 Minutes of the Regular Board Meeting

August 15, 2024 Actuarial Committee Minutes

September 4, 2024 Operations Committee Minutes

September 4, 2024 Investment Committee Minutes

MISCELLANEOUS

- *Quarterly Report on Member Underpayments and Overpayments*
- *2nd Quarter 2024 Call Center Report*
- *Approve Staff Recommendation regarding the Alameda Health System's New Pay Item/Code AHS PBX Extra Shift Incentive – 20J*

24-51

It was moved by Jaime Godfrey and seconded by Ross Clippinger that the Board adopt the Consent Calendar. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

DISABILITY, DEATH AND OTHER BENEFIT CLAIMS

None.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Operations:

Ross Clippinger reported that the Operations Committee met on September 4, 2024 and that the Operations Committee reviewed and discussed Staff's proposed revisions to the *Withdrawing Employer Policy*.

24-52

It was moved by Ross Clippinger and seconded by Jaime Godfrey that the Board adopt Staff's proposed revisions to the *Withdrawing Employer Policy*, as recommended by the Operations Committee, with two typographical errors that were modified during the Operations Committee meeting. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

Trustee Clippinger reported that the Operations Committee reviewed and discussed Staff's proposed revisions to the *Declining Employer Payroll Policy*.

24-53

It was moved by Ross Clippinger and seconded by Jaime Godfrey that the Board adopt Staff's proposed revisions to the *Declining Employer Payroll Policy*, as recommended by the Operations Committee. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

Trustee Clippinger reported that the Operations Committee reviewed and discussed Staff's proposed revisions to the Required Minimum Distribution Rules.

24-54

It was moved by Ross Clippinger and seconded by Kellie Simon that the Board adopt Staff's proposed revisions to the *Required Minimum Distribution Rules*, as recommended by the Operations Committee. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the motion.*

The Operations Committee was presented with and discussed an Information Item regarding ACERA's Operating Expenses as of 07/31/24.

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

Investment:

Jaime Godfrey reported that the Investment Committee met on September 4, 2024 and that Investment Committee discussed approving an up to \$50 million investment in Starwood Distressed Opportunity Fund XIII as part of ACERA's Real Estate Portfolio - Opportunistic, Pending Completion of Legal and Investment Due Diligence and Successful Contract Negotiations.

24-55

It was moved by Jaime Godfrey and seconded by Ross Clippinger that the Board approve an up to \$50 million investment in Starwood Distressed Opportunity Fund XIII as part of ACERA's Real Estate Portfolio - Opportunistic, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 8 yes (*Basgal, Bryant, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon*), 0 no, and 0 abstentions.

The Investment Committee was presented with and discussed the following Information Items: *1) Performance Review for the Period Ending June 30, 2024 – Total Fund Highlighting Public Market Asset Classes; and 2) Education Session: Asset Allocation Implementation Plan – Process Optimization.*

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

Retirees:

Elizabeth Rogers reported that the Retirees Committee met earlier today and that the Retirees Committee discussed increasing the current \$1,000 hearing aid benefit allowance for Medicare retirees enrolled in the Kaiser Permanente Senior Advantage plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025.

24-56

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board increase the current \$1,000 hearing aid benefit allowance for Medicare retirees enrolled in the Kaiser Permanente Senior Advantage plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon,*), 0 no, and 1 abstention (*Gamble*).

Trustee Rogers reported that the Retirees Committee discussed increasing the current \$1,000 hearing aid benefit allowance for early (non-Medicare eligible) retirees enrolled in the Kaiser Permanente HMO plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025.

24-57

It was moved by Elizabeth Rogers and seconded by Kellie Simon that the Board increase the current \$1,000 hearing aid benefit allowance for early (non-Medicare eligible) retirees enrolled in the Kaiser Permanente HMO plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025. The motion carried 7 yes (*Basgal, Bryant, Clippinger, Godfrey, Levy, Rogers, Simon,*), 0 no, and 1 abstention (*Gamble*).

The Retirees Committee was presented with and discussed the following Information Items: 1) ACERA-Sponsored Medical Plans and Premiums for Plan Year 2025; and 2) Kaiser Permanente Senior Advantage Plan Optional Riders for Plan Year 2025.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the October 17, 2024 Board meeting.

NEW BUSINESS:

State Association of County Retirement System (SACRS) Voting Proxy

Chief Executive Officer Dave Nelsen requested that the Board authorize him (or his Designee) to vote ACERA's Proxy (or his Designee) on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting.

24-58

It was moved by Ross Clippinger and seconded by Henry Levy that the Board grant Chief Executive Officer (CEO) Dave Nelsen (or his Designee) authority to vote ACERA's proxy on behalf of the Board of Retirement at the upcoming SACRS Fall Conference Business Meeting. The motion carried 8 yes (*Basgal, Bryant, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon,*), 0 no, and 0 abstentions.

Parallel Processing Update - Pension Administration Systems (PAS) Project

Assistant CEO of Benefits Carlos Barrios gave an oral update on the PAS Project stating that Staff will run both PGV2 and PGV3 systems in parallel for payroll in September and that there were a few issues; however, those issues have been resolved and that everything is going well. Mr. Barrios reported he believes that PGV3 is still on track to "go live" on October 1, 2024. Mr. Barrios and the Board expressed their appreciation to Ms. Kathy Foster, Staff and the Consultants for all their hard work, as the PAS Project has taken several years to complete. Mr. Barrios will provide status updates to the Board.

Mr. Barrios announced that ACERA is moving away from ACERA's Web Member Services (WMS) system which provides member retirement benefit estimates, and that Staff will implement a new system entitled MemberDirect. Mr. Barrios reported that WMS will still be available to members, but it will only contain old data because it is connected to PGV2. Mr. Barrios reported that active members will receive a new pin number in November 2024 and that retired members will receive a new pin number in January 2025 so they can sign up for MemberDirect. Members can also log onto MemberDirect on ACERA's Website to request a pin number.

Board Elections Update

Assistant CEO of Operations Lisa Johnson gave an oral update on the status of the Board Elections reporting that as of August 5, 2024, ACERA began its elections process for the Second Member Seat which represents general members and that the elections process is being conducted by the ACERA Elections Coordinating Team (Katie Martinez and Darion Hawkins). Ms. Johnson reported that eligible active general and deferred members can run for the seat and that the *Nomination Period* phase of the election began on September 3, 2024 and ends on September 30, 2024. Eligible active general and deferred members can request an *Election Information Packet* (that includes *Nomination Papers*) from ACERA or can obtain the *Packet* from the ACERA Website. The due date to return completed *Nomination Papers* to ACERA is at 5:00 p.m. on September 30, 2024. Ms. Johnson announced that ACERA is using a new vendor, MK Elections, which offers members the opportunity to vote via paper ballot or via an online ballot. Ms. Johnson will provide the Board with status updates.

Chief Executive Officer's Report

Mr. Nelsen presented his September 19, 2024 written CEO Report which provided an update on: **1) Committee and Board Action Items; 2) Other Items: a) Business Planning; b) Legislation; c) Pension Administration System; d) Budget; and 3) Key Performance Indicators.**

Mr. Nelsen reported that the ACERA Board of Retirement (BOR) has three Board of Supervisor (BOS) appointed positions that are coming due in December 2024 and January 2025 and that the BOS took action on all three positions at its September 17, 2024 Board meeting by reappointing Ophelia Basgal and Keith Carson and appointing Steve Wilkinson to the BOR. Mr. Wilkinson replaced Trustee Jaime Godfrey whose term ends in December 2024.

Mr. Nelsen explained that Trustee Carson's original term would have ended in January 2026. However, there is a law that doesn't allow a member of the BOS to finish out his/her term if he/she is no longer a member of the BOS. Therefore, the BOS accepted Trustee Carson's resignation from the BOR, effective January 2025, and reappointed him to a new three-year term.

CONFERENCE/ORAL REPORTS

Trustee Rogers reported that she attended the ValueEdge Public Funds Forum (Trustee Kellie Simon also attended). Trustee Rogers also attended the Council of Institutional Investors (CII) Fall Conference and stated that both conferences were very good.

Trustee Henry Levy reminded the Board of the upcoming In-Person CALAPRS Trustees' Round Table in San Jose, CA on October 11, 2024. Trustee Levy is a Co-Chair for this event.

ANNOUNCEMENTS

None.

BOARD INPUT

Trustee Basgal recommended that the Trustees read the Time article "Elon Musk's New AI Data Center Raises Alarms Over Pollution", click on the link below:

<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Ftime.com%2F7021709%2Felon-musk-xai-grok-memphis%2F&data=05%7C02%7Cabradsford%40acera.org%7Cf7b65c78ea4048c6406e08dcd9bf09%7C7da33d1f387346459220e78ff71b0e71%7C0%7C0%7C638627112917937088%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=QyRjQczNZd9nB3kWUouFvosmmN%2FGsHDUBTWVHb7qHfo%3D&reserved=0.>

CLOSED SESSION

The Board adjourned into Closed Session to discuss the following:

Item 12:

- A.** Conference With Legal Counsel—Existing Litigation (Gov't Code §54956.9(d)(1)): Ventura County Employees' Retirement Association v. Criminal Justice Attorneys Association of Ventura County, California Supreme Court Case No. S283978 (consider whether to file an amicus curiae brief).
- B.** Conference With Legal Counsel—Existing Litigation (Gov't Code §54956.9(d)(1)): Alameda Health System v. Alameda County Employees' Retirement Association, California Court of Appeal, First District Case No. A165587.

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

Chair Basgal reported that the Board took no reportable action on Items 12A and 12B above.

To view the September 19, 2024 Board meeting YouTube video in its entirety, go to ACERA's Website at: <https://youtu.be/5DnsLirfyJA>.

ADJOURNMENT

The meeting was adjourned at approximately 3:18 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

10/17/24

Date Adopted

**APPENDIX A
REPORT ON SERVICE RETIREMENTS**

ABLETT, Michael
Effective: 6/10/2024
Alameda Health System

FISHER, Diane
Effective: 6/29/2024
Alameda County Health

BASLER, Lisa
Effective: 7/6/2024
District Attorney

GUIMA, Manuel
Effective: 4/1/2023
Alameda Health System

BLAIR, Nancy
Effective: 7/6/2024
LARPD

LOGAN, ANGEL
Effective: 6/22/2024
Superior Court

BOURLAND, Elizabeth
Effective: 6/15/2024
Assessor

MORGENROTH, Kelly
Effective: 7/22/2024
Alameda County Health

BURRELL, Brenda
Effective: 6/7/2024
Alameda County Health

NUNES, Thelma
Effective: 7/6/2024
Alameda Health System

CASTANARES, Zenaida
Effective: 7/6/2024
Alameda County Health

VILLANUEVA, Nancy
Effective: 6/22/2024
Treasurer-Tax Collector

WILLIS, Bertha
Effective: 7/7/2024
Alameda Health System

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

ABONCE, Alejandra
Sheriff's Office
Effective Date: 7/29/2024

ARCIBAL, Benjamin
Public Works Agency
Effective: 8/2/2024

ABRAHAM, Leah
District Attorney
Effective: 8/2/2024

AUMA, Caroline
Alameda Health System
Effective: 7/24/2024

ALEXANDER, Anita
Alameda County Health
Effective: 7/19/2024

AVECILLA, Joanne
Social Services Agency
Effective: 7/19/2024

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

BAYANI, Jonathan
Information Technology Department
Effective: 7/24/2024

CLARK, Amanda
Superior Court
Effective: 7/12/2024

BREAULT JONES, Martin
Social Services Agency
Effective: 7/5/2024

CONN, Kacie
Alameda County Health
Effective: 7/12/2024

BRILLIANT, Nina
Alameda County Health
Effective: 7/24/2024

DAMGIA, Dan
Social Services Agency
Effective: 7/5/2024

BUNNELL, Steven
Alameda Health System
Effective: 6/21/2024

DANGERFIELD, Brandon
Alameda Health System
Effective: 7/11/2024

BURMESTER, Kristen
First 5 Alameda County
Effective: 7/8/2024

DAVID, Wilfrido
Public Works Agency
Effective: 7/19/2024

BUSH, Erica
Alameda Health System
Effective: 7/3/2024

DEMARTHA, Loretta
Social Services Agency
Effective: 7/19/2024

CABRADILLA, Michael
Social Services Agency
Effective: 8/2/2024

DOVE, Christopher
Superior Court
Effective: 7/19/2024

CASIMERE, Catherine
Social Services Agency
Effective: 6/28/2024

DUNAWAY, Kenneth
Alameda Health System
Effective: 7/19/2024

CEJA, Liana
Social Services Agency
Effective: 7/23/2024

ECKER, Robin
Alameda Health System
Effective: 7/5/2024

CHANDARASANE, Linda
Superior Court
Effective: 7/18/2024

ELIAS, Irene
District Attorney
Effective: 7/19/2024

CHOI, Sungkyu Troy
Superior Court
Effective: 7/22/2024

GERCHOW, Christine
Alameda County Health
Effective: 7/19/2024

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

GIANNINI, Natasha
Alameda Health System
Effective: 7/23/2024

MANGINI, Todd
Social Services Agency
Effective: 7/19/2024

GILL, George
Zone 7 Water Agency
Effective: 7/25/2024

MCGOVERN, Tatayana
Alameda Health System
Effective: 7/1/2024

GRAY, Jabari
Alameda County Health
Effective: 7/16/2024

MCRAE-JONES, Carol
Housing Authority
Effective: 7/13/2024

GREEN, Ajah
Social Services Agency
Effective: 7/12/2024

MIYASHIRO, Paul
Sheriff's Office
Effective: 7/20/2024

HITE, Angela
Alameda Health System
Effective: 7/6/2024

MOLL, Lance
Alameda Health System
Effective: 7/24/2024

JONES, Alesha
Social Services Agency
Effective Date: 7/12/2024

MORALES, Robin
Alameda County Health
Effective: 7/19/2024

KAMO, Rowena
First 5 Alameda County
Effective: 7/1/2024

MUHAMMAD, Stefanie
Alameda Health System
Effective: 6/30/2024

KARAVARAS, Sonya
Probation
Effective: 8/2/2024

MYLES, John
Public Works Agency
Effective: 8/2/2024

KEELER, Ann
Sheriff's Office
Effective: 7/11/2024

NIETO, Michael
District Attorney
Effective: 7/19/2024

KHOJASTEH, Ryan
District Attorney
Effective: 8/1/2024

ONDRADE, Jocelyn
Alameda Health System
Effective: 7/24/2024

**APPENDIX B
LIST OF DEFERRED RETIREMENTS**

PLOCK, Charles
Information Technology Department
Effective: 7/19/2024

TODD, Angela
Alameda Health System
Effective: 7/12/2024

QUIN, Barry
Sheriff's Office
Effective: 8/2/2024

TONGI, Isaac
Alameda Health System
Effective: 7/19/2024

REYES HERNANDEZ, Catalina
Alameda County Health
Effective: 7/5/2024

VALENTINO, Chet
Alameda County Health
Effective: 1/19/2024

ROSSI, Gladys
Alameda Health System
Effective: 7/15/2024

WERTH, Katherine
Superior Court
Effective: 7/10/2024

SALGADO, Margaret
Alameda County Health
Effective: 8/2/2024

WISE, Eric
Alameda County Health
Effective: 7/19/2024

SHAMS, Mahbooba
Superior Court
Effective: 7/5/2024

WONG, Winson
Information Technology Department
Effective: 8/2/2024

STEARNS, Grace
Alameda Health System
Effective: 6/28/2024

WU, Victoria
County Counsel
Effective: 7/19/2024

TEHERO, Nicholas
Public Works Agency
Effective: 7/19/2024

YANKEE, Matthew
Auditor-Controller
Effective: 7/5/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

BAKER, George A.
Sheriff's Office
8/1/2024

CALDWELL, Eugene
Alameda Health System
7/22/2024

BARNET, Betty J.
Alameda Health System
8/4/2024

COTT, Linda J.
Auditor-Controller
1/30/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

CRITCHLOW, Anita E.
Sheriff's Office
7/23/2024

GONZALES, Corazon C.
Alameda Health System
8/19/2024

GOODISON, Irene
Non-Member Survivor of RICHARD
GOODISON
8/4/2024

HENDRIX, Leroy
Probation
8/3/2024

HOWARD, Bertha lee
Superior Court
8/6/2024

HOWARD, Lavona
Non-Member Survivor of JOE HOWARD
8/4/2024

KRISTEE, Sihua
Superior Court
8/5/2024

LAVIN, Paula J.
Social Services Agency
7/31/2024

MAGTIBAY, Guadalupe V.
Non-Member Survivor of ROSAURO
MAGTIBAY
8/11/2024

MATTHEWS, Robert A.
Behavioral Health Care Services
8/19/2024

MC CORMICK, Daniel M.
Non-Member Survivor of GERALDINE
MC MORMICK
8/11/2024

NIXON, Antoinette F.
Social Services Agency
8/1/2024

PARSONS, Stephen W.
Behavioral Health Care Services
8/10/2024

QUEN, Eugene H.
Non-Member Survivor of MARY QUEN
8/27/2024

ROBERTS, Marianne
Alameda Health System
8/7/2024

SANDERS, Susan S.
Public Health
8/12/2024

SANTUCCI, Dorothy M.
Non-Member Survivor of LOUIS
SANTUCCI
8/3/2024

SMALLWOOD, Lanamaria
Alameda Health System
8/20/2024

SWAGGARD, Rosalind
Social Services Agency
7/25/2024

TRAN, Tuoi T.
Social Services Agency
8/5/2024

**APPENDIX C
LIST OF DECEASED MEMBERS**

WATERMAN, Thomas T.
General Services Agency
8/28/2024

ZARO, Flavia
Probation
7/24/2024

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

Name: **Davies, Daniel**
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. Davies’s application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

Name: **De La Fuente, Keefe**
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. De La Fuente’s application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

Name: **Dykes, Terry**
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. Dykes’s application for a service-connected disability, and waiving annual medical examinations and questionnaires.

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

Name: Lasso, Chantal
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. Lasso’s application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

Based on the Medical Advisor’s and Staff’s review and determination of Ms. Lasso’s ability to determine the permanency of her incapacity, to deny Ms. Lasso’s request for an earlier effective date.

Name: Ray, Richard
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. Ray’s application for a service-connected disability, and waiving annual medical examinations and questionnaires at this time.

Name: Santamaria, Luis
Type of Claim: Earlier Effective Date

Staff’s Recommendation:

Based on the Medical Advisor’s and Staff’s review and determination of Mr. Santamaria’s ability to determine the permanency of his incapacity, to grant Mr. Santamaria’s request for an earlier effective date.

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

Name: Walker, Darryl
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. Walker's application for a service-connected disability, and waiving annual medical examinations and questionnaires.

.....



MINUTES OF SEPTEMBER 19, 2024 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: **Summary of the September 19, 2024 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the September 19, 2024 Committee meeting to order at 1:01 p.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Ross Clippinger and Kellie Simon. Also present were Ophelia Basgal, Jaime Godfrey and alternate members Cynthia Baron and Kevin Bryant.

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

PUBLIC INPUT

None.

ACTION ITEMS

1. Approval to Increase Current Hearing Aid Benefit Allowance for Kaiser Permanente Medicare Plan Enrollees for Plan Year 2025

Staff reported that last year, the cost that was presented to increase the \$1,000 hearing aid benefit to a \$2,000 hearing aid benefit through Kaiser Permanente's (Kaiser) group medical plans was \$18.65 per member. Due to the cost that was quoted, Staff looked into providing the increased benefit through Via Benefits as an option. Staff recently found out that the cost that was quoted last year was overstated. The quote was an annual cost per member, but it was reported as a monthly cost per member.

Based on Kaiser's medical renewal group plan rates for Plan Year 2025, the cost to increase the hearing aid benefit through Kaiser is less than it would be to have Via Benefits administer the reimbursements for the hearing aid benefits through a Health Reimbursement Arrangement. Therefore, Staff is recommending to increase the hearing aid benefits for Medicare and early (non-Medicare eligible) retirees through Kaiser.

Trustee Basgal stated that it would be important to notify retirees that they do not have to be a Kaiser member to get hearing aids through Kaiser.

There was discussion regarding the importance of being able to hear, and the negative impacts that hearing loss has on a person's mental health, social interactions, and overall health.

Alicia Baptista, President of the Retired Employees of Alameda County, Inc. (REAC) and Pete Albert, President of Alameda County Retired Employees (ACRE) retiree associations, voiced their support for increasing the hearing aid benefits as it is a needed benefit for those who have difficulty hearing.

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Committee recommend to the Board of Retirement a motion to increase the current \$1,000 hearing aid benefit allowance for Medicare retirees enrolled in the Kaiser Permanente Senior Advantage plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025.

The motion carried 6 yes (Basgal, Bryant, Clippinger, Godfrey, Rogers, and Simon), 0 no, 0 abstentions.

2. Approval to Increase Current Hearing Aid Benefit Allowance for Kaiser Permanente Early (Non-Medicare Eligible) Plan Enrollees for Plan Year 2025

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Committee recommend to the Board of Retirement a motion to increase the current \$1,000 hearing aid benefit allowance for early (non-Medicare eligible) retirees enrolled in the Kaiser Permanente HMO plan to a \$2,000 hearing aid benefit allowance per ear, every 36 months for Plan Year 2025.

The motion carried 6 yes (Basgal, Bryant, Clippinger, Godfrey, Rogers, and Simon), 0 no, 0 abstentions.

INFORMATION ITEMS

1. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2025

Staff and the County of Alameda (County) provided information on the renewal of the County's medical plan contracts for the 2025 Plan Year. The County presented detailed information regarding renewal rates and plan coverage for the Plan Year February 1, 2025 through January 31, 2026. The Kaiser Permanente early retiree rate will increase by 5.65%, and the Kaiser Permanente Senior Advantage (KPSA) plan premium will increase by 5.50%. The UnitedHealthcare (UHC) Signature Value and the UHC Signature Value Advantage plans premiums will increase by 8.90%.

The current Silver&Fit program in the KPSA plan will be replaced with the new OnePass program for the 2025 Plan Year. The OnePass program will be standard in the plan, and the \$1.33 per member/per month cost is incorporated in the premium rate. In response to Trustee Basgal, utilization information for the OnePass program will be provided.

2. Discussion Regarding Kaiser Permanente Senior Advantage Plan Optional Riders for Plan year 2025

Staff provided information on the Over-the-Counter, Meals and Transportation Benefits as optional riders available for the Kaiser Permanente Senior Advantage plan for Plan Year 2025. In response to Trustees Basgal and Rogers, Staff and REAC will survey retirees regarding their interests in these benefits to discuss at the annual health care planning meeting. In response to Trustee Basgal's comment, Staff will include information in the survey that paratransit is available at no cost to the member. Trustee Basgal also pointed out that the error made regarding the available Over-the-Counter benefits was due to Kaiser printing the information in its Evidence of Coverage document.

TRUSTEE REMARKS

In response to Trustee Clippinger's inquiry regarding an update on his request for an actuarial study of increases to the MMA and the impact on the Supplemental Retiree Benefit Reserve (SRBR), Trustee Rogers and Assistant Chief Executive Officer Carlos Barrios stated that they have discussed his request with Segal. Staff has requested Segal to take into account additional information in its study for a more complete analysis, and expects to receive a revised proposal to perform the study shortly.

FUTURE DISCUSSION ITEMS

- Presentation and Acceptance of SRBR Funding Report/Valuation

ESTABLISHMENT OF NEXT MEETING DATE

Trustee Rogers stated that there is a possibility of changing the date of the next meeting to the same day as the Board of Retirement meeting, and will advise once a decision is made.

MEETING ADJOURNED

The meeting adjourned at 1:57 p.m.



MINUTES OF OCTOBER 2, 2024 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the October 2, 2024 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the October 2, 2024 Committee meeting to order at 9:33 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Henry Levy and Kellie Simon. Also present were Jaime Godfrey, George Wood and alternate member Cynthia Baron. Committee member Keith Carson, and Ophelia Basgal and alternate member Kevin Bryant joined the meeting after roll call.

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

PUBLIC INPUT

None.

ACTION ITEMS

1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation]

Segal, ACERA's Actuary, presented the annual Actuarial Valuation of the OPEB and non-OPEB Benefits Provided by the Supplemental Retiree Benefits Reserve, Including Sufficiency of Funds, as of December 31, 2023. Based on this valuation report, the terminal year of the "Other Post-Employment Benefits" (OPEB) is projected to be 2048, with full benefits paid through 2047 for a total of 24 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2047, with full benefits paid through 2046 for a total of 23 full years and one partial year.

Segal also reported that everything is trending according to its actuarial assumptions after transferring about \$54 million from the OPEB Supplemental Retiree Benefit Reserve (SRBR) to the non-OPEB SRBR to equalize the sufficiency periods to pay benefits for both programs.

Trustee Basgal commented that ACERA should be following the medical plans rate increases for other counties in terms of anticipating future cost increases. There were questions and discussion regarding the funded ratio vs. the terminal year of the non-OPEB benefits, the members included in the liability projections, and the significant increase in the projected cost to fund the non-OPEB benefits compared to that of the OPEB benefits in later years, mainly due to the Supplemental COLA.

Trustee Levy questioned if at some point, ACERA could request the employers to contribute to the SRBR to fund retiree healthcare. Staff responded that the funding structure allowed for the SRBR is statutory, and any change would require a statutory change through the legislature. In addition, there are IRS implications. The County of Alameda would need to agree before considering any changes to the funding mechanism of the SRBR.

It was moved by Ophelia Basgal and seconded by Henry Levy that the Committee recommend to the Board of Retirement a motion to accept the December 31, 2023 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

The motion carried 8 yes (*Basgal, Bryant, Carson, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Supplemental Retiree Benefit Reserve Financial Status

Staff presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10-year period ending June 30, 2024. The ending balance of the SRBR as of June 30, 2024 was approximately \$1.2 billion. The semi-annual interest crediting as of June 30, 2024 based on the rate of 3.5000% was completed on August 29, 2024; approximately \$41.5 million in interest was credited. During that same six-month period, the net deductions from the SRBR were approximately \$29.0 million.

2. Final Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements

Staff provided information regarding the preparations being made for the Plan Year 2025 Open Enrollment and the hybrid Health and Wellness Fair, which will be held on October 24, 2024 at the Hilton Garden Inn in Emeryville. In response to Trustee Basgal's comment, Staff will look into the use of the Emery Go-Round service as a possible transportation option to the event, and if so, include the information in ACERA's event materials.

3. Report on Medicare Part D Certificate of Creditable Coverage and Updates for 2025

Staff reported that the annual Medicare Part D Certificate of Coverage Notice will be mailed and received prior to the October 15th deadline, and will be posted on ACERA's website.

In response to Trustee Basgal's question, Staff stated that the Over-the-Counter benefit would not be implemented this year. Staff plans to send a survey to the members, and will provide a report on the results for discussion at a later time.

4. Via Benefits Updates

Staff reported that Via Benefits mailed the Medicare Fall Newsletters starting September 23rd, and the Pre-65 Fall Newsletters will be mailed starting October 25th. The Balance Reminder Statements for Health Reimbursement Account holders will be mailed out on October 25th.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2025
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

ESTABLISHMENT OF NEXT MEETING DATE

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

MEETING ADJOURNED

The meeting adjourned at 10:08 a.m.



MINUTES OF THE OCTOBER 2, 2024, INVESTMENT COMMITTEE MEETING

To: Members of the Investment Committee

From: Jaime Godfrey, Chair

Subject: **Summary of the October 2, 2024 Investment Committee Meeting**

The Investment Committee (“Committee”) met on Wednesday, October 2, 2024, at 10:34 a.m. The Committee members present were, Ophelia Basgal, Keith Carson, Jaime Godfrey, Henry Levy, Elizabeth Rogers, Kellie Simon, and George Wood. Also present were Alternate Retired Member Cynthia Baron and Alternate Safety Member Kevin Bryant. ACERA Senior Managers and Presenting Staff were David Nelsen – Chief Executive Officer, Lisa Johnson (Zoom) – Assistant Chief Executive Officer, Jeff Rieger – Chief Counsel, Michael Fara – Communications Manager (Zoom), Clint Kuboyama – Senior Investment Officer, and Betty Tse – Chief Investment Officer.

Action Items: Matters for discussion and possible motion by the Committee

1. Discussion of and Possible Motion that the Board Approve the Amended Private Credit Policy
 - Staff and NEPC discussed with the Investment Committee the recommended amendments to ACERA’s Private Credit Policy. A red-line version of the named Policy with very similar proposed amendments was presented to the Committee at the 8/7/24 ICM.
 - Staff highlighted the proposed amendments to the Private Credit Policy including: 1) increased diversification of the Private Credit Asset Class; 2) a new benchmark for the asset class; 3) a higher target weighting for the asset class; 4) the creation of sub class weightings; and 5) updated delegated amounts and the inclusion of continuation funds within delegated authority.
 - After discussion, Trustee Godfrey moved, seconded by Trustee Basgal, to recommend that the Board Approve the Amended Private Credit Policy.
 - The motion carried unanimously with 9 Yes (Baron, Basgal, Bryant, Carson, Godfrey, Levy, Rogers, Simon, and Wood), 0 No, and 0 Abstention.
2. Discussion of and Possible Motion that the Board Approve the 2024 Private Credit Investment Plan
 - Staff and NEPC discussed with the Investment Committee the 2024 Private Credit Investment Plan.

- The Private Credit Investment Plan's purpose is to have an estimate of the capital invested and the number of managers to be hired for each of the three sub-asset classes projected over the next several years, aiming for vintage year diversification, and minimizing market timing risks.
- After discussion, Trustee Godfrey moved, seconded by Trustee Simon, to recommend that the Board Approve the 2024 Private Credit Investment Plan.
- The motion carried unanimously with 9 Yes (Baron, Basgal, Bryant, Carson, Godfrey, Levy, Rogers, Simon, and Wood), 0 No, and 0 Abstention.

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

1. Results of the Investment Committee Packet Trustee Survey

- Communications Manager, Michael Fara conducted a survey among ACERA Trustees from August 21 to September 9 to assess the adequacy of information provided in the Investment Committee packet. He received 9 out of a possible of 11 responses.
- There's a significant number of Trustees who want more information on Asset Allocation.
- While Trustees generally find the current level of information sufficient, there is a slight majority who would like to receive less information on Re-ups and New Private Investments under delegated authority, New Private Equity Investments above delegated authority, and Investments in Publicly Traded Assets. Trustee Rogers provided her perspective and interpretation of the survey results. Michael Fara acknowledged Trustee Roger's comments and noted that the named results are open to interpretation.
- Trustees do not want to change the current frequency and method of delivery of the Total Fund Performance Report.
- Except for the Total Fund Performance Report, Trustees are receptive to receiving informational reports less frequently than quarterly and are receptive to receiving informational reports in methods other than distribution in the Investment Committee packet.
- Trustee Levy asked NEPC how best to monitor staff in the context of the survey in question. NEPC informed the Committee that this involves setting standards on hiring qualified staff, reviewing policies and strategic asset allocation, and receiving reports from staff on the execution of these policies.

- Based on the survey results and regarding investment recommendations, staff stated that it would collaborate with Callan and NEPC to draft examples of more concise recommendation reports for the Investment Committee's considerations in the near future.

TRUSTEES/STAFF REMARKS:

Betty Tse (CIO) updated the Committee regarding the BlackRock acquisition of Global Infrastructure Partners (GIP) that ACERA does not have affiliation with GIP. BlackRock acquisition of GIP has no impact on ACERA's Total Fund.

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

Wednesday, November 6, 2024

ADJOURNMENT

The meeting ended at 11:47 p.m.

To view the October 2, 2024 Investment Committee Meeting in its entirety, click on the link below: <https://www.youtube.com/watch?v=eZr3wJtrI-A>



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 17, 2024

TO: Members of the Board of Retirement DS
EH

FROM: Erica Haywood, Fiscal Services Officer

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

ACERA's year-to-date operating expenses are \$70K over budget for the period ended August 31, 2024. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Staffing*: Staffing is \$324K over budget. This amount comprised overages in temporary staffing of \$192K, and 5% staff vacancies adjustment of \$587K, offset by surpluses in salaries & wages expenses of (\$238K), and fringe benefits of (\$217K).
2. *Member Services*: Member Services are \$93K over budget. This amount comprised overages in disability medical expenses of \$58K, disability legal arbitration & transcripts of \$42K, member training & education of \$2K, and offset by surpluses in disability claim management of (\$4K), and members' printing & postage of (\$4K), and virtual call center of (\$1K).
3. *Depreciation*: Depreciation expense is \$4K over budget from purchase of new equipment.

Budget Surpluses

1. *Staff Development*: Staff Development is \$105K under budget for staff training and conferences.
2. *Professional Fees*: Professional Fees are \$92K under budget. This amount comprised overage in operation consultant fee of \$10K, offset surpluses in actuarial fees of (\$29K), and legal fees of (\$73K).
3. *Office Expense*: Office Expense is \$36K under budget. This amount comprised surpluses in bank charges & miscellaneous expenses of (\$8K), building expenses of (\$4K), equipment lease and maintenance of (\$15K), minor equipment & furniture of (\$4K), and printing and postage of (\$5K).
4. *Insurance*: Insurance is \$5K under budget from lower insurance premiums.
5. *Systems*: Systems are \$25K under budget. This amount comprised surpluses in business continuity (\$24K), and county data processing (\$1K).

Operating Expenses Budget Summary for the period ended August 31, 2024

- 6. *Board of Retirement:* Board of Retirement is \$88K under budget. This amount comprised surpluses in board compensation of (\$5K), board conferences & training of (\$74K), board miscellaneous expenses of (\$7K), and board software maintenance and support of (\$2K).

Staffing Detail

Vacant positions as of August 31, 2024:

Department	Position	Qty	Comments
Administration	Supply Clerk	1	Vacant - currently budgeted for the year
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Retirement Support Specialist	1	Vacant – currently budgeted for the year
Benefits	Senior Retirement Technician	1	Vacant – currently budgeted for the year
Investment	Investment Officer	1	Vacant - currently budgeted for the year
	Total Positions	6	

Pension Administration System Project - as of August 31, 2024					
	Year-To-Date			2024 Budget	2019-23 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	\$1,605,927	\$1,300,000	\$305,927	\$1,950,000	\$3,231,571
Segal and other consultant fees	483,989	395,333	88,656	593,000	2,323,470
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	2,089,916	1,695,333	394,583	2,543,000	5,655,511
Staffing	531,760	514,000	17,759	771,000	2,845,789
TOTAL	\$2,621,676	\$2,209,333	\$412,342	\$3,314,000	\$8,501,300

Attachments:

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



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
TOTAL OPERATING EXPENSES SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>August 31, 2024</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2024</u>	<u>% Actual to</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>(Under)/Over</u>	<u>Budget</u>	<u>Annual Budget</u>
Staffing	\$ 11,673,947	\$ 11,349,840	\$ 324,107	\$ 17,032,000	68.5%
Staff Development	123,732	228,910	(105,178)	351,000	35.3%
Professional Fees (Next Page)	745,810	837,930	(92,120)	1,141,000	65.4%
Office Expense	276,709	312,460	(35,751)	468,000	59.1%
Insurance	413,712	418,980	(5,268)	637,000	64.9%
Member Services	470,913	377,360	93,553	608,000	77.5%
Systems	835,644	860,500	(24,856)	1,288,000	64.9%
Depreciation	78,625	74,400	4,225	112,000	70.2%
Board of Retirement	375,533	463,720	(88,187)	707,000	53.1%
Uncollectable Benefit Payments	-	-	-	78,000	0.0%
Total Operating Expense	\$ 14,994,625	\$ 14,924,100	\$ 70,525	\$ 22,422,000	66.9%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

August 31, 2024

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2024</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 233,561	\$ 223,840	\$ 9,721	\$ 356,000	65.6%
Actuarial Fees ²	340,548	369,250	(28,702)	490,000	69.5%
External Audit ³	145,000	145,000	-	145,000	100.0%
Legal Fees ⁴	26,701	99,840	(73,139)	150,000	17.8%
Total Professional Fees	\$ 745,810	\$ 837,930	\$ (92,120)	\$ 1,141,000	65.4%

	<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>2024 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<u>1 CONSULTANT FEES - OPERATIONS AND PROJECTS:</u>					
Benefits					
Alameda County HRS (Benefit Services)	95,083	84,000	11,083	126,000	75.5%
Segal (Benefit Consultant/Retiree Open Enrollment)	77,583	88,640	(11,057)	133,000	58.3%
Total Benefits	172,667	172,640	27	259,000	66.7%
Fiscal Services					
Cashlog	-	-	-	20,000	0.0%
Total Fiscal Services	-	-	-	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	60,894	51,200	9,694	77,000	79.1%
Total Human Resources	60,894	51,200	9,694	77,000	79.1%
Total Consultant Fees - Operations	233,561	223,840	9,721	356,000	65.6%

<u>2 ACTUARIAL FEES</u>					
Actuarial Valuation	87,500	87,500	-	87,500	100.0%
GASB 67 & 68 Valuation	21,500	26,750	(5,250)	53,500	40.2%
GASB 74 & 75 Actuarial	8,000	8,000	-	16,000	50.0%
Actuarial Standard of Practice 51 Pension Risk	30,000	30,000	-	30,000	100.0%
Supplemental Consulting	148,548	172,000	(23,452)	258,000	57.6%
Supplemental Retiree Benefit Reserve valuation	45,000	45,000	-	45,000	100.0%
Total Actuarial Fees	340,548	369,250	(28,702)	490,000	69.5%

<u>3 EXTERNAL AUDIT</u>					
External audit	122,000	122,000	-	122,000	100.0%
GASB 67 & 68 audit	11,000	11,000	-	11,000	100.0%
GASB 74 & 75 audit	12,000	12,000	-	12,000	100.0%
Total External Audit Fees	145,000	145,000	-	145,000	100.0%

<u>4 LEGAL FEES</u>					
Fiduciary & Litigation	19,987	40,000	(20,014)	60,000	33.3%
Tax and Benefit Issues	5,545	16,640	(11,095)	25,000	22.2%
Miscellaneous Legal Advice	1,170	43,200	(42,030)	65,000	1.8%
Total Legal Fees	26,701	99,840	(73,139)	150,000	17.8%

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
 For the Eight Months Ending 8/31/2024

	<u>For the Month of August 2024</u>	<u>For the Month of August 2023</u>	<u>Variance</u>	<u>Year-To-Date 2024</u>	<u>Year-To-Date 2023</u>	<u>Variance</u>
STAFFING						
Salaries	984,890	977,955	6,935	7,537,680	6,972,129	565,551
Fringe Benefits	378,017	490,358	(112,341)	3,810,644	3,513,873	296,771
Temporary Staffing Cost	42,345	51,626	(9,281)	325,623	325,977	(354)
Staffing Total	<u>1,405,252</u>	<u>1,519,939</u>	<u>(114,687)</u>	<u>11,673,947</u>	<u>10,811,979</u>	<u>861,968</u>
STAFF DEVELOPMENT	12,057	12,667	(610)	123,732	113,072	10,660
PROFESSIONAL FEES						
Actuarial Fees	21,500	25,950	(4,450)	340,548	373,839	(33,291)
Consultant Fees - Operations	32,781	27,667	5,114	233,561	228,109	5,452
Consultant Fees - Legal	835	3,341	(2,506)	26,701	58,860	(32,159)
External Audit	0	0	0	145,000	144,000	1,000
Professional Fees Total	<u>55,116</u>	<u>56,958</u>	<u>(1,842)</u>	<u>745,810</u>	<u>804,808</u>	<u>(58,998)</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	7,249	6,294	955	48,564	57,585	(9,021)
Building Expenses	2,135	2,139	(4)	20,640	17,401	3,239
Communications	11,307	8,433	2,874	85,173	69,065	16,108
Equipment Lease/Maintenance	7,865	8,186	(321)	76,782	68,546	8,236
Minor Equipment and Furniture	2,513	0	2,513	5,091	8,211	(3,120)
Office Supplies/Maintenance	2,475	6,603	(4,128)	30,498	28,493	2,005
Printing & Postage	924	297	627	9,961	8,410	1,551
Office Expense Total	<u>34,468</u>	<u>31,952</u>	<u>2,516</u>	<u>276,709</u>	<u>257,711</u>	<u>18,998</u>
INSURANCE	52,085	51,590	495	413,712	386,109	27,603
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	15,156	1,750	13,406	95,640	(1,533)	97,173
Disability Medical Expense	10,000	17,675	(7,675)	178,555	126,095	52,460
Disability Claims Management	3,850	3,850	0	26,950	30,800	(3,850)
Health Reimbursement Acct. (HRA)	5,532	5,355	177	47,140	45,073	2,067
Member Training & Education	2,574	1,094	1,480	7,587	4,399	3,188
Printing & Postage - Members	23,177	8,230	14,947	71,571	43,170	28,401
Virtual Call Center	5,431	5,422	9	43,470	43,316	154
Member Services Total	<u>65,720</u>	<u>43,376</u>	<u>22,344</u>	<u>470,913</u>	<u>291,320</u>	<u>179,593</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
 TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL
 For the Eight Months Ending 8/31/2024

	<i>For the Month of August 2024</i>	<i>For the Month of August 2023</i>	Variance	<i>Year-To-Date 2024</i>	<i>Year-To-Date 2023</i>	Variance
SYSTEMS						
Business Continuity Expense	21,761	34,491	(12,730)	147,458	163,543	(16,085)
County Data Processing	10,954	10,893	61	90,911	87,070	3,841
Minor Computer Hardware	7,452	10,373	(2,921)	57,890	65,102	(7,212)
Intangible right to use SBITA - GASB96	7,348	0	7,348	57,518	0	57,518
Software Maintenance & Support	65,294	61,506	3,788	481,867	493,844	(11,977)
Systems Total	<u>112,809</u>	<u>117,263</u>	<u>(4,454)</u>	<u>835,644</u>	<u>809,559</u>	<u>26,085</u>
DEPRECIATION						
Depreciation Expense	8,703	9,961	(1,258)	78,625	79,692	(1,067)
BOARD OF RETIREMENT						
Board Compensation	2,400	1,500	900	13,700	15,300	(1,600)
Board Conferences & Training	0	4,827	(4,827)	91,265	123,073	(31,808)
Board Employer Reimbursement	31,570	29,660	1,910	252,860	241,880	10,980
Board Miscellaneous Expense	1,232	284	948	7,208	11,481	(4,273)
Board Software Maint. & Support	1,335	1,042	293	10,500	8,724	1,776
Board of Retirement Total	<u>36,537</u>	<u>37,313</u>	<u>(776)</u>	<u>375,533</u>	<u>400,458</u>	<u>(24,925)</u>
GRAND TOTALS	<u><u>1,782,747</u></u>	<u><u>1,881,019</u></u>	<u><u>(98,272)</u></u>	<u><u>14,994,625</u></u>	<u><u>13,954,708</u></u>	<u><u>1,039,917</u></u>



MEMORANDUM TO THE RETIREES COMMITTEE AND BOARD OF RETIREMENT

DATE: October 2, 2024

TO: Members of the Retirees Committee and Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer EH

SUBJECT: Statement of Reserves and Supplemental Retiree Benefits Reserve (SRBR) Status as of June 30, 2024

The Statement of Reserves as of June 30, 2024, is attached for your review. The semi-annual interest crediting as of June 30, 2024, was completed on August 29, 2024.

For the six-month period ended June 30, 2024, approximately \$394.8 million of total interest (\$394.8 million in regular earnings and \$0.0 million in excess earnings) was credited to all the valuation reserve accounts, including the 401(h) account, the advanced UAAL contribution reserve and the SRBR.

- Regular earnings of \$394.8 million were credited to the valuation reserve accounts, the 401(h) account, and the SRBR at crediting rate of 3.5000% and the advance UAAL contribution reserve was credited at rate of 2.3723%; a lower rate compared to all other reserves due to the exclusion of \$126.1 million in available earnings deferred prior to June 30, 2021.
- There was no crediting of earnings above the assumed rate of return (excess earnings).

The total interest crediting rates were 3.5000% to the valuation reserve accounts and the 401(h) account, as well as the SRBR and 2.3723% to the advance UAAL contribution reserve (see table below).

Earnings Classification	Valuation Reserve & 401(h) Accounts		SRBR		Advance UAAL Contribution Reserve	
	Amount	Rate	Amount	Rate	Amount	Rate
Regular Earnings	\$336,564,516	3.5000%	\$ 41,523,574	3.5000%	\$ 16,753,412	2.3723%
Excess Earnings	-	0.0000%	-	0.0000%	-	0.0000%
Total Interest Credited	\$336,564,516	3.5000%	\$ 41,523,574	3.5000%	\$ 16,753,412	2.3723%

The process for crediting interest as of June 30, 2024, is presented in the table below. Note that for this semi-annual interest crediting period, the Contingency Reserve Account (CRA) was adjusted to 1% of total assets, \$120.2 million as of June 30, 2024, and \$79.2 million was subsequently withdrawn from the CRA to meet the interest crediting shortfall. Without the use of the CRA funds, the interest crediting rates would have been 2.7665% for all other reserves and SRBR, and 2.3723% for the advance UAAL contribution reserve. None of the funds made available from CRA were applied to the advance UAAL contribution reserve, as the full equitable share of the CRA balance was used in the June 30, 2022, crediting cycle.

Interest Crediting Methodology as of June 30, 2024	
Expected Actuarial Earnings for the period	\$ 392,712,159.29
10 % Amortization of deferred amounts – (Sum of the last 10 periods)	6,405,637.21
Actuarial earnings on a smoothed basis	399,117,796.50
CRA adjustment to 1% of total assets as of 6/30/2024	(83,511,371.16)
Actuarial earnings available for interest crediting @ 2.7665% & 2.3723%	315,606,425.34
CRA usage to cover the interest crediting shortfall	79,235,077.02
Total amount available for interest crediting @ 3.5000% & 2.3723%	\$ 394,841,502.36
Interest credited at a rate of 3.5000% to Valuation Reserves and 401(h) Account	336,564,516.44
Interest credited at a rate of 3.5000% to SRBR	41,523,573.75
Interest credited at the rate of 2.3723% to the advance UAAL Contribution Reserve (\$0.0 funds made available from CRA were applied)	16,753,412.17

There was a market *gain* of approximately \$625.4 million for the six-month period ended June 30, 2024, which was higher than the expected actuarial earnings of approximately \$392.7 million. As a result, \$232.7 million in *gains* were added to the market stabilization reserve (the difference of the actual market gain/loss and the expected actuarial earnings). In addition, \$6.4 million of net *gains* from the previous ten (10) interest crediting cycles were recognized in the current interest crediting period. Thus, the market stabilization reserve improved from net deferred *losses* of \$292.8 million as of December 31, 2023, to \$66.5 million in deferred *losses* as of June 30, 2024.

Supplemental Retiree Benefits Reserve (SRBR)

The interest credited to the SRBR for the six-month period ended June 30, 2024, was approximately \$41.5 million of regular earning and \$0.0 million of excess earnings.

- For the six-month period ended June 30, 2024, the net deductions from SRBR were approximately \$29.0 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$24.3 million, transfer to the employer advance reserve for implicit subsidy of \$4.0 million, and payments of supplemental COLA and retired death benefits of \$0.7 million.

Attachments:

- Statement of Reserves as of June 30, 2024
- SRBR Status as of June 30, 2024

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF RESERVES
For the Six Months Ended June 30, 2024

	Beginning Balances 1/1/2024	Net Contributions Benefits, Refunds & Transfers 1/1 - 6/30/2024	Transfer Employers UAAL Adv Rsrv	Interest Crediting Process 1/1 - 6/30/2024 (3.5000%)	Allocation of Excess Earnings 1/1 - 6/30/2024 (0.0000%)	Ending Balances 6/30/2024
Member Reserves:						
Active Member Reserves	\$ 1,894,640,607	\$ (19,463,812)	\$ -	\$ 62,529,260 ¹	- ¹	\$ 1,937,706,055
Employer Advance Reserve	1,835,763,161	11,546,668	31,400,902	60,280,247	-	1,938,990,978
401(h) Account - OPEB	10,116,636	(691,388)	-	354,082	-	9,779,330
Total Employer Reserves	1,845,879,797	10,855,280	31,400,902	60,634,329 ¹	- ¹	1,948,770,308
Retired Member Reserves	5,901,822,048	(82,160,560)	9,876,138	213,400,927 ¹	- ¹	6,042,938,553
Supplemental Retiree Benefits Reserve	1,186,387,821	(29,049,245)		41,523,574 ¹	- ¹	1,198,862,150
Contingency Reserve	36,669,849			4,276,294 ²		40,946,143
Market Stabilization Reserve	(292,793,129)				226,322,066	(66,471,063)
Total All Other Reserves and SRBR	10,572,606,993	(119,818,337)	41,277,040	382,364,384	226,322,066	11,102,752,146
Advance UAAL Contribution Reserve						
County-Safety UAAL Advance Reserve	694,561,086	-	(40,781,822)	16,476,976 ¹	- ¹	670,256,240
LARPD-General UAAL Advance Reserve	11,652,716	-	(495,218)	276,436 ¹	- ¹	11,433,934
Total Reserves at Fair Value / Fiduciary Net Position	\$ 11,278,820,795	\$ (119,818,337)	\$ -	\$ 399,117,796	\$ 226,322,066	\$ 11,784,442,320

Notes: 1. Interest credited as of 6/30/24 includes \$394,841,502 of regular earnings allocation at crediting rates of 3.500% to the SRBR and all other non-SRBR reserves; and at 2.3723% to the UAAL advance reserves. There was no allocation of excess earnings.

2. Amount includes an increase of the CRA by \$83,511,371 to adjust the balance at 1% total assets as of 6/30/24. After CRA was restored to 1% total assets, there was a subsequent withdrawal of \$79,235,077 from the CRA to fund the semi-annual interest crediting shortfall. As a result, the CRA balance at 6/30/24 was \$40.9 million, or 0.34% of total assets.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SUPPLEMENTAL RETIREE BENEFITS RESERVE (SRBR)
For the Ten Years Ended December 31, 2014 - December 31, 2023 and Six Months Ended June 30, 2024**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>6/30/2024</u>
Beginning Balance	\$ 643,056,500	\$ 789,826,877	\$ 853,842,371	\$ 874,385,246	\$ 893,770,614	\$ 919,488,617	\$ 924,709,823	\$ 931,754,157	\$ 1,131,048,474	\$ 1,168,608,503	\$ 1,186,387,821
Deductions:											
Transferred to Employers Advance Reserve	34,039,593	36,528,264	33,818,832	38,327,914	43,777,409	44,858,371	45,456,100	46,772,130	47,476,858	49,339,096	25,176,576
Employers Implicit Subsidy	6,992,822	5,320,953	6,021,451	8,787,596	5,800,563	6,899,139	6,446,702	7,484,411	5,593,922	7,842,215	4,037,312
Supplemental Cost of Living	1,849,140	1,555,924	1,350,784	1,231,500	1,134,613	1,181,244	1,116,523	932,177	943,290	1,134,334	612,102
Death Benefit - Burial - SRBR	223,529	213,909	187,081	187,060	196,576	216,834	230,747	256,683	240,383	228,463	125,755
ADEB (Active Death)	-	-	-	-	-	-	-	-	-	-	-
Total Deductions	<u>43,105,084</u>	<u>43,619,050</u>	<u>41,378,148</u>	<u>48,534,070</u>	<u>50,909,161</u>	<u>53,155,588</u>	<u>53,250,072</u>	<u>55,445,401</u>	<u>54,254,453</u>	<u>58,544,108</u>	<u>29,951,745</u>
Additions:											
Interest Credited to SRBR	54,031,947	62,722,797	60,730,023	66,715,938	64,827,682	57,022,294	58,878,406	69,152,162	79,407,948	74,612,926	41,523,574
Excess Earnings Allocation	132,455,002	43,770,247	-	-	10,574,982	-	-	184,050,056	10,749,534	-	-
Transferred from Employers Advance Reserve	3,388,512 (1)	1,141,500	1,191,000	1,203,500	1,224,500	1,354,500	1,416,000	1,537,500	1,657,000	1,710,500	902,500
Total Additions	<u>189,875,461</u>	<u>107,634,544</u>	<u>61,921,023</u>	<u>67,919,438</u>	<u>76,627,164</u>	<u>58,376,794</u>	<u>60,294,406</u>	<u>254,739,718</u>	<u>91,814,482</u>	<u>76,323,426</u>	<u>42,426,074</u>
Ending Balance	<u>\$ 789,826,877</u>	<u>\$ 853,842,371</u>	<u>\$ 874,385,246</u>	<u>\$ 893,770,614</u>	<u>\$ 919,488,617</u>	<u>\$ 924,709,823</u>	<u>\$ 931,754,157</u>	<u>\$ 1,131,048,474</u>	<u>\$ 1,168,608,503</u>	<u>\$ 1,186,387,821</u>	<u>\$ 1,198,862,150</u>

Notes

(1) These amounts include reclassification of OPEB Administrative Expense contribution reimbursement activities and interest from January 2012 through June 2014; and normal activities for the six month period of July 2014 through December 2014. The SB 1479 reimbursements from the Employer Advance Reserve were inadvertently booked to the 401(h) account instead of SRBR. A total misclassified balance of \$2,649,500 and regular credited interest of \$182,511.54 were transferred from the 401(h) account to SRBR.

Amounts are rounded to the nearest dollar and include <\$1 rounding differences.



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 17, 2024

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **Exclusion of New Pay Item/Code from “Compensation Earnable” and “Pensionable Compensation” – Superior Court of California**

Superior Court of California (Superior Court) requested pay item/code Finder’s Fee SB 170 – 170FF be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation.” This pay code provides a finder’s fee of \$10,000, which is paid in two installments of \$5,000 each. Superior Court advised Staff that this pay code became effective November 14, 2022, and it has been used to pay employees from August 13, 2023.

All job classifications listed on the attached Salary Schedule are eligible for this pay code. The Side Letter of Agreement between Superior Court and the Alameda County Official Court Reporters Association, SEIU Local 1021 states: “Any court employee who refers a court reporter candidate to the Court for employment is eligible for a finder’s fee if that court reporter, 1) names the employee as the person who referred them at the time they submit their application to the Court, 2) the court reporter is a successful candidate and is hired by the Court as a full-time regular court reporter, and 3) the court reporter passes probation. The court employee named by the candidate at the time of application will receive a \$10,000 finder’s fee in two installments. The first \$5,000 finder’s fee installment will be paid the first full pay period after the court reporter’s start date. The second \$5,000 finder’s fee installment will be paid after the court reporter passes their probationary period. The referring employee must still be employed by the Court at the time of each finder’s fee installment to receive that installment.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that this pay code does not qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members), or “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members).

Based on the attached December 17, 2020 memo from Chief Counsel to the Board of Retirement (Board), this pay code is excluded from “compensation earnable.” Also, this pay code is excluded from “pensionable compensation” under Government Code Section 7522.34(c)(3). The two relevant Government Code sections are attached.

Staff informed Superior Court that its determination will be included on the Board’s Consent Calendar for its October 17, 2024 meeting. If this item is not pulled from the Consent Calendar for discussion, then the Board will approve Staff’s determination to exclude pay code Finder’s Fee SB 170 – 170FF from “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members).

Attachments



Superior Court of California
COUNTY OF ALAMEDA

Finance and Facilities Division
René C. Davidson Courthouse
1225 Fallon Street, Oakland CA 94612

Memorandum

Date: May 31, 2024 **Action Requested:** New Pay Codes Approval: "Finder's Fee SB 170"

To: Sandra Duenas, ACERA **Deadline:** N/A

From: Melanie Lewis, Director **Contact:** payrollunit@alameda.courts.ca.gov

Nancy Guadarrama, Sr. Accountant 510-891-6215
nguadarrama@alameda.courts.ca.gov

Subject: REQUEST FOR REVIEW: NEW PAY ITEMS/CODES - "Finder's Fee SB 170"

We are submitting our request for your review and approval of the pay item "Finder's Fee SB 170" has been paid to employees from August 13, 2023, through current. Please review our submittal and provide written notice of your determination as to whether the new pay item is "pensionable" or "not pensionable" which should be included in calculations to determine member's retirement benefit.

Attachments:

1. Request for Review: New Pay Item/Code Form
2. Attachment 1 – Responses to Request for Review: New Pay Item/Code – "Finder's Fee SB 170".
3. Salary Listing for a listing of Job Codes

cc:

Melanie Lewis, Director, Finance and Facilities Division
Jenny Lee, Finance Manager, Finance and Facilities Division
Payroll Unit
Nicole Mallari – ACERA
Sandra Duenas – ACERA
Eva Hardy – ACERA

Attachment 1

RESPONSES TO REQUEST FOR REVIEW: NEW PAY ITEM/CODE:

“Finder’s Fee SB 170”

1.- State the job Classification of employees eligible for the pay item (i.e., Job Code 0499-Nurse Practitioners II may receive this pay item).

All Job Codes listed in the Salary Schedule (attached).

2.- State employment status of employees eligible to receive the pay item (i.e., full-time employees, part-time employees).

Full-time and part-time employees.

3.- State the number of members or employees who are eligible to receive the pay item (i.e., all members or employers in a job classification eligible to receive the pay item, or “not to exceed one employee”).

All Job Codes listed in the Salary Schedule (attached).

4.- State whether pay item is for overtime or regular base pay.

The pay item is not for overtime or regular base pay.

5.- State whether pay item is calculated as a fixed amount or percentage of the base pay.

The pay item is calculated as a fixed amount.

6.- State whether the pay item is paid one time (i.e., incentive pay, referral pay, bonus, award).

The pay item is paid one time in two installments as referral pay. The first installment is paid when the first full pay period after the referred court reporter’s start date. The second installment is paid after the court reporter passes his/her probationary period.

7.- State whether the pay item is an ad hoc payment (i.e., stipend, payment for attending a meeting during working hours, payment for attending a meeting during non – working hours).

The pay item is not an ad hoc payment.

8.- State whether the pay item is a reimbursement (i.e. Stipend, payment for attending a meeting during working hours, payment for attending a meeting during non – working hours).

The pay item is not a reimbursement.

9.-State regular working hours of the employees who will receive the pay item (i.e., 37.50-hour workweek employees, 40-hour workweek employees).

37.50-hour workweek employees and 40-hour workweek employees.

10.-State whether pay items is for work performed outside of the regular workweek (i.e., payment for work or services performed outside of the employee’s 37.50-hour work week, or outside of the employee’s 40-hour work week).

The pay item is not for work performed outside of the regular workweek.

11.-State whether the pay item is for deferred compensation.

The pay item is not for deferred compensation.

12.- State whether the pay item is for retro payments.

The pay item is not for retro payments.

13.- State whether the pay item is for accrued unused leave (i.e., sick leave, annual leave, floating holiday, vacation, comp time).

The pay item is not for accrued unused leave.

14.- State whether the payment is compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member or employee.

The pay item is not the compensation payment that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member or employee.

15.- State whether the payment is severance or other payment in connection with or in anticipation of a separation from employment (and state if this payment is made while employee is working).

The pay item is not a severance or other payment in connection with or in anticipation of a separation from employment.

16.- State whether the pay item is paid in one lump sum or bi-weekly (or over some other time period-monthly, quarterly, annually).

This pay item is paid in two lump sum. The first installment is paid when the first full pay period after the referred court reporter’s start date. The second installment is paid after the court reporter passes his/her probationary period.

17.- State the basis for eligibility for the pay item (i.e., certification of completion of training program conducted by an accredited university, or employee assigned as supervisor of badge distribution).

Eligibility for the Finder’s Fee SB 170:

1. Compliance to the Side Letter of Agreement between the Court and Alameda County Official Court Reporters Association, SEIU Local 1021, effective 11/14/2022;
2. Employees must be an active employee of the Court at the time the payment is due.

3. At the time of submitting the job application, the court reporter must state the name of the person Finder that recruited him/her for the job.
4. The court reporter must have worked one full pay period. The Finder is paid the first installment after the first full pay period.
5. The court reporter must have passed his/her probationary period. The Finder is paid the second installment after the court reporter passes his/her probationary period.

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4920 - Accountant						38.77				49.50		
	U-CNM	Non-M-desig	80	Deep	HR	3,101.60 80,641.60				3,960.00 102,960.00		
5010 - Administrative Specialist, Confidential						34.91	36.68	38.47	40.39	42.44		
	U-CNM	Non-M-desig	80	Stepped	HR	2,792.80 72,612.80	2,934.40 76,294.40	3,077.60 80,017.60	3,231.20 84,011.20	3,395.20 88,275.20		
4957 - Administrator						61.67				80.29		
	U-MGMT	M-desig	80	Deep	AN	4,933.60 128,273.60				6,423.20 167,003.20		
5026 - ASL Interpreter						44.24				49.11		
	U-CNM	Non-M-desig	80	Deep	HR	3,539.20 92,019.20				3,928.80 102,148.80		
4978 - Assistant Administrative Analyst						32.15	33.73	35.43	37.19	38.82		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,572.00 66,872.00	2,698.40 70,158.40	2,834.40 73,694.40	2,975.20 77,355.20	3,105.60 80,745.60		
4993 - Assistant Division Director						61.67				80.29		
	U-MGMT	M-desig	80	Deep	AN	4,933.60 128,273.60				6,423.20 167,003.20		
4802 - Assistant Executive Officer						90.41				115.05		
	U-MGMT	M-desig	80	Deep	AN	7,232.80 188,052.80				9,204.00 239,304.00		
5003 - Associate Analyst						41.73				51.01		
	U-CNM	Non-M-desig	80	Deep	HR	3,338.40 86,798.40				4,080.80 106,100.80		
4879 - Attorney, Self Help Services						51.12				65.83		
	ACMEA	M-desig	80	Deep	AN	4,089.60 106,329.60				5,266.40 136,926.40		
5001 - Business Analyst II						43.75				56.77		
	ACMEA	M-desig	80	Deep	AN	3,500.00 91,000.00				4,541.60 118,081.60		
5029 - Certified Deaf Interpreter (CDI)						44.24				49.11		
	U-CNM	Non-M-desig	80	Deep	HR	3,539.20 92,019.20				3,928.80 102,148.80		
4881 - Child Custody Recommending Counselor						46.99	49.33	51.50	54.34	57.07		
	ACMEA	M-desig	80	Stepped	AN	3,759.20 97,739.20	3,946.40 102,606.40	4,120.00 107,120.00	4,347.20 113,027.20	4,565.60 118,705.60		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
9050 - Commissioner						104.26			104.26			
	U-COMM	M-desig	80	Deep	AN	8,340.80				8,340.80		
						216,860.80				216,860.80		
4863 - Court Attendant						27.61	28.71	30.09	31.44	32.93		
	SEIU-CNM	Non-M-desig	75	Stepped	HR	2,070.75	2,153.25	2,256.75	2,358.00	2,469.75		
						53,839.50	55,984.50	58,675.50	61,308.00	64,213.50		
3863 - Court Attendant Per Diem						31.44			31.44			
	SEIU-CNM	Non-M-desig	75	Deep	HR	2,358.00				2,358.00		
						61,308.00				61,308.00		
4900 - Court Interpreter						40.12	42.13	44.24	46.45	48.77		
	INTERP	Non-M-desig	80	Stepped	HR	3,209.60	3,370.40	3,539.20	3,716.00	3,901.60		
						83,449.60	87,630.40	92,019.20	96,616.00	101,441.60		
4788 - Court Interpreter, Pro Tempore						40.12	42.13	44.24	46.45	48.77		
	INTERP	Non-M-desig	80	Stepped	DA	3,209.60	3,370.40	3,539.20	3,716.00	3,901.60		
						83,449.60	87,630.40	92,019.20	96,616.00	101,441.60		
4866 - Court Reporter						53.53	56.19	59.00	61.93	64.97		
	ACOCRA	Non-M-desig	75	Stepped	HR	4,014.75	4,214.25	4,425.00	4,644.75	4,872.75		
						104,383.50	109,570.50	115,050.00	120,763.50	126,691.50		
5013 - Court Reporter (Certified Realtime – In House)						56.19	59.00	61.98	65.05	68.24		
	ACOCRA	Non-M-desig	75	Stepped	HR	4,214.25	4,425.00	4,648.50	4,878.75	5,118.00		
						109,570.50	115,050.00	120,861.00	126,847.50	133,068.00		
4991 - Court Reporter (CRR)						58.40	61.30	64.45	67.55	70.89		
	ACOCRA	Non-M-desig	75	Stepped	HR	4,380.00	4,597.50	4,833.75	5,066.25	5,316.75		
						113,880.00	119,535.00	125,677.50	131,722.50	138,235.50		
3866 - Court Reporter Per Diem						61.93			61.93			
	U-CNM	Non-M-desig	75	Deep	HR	4,644.75				4,644.75		
						120,763.50				120,763.50		
4784 - Court Services Consultant (SAN)						34.82			75.98			
	U-CNM	Non-M-desig	80	Deep	HR	2,785.60				6,078.40		
						72,425.60				158,038.40		
4918 - Court Supervisor						44.20			53.57			
	ACMEA	M-desig	80	Deep	AN	3,536.00				4,285.60		
						91,936.00				111,425.60		
4948 - Courtroom Clerk (SAN)						35.96			43.06			
	U-CNM	Non-M-desig	80	Deep	HR	2,876.80				3,444.80		
						74,796.80				89,564.80		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4857 - Courtroom Clerk I						31.42	32.85	34.36	35.82	37.57		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,513.60 65,353.60	2,628.00 68,328.00	2,748.80 71,468.80	2,865.60 74,505.60	3,005.60 78,145.60		
4858 - Courtroom Clerk II						35.96	36.77	38.44	40.41	43.06		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,876.80 74,796.80	2,941.60 76,481.60	3,075.20 79,955.20	3,232.80 84,052.80	3,444.80 89,564.80		
9054 - Deputy Administrator						58.56				74.73		
	U-MGMT	M-desig	80	Deep	AN	4,684.80 121,804.80				5,978.40 155,438.40		
5008 - Director						75.45				98.10		
	U-MGMT	M-desig	80	Deep	AN	6,036.00 156,936.00				7,848.00 204,048.00		
4906 - Director, Finance						75.45				98.10		
	U-MGMT	M-desig	80	Deep	AN	6,036.00 156,936.00				7,848.00 204,048.00		
4927 - Director, Human Resources						75.45				98.10		
	U-MGMT	M-desig	80	Deep	AN	6,036.00 156,936.00				7,848.00 204,048.00		
5011 - Division Chief						52.35				63.52		
	ACMEA	M-desig	80	Deep	AN	4,188.00 108,888.00				5,081.60 132,121.60		
4826 - Division Secretary (Confidential)						35.41	37.20	39.02	40.98	43.05		
	ACMEA	Non-M-desig	80	Stepped	HR	2,832.80 73,652.80	2,976.00 77,376.00	3,121.60 81,161.60	3,278.40 85,238.40	3,444.00 89,544.00		
5009 - Emergency Services Coordinator						50.81				61.73		
	U-MGMT	M-desig	80	Deep	AN	4,064.80 105,684.80				4,938.40 128,398.40		
5017 - Emergency Services Manager						57.06				69.31		
	U-MGMT	M-desig	80	Deep	AN	4,564.80 118,684.80				5,544.80 144,164.80		
4837 - Executive Assistant						39.02	40.98	43.05	45.22	47.48		
	U-MGMT	M-desig	80	Stepped	AN	3,121.60 81,161.60	3,278.40 85,238.40	3,444.00 89,544.00	3,617.60 94,057.60	3,798.40 98,758.40		
9053 - Executive Office Manager						44.77				58.26		
	U-MGMT	M-desig	80	Deep	AN	3,581.60 93,121.60				4,660.80 121,180.80		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
9030 - Executive Officer						114.22				146.92		
	U-MGMT	M-desig	80	Deep	AN	9,137.60 237,577.60				11,753.60 305,593.60		
5007 - Facilities Manager						61.67				80.29		
	U-MGMT	M-desig	80	Deep	AN	4,933.60 128,273.60				6,423.20 167,003.20		
4917 - Facilities Services Coordinator						50.81				61.73		
	U-MGMT	M-desig	80	Deep	AN	4,064.80 105,684.80				4,938.40 128,398.40		
4915 - Facilities Specialist						35.94	38.44	41.04	43.86	46.86		
	U-CNM	Non-M-desig	80	Stepped	HR	2,875.20 74,755.20	3,075.20 79,955.20	3,283.20 85,363.20	3,508.80 91,228.80	3,748.80 97,468.80		
5016 - Finance Manager						61.67				80.29		
	U-MGMT	M-desig	80	Deep	AN	4,933.60 128,273.60				6,423.20 167,003.20		
4824 - Financial Hearing Officer						36.40	37.91	39.71	41.54	43.33		
	SEIU-CNM	Non-M-desig	75	Stepped	HR	2,730.00 70,980.00	2,843.25 73,924.50	2,978.25 77,434.50	3,115.50 81,003.00	3,249.75 84,493.50		
4821 - Fiscal Services Specialist						35.08	37.50	40.06	42.79	45.69		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,806.40 72,966.40	3,000.00 78,000.00	3,204.80 83,324.80	3,423.20 89,003.20	3,655.20 95,035.20		
4951 - General Counsel						90.41				117.37		
	U-MGMT	M-desig	80	Deep	AN	7,232.80 188,052.80				9,389.60 244,129.60		
5028 - HRIS Administrator						59.81				77.88		
	U-MGMT	M-desig	80	Deep	AN	4,784.80 124,404.80				6,230.40 161,990.40		
5004 - HRIS Analyst						57.06				69.31		
	U-MGMT	M-desig	80	Deep	AN	4,564.80 118,684.80				5,544.80 144,164.80		
4831 - Human Resources Analyst I						41.73				51.01		
	U-MGMT	M-desig	80	Deep	AN	3,338.40 86,798.40				4,080.80 106,100.80		
4832 - Human Resources Analyst II						44.77				58.26		
	U-MGMT	M-desig	80	Deep	AN	3,581.60 93,121.60				4,660.80 121,180.80		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4839 - Human Resources Manager						<i>61.67</i>			<i>80.29</i>			
	U-MGMT	M-desig	80	Deep	AN	4,933.60				6,423.20		
						128,273.60				167,003.20		
4882 - Information Technology Director						<i>75.45</i>			<i>98.10</i>			
	U-MGMT	M-desig	80	Deep	AN	6,036.00				7,848.00		
						156,936.00				204,048.00		
4939 - Information Technology Manager						<i>69.09</i>			<i>83.59</i>			
	U-MGMT	M-desig	80	Deep	AN	5,527.20				6,687.20		
						143,707.20				173,867.20		
4926 - Interpreter Services Manager						<i>52.12</i>	<i>54.72</i>	<i>57.46</i>	<i>60.32</i>	<i>63.35</i>		
	U-MGMT	M-desig	80	Stepped	AN	4,169.60	4,377.60	4,596.80	4,825.60	5,068.00		
						108,409.60	113,817.60	119,516.80	125,465.60	131,768.00		
4892 - Investigator						<i>42.16</i>	<i>44.22</i>	<i>46.43</i>	<i>48.76</i>	<i>51.18</i>		
	ACMEA	M-desig	80	Stepped	AN	3,372.80	3,537.60	3,714.40	3,900.80	4,094.40		
						87,692.80	91,977.60	96,574.40	101,420.80	106,454.40		
4889 - IT Business Solutions Manager						<i>58.47</i>				<i>75.98</i>		
	U-MGMT	M-desig	80	Deep	AN	4,677.60				6,078.40		
						121,617.60				158,038.40		
5015 - IT Project Manager						<i>52.96</i>				<i>68.78</i>		
	ACMEA	M-desig	80	Deep	AN	4,236.80				5,502.40		
						110,156.80				143,062.40		
4965 - Jury Services Supervisor						<i>44.19</i>				<i>53.57</i>		
	ACMEA	M-desig	80	Deep	AN	3,535.20				4,285.60		
						91,915.20				111,425.60		
4928 - JusticeCorps Specialist						<i>28.60</i>	<i>30.05</i>	<i>31.56</i>	<i>33.12</i>	<i>34.78</i>		
	U-CNM	Non-M-desig	80	Stepped	HR	2,288.00	2,404.00	2,524.80	2,649.60	2,782.40		
						59,488.00	62,504.00	65,644.80	68,889.60	72,342.40		
4785 - Juvenile Dependency Mediation Counselor						<i>46.99</i>	<i>49.33</i>	<i>51.79</i>	<i>54.34</i>	<i>57.07</i>		
	ACMEA	M-desig	80	Stepped	AN	3,759.20	3,946.40	4,143.20	4,347.20	4,565.60		
						97,739.20	102,606.40	107,723.20	113,027.20	118,705.60		
4945 - Legal Processing Assistant						<i>29.28</i>	<i>30.72</i>	<i>32.26</i>	<i>33.88</i>	<i>36.56</i>	<i>38.29</i>	<i>40.19</i>
	SEIU-CNM	Non-M-desig	75	Stepped	HR	2,196.00	2,304.00	2,419.50	2,541.00	2,742.00	2,871.75	3,014.25
						57,096.00	59,904.00	62,907.00	66,066.00	71,292.00	74,665.50	78,370.50
5014 - Legal Processing Assistant - Probationary						<i>26.54</i>	<i>27.60</i>	<i>28.92</i>	<i>30.22</i>	<i>31.62</i>		
	SEIU-CNM	Non-M-desig	75	Stepped	HR	1,990.50	2,070.00	2,169.00	2,266.50	2,371.50		
						51,753.00	53,820.00	56,394.00	58,929.00	61,659.00		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4947 - Legal Processing Assistant (SAN)						29.28				40.19		
	U-CNM	Non-M-desig	75	Deep	HR	2,196.00 57,096.00				3,014.25 78,370.50		
4941 - Legal Processing Specialist						35.04	36.56	38.29	40.19	42.14		
	SEIU-CNM	Non-M-desig	75	Stepped	HR	2,628.00 68,328.00	2,742.00 71,292.00	2,871.75 74,665.50	3,014.25 78,370.50	3,160.50 82,173.00		
4897 - Legal Research Attorney						51.12				65.83		
	ACMEA	M-desig	80	Deep	AN	4,089.60 106,329.60				5,266.40 136,926.40		
4932 - Library Coordinator						33.85				41.18		
	U-MGMT	M-desig	80	Deep	AN	2,708.00 70,408.00				3,294.40 85,654.40		
4835 - Management Analyst						44.77				58.26		
	U-MGMT	M-desig	80	Deep	AN	3,581.60 93,121.60				4,660.80 121,180.80		
4964 - Managing Attorney						71.73				84.76		
	U-MGMT	M-desig	80	Deep	AN	5,738.40 149,198.40				6,780.80 176,300.80		
4985 - Managing Court Reporter						53.89				77.89		
	ACMEA	M-desig	80	Deep	AN	4,311.20 112,091.20				6,231.20 162,011.20		
4994 - Managing Family Court Counselor						57.90				72.37		
	ACMEA	M-desig	80	Deep	AN	4,632.00 120,432.00				5,789.60 150,529.60		
4930 - Network & Communications Systems Analyst						50.81	53.35	56.01	58.83	61.73		
	U-MGMT	M-desig	80	Stepped	AN	4,064.80 105,684.80	4,268.00 110,968.00	4,480.80 116,500.80	4,706.40 122,366.40	4,938.40 128,398.40		
4847 - Network Services Analyst						54.34	57.04	59.91	62.93	66.03		
	ACMEA	M-desig	80	Stepped	AN	4,347.20 113,027.20	4,563.20 118,643.20	4,792.80 124,612.80	5,034.40 130,894.40	5,282.40 137,342.40		
5025 - Operations Training Specialist						38.83	39.71	41.52	43.66	46.51		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	3,106.40 80,766.40	3,176.80 82,596.80	3,321.60 86,361.60	3,492.80 90,812.80	3,720.80 96,740.80		
4996 - Payroll Specialist						35.64				46.36		
	U-MGMT	M-desig	80	Deep	AN	2,851.20 74,131.20				3,708.80 96,428.80		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4838 - Principal Analyst						57.06				69.31		
	U-MGMT	M-desig	80	Deep	AN	4,564.80 118,684.80				5,544.80 144,164.80		
5012 - Probate Court Manager						52.35				63.52		
	ACMEA	M-desig	80	Deep	AN	4,188.00 108,888.00				5,081.60 132,121.60		
4895 - Probate Examiner						37.98	39.88	41.89	43.11	45.27		
	U-CNM	Non-M-desig	80	Stepped	HR	3,038.40 78,998.40	3,190.40 82,950.40	3,351.20 87,131.20	3,448.80 89,668.80	3,621.60 94,161.60		
5019 - Procurement and Contracts Analyst						44.77				58.26		
	U-MGMT	M-desig	80	Deep	AN	3,581.60 93,121.60				4,660.80 121,180.80		
4875 - Program Assistant						29.66	31.11	32.67	34.31	35.96		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,372.80 61,692.80	2,488.80 64,708.80	2,613.60 67,953.60	2,744.80 71,364.80	2,876.80 74,796.80		
4797 - Program Coordinator						44.77				58.26		
	U-MGMT	M-desig	80	Deep	AN	3,581.60 93,121.60				4,660.80 121,180.80		
4795 - Program Specialist						40.78				52.52		
	U-MGMT	M-desig	80	Deep	AN	3,262.40 84,822.40				4,201.60 109,241.60		
5022 - Public Information Officer						61.67				80.29		
	U-MGMT	M-desig	80	Deep	AN	4,933.60 128,273.60				6,423.20 167,003.20		
5020 - Risk Manager						57.06				69.31		
	U-MGMT	M-desig	80	Deep	AN	4,564.80 118,684.80				5,544.80 144,164.80		
4809 - Self-Help & Family Law Facilitator's Analyst						34.03	35.73	37.52	39.39	41.36		
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,722.40 70,782.40	2,858.40 74,318.40	3,001.60 78,041.60	3,151.20 81,931.20	3,308.80 86,028.80		
4921 - Senior Accountant						52.35				63.52		
	U-MGMT	M-desig	80	Deep	AN	4,188.00 108,888.00				5,081.60 132,121.60		
4999 - Senior Attorney (Confidential)						60.61				71.73		
	U-MGMT	M-desig	80	Deep	AN	4,848.80 126,068.80				5,738.40 149,198.40		

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	
5018 - Senior Attorney, Self-Help & Family Law						60.61			71.73				
	U-MGMT	M-desig	80	Deep	AN	4,848.80				5,738.40			
						126,068.80				149,198.40			
4983 - Senior Fiscal Services Specialist						39.30			50.22				
	U-MGMT	M-desig	80	Deep	AN	3,144.00				4,017.60			
						81,744.00				104,457.60			
5023 - Senior Investigator						45.53		47.76		50.14		52.65	
	U-MGMT	M-desig	80	Stepped	AN	3,642.40	3,820.80	4,011.20	4,212.00	4,422.40			
						94,702.40	99,340.80	104,291.20	109,512.00	114,982.40			
5027 - Senior IT Manager						74.62			90.28				
	U-MGMT	M-desig	80	Deep	AN	5,969.60				7,222.40			
						155,209.60				187,782.40			
5024 - Senior Probate Examiner						41.02		43.07		45.24		46.55	
	U-CNM	Non-M-desig	80	Stepped	HR	3,281.60	3,445.60	3,619.20	3,724.00	3,912.00			
						85,321.60	89,585.60	94,099.20	96,824.00	101,712.00			
4916 - Software Analyst						52.96			68.78				
	ACMEA	M-desig	80	Deep	AN	4,236.80				5,502.40			
						110,156.80				143,062.40			
4893 - Sr. Network Administrator						47.61			61.83				
	ACMEA	M-desig	80	Deep	AN	3,808.80				4,946.40			
						99,028.80				128,606.40			
4912 - Sr. Research Attorney						60.61			71.73				
	U-MGMT	M-desig	80	Deep	AN	4,848.80				5,738.40			
						126,068.80				149,198.40			
4914 - Sr. Software Analyst						58.47			75.98				
	ACMEA	M-desig	80	Deep	AN	4,677.60				6,078.40			
						121,617.60				158,038.40			
4871 - Sr. Support Assistant						32.05		33.52		35.04		36.56	
	SEIU-CNM	Non-M-desig	80	Stepped	HR	2,564.00	2,681.60	2,803.20	2,924.80	3,063.20	3,215.20		
						66,664.00	69,721.60	72,883.20	76,044.80	79,643.20	83,595.20		
4884 - Sr. Systems Analyst						58.47			75.98				
	ACMEA	M-desig	80	Deep	AN	4,677.60				6,078.40			
						121,617.60				158,038.40			
4846 - Sr. Technology Specialist						36.06			53.84				
	U-MGMT	M-desig	80	Deep	AN	2,884.80				4,307.20			
						75,004.80				111,987.20			

SALARY SCHEDULE

Effective 12/31/2023

Job	Rep	M-desig	Hours	Stepped	Salary Type	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
4798 - Student Assistant						16.00				16.00		
	U-CNM	Non-M-desig	80	Deep	HR	1,280.00				1,280.00		
						33,280.00				33,280.00		
4872 - Substance Abuse Treatment Specialist II						32.32				44.08		
	U-MGMT	M-desig	80	Deep	AN	2,585.60				3,526.40		
						67,225.60				91,686.40		
4980 - Supervising Family Court Counselor						54.18				65.80		
	ACMEA	M-desig	80	Deep	AN	4,334.40				5,264.00		
						112,694.40				136,864.00		
4898 - Supervising Legal Research Attorney						71.73				84.76		
	U-MGMT	M-desig	80	Deep	AN	5,738.40				6,780.80		
						149,198.40				176,300.80		
4843 - Technology Specialist						34.45	36.15	37.92	39.87	41.83		
	U-CNM	Non-M-desig	80	Stepped	HR	2,756.00	2,892.00	3,033.60	3,189.60	3,346.40		
						71,656.00	75,192.00	78,873.60	82,929.60	87,006.40		
4933 - Treatment Court Manager						47.95				58.19		
	U-MGMT	M-desig	80	Deep	AN	3,836.00				4,655.20		
						99,736.00				121,035.20		
4896 - Unix Administrator						52.96				68.78		
	ACMEA	M-desig	80	Deep	AN	4,236.80				5,502.40		
						110,156.80				143,062.40		

SIDE LETTER OF AGREEMENT

Between

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

and

ALAMEDA COUNTY OFFICIAL COURT REPORTERS ASSOCIATION, SEIU LOCAL 1021

Salary:

- A. Effective at the beginning of the first full pay period following execution of the side letter, all represented court reporter classifications shall receive a 2.5% Cost of Living Adjustment, which shall accrue to all represented members' respective base rate of pay.

- B. Assuming the FY 23-24 California State Budget contains funding specifically allocated for court reporters, then effective at the beginning of the pay period including August 1, 2023, all represented court reporter classifications shall receive a 5% Cost of Living Adjustment, which shall accrue to all represented members' respective base rate of pay.

Hiring Bonus:

A bonus of \$30,000 shall be offered to all new, full-time official court reporters, to be paid out as follows:

\$15,000 at hiring

\$5,000 at the first anniversaryⁱ of employment

\$5,000 at the second anniversaryⁱ of employment

\$5,000 at the third anniversaryⁱ of employment

Finder's Fee:

Any court employee who refers a court reporter candidate to the Court for employment is eligible for a finder's fee if that court reporter, 1) names the employee as the person who referred them at the time they submit their application to the Court, 2) the court reporter is a successful candidate and is hired by the Court as a full-time regular court reporter, and 3) the court reporter passes probation. The court employee named by the candidate at the time of application will receive a \$10,000 finder's fee in two installments. The first \$5,000 finder's fee installment will be paid the first full pay period after the court reporter's start date. The second \$5,000 finder's fee installment will be paid after the court reporter passes their probationary period. The referring employee must still be employed by the Court at the time of each finder's fee installment to receive that installment.

Retention Bonus for Current Full-Time Regular Court Reporters:

For each full-time regular court reporter that is employed with the Court as of the effective date of this Side Letter and is still employed with the Court in a full-time regular court reporter position on June 18, 2023, will receive a \$10,000 retention bonus on pay date July 7, 2023.

FOR THE SUPERIOR COURT:



DATE: 4/14/2022

FOR ACOCRA:



DATE: 11-14-2022

RM (PETER MASIAK)

11/14/22

ⁱ "Anniversary" date is based on paid hours, consistent with other longevity bonuses, merit and step increases for tenured employees.



To: Members of the Board of Retirement
From: Jeff Rieger, Chief Counsel 
Meeting: December 17, 2020
Subject: County Pay Codes 741, 742, 743 and Other One-Time/Ad Hoc Payments

INTRODUCTION

At the August 20, 2020 Board Meeting, there was a recommendation on the Consent Calendar that the Board exclude three County recruitment bonus codes (741, 742 and 743) from being characterized under ACERA's pay code system as "pensionable compensation" for PEPRA members and "compensation earnable" for Legacy members. The item was pulled from the Consent Calendar and, after further discussion, the Board decided to exclude the pay codes from "pensionable compensation" but defer making a decision on "compensation earnable" to a later meeting.

After further analysis, I agree with staff's recommendation that the Board should exclude these pay codes from being characterized as "compensation earnable" for purposes of ACERA's pay code system. This memorandum explains the basis for my agreement with staff's recommendation. Further, I recommend that the Board confirm that the below rationale is the reason why the Board excludes from "compensation earnable" all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class."

ANALYSIS

Before 2013, ACERA played a less active role in determining which pay codes employers would report to ACERA as "compensation earnable." Beginning in 2013, however, after the passage of PEPRA and amendments to the definition of "compensation earnable," ACERA established a thorough process to make such determinations. One of the 2013 amendments to the definition of "compensation earnable" in Gov't Code § 31461 was:

(b) "Compensation earnable" does not include, in any case, the following:

- (1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include: ... (B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

It appears from ACERA's historical records from 2013 that, in practice, ACERA interpreted the above language to exclude all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class." The statute is arguably more nuanced, because it states that those types of pay are excluded only if the Board determines the amount was "paid to enhance a member's retirement benefit." That leaves open the possibility that these types of payments may be included in "compensation earnable" if they are not "paid to enhance a member's retirement benefit."

Determining the best system for reporting payroll and collecting contributions, however, requires us to examine the Board's governing law as a whole—not just the definition of "compensation earnable."

One of the primary purposes of ACERA's pay code system is to identify elements of compensation against which to collect member contributions. Under ACERA's governing law, member contributions are based on the member's projected "final compensation." See Gov't Code §§ 31620 et seq. ACERA's pay code system accounts for "compensation earnable" throughout a member's career in order to estimate the member's ultimate "final compensation." That methodology may be a sound, but it is not legally required. Thus, if a member receives a one-time or ad hoc payment today and the Board has good reason to believe the member will not receive that one-time or ad hoc pay in the member's "final compensation" period, the Board has discretion not to collect member contributions on that payment even if it arguable would meet the definition of "compensation earnable."¹

Another primary purpose of ACERA's pay code system is to determine "final compensation" for the purpose of determining a member's benefit when a member retires. If a member receives a one-time or ad hoc payment during the member's "final compensation" period that the member did not typically receive during the member's career, it is likely that the payment was made to enhance the member's retirement benefit and therefore likely to be excluded from "compensation earnable" under Gov't Code § 31461(b)(1)(B) at retirement.

In light of the above, ACERA's current pay code practice is reasonable because:

- For a member who receives pay described in Gov't Code § 31461(b)(1)(B) before but not during the final compensation period, it is reasonable not to require member contributions on such pay, because that type of pay is not expected to be included when calculating the member's retirement benefit.
- For a member who receives pay described in Gov't Code § 31461(b)(1)(B) only in the "final compensation" period, it is reasonable to assume that the payment was most likely made to enhance the member's retirement benefit.

¹ ACERA also collects employer contributions as a percentage of "compensation earnable," but that method is not legally required. See *Mijares v. Orange County Employees' Retirement System* (2019) 32 Cal.App.5th 316, 329-31; *County of Orange v. Association of Orange County Deputy Sheriffs* (2011) 192 Cal.App.4th 21, 35.

- Most members who receive this kind of pay will fall under one of the two above scenarios, because of the pay's nature: "one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class."

Thus, excluding these amounts from being characterized as "compensation earnable" under ACERA's pay code system is fair and consistent with sound funding principles.

The determination of a member's benefit, and the "compensation earnable" on which it is based, occurs at retirement. At that point, if a member disputes the determination that a pay item is properly excluded from "compensation earnable," the member may challenge the determination and the Board will act accordingly. See Gov't Code § 31542. If a member makes a sound case for inclusion, the Board can then require the member to make any retroactive contributions the Board deems are appropriate. In *Marin Association of Public Employees v. Marin County Employees' Retirement Association* (2016) 2 Cal.App.5th 674, the court approved another CERL system's similar approach to the "paid to enhance" language in Gov't Code § 31461(b)(1). *Id.* at 693. Indeed, the California Supreme Court rejected a request to "depublish" that opinion on November 24, 2020.

Finally, ACERA's practices regarding Gov't Code § 31461(b)(1)(B) have been consistent since the Legislature made the change to the definition of "compensation earnable" in 2013. Over the course of eight years of litigation that challenges ACERA's implementation of the changes to "compensation earnable" in 2013, no court has ever ordered ACERA to change its practices regarding Gov't Code § 31461(b)(1)(B).

CONCLUSIONS AND RECOMMENDATIONS

County Pay Codes 741, 742 and 743

The exclusion of these recruitment bonuses from "compensation earnable" is consistent with this memorandum's rationale and ACERA's historical exclusion of recruitment bonuses. Thus, I recommend that the Board exclude these pay codes from "compensation earnable" as staff originally recommended.

Historical Application of Gov't Code § 31461(b)(1)(B)

The Board's historical practice of excluding from "compensation earnable" all "one-time or ad hoc payment[s] made to a member, but not to all similarly situated members in the member's grade or class" is reasonable and should continue based on this memorandum's rationale. I recommend that the Board confirm that the rationale in this memorandum is the reason why the Board excludes such payments.

Gov. Code Sec. 31461. (a) "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.

(b) "Compensation earnable" does not include, in any case, the following:

(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned in each 12-month period during the final average salary period regardless of when reported or paid.

(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned in each 12-month period during the final average salary period, regardless of when reported or paid.

(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(4) Payments made at the termination of employment, except those payments that do not exceed what is earned in each 12-month period during the final average salary period, regardless of when reported or paid.

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means 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.

(b) Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid.

(c) "Pensionable compensation" does not include the following:

(1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments made to a member.

(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.

(9) Employer contributions to deferred compensation or defined contribution plans.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation a public retirement board determines should not be pensionable compensation.



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 17, 2024

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **New Pay Item/Code: Approve as “Compensation Earnable” and Exclude from “Pensionable Compensation” – Superior Court of California**

Superior Court of California (Superior Court) requested that new pay item/code Retention Bonus SB170 – 170RB be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation.” This new pay code provided a retention bonus of \$10,000 that was paid in one lump sum payment to all full-time court reporters in the job classifications of Court Reporter (Job Code 4866), Court Reporter (Certified Realtime – In House) (Job Code 5013), and Court Reporter (CRR) (Job Code 4991). Superior Court advised Staff that this pay code became effective November 14, 2022 and expired June 18, 2023.

The Side Letter of Agreement between Superior Court and the Alameda County Official Court Reporters Association, SEIU Local 1021 states: “For each full-time regular court reporter that is employed with the Court as of the effective date of this Side Letter and is still employed with the Court in a full-time regular court reporter position on June 18, 2023, will receive a \$10,000 retention bonus on pay date July 7, 2023.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that this new pay code does not qualify as “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members). However, this pay code does qualify as “compensation earnable” under Government Code Section 31461 (for Legacy members).

“Pensionable compensation” is comprised of a member’s “normal monthly rate of pay or base pay” and it expressly does not include any one-time or ad hoc payments, or any bonus paid in addition to an employee’s normal monthly rate of pay or base pay. See Government Code Section 7522.34(a),(c)(3),(c)(10).

Government Code Section 31461(a) states that “compensation earnable” means “the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay.” In *Ventura County Deputy Sheriffs’ Assn. v. Board of Retirement* (1997) 16 Cal.4th 483, the court held that ACERA must look to “the average pay of the individual retiring employee computed on the basis of the number of hours worked by other employees in the same class and pay rate--that is the average monthly pay, excluding overtime, received by the retiring employee for the average number of days worked in a month by the other employees in the same job classification at the same base pay level.” *Id.* at 504. Thus, in general, cash payments, other than payments for overtime or payments that fall under certain express exclusions, are included in “compensation earnable.” The pay at issue here satisfies the basic

New Pay Item/Code: Approve as “Compensation Earnable” and Exclude from “Pensionable Compensation” – Superior Court of California (continued)
October 17, 2024
Page 2 of 2

definition of “compensation earnable” and it is not excluded by any of the express statutory exclusions. This recommendation differs from recommendations regarding some other types of bonuses the Board has excluded from “compensation earnable” (e.g., hiring bonuses and referral bonuses) for the reasons explained in a December 17, 2020 memorandum from ACERA’s Chief Counsel. The different recommendation is because this retention bonus is broadly paid to all members of the applicable classifications and will not be subject to any manipulation or abuse.

The two relevant Government Code sections are attached.

Staff informed Superior Court that its determination will be included on the Board’s Consent Calendar for its October 17, 2024 meeting. If this item is not pulled from the Consent Calendar for discussion, then the Board will approve Staff’s determination to exclude pay item/code Retention Bonus SB170 – 170RB from “pensionable compensation” under Government Code Section 7522.34 (for PEPRA members) and include it as “compensation earnable” under Government Code Section 31461 (for Legacy members).

Attachments



Superior Court of California
COUNTY OF ALAMEDA

Finance and Facilities Division
René C. Davidson Courthouse
1225 Fallon Street, Oakland CA 94612

Memorandum

Date: May 31, 2024 **Action Requested:** New Pay Codes Approval: "Retention Bonus SB170"

To: Sandra Duenas, ACERA **Deadline:** N/A

From: Melanie Lewis, Director **Contact:** payrollunit@alameda.courts.ca.gov

Nancy Guadarrama, Sr. Accountant 510-891-6215
ngadarrama@alameda.courts.ca.gov

Subject: REQUEST FOR REVIEW: NEW PAY ITEMS/CODES - "Retention Bonus SB170"

We are submitting our request for your review and approval of the pay item "Retention Bonus SB170" has been paid to employees from July 7, 2023, through current. Please review our submittal and provide written notice of your determination as to whether the new pay item is "pensionable" or "not pensionable" which should be included in calculations to determine member's retirement benefit.

Attachments:

1. Request for Review: New Pay Item/Code Form
2. Attachment 1 – Responses to Request for Review: New Pay Item/Code - "Retention Bonus SB170".
3. Side Letter Agreement between the Court and Alameda County Official Court Reporters Association, effective 11/14/2022.

cc:

Melanie Lewis, Director, Finance and Facilities Division
Jenny Lee, Finance Manager, Finance and Facilities Division
Payroll Unit
Nicole Mallari – ACERA
Sandra Duenas – ACERA
Eva Hardy – ACERA

Attachment 1

RESPONSES TO REQUEST FOR REVIEW: NEW PAY ITEM/CODE:

“Retention Bonus SB170”

1.- State the job Classification of employees eligible for the pay item (i.e., Job Code 0499- Nurse Practitioners II may receive this pay item).

All Job Codes listed below may receive this pay item.

	Job Code	Job Classification
1.	4866	Court Reporter
2.	5013	Court Reporter (Certified Realtime – In House)
3.	4991	Court Reporter (CRR)

2.- State employment status of employees eligible to receive the pay item (i.e., full-time employees, part-time employees).

Full-time court reporters.

3.- State the number of members or employees who are eligible to receive the pay item (i.e., all members or employers in a job classification eligible to receive the pay item, or “not to exceed one employee”).

All members of the Job Codes listed below may receive this pay item.

	Job Code	Job Classification
1.	4866	Court Reporter
2.	5013	Court Reporter (Certified Realtime – In House)
3.	4991	Court Reporter (CRR)

4.- State whether pay item is for overtime or regular base pay.

The pay item is in addition to the regular hourly base pay.

5.- State whether pay item is calculated as a fixed amount or percentage of the base pay.

The pay item is a fixed amount.

6.- State whether the pay item is paid one time (i.e., incentive pay, referral pay, bonus, award).

The pay item is paid one time.

7.- State whether the pay item is an ad hoc payment (i.e., stipend, payment for attending a meeting during working hours, payment for attending a meeting during non – working hours).

The pay item is not an ad hoc payment.

8.- State whether the pay item is a reimbursement (i.e. Stipend, payment for attending a meeting during working hours, payment for attending a meeting during non – working hours).

The pay item is not a reimbursement.

9.-State regular working hours of the employees who will receive the pay item (i.e., 37.50 hour workweek employees, 40 hour workweek employees).

37.50 hour workweek employees.

10.-State whether pay items is for work performed outside of the regular workweek (i.e., payment for work or services performed outside of the employee’s 37.50 hour work week, or outside of the employee’s 40 hour work week).

The pay item is not for work performed outside of the regular workweek

11.-State whether the pay item is for deferred compensation.

The pay item is not for deferred compensation.

12.- State whether the pay item is for retro payments.

The pay item is not for retro payments.

13.- State whether the pay item is for accrued unused leave (i.e., sick leave, annual leave, floating holiday, vacation, comp time).

The pay item is not for accrued unused leave.

14.- State whether the payment is compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member or employee.

The pay item is not the compensation payment that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member or employee.

15.- State whether the payment is severance or other payment in connection with or in anticipation of a separation from employment (and state if this payment is made while employee is working).

The pay item is not a severance or other payment in connection with or in anticipation of a separation from employment.

16.- State whether the pay item is paid in one lump sum or bi-weekly (or over some other time period-monthly, quarterly, annually).

This pay item was paid as one lump sum payments of \$10,000 to all full-time court reporters who were employed on June 18, 2023, on pay date July 7, 2023.

17.- State the basis for eligibility for the pay item (i.e., certification of completion of training program conducted by an accredited university, or employee assigned as supervisor of badge distribution).

Eligibility for the Retention Bonus SB 170:

1. Compliance to the **Side Letter of Agreement between the Court and Alameda County Official Court Reporters Association**, SEIU Local 1021, **effective 11/14/2022**.
2. Employees must be in the Job Codes 4866, 5013, or 4991.
3. Employees receive 1 lump sum payment based on their employment at the Court on June 18, 2023, paid on pay date July 7, 2023.

SIDE LETTER OF AGREEMENT

Between

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

and

ALAMEDA COUNTY OFFICIAL COURT REPORTERS ASSOCIATION, SEIU LOCAL 1021

Salary:

- A. Effective at the beginning of the first full pay period following execution of the side letter, all represented court reporter classifications shall receive a 2.5% Cost of Living Adjustment, which shall accrue to all represented members' respective base rate of pay.
- B. Assuming the FY 23-24 California State Budget contains funding specifically allocated for court reporters, then effective at the beginning of the pay period including August 1, 2023, all represented court reporter classifications shall receive a 5% Cost of Living Adjustment, which shall accrue to all represented members' respective base rate of pay.

Hiring Bonus:

A bonus of \$30,000 shall be offered to all new, full-time official court reporters, to be paid out as follows:

\$15,000 at hiring

\$5,000 at the first anniversaryⁱ of employment

\$5,000 at the second anniversaryⁱ of employment

\$5,000 at the third anniversaryⁱ of employment

Finder's Fee:

Any court employee who refers a court reporter candidate to the Court for employment is eligible for a finder's fee if that court reporter, 1) names the employee as the person who referred them at the time they submit their application to the Court, 2) the court reporter is a successful candidate and is hired by the Court as a full-time regular court reporter, and 3) the court reporter passes probation. The court employee named by the candidate at the time of application will receive a \$10,000 finder's fee in two installments. The first \$5,000 finder's fee installment will be paid the first full pay period after the court reporter's start date. The second \$5,000 finder's fee installment will be paid after the court reporter passes their probationary period. The referring employee must still be employed by the Court at the time of each finder's fee installment to receive that installment.

Retention Bonus for Current Full-Time Regular Court Reporters:

For each full-time regular court reporter that is employed with the Court as of the effective date of this Side Letter and is still employed with the Court in a full-time regular court reporter position on June 18, 2023, will receive a \$10,000 retention bonus on pay date July 7, 2023.

FOR THE SUPERIOR COURT:



DATE: 11/14/2022

FOR ACOCRA:



DATE: 11-14-2022

 (PETER MASLAK)

11/14/22

ⁱ "Anniversary" date is based on paid hours, consistent with other longevity bonuses, merit and step increases for tenured employees.

Gov. Code Sec. 31461. (a) "Compensation earnable" by a member means the average compensation as determined by the board, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation, as defined in Section 31460, that has been deferred shall be deemed "compensation earnable" when earned, rather than when paid.

(b) "Compensation earnable" does not include, in any case, the following:

(1) Any compensation determined by the board to have been paid to enhance a member's retirement benefit under that system. That compensation may include:

(A) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member, and which was converted to and received by the member in the form of a cash payment in the final average salary period.

(B) Any one-time or ad hoc payment made to a member, but not to all similarly situated members in the member's grade or class.

(C) Any payment that is made solely due to the termination of the member's employment, but is received by the member while employed, except those payments that do not exceed what is earned in each 12-month period during the final average salary period regardless of when reported or paid.

(2) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, in an amount that exceeds that which may be earned in each 12-month period during the final average salary period, regardless of when reported or paid.

(3) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(4) Payments made at the termination of employment, except those payments that do not exceed what is earned in each 12-month period during the final average salary period, regardless of when reported or paid.

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means 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.

(b) Compensation that has been deferred shall be deemed pensionable compensation when earned rather than when paid.

(c) "Pensionable compensation" does not include the following:

(1) Any compensation determined by the board to have been paid to increase a member's retirement benefit under that system.

(2) Compensation that had previously been provided in kind to the member by the employer or paid directly by the employer to a third party other than the retirement system for the benefit of the member and which was converted to and received by the member in the form of a cash payment.

(3) Any one-time or ad hoc payments made to a member.

(4) Severance or any other payment that is granted or awarded to a member in connection with or in anticipation of a separation from employment, but is received by the member while employed.

(5) Payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off, however denominated, whether paid in a lump sum or otherwise, regardless of when reported or paid.

(6) Payments for additional services rendered outside of normal working hours, whether paid in a lump sum or otherwise.

(7) Any employer-provided allowance, reimbursement, or payment, including, but not limited to, one made for housing, vehicle, or uniforms.

(8) Compensation for overtime work, other than as defined in Section 207(k) of Title 29 of the United States Code.

(9) Employer contributions to deferred compensation or defined contribution plans.

(10) Any bonus paid in addition to the compensation described in subdivision (a).

(11) Any other form of compensation a public retirement board determines is inconsistent with the requirements of subdivision (a).

(12) Any other form of compensation a public retirement board determines should not be pensionable compensation.



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 17, 2024
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: Request to Travel Outside of the United States

In accordance with Section III.F (Page 3) of the *Board Travel Policy*, Trustees requesting travel outside of the United States are required to obtain the Board's approval [**See** Enclosure 1.].

Trustee Keith Carson is requesting the Board's approval to travel outside of the United States to:

1. Milken [Global Investors' Symposium](#), Mexico City on October 24, 2024; and
2. Milken Middle East and Africa Summit, Abu Dhabi on December 5-6, 2024.

Trustee Carson received complimentary passes for both events.

To date, the Board has not voted per this requirement of the *Policy*. No other Trustee has requested authorization for foreign travel.

Recommendation

That the Board consider Trustee Keith Carson's request to travel outside of the United States to attend both the Milken Global Investors Symposium and the Milken Middle East and Africa Summit.

Enclosure: 1) *Board Travel Policy*
2) Milken Global Symposium Agenda
3) Milken Middle East and Africa Summit Brochure

ENCLOSURE 1



Board Travel Policy

I. Purpose

- A. To encourage ACERA Trustees (“Trustees”) to pursue educational and business-related initiatives that will assist the Trustees in meeting their fiduciary duties to administer the pension plan;
- B. To facilitate Trustees’ participation in such activities;
- C. To ensure that expenditures incurred from travel or business-related activities are prudent and cost-effective, and to mitigate the risk of improprieties arising from these activities.

II. Assumptions

The Travel Policy rests on the following important assumptions:

- A. Prudent oversight of a public sector pension plan requires that Trustees travel to business meetings and educational conferences or seminars held in or outside of the State of California. Travel and related costs incurred in doing so not only represent legitimate expenses of the plan, but are a sound investment in the ongoing success of the organization in meeting the needs of the membership.
- B. Any expenditures relating to travel by ACERA Trustees and reimbursement of travel-related expenses by the plan must comply with the Board’s fiduciary obligations to plan members and beneficiaries.
- C. Trustees shall disclose all expenditures and expenses for which they seek reimbursement on claim reimbursement form.

III. Policy Guidelines

- A. ACERA Trustees are authorized to incur reasonable expenses necessary to fulfill their fiduciary or operational duties pursuant to the Board Education Policy, subject to the guidelines contained herein and consistent with ACERA's Conflict of Interest Policy. ACERA shall reimburse Trustees for business and travel-related expenses consistent with this Travel Policy.
- B. Trustees shall ensure that all business and travel-related expenses are reasonable using ACERA specific business-related expense guidelines attached as Exhibit A.
- C. Each Trustee is allotted \$17,750 for the calendar year effective January 1, 2024. The allotment for each Trustee shall automatically increase by the Consumer Price Index (CPI) for the greater San Francisco area effective January 1 of each year, subject to budgetary constraints. Staff will automatically update the Policy to reflect the new allotment and will notify the Committee of the new amount each year.
- D. Excluded from the allotted annual amount are the following educational opportunities which provide unique, high-level learning opportunities for Trustees which are more expensive than typical training opportunities and in which Trustees are unlikely to participate every year:
 - 1. Half of the total expenditures of the Milken Global Institute conference. The total expenditures include conference fee, airfare, accommodation and other travel costs.
 - 2. For first time Trustees, the Wharton Portfolio Concepts and Management and CALAPRS Principles of Pension Management or comparable Wharton and CALAPRS Programs.
 - 3. The advanced Wharton and CALAPRS pension management trainings may be taken by each Trustee once every three years.
- E. Should a Trustee desire to incur business and travel-related expenses which exceed the annual allotment, the Trustee must receive approval from the Board before incurring the expense. Special consideration will be given to requests by New Trustees, who are encouraged to attend educational seminars to obtain sufficient knowledge to better prepare them to execute their fiduciary responsibilities and govern the system.

- F. In light of ACERA's asset allocation to international investments, the Board may authorize travel outside the U.S. if such a travel request is deemed to be consistent with all of the provisions in this Policy and the Conflict of Interest Policy. The Trustee shall seek approval for travel outside the U.S. from the Board.
- G. Trustees agree to make every attempt to attend any programs for which they have signed up to avoid the loss of travel and related expenses incurred by ACERA.
- H. Reservations for airline tickets and hotel accommodations may be made through the office of the CEO.
- I. When traveling by air Trustees may extend their trip if it will result in no additional cost or if it will result in a net savings to ACERA.
- J. Staff will provide each Trustee with a monthly statement listing the individual Trustee's travel and business related expenditures to date.
- K. Staff will provide the Operations Committee with a quarterly report identifying expenditures and the educational conferences that each Trustee has attended to date.

IV. Policy Review

The Operations Committee will review this policy every three years to ensure that it remains relevant and appropriate. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

V. Policy History

The Board reviewed and affirmed this policy, with revisions, on January 18, 2024.¹

¹ The Board adopted the Board Travel Policy on September 16, 1999. The Board reviewed and affirmed, with revisions, on September 20, 2001; May 19, 2005; May 18, 2006; November 9, 2006; October 18, 2007; November 19, 2009; March 18, 2010; January 20, 2011; November 8, 2012; September 19, 2013; October 16, 2014; November 12, 2015; June 22, 2017; February 15, 2018 and November 21, 2019. The Board reviewed and affirmed, without revisions, on November 9, 2011. The Policy is automatically updated from time to time to reflect the CPI adjusted travel allotment.



Board Travel Policy, Exhibit A Specific Travel Guidelines for Trustees

I. Purpose

These guidelines summarize the procedures for authorization and reimbursement of business and travel-related expenses for Trustees.

- A. The governing principle for business and travel-related expense reimbursement is that Trustees should neither profit nor suffer monetarily as a result of acquiring education and/or conducting ACERA business.
- B. Business and travel-related expenses include costs directly paid by ACERA to either an outside vendor for transportation, lodging, and related expenses, or to Trustees for reimbursement of incidental travel costs such as meals, tips, and baggage costs, incurred during the course of acquiring Trustee education or conducting ACERA business.
- C. ACERA will neither pay for nor reimburse a Trustee for business or travel-related expenses that have been or will be paid for or reimbursed from any outside sources.
- D. Trustees are expected to follow this Board Travel Policy in a manner that minimizes expenses and fairly assigns the costs of business-related activities to ACERA.

II. Reimbursement Request Responsibility And Requirements

- A. Trustees are required to comply with the Board Travel Policy. The Trustee requesting reimbursement or incurring the expense is responsible for ensuring all the following:
 - 1. The travel and other expenses are directly related to an approved education or business matter;
 - 2. Mileage and other reimbursement calculations are accurate; and
 - 3. Proper business justification and supporting documentation have been provided to ACERA for processing the expense.

- B. Trustees must account for all business and travel-related expenses.
 - 1. Substantiation of the expense requires the original receipts (a digital or photo copy of the original receipt is acceptable), printed confirmation of itinerary or order confirmation if purchased on the internet, and an adequate record of each expense indicating the provider of service or product, amount, date, and location of expense.
 - 2. Submit reimbursement within 45 days of completion of travel or the date the expense was incurred. Exceptions to the 45-day timeframe will be made for extenuating circumstance (e.g., illness, emergency, or unforeseen absence).
- C. The CEO or designee is responsible for approving a Trustee's request for reimbursement by verifying the following:
 - 1. Expenses were related to an approved business matter;
 - 2. Expenses are documented as required and the Board Travel Policy has been applied;
 - 3. Expense reports or other requests for reimbursement are both mathematically accurate and reasonable in amount in light of the business purpose; and
 - 4. The applicability of any exceptions.

III. General Expense Provisions

- A. ACERA will reimburse tips or gratuities for travel and business services such as meals, baggage handling and storage, ground transportation and hotel services. Reasonable and customary tips for meals are 15-25% of the bill. Tips for other services will be in amounts that are reasonable and customary for the service rendered.
- B. ACERA will not provide, pay for, or make reimbursements for the travel-related expenses of companions or spouses who accompany a Trustee on ACERA business.
- C. ACERA will not reimburse or pay for personal items or services unrelated to a valid business or educational purpose.
- D. At no time, and under no circumstances, stated or unstated in this Board Travel Policy, will ACERA reimburse or pay for alcoholic beverages.

IV. Automobile, Shuttle, Taxi and Alternative Transportation

A. Generally,

1. Trustees will select a reasonable and cost effective means of transportation such as personally owned vehicles, rental cars, taxis, shared economy options (e.g., Uber or Lyft), Bay Area Regional Transit (BART), Alameda County (AC) Transit and other forms of public transportation.
2. Trustees shall maintain receipts to obtain reimbursements. Fees for transportation, parking and tolls are all reimbursable.
3. ACERA will not reimburse for parking tickets, fines for moving violations, vehicle towing charges, or auto repairs and maintenance.

B. Personally Owned Vehicles (POV)

1. Trustees may only use their POV for ACERA business if they are in possession of both a valid driver's license and maintain current comprehensive auto insurance, including liability limits that match those carried by ACERA's vehicle insurance policy. If not, the Trustee is not authorized to drive for ACERA business travel.
2. Trustees may use their POV instead of flying if they provide documentation that the cost of using a POV is comparable to flying and, if needed, airport transportation and rental car charges at the final location.
3. Reimbursement for mileage is based on the Internal Revenue Service's (IRS) business standard mileage rate. ACERA will only reimburse mileage for the most reasonably direct route (given traffic and other constraints) driven solely for business purposes.

C. Mileage Expenses

1. To receive reimbursement for mileage, Trustees must complete an expense report specifying the purpose of the trip, point of origin, destination and date of trip. Trustees shall submit a documented route through a mapping service to verify the mileage.

2. Mileage shall ordinarily be computed one of the following two ways, depending upon the circumstance: (a) Between the Trustee's office and the common carrier or destination (if Trustee left for travel from the workplace); or (b) Between the Trustee's residence and the common carrier or destination (if Trustee left from his or her residence).

D. Rental Car Travel (Domestic and Foreign)

1. Rental cars are authorized only when another form of ground transportation is either unavailable or would create an unreasonable hardship for the Trustee. Trustees shall rent cars that are economical and reasonable.
2. Rental vehicles for ACERA business purposes are subject to the following conditions:
 - a. All drivers of rental vehicles must be over the age of 25 unless pre-approved by the CEO or designee.
 - b. ACERA's automobile insurance provides liability coverage, but does not provide coverage for any physical damage to the automobile. Collision insurance coverage provided by the rental agency is required for all vehicles.
 - c. If a rental vehicle is required for travel outside the United States, the Trustee is required to contact ACERA's Legal Department or Administration Department to ensure the agency's automobile insurance policy coverage is in force at the foreign destination.
 - d. Any accident involving a rental vehicle must be reported in writing within 24 hours to both the car rental agency and the CEO or designee except in cases of injury rendering the ACERA Trustee unable to report within 24 hours.
3. Trustees are required to cooperate in the investigation of any accident involving their rental car.

V. Airline Travel

A. Airline Fares

Airfares should be the most economical that are reasonable under the circumstances regardless of whether ACERA purchases the tickets or Trustees purchase their own airline tickets.

B. Baggage and Lost Luggage/Items

The airline charge for one checked bag is a reimbursable business expense. Charges for more than one bag will be reimbursable under the following circumstances:

1. The Trustee is transporting ACERA business and/or conference materials; or
2. The Trustee is on a travel period longer than 3 days or is traveling internationally.

ACERA does not purchase or maintain insurance coverage for lost luggage or the personal belongings of Trustees while on ACERA business travel.

C. Parking or Other Forms of Transportation for the Airport

Airport or other business parking will be reimbursed. Trustees are urged to seek cost effective transportation to and from the airport such as shuttles or other public transportation.

VI. Lodging

A. Generally:

1. ACERA will directly pay for or reimburse for lodging expenses for a standard room during ACERA-related travel, which could also include an upgraded room where there is no increased cost.
2. ACERA will reimburse for business related services such as Wi-Fi connection, printing, and faxing when such expenses are incurred for authorized business travel.
3. If paying with a personal credit card, the Trustee must present an itemized hotel bill for reimbursement of lodging expenses.

B. Cancellations

1. ACERA will pay for costs incurred as a result of a hotel room cancellation only under extenuating circumstances such as illness or emergency.
2. A written explanation for the cancellation verified by the CEO or designee must be submitted to the Fiscal Service Department within 15 days of the cancellation.

C. “No-Show” Charges

1. Trustees are responsible for requesting a refund from the hotel for a “no show” charge regardless of whether ACERA or the Trustee made the reservation.
2. In the case of flight delays or cancellations which are outside of a Trustee’s control, ACERA will reimburse for additional expenses incurred to continue travel, such as rebooking fees or increased airfares.

VII. Meals For Business Meetings While Traveling

A. Trustee only Business Meals

1. ACERA will reimburse for meals during business-related travel (as distinguished from local business meals covered below in Section VIII) at a rate not to exceed \$150 per person, per day. The \$150 limit applies to the total cost, including all taxes, tips and other charges. Receipts for all meals are required.
2. As a general rule, Trustees are not expected to incur personal expense for meals while attending conferences, training workshops, and similar activities. If meals are provided and paid for as part of the cost of attendance, Trustee should exercise fiduciary responsibility and make a reasonable adjustment to the \$150 a day meal allowance. If, however, dietary restrictions prevent consumption of provided meals, no adjustment in the meal allowance is expected.

B. Business Meals for Others

1. Trustees may pay for the meals of other ACERA Trustees as part of a business-related meeting.
2. ACERA will also reimburse Trustees for meals paid for on behalf of other meeting attendees so long as the meal is for an ACERA business purpose and the expense is reasonable in light of that business purpose.
3. The receipt submitted by the Trustee must include the business justification for the expense and the names of all meal recipients and their affiliation with ACERA.

VIII. Meals For Business Meetings When Not Traveling

A. Trustee Only Business Meals

1. ACERA will reimburse Trustees for meals incurred as part of a meeting only where the primary purpose of the meeting is to conduct ACERA business and there is a valid business need to meet over the meal.
2. The receipt submitted by the Trustee must include the name of each meal recipient and the business purpose for purchasing the meal for the others. Meals under this circumstance should not exceed \$37.50 each for breakfast and lunch and \$75 for dinner per person. The limits apply to the total cost, including taxes, tips and other charges.

B. Trustee Only Meals at Local Conferences, Seminars, Workshops, etc.

1. ACERA will reimburse Trustees for the cost of their meals when attending a local conference, seminar, workshop, presentation, or other similar group meeting when it extends through the usual mealtime.
2. The receipt submitted by the Trustee must include the purpose of the meeting and should not exceed \$37.50 each for breakfast and lunch and \$75 for dinner. The limits apply to the total cost, including all taxes, tips and other charges.
3. Meals provided and paid for by ACERA for in-house training, seminars, workshops, or meetings are not included in this Board Travel Policy.

IX. Lost Receipts

- A. A receipt or a credit card statement is required for all requests for reimbursement of purchases over \$5.
- B. If a Trustee loses a receipt and cannot obtain a duplicate, the Trustee may receive reimbursement by providing ACERA with a completed Affidavit Form for Business Expenses without Receipt. The use of affidavits is expected to be an exception and not a regular practice.

ENCLOSURE 2

27 Sessions

PROGRAM VIEW:

Short Summary

 **PRINT**

— **Wednesday, October 23, 2024**

BACK TO TOP ↑

Women Powering Growth (Invite only)

 2:00 - 4:00 PM CST

Amidst dropping rates of population growth and exhausted male labor force potential, women are key to maintaining Mexico's growth momentum. With only 43.5 percent of working-age women actively employe...

Reception for Speakers and Sponsors | What's Next for the US-Mexico Relationship (Invite only)

 7:00 - 9:00 PM CST

The year 2024 marks a pivotal chapter in the US-Mexico relationship as elections unfold on both sides of the border and the USMCA review approaches. These countries share one of the world's most dynam...

— **Thursday, October 24, 2024**

BACK TO TOP ↑

Global Investors' Symposium Check-In

 8:00 - 9:00 AM CST

Senior Regional Leaders Roundtable (Invite only)

 8:00 - 9:00 AM CST

In this exclusive, off-the-record gathering, senior leaders from Mexico and Latin America will discuss the most pressing economic challenges and the greatest opportunities, from both regional and glob...

Opening Plenary

🕒 9:00 - 10:15 AM CST

Part 1: Investing in the Americas: A Conversation with US Senator Bill Cassidy

🕒 9:00 - 9:35 AM CST

Join US Senator Bill Cassidy for an engaging discussion on the importance of investing in the Americas and how to unlock economic potential and strengthen partnerships across the Western Hemisphere. D...

Part 2: Global Overview: Pathways to Inclusive Growth

🕒 9:35 - 10:15 AM CST

In an era of unprecedented global integration, business and financial markets are more interconnected, tech-driven, and fast-paced than ever before. These forces, while offering opportunities, also am...

The Future of North America: A Conversation with H.E. Esteban Moctezuma, Ambassador of Mexico to the US

🕒 10:15 - 10:35 AM CST

Join us for an insightful conversation with H.E. Esteban Moctezuma, Mexico's Ambassador to the United States on Mexico's pivotal role in shaping the future of North America, emphasizing its strategic ...

Brazil at the Crossroads: Driving Innovation and Sustainable Growth (Invite only)

🕒 10:30 - 11:30 AM CST

This private session will explore Brazil's pivotal position as a driving force in innovation and sustainable growth within the Global South. The discussion will focus on Brazil's potential to shape th...

Investing in Sustainable and Resilient Food Systems: The Latin American Perspective (Invite only)

🕒 10:30 - 11:30 AM CST

Against a backdrop of increasingly severe weather events, evolving trade agreement negotiations, and competition for land and water resources, countries across Latin America have made reducing greenho...

Evolution of Supply Chains in the Era of Nearshoring

🕒 10:35 - 11:15 AM CST

Supply chain disruption is no longer an occasional challenge but a daily reality for global operations. Factors such as the US-China trade war, retaliatory tariffs, sanctions, inflation, political ins...

Networking Break

 11:15 - 11:45 AM CST

Capitalizing on Global Markets Growth

 11:45 AM - 12:30 PM CST

Emerging markets are demonstrating remarkable resilience and growth, driven by strong domestic demand, easing inflationary pressures, and robust consumer spending. With rapid wage growth, and low unem...

Driving Growth: The Power of Long-Term Savings (Invite only)

 12:00 - 1:00 PM CST

As more individuals across Latin America enter the formal savings system, the region is unlocking new opportunities for investment and economic growth. Long-term savings not only provide financial sec...

Philanthropic Trends in Latin America: Bridging Generations and Corporate Impact (Invite only)

 12:00 - 1:00 PM CST

This private roundtable will delve into the evolving landscape of philanthropy in Latin America, with a particular focus on the expanding role of corporate giving. The session will explore how traditi...

The Private Equity Edge

 12:30 - 1:15 PM CST

Private investment strategies have continued their trajectory of growth as investors seek higher returns, diversification, and protection against volatile equity markets. Yet the current economic and ...

Networking Break

 1:15 - 1:45 PM CST

Lunch Program | A Conversation with Michael Milken, Chairman, Milken Institute

 1:45 - 3:00 PM CST

Networking Break

 3:00 - 3:30 PM CST

Green Investments for a Sustainable Economy

 3:30 - 4:15 PM CST

In response to the COP28 agreement to phase down oil and gas, corporations are actively reassessing and revising their net-zero strategies. As industries progress toward decarbonization, they encounter...

Navigating Mental Health Regulations: The Financial and Social Impact on Employers (Invite only)

 3:30 - 4:30 PM CST

Mexico ranks among the lowest in Latin America when it comes to mental health awareness and access to treatment, falling short of international standards according to the World Health Organization. Si...

Fulfilling Fintech's Promise

 4:15 - 4:45 PM CST

The fintech ecosystem in Latin America is booming. The Inter-American Development Bank reports that the sector has grown by 340 percent since 2017, encompassing over 3,000 startups across 26 countries...

Banking on an Inclusive Future

 4:45 - 5:30 PM CST

As the 15th largest economy in the world and leading exporter in the Latin America, Mexico faces significant challenges in financial inclusion, with only 37 percent of adults having bank accounts and ...

Forum for Family Asset Management (Invite only)

 4:45 - 5:45 PM CST

Family offices are unique, evolving entities that mature over generations. As we experience the largest wealth transfer in history—an estimated \$84 trillion passing from Baby Boomers and the Silent Ge...

Networking Break

 5:15 - 5:30 PM CST

Closing Reception

 6:00 - 8:00 PM CST

Young Leaders Circle Reception (Invite only)

 8:00 - 10:00 PM CST

ENCLOSURE 3



MILKEN
INSTITUTE

MIDDLE EAST AND AFRICA SUMMIT 2024

Investing in a Shared Future

DECEMBER 5-6, 2024

ABU DHABI, UNITED ARAB EMIRATES

The global landscape is changing quickly, driven by rapid technological progress and an evolving geoeconomic environment. We are confronted with pressing issues such as climate change, public health crises, and energy insecurities. To navigate this complex environment, we must rely on groundbreaking solutions backed by sound policies and investments. As we adjust to these changes, enhanced cooperation across regions, disciplines, cultures, and communities is vital. Collaboration and a shared vision for the future are more imperative than ever, as the choices we make today will have a profound impact on the environments, economies, and societies of tomorrow.

The Middle East and Africa are regions marked by a dynamic blend of technological innovation, geopolitical challenges, and burgeoning economic opportunities. In the Middle East, countries such as the United Arab Emirates and Saudi Arabia are spearheading advancements in sectors including artificial intelligence and renewable energy to boost economic diversification. However, the region continues to grapple with geopolitical realities and complex relationships with its neighbors. Africa, meanwhile, is experiencing a technological revolution, particularly in FinTech and mobile banking, driven by a youthful, entrepreneurial population. Nonetheless, nations across the continent face significant challenges, including political instability and ongoing security crises ranging from food and water scarcity to border disputes and domestic disruptions.

Despite these challenges, both regions present substantial economic potential, with significant investments in infrastructure and an increasing focus on sustainable development. We invite you to join us in the UAE to discover new ideas and innovations that pave the way for a more promising future.

The sixth annual Milken Institute Middle East and Africa Summit will center on the theme "Investing in a Shared Future." This event will provide the premier platform for world-renowned thought leaders, senior executives, investors, government officials, and philanthropists to address the globe's most pressing issues and collectively develop strategies to ensure meaningful and prosperous lives for all.

AREAS OF FOCUS

- AI, Technology, and Innovation
- Business and Industry
- Capital Access and Economic Opportunity
- Financial Markets
- Health and Medical Research
- Philanthropy and Social Impact
- Policy, Politics, and Regulation
- Regions and Developing Markets
- Security and Risk
- Society and Culture
- Sustainability and Environment

UPCOMING MILKEN INSTITUTE EVENTS

Hamptons Dialogues

New York | August 22-25, 2024

Asia Summit

Singapore | September 18-20, 2024

Global Investors' Symposium

Mexico City | October 24, 2024

Future of Health Summit

Washington, DC | November 13-14, 2024

South Florida Dialogues

Palm Beach and Miami | January 31-February 4, 2025

Global Conference

Los Angeles | May 4-7, 2025

milkeninstitute.org

speakers@milkeninstitute.org

#MIGlobal



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 17, 2024
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: Voting Proxy on SACRS Business Meeting Action Items

As you are aware, the State Association of County Retirement Systems (SACRS) will be conducting its Business Meeting at the Fall Conference on November 15, 2024. There are three action items the Board of Retirement can vote on, if it chooses to do so. The action items are as follows:

- Secretary's Report-Receive and File
- Treasurer's Report-Receive and File

The above referenced items are common, and fairly pro-forma.

Additionally, there is a legislative proposal that would make two changes to the County Employees' Retirement Law to clarify language implemented with PEPRRA. Those changes are provided in the attachments.

Recommendation

I would recommend you advise me to vote to receive and file and approve the Secretary and Treasurer's Reports and to vote to support the legislative proposal.

Your options are to:

1. Instruct the CEO (or his Designee) on how to vote on each individual SACRS action item.
2. Give the CEO (or his Designee) authority to vote proxy on all the SACRS action items using his discretion on behalf of the Board of Retirement, which includes voting for the legislative proposal.

Enclosure: 1) SACRS Business Meeting Packet

SACRS BUSINESS PACKET



August 16, 2024

RE: SACRS Legislative Proposals 2025

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2025 legislative session. These proposals reflect the input of SACRS member systems and are intended to provide technical and administrative clarity to various sections of the County Employees Retirement Law of 1937 (CERL).

The following proposed amendments to the CERL correct drafting omissions following the implementation of PEPRA in 2013:

- Three-Year Final Compensation (Government Code Section 31462.05): This amendment clarifies how the three-year final compensation period is calculated when a member has less than 36 months of service, consistent with similar sections of law.
- Safety Designation (Government Code Section 31470.14): This amendment clarifies that service for miscellaneous positions that are converted to safety positions after January 1, 2013, cannot be retroactively enhanced.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. These amendments represent process improvements that will provide administrative efficiencies to retirement systems and members.

Respectfully,

/s/

David Nelsen and Eric Stern
Co-Chairs, Legislative Committee

ATTACHMENT

- SACRS 2025 Legislative Proposal – Draft Language

SACRS 2025 Legislative Proposal
DRAFT LANGUAGE
As of August 16, 2024

31462.05.

(a) For a member who is subject to the California Public Employees' Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1) for all or any portion of their membership in the county retirement system, "final compensation" as defined in Section 7522.32 shall apply. The computation for any absence shall be based on the pensionable compensation of the position held by the member at the beginning of the absence.

(b) If a member has less than three years of service, that member's final compensation shall be determined by dividing the total pensionable compensation by the number of months of service credited to the member and multiplying by 12.

~~(c) When determining final compensation for a member who does not have three consecutive years of earned pensionable compensation due to an absence, the compensation for any absence shall be based on the pensionable compensation of the position held by the member immediately prior to the absence.~~

31470.14.

(a) Local prosecutors, local public defenders, and local public defender investigators are eligible.

(b) Except as provided in subdivision (c) and notwithstanding Sections 31639.7 and 31639.75, past service as a general member shall be converted to safety service if the past service was rendered in a position that has subsequently been reclassified as a safety position pursuant to this section before January 1, 2013. On or after January 1, 2013, any enhancement to safety service shall be subject to Section 7522.44. For local prosecutors, as described in paragraph (2) of subdivision (a) of Section 31469.2, service in the office of a district attorney and a local child support agency shall be considered service for the district attorney for purposes of this section.

(c) Notwithstanding any other provision of this chapter, within 90 days after this section becomes operative in the county, or on the first day of the calendar month following his or her entrance into service, whichever is later, a local prosecutor, local public defender, or local public defender investigator may file a written election not to become a local safety member pursuant to this section.

(d) Notwithstanding any other provision of this chapter, local prosecutors, local public defenders, and local public defender investigators shall be subject to the benefit formula contained in Section 31664 or 31664.2, or any other benefit formula applicable to safety members that does not provide benefits greater than those benefits provided under Section 31664.2, as designated in the resolution described in subdivision (e). A local prosecutor, local public defender, or local public defender investigator shall not be deemed to be a county peace officer, as defined in Section 31469.1, for any purpose under this chapter.

(e) This section shall not be operative in a county unless and until the board of supervisors, by resolution adopted by majority vote, makes this section operative in the county. A resolution to make this section operative in the county shall include all local prosecutors, local public defenders, and local public defender investigators described in Section 31469.2.

(f) A provision in a memorandum of understanding that an employer is not obligated to meet and confer regarding wages, hours, or conditions of employment during the term of the memorandum shall not be construed to preclude meetings regarding the provisions of this section between an employer and local prosecutors, local public defenders, and local public defender investigators prior to the expiration of the term of the memorandum of understanding.

(g) This section does not apply to any person described in Section 31469.2 who dies prior to the date this section becomes applicable in the county.



September 12, 2024

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Vivian Gray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2025-2026 - Elections Notice

SACRS BOD 2025-2026 election process will begin January 1, 2025. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2025	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2025	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2025	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 10, 2025	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25. The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of



SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 13-16, 2025. Elections will be held during the Annual Business meeting on Friday, May 16, at the Omni Rancho Las Palmas, Rancho Mirage.

If you have any questions, please contact Vivian Gray at vgray@lacara.com.

Thank you for your prompt attention to this timely matter.

Sincerely,

Vivian Gray

Vivian Gray, Trustee, Los Angeles CERA and SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

SACRS Nomination Submission Form



SACRS Board of Directors Elections 2025-2026

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2025.** Please submit to the Nominating Committee Chair at vgray@lacera.com **AND** to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name:
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: Email Address: Phone:
Name of Retirement System Candidate Currently Serves On	System Name:
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio in Paragraph Format (CV format and screenshot photos will not be accepted)	



MEMORANDUM TO THE BOARD OF RETIREMENT

DATE: October 17, 2024

TO: Members of the Board of Retirement

FROM: Lisa Johnson, Assistant Chief Executive Officer

SUBJECT: **2024 Board of Retirement Election Update**

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

The nomination period for the 2024 Board of Retirement Election closed on September 30, 2024. There were four (4) requests for an Election Information Packet for the Second Member to represent the General Members on the Board of Retirement. Ms. Kellie Blumin Simon, the incumbent Second Member, was the only person to submit the required nomination papers and be certified as a candidate for the election of the Second Seat to represent the General Members on the Board of Retirement.

Pursuant to Government Code Section 31523 and ACERA's Board Election Policy, if only one candidate is certified for any designated seat, the Board of Supervisors shall order that no election be held and shall direct the Clerk of the Board of Supervisors to cast a unanimous ballot in favor of the nominated member. ACERA's staff will work with the Board of Supervisors to complete this process on behalf of Ms. Blumin Simon.

Ms. Blumin Simon will serve a 3-year term on the Board of Retirement commencing January 1, 2025 and ending December 31, 2027.



Office of the Chief Executive Officer

DATE: October 17, 2024
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer's Report**

Senior Manager Recruitment

None

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS

Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Off-Site Meeting	Dave Nelsen	Summer Fall 2024	10/30/2024	The Board Off-Site meeting has been scheduled and agenda development is underway.

Conference/Event Schedule

None.

Other Items

Business Planning Update

See Attached Memo regarding 2024 Business Plan.

Legislative Update

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

Other Items

Pension Administration System: As of October 1, we are live with PG 3 as our new system of record! Issues identified during parallel processing have been addressed. Our Employer Direct portal and Member Direct web services also went live on the same date. This project started in February of 2020, and despite the impacts of COVID, and changing requirements due to the decision to eliminate straddling, we implemented only two months after our original go live date of August 2024. This slightly later date was also due to deciding to implement Employer Direct and Member Direct at the same time as we went live with PG3. They were originally scheduled to be implemented in December of 2024. This success is entirely due to the effective planning, hard work and seamless collaboration between ACERA, Segal and LRS.

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

As of the end of August, we are still over budget by 0.47%, or \$83,000. Given the impact of recent salary increases (COLAs and Longevity payments), and Investment team salary realignments and vacancy filling, it doesn't appear we will be able to finish the year under budget. We will bring a budget adjustment request to the Board in November.

Other: It has come to our attention that at least some inclusion of stand by pay in retirement calculations may need to be reversed. As you know, stand by pay was part of the original Alameda case, and a judge ordered ACERA in 2014 to continue including this pay type as long as it was mandatory across all members of a class throughout their career. We will be working with employers to determine whether those requirements were actually implemented. More information on this issue will be provided to the Board after we get clarity from the Employers, which will begin with our Employer meeting in early November.

Key Performance Indicators

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

Scorecard KPI	2022 Performance Goal
PRUDENT INVESTMENT PRACTICES	
Portfolio Performance vs. Policy Benchmark	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> As of August of 2024: 10 year return 7.54%, policy index 7.63%.
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2024 approved budget</i> As of August of 2024: 0.47% over budget.
COMPREHENSIVE ORGANIZATION DEVELOPMENT	
Employee Engagement Survey Results	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> As of the latest survey (October of 2023): 73%.
SUPERIOR CUSTOMER SERVICE	
Service Excellence Survey	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> For 2 nd Quarter of 2024: 100%.

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

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

All training material developed in Q1 and Q2 2024 is now available in the Benefits Training Library on the ACERA agency intranet (ACERA Connect). Fiscal services will begin activities related to procedural updates starting in Q4 2024. Completed training materials will be added to the ACERA Connect department training libraries when ACERA Connect Content Management Training is complete for each department.

**2. PGV3 (Pension Administration Replacement Project)
Goal 2 (October 2024) & Goal 3**

Parallel Processing is complete. We are officially live with the Pension Gold V3 system. The updated Member Portal is now live. The phased communication plan for adoption of the new portal is now active. The Business Units and IT are meeting during the month of October to further identify minimum product needs for document and workflow capabilities using OnBase-PG integration capabilities. Key modifications to V3 user access have been prioritized. Discussions with LRS on key modifications will begin in mid-October.

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

Some additional compatibility training on existing Case Managers post V3 go-live, is scheduled for October to support user readiness. The product roadmap for all OnBase work for Q4 2024-Q4 2025 was completed and presented to the internal project team.

A prioritization of tasks and activities in the pipeline was developed and a proposed schedule for 2025 is now available. The baseline 2025 schedule was presented to management in project governance and accepted. A proposal for newly identified project work will be presented to Senior Leadership for updates to the Strategic Plan for 2025. Once approved Project#3 under the 2024 Strategic Plan can be officially closed.

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

As part of monthly reporting and Total Fund snapshot reports to the Board, Investments produces materials that report performance of funds compared to the appropriate benchmarks. However, Investments does not have the license to access Private Market benchmarks and has not been able to include the benchmark data.

Investments searched for vendors and methods to gain direct access to the Cambridge Associates Private Benchmark data through S&P Dow Jones Indices. A vendor has been selected who can provide ACERA and the State Street Bank Performance team with the necessary access to aid in providing timely benchmark performance reporting monthly. ACERA Legal has sent the contract to the vendor for legal review on September 28th. Overall, the finalization and full execution of the contract is expected to be completed by November 30th.

5. WFE Phase II

Goal 2 (Complete in October 2024)

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

6. Agency Intranet Solution Implementation

Goal 2 (December 2024)

The SharePoint Files Management along with migration of the network files to SharePoint continues with target completion in late October. Development of ACERA Content launches this month with a target completion in late October. Department training sessions on managing content in the Department Training Library page(s) also launches this month with a target completion of 10/31.

7. Great Plains Update Planning and Process Improvement Review

Goal 3 (March 2024 – December 2024)

During calendar year 2024, Accounting processes and interfaces will be reviewed for process improvement opportunities. The Technology and FISCAL SERVICES TEAMS will work together to research the best tools and technology for upgrades in this area. The processes FISCAL SERVICES will continue to review are primarily around Accounts Payable. Process review will continue throughout calendar 2024.

LEGISLATIVE UPDATE



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

Capitol Update

The Governor just met his 30-day deadline to take action on the 990 bills that were sent to his Desk. Overall, he vetoed 183 bills, making his veto rate roughly 18% - which has been about his average. Some of the bills that met his red pen were automatic voter registration, a major AI safety bill, and a bill that would have let undocumented immigrants eligible for home loans. During these last few weeks, the Assembly has convened their 2nd Extraordinary Session to consider legislation aimed at easing gas price spikes, including the Governor's proposal that would require oil refineries to maintain a minimum supply of fuel. Although, not thrilled with being stuck at the Capitol, legislators are in full campaign-mode, with almost a third of the Legislature's seats turning over in the 100 legislative districts up for election.

SACRS is tracking the following bills:

- **SB 1189 (Limon)** – This bill authorizes the Ventura County Employees' Retirement Association to appoint a Chief Technology Officer. Status: This bill was signed by the Governor on 7/15
- **SB 1379 (Dodd)** – This bill creates an exception to PEPRA from the 960-hour limitation on retired public employees working after retirement for hours worked in an appointment by Solano County Sheriff's Office. Status: This bill was signed by the Governor on 9/29.
- **AB 2284 (Grayson)** – The bill amends the definition of "compensation earnable" to define a work classification "grade" to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related grouping. The bill was amended on 6/27 to include a provision that requires the Board of Supervisors to pass a resolution to allow for the language to become operational within the jurisdiction. The SACRS Board met on July 18th and took an Oppose position. Status: This bill was signed by the Governor on 9/28.



- **AB 2301 (Nguyen)** – This bill, the Sacramento Area Sewer District Pension Protection Act of 2024, provides for the continuation of benefits and pension obligations for employees transferring from the County of Sacramento to the Sacramento Area Sewer District. Status: This bill was signed by the Governor on 7/2.
- **AB 2474 (Lackey)** – This is a SACRS-sponsored bill and was amended in Committee to allow LACERA-only to deposit retirement allowances into prepaid accounts until January 1, 2028, as a pilot program. The bill also provides clarity regarding the ability of a system to deposit pension payments in a member’s living trust bank account. The bill also clarifies potential consequences when a retiree exceeds the 960-hour post-retirement employment limit and provides systems with administrative flexibility on that matter. This bill was signed by the Governor on 7/15.
- **AB 2770 (Committee on Public Employment and Retirement)** – This is the annual housekeeping bill that includes various technical amendments for CalPERS, CalSTRS, and ’37 Act systems. SACRS is a co-sponsor of the bill. The bill removes the “return receipt” requirements as part of current procedures in statute that systems must follow to locate members and beneficiaries. The bill also conforms the sunset date of January 1, 2025, to the Labor Code for the recently added disability presumption for post-traumatic stress disorder. Status: This bill was signed by the Governor on 7/15.
- **AB 3025 (Valencia)** – This bill creates a framework for making benefit corrections and contribution refunds when disallowed compensation is inadvertently included in pension calculations. This bill includes a penalty to be paid by the employer to the member if compensation is later determined to be disallowed. The bill also includes language that is intended to protect a system’s *Alameda* correction process currently underway. The SACRS Legislative Committee is working with the bill’s author and sponsor to ensure ’37 Act systems can properly implement the bill, consistent with IRS regulations. The bill was amended on 6/27 to expressly state that confidential information is not subject to the California Public Records Act. The author has also agreed to accept one last amendment that clarifies “Initiated a process” to mean a system has formally adopted a resolution “*or made an administrative determination*”.



Status: The bill was signed by the Governor on 9/22.

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

- **SB 252 (Gonzalez)** – This bill prohibits CalPERS and CalSTRS from making new investments in a fossil fuel company and requires those systems to divest from fossil fuel companies by July 1, 2031, unless the board determines in good faith that the action is inconsistent with the board's fiduciary responsibilities. Status: Dead. This bill was not taken up by the Assembly Public Employment and Retirement Committee.
- **AB 817 (Pacheco)** -. The bill would have provided flexibility for local government agencies to conduct remote meetings under Open Meeting laws. Specifically, this bill would have allowed a subsidiary body of a local agency to teleconference their meetings without having to publicly notice or make all locations publicly available. Status: Dead. This bill did not pass out of the Senate Local Government Committee.
- **SB 1240 (Alvarado-Gil)** – This bill provides for the continuation of pension benefits for employees of El Dorado County Fire Protection District and the Diamond Springs Fire Protection District under a new consolidated district. Status: This bill was signed by the Governor on 9/28.
- **AB 2715 (Boerner)** – This bill allows a legislative body to discuss a threat to critical infrastructure controls or critical infrastructure information relating to cyber security during a closed session. Status: This bill was signed by the Governor on 9/14.

12. CLOSED SESSION:

- A. See Item 5A Above.
- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

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