



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

HYBRID (IN-PERSON and VIRTUAL) NOTICE and AGENDA

**THIS MEETING WILL BE CONDUCTED IN PERSON AND VIA TELECONFERENCE
[SEE GOV'T CODE § 54953(e) AND LETTER ATTACHED AT THE END OF THIS 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 21, 2021
2:00 p.m.**

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT - MEMBERS	
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 https://zoom.us/join Webinar ID: 889 7271 0595 Passcode: 820684 Call-In Number: 1 (669) 900-6833 US For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	DALE AMARAL	ELECTED SAFETY
	CHAIR	
	JAIME GODFREY	APPOINTED
	FIRST VICE-CHAIR	
	LIZ KOPPENHAVER	ELECTED RETIRED
	SECOND VICE-CHAIR	
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	TARRELL GAMBLE	APPOINTED
HENRY LEVY	TREASURER	
DARRYL WALKER	ELECTED GENERAL¹	
GEORGE WOOD	ELECTED GENERAL	
NANCY REILLY	ALTERNATE RETIRED²	
VACANT	ALTERNATE SAFETY	

¹ Alternate Safety Member Trustee Walker is filling the vacancy created by Trustee Rogers' retirement. See Gov't Code §§ 31524, 31520.1(b).

² 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.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.org.

The Board of Retirement welcomes you to its meeting and your interest is appreciated. Due to the pandemic, in-person public participation at the meeting may be limited on a first-come-first-served basis to maintain social distancing. You may also observe the meeting and address the Board by Zoom as follows:

VIA ZOOM (TELECONFERENCE)

***ZOOM INSTRUCTIONS:**

The public can view the Teleconference and comment via audio during the meeting.

To join this Teleconference, please click on the link below.

<https://zoom.us/join>

Webinar ID: 889 7271 0595

Passcode: 820684

Call-In Number:

1 (669) 900-6833 US

For help joining a Zoom meeting, see: <https://support.zoom.us/hc/en-us/articles/201362193>

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. APPROVE APPLICATIONS FOR SERVICE RETIREMENT:

Appendix A

B. APPROVE APPLICATIONS FOR RETIREMENT, DEFERRED:

Appendix B

Appendix B-1

C. APPROVE APPLICATIONS FOR DEFERRED TRANSFER:

None

D. LIST OF DECEASED MEMBERS:

Appendix D

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

None

F. APPROVE STAFF RECOMMENDATIONS (UNCONTESTED) FOR DISABILITY RETIREMENTS:

Appendix F

G. APPROVE HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS:

None

H. APPROVAL of BOARD and COMMITTEE MINUTES:

September 16, 2021 Minutes of the Regular Board Meeting

October 6, 2021 Operations Committee Minutes

October 6, 2021 Retirees Committee Minutes

October 13, 2021 Investment Committee Minutes

I. MISCELLANEOUS MATTERS

Confirm that the Board's September 16, 2021 action regarding the formal retirement of members applied to general and safety members.

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

REGULAR CALENDAR
REPORTS AND ACTION ITEMS

5. DISABILITIES, RECOMMENDATIONS AND MOTIONS:

None.

6. COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS:

A. Operations: [See October 6, 2021 Operations Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 6, 2021 Meeting.
2. Motion to hire JP Morgan Chase for ACERA's Commercial Banking Services.

B. Retirees: [See October 6, 2021 Retirees Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 6, 2021 Meeting.
2. Motion to accept the December 31, 2020 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

3. Discussion and possible motion to terminate or modify ACERA's procedures for allowing deductions from members' and beneficiaries' allowances for the payment of insurance premiums to the Operating Engineers Local 3 medical plan, effective the end of the current Plan Year on January 31, 2022.
4. Motion to adopt the Retirees Committee's recommended revisions to the *Supplemental Retiree Benefit Reserve Policy*.

C. Investment: [See October 13, 2021 Investment Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 13, 2021 Meeting.
2. Motion to adopt an up to \$36 million Investment in Angelo Gordon Credit Solutions Fund II as part of ACERA's Private Equity Portfolio – Debt Related/Special Situations, pending completion of Legal and Investment due diligence and successful contract negotiations.
3. Motion to adopt an amended *Private Equity Investment Policy*.
4. Motion to adopt an updated Private Equity Investment Plan 2021 – 2024.

D. Actuarial: [See October 21, 2021 Actuarial Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 21, 2021 Meeting.
2. Motion to adopt the Actuarial Committee's recommended revisions to the *Interest Crediting Policy*.
3. Motion to adopt the Actuarial Committee's recommended revisions to the *Actuarial Funding Policy*.
4. Motion to adopt the Actuarial Committee's recommended revisions to the *Declining Employer Payroll Policy*.
5. Motion to adopt the Actuarial Committee's recommended revisions to the *Withdrawing Employer Policy*.

E. Audit: [See October 21, 2021 Audit Committee Agenda Packet for public materials related to the below listed items.]

1. Summary of October 21, 2021 Meeting.

7. NEW BUSINESS:

- A.** Proposed Findings Regarding State of Emergency Pursuant to Gov't Code § 54953(e)(3):

Staff Recommendation: Staff Recommendation: The Board find that it has reconsidered the circumstances of the state of emergency and (1) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (2) state or local officials continue to impose or recommend measures to promote social distancing.

- B.** Motion to direct the Chief Executive Officer (or his Designee) on how to vote ACERA's Proxy on behalf of the Board of Retirement at the SACRS Fall Conference (Business Meeting).

Staff Recommendation: The Board directs the CEO to vote to Receive and File the Secretary and Treasurer's reports and to vote in favor of SACRS sponsoring the Legislative Proposal.

- C.** Discussion and possible motion to authorize ACERA to join in Institutional Limited Partners Association (ILPA) written request for SEC rulemaking action to mandate greater fee transparency and reporting by advisers in alternative investment funds.

Staff Recommendation: Authorize ACERA to join the written request.

- D.** Update on Proxy Vote at the CII Business Meeting.

- E** Chief Executive Officer's Report.

8. CONFERENCE/ORAL REPORTS

9. ANNOUNCEMENTS

10. BOARD INPUT

11. ESTABLISHMENT OF NEXT MEETING:

Thursday, November 18, 2021 at 2:00 p.m.

12. CLOSED SESSION:

- A.** Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)): *Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association*, Contra Costa County Superior Court, Case No. MSN12-1870.
- 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
APPLICATION FOR SERVICE RETIREMENT**

BAILEY, Nathalie
Effective: 7/1/2021
Alameda Health System

FOSTER, Lisa
Effective: 7/24/2021
Sheriff's Office

BLACK-ROBERTS, Vella
Effective: 8/7/2021
Health Care Services Agency

FRANKLIN, Rene
Effective: 8/7/2021
Health Care Services Agency

BLANSON, Lionel
Effective: 7/10/2021
Probation Department

GLASS, Mary
Effective: 8/7/2021
Sheriff's Office

CARLSON, Peter
Effective: 7/31/2021
District Attorney

HARDTKE, Ellen
Effective: 8/7/2021
Social Services Agency

CHEUNG, Darryl
Effective: 7/10/2021
Alameda Health System

HICKS BEARD, Dorothy
Effective: 7/6/2021
Social Services Agency

CRONBACH, Janet
Effective: 7/16/2021
Library

HORNES, Harold
Effective: 5/1/2021
Social Services Agency

DARDEN, Patricia
Effective: 8/7/2021
Sheriff's Office

JENSEN, Bruce
Effective: 7/31/2021
Community Development Agency

DAVIS, Doris
Effective: 5/10/2021
Alameda Health System

KALAHAR, Chris
Effective: 7/24/2021
Social Services Agency

DE LA CRUZ, Tamara
Effective: 7/31/2021
Superior Court

KANZAKI, Amy
Effective: 7/17/2021
ACERA

DUNLEAVY, Kevin
Effective: 8/17/2021
District Attorney

KIM, Inho
Effective: 7/24/2021
Alameda Health System

FEE, Philip
Effective: 6/30/2021
Sheriff's Office

KINT, Beverly
Effective: 7/10/2021
Probation Department

FISHER, Sandra
Effective: 7/24/2021
Social Services Agency

KLASSEN, Heidi
Effective: 7/21/2021
Probation Department

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

MADDOX, Carol
Effective: 8/7/2021
Health Care Services Agency

RODRIGUEZ, Ana
Effective: 7/10/2021
Alameda Health System

MARTINEZ, Albert
Effective: 8/5/2021
Sheriff's Office

STILL, Wendy
Effective: 7/31/2021
Probation Department

MAUS, Mark
Effective: 6/26/2021
Alameda Health System

SULLEN, Rhonda
Effective: 7/24/2021
Health Care Services Agency

MC CANNON, Mark
Effective: 8/1/2021
District Attorney

VAN WETTER, Kevin
Effective: 8/2/2021
General Services Agency

MURPHY, Timothy
Effective: 7/10/2021
Public Defender

VANEK, Dawn
Effective: 7/23/2021
Sheriff's Office

NALAGAN, Gerald
Effective: 7/24/2021
Information Technology Department

VIERRA, Barbara
Effective: 8/7/2021
Community Development Agency

NIXON, Thomas
Effective: 8/1/2021
Superior Court

WRIGHT, Michael
Effective: 8/8/2021
Probation Department

O'CONNOR, Michael
Effective: 8/21/2021
District Attorney

YAMIN, Raymond
Effective: 8/7/2021
Alameda Health System

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

AGBAYANI, Florante M.
Probation Department
Effective Date: 8/21/2021

BANES, Lanz C. C.
Social Services Agency
Effective: 7/30/2021

ASKEW, Bernita O.
Information Technology Department
Effective: 8/20/2021

DECOITE, Nelson E.
Sheriff's Office
Effective: 8/13/2021

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

HOBBS, Nathan L.
Health Care Services Agency
Effective: 8/20/2021

TUCKER, Ronnie L.
Social Services Agency
Effective: 8/20/2021

JONES, Malisha L.
District Attorney
Effective: 9/3/2021

WALIA, Gulnar
Alameda Health System
Effective: 8/24/2021

**APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED**

COSTA, Amy M.
County Administrator
Effective Date: 8/13/2021

HEISHAN, Ashraf K.
Alameda Health System
Effective: 8/13/2021

DESAI, Usha A.
Alameda Health System
Effective: 8/12/2021

TITTERTON, Liliana
Superior Court
Effective: 7/16/2021

GONZALEZ CASTELLANOS, Rebecca
Sheriff's Office
Effective: 7/28/2021

TROUTT, Cortne E.
Alameda Health System
Effective: 7/14/2021

HARRINGTON, Lexi
District Attorney
Effective: 8/13/2021

TSEHAYE, Eseyas S.
Alameda Health System
Effective: 8/26/2021

HAY, Julia
Alameda Health System
Effective: 7/26/2021

WONG, Theodore
Social Services Agency
Effective: 7/9/2021

YANG, Amy
Alameda Health System
Effective: 6/16/2021

**APPENDIX D
LIST OF DECEASED MEMBERS**

ALBERT, Clyde
Non-Mbr Survivor of Erma Albert
8/30/2021

CROAN, Lynn
Sheriff's Office
8/28/2021

BERNAL, Sarah
Alameda Health System
9/25/2021

CURRAN, Anne
Superior Court
9/13/2021

COMIER, Margaret
Assessor
8/15/2021

DAVIS, Mary
Superior Court
9/19/2021

**APPENDIX D
LIST OF DECEASED MEMBERS**

DRISCOLL, Joan
Assessor
9/1/2021

PAINTER, Timothy
District Attorney
9/12/2021

EKBLAD, Jacquelyne
DRO - Robert Ekblad
8/19/2021

PASTOR, Mei-Ling
Probation Department
8/17/2021

FULLER, Brenda
Alameda Health System
9/23/2021

PERRY, Doris
Non-Mbr Survivor of Francis V. Perry
9/25/2021

GOODWIN, Charles
Probation Department
8/31/2021

PIERCE, Arnold
Non-Mbr Survivor of Sharon R. Pierce
8/14/2021

HIDALGO, Janice
Superior Court
8/14/2021

SALGUERO, Gloria
Alameda Health System
9/4/2021

JACKSON-FOSTER, Jacqueline
Non-Mbr Survivor of Keith Foster
9/6/2021

SERLES, Norma
General Services Agency
8/22/2021

JOHNSTON, John
Community Development Agency
9/9/2021

STAVERT, Dean
Sheriff's Office
9/4/2021

KENFIELD GRAF, Ann
District Attorney
9/20/2021

SULLIVAN, Kenneth
General Services Agency
9/4/2021

KITCHEN, Joseph
Sheriff's Office
9/9/2021

TAYLOR, Royal
Superior Court
8/23/2021

KYLE, Clarence
Sheriff's Office
8/28/2021

TRAN, Gina
Alameda Health System
8/31/2021

NGO, Van-The
Social Services Agency
5/1/2021

WHITE, Venus
Non-Mbr Survivor of Aldis N. White
8/18/2021

WILLIAMS, Joyce
Non-Mbr Survivor of Joyce L. Williams
8/24/2021

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

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

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

Name: Justice, Ronald
Type of Claim: Earlier Effective Date

Staff's Recommendation:

Based on the Medical Advisor's and Staff's review and determination of Mr. Justice's ability to determine the permanency of his incapacity, to grant Mr. Justice's request for an earlier effective date.
Mr. Justice's application for a service-connected disability, waiving at this time future annual medical examinations and questionnaires was previously approved at the June 17, 2021 meeting.

Name: Smith, Angie
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. Smith's application for a service-connected disability, and waiving future annual medical examinations and questionnaires.



September 23, 2021

The Honorable Board of Supervisors
County Administration Building
1221 Oak Street
Oakland, CA 94612

**SUBJECT: RECEIVE AND ACCEPT THE RECOMMENDATION OF THE HEALTH CARE SERVICES AGENCY
DIRECTOR FOR CONTINUED SOCIAL DISTANCING AT ALL BOARD OF SUPERVISORS
MEETINGS AND BOARD COMMITTEE MEETINGS**

Dear Board Members:

RECOMMENDATION

Receive and accept the recommendation of the Health Care Services Agency Director for continued social distancing at all meetings of the full Board of Supervisors and at all Board of Supervisors Committee meetings.

DISCUSSION/SUMMARY

In light of the continued state of emergency related to COVID-19, the Health Care Services Agency (HCSA) Director recommends that your Board continue to impose the social distancing measures that were initially adopted in March 2020 for all meetings of the Board of Supervisors and Board Committee meetings, until your Board – in consultation with the HCSA Director – concludes that such measures are no longer necessary. The HCSA Director makes this recommendation to comply with newly enacted urgency legislation establishing new requirements for teleconferenced (remote) meetings under the Ralph M. Brown Act.

This recommendation is based on the continued threat of COVID-19 to the community, the unique characteristics of public governmental meetings (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to fully participate in public governmental meetings, and the challenges with fully ascertaining and ensuring compliance with vaccination and other safety recommendations at such meetings), and the continued increased safety protection that social distancing provides as one method to reduce the risk of COVID-19 transmission.

BACKGROUND

On March 4, 2020, Governor Newsom issued an Executive Order proclaiming a state of emergency in California as a result of the COVID-19 pandemic. This emergency declaration remains in effect. On March 17, 2020, Governor Newsom issued Executive Order N-29-20, which allowed local agencies subject to the Brown Act to hold their meetings remotely, without providing a physical location for

members of the public to gather and participate, so long as there were telephonic means to allow public participation and protect citizens' statutory and constitutional rights. Your Board held its first telephonic meeting with no in-person public participation on April 21, 2020 and has continued the practice since. On June 11, 2021, Governor Newsom issued Executive Order N-08-21 which similarly governed the convening of public meetings and modified the permissions of Executive Order N-29-20 to allow for continued use of teleconferenced meetings by local agencies subject to the Brown Act.

On September 16, 2021, Governor Newsom signed into law Assembly Bill 361 (AB 361, Chapter 165, Statutes of 2021), which amended the Brown Act to allow for continued use of teleconferenced meetings by Brown Act bodies without providing a physical meeting location for the public through January 31, 2024, under certain conditions. The permitting conditions include factors such as a continued declaration of emergency, and a local official recommending measures for social distancing.

As HCSA and the Health Officer have reported to your Board, the highly transmissible SARS-CoV-2 B.1.617.2 (Delta) variant has been circulating in the County of Alameda since April 2021. While the risk for COVID-19 infection is highest among unvaccinated residents (and the vaccination rates in our County are relatively high) over one-third of COVID-19 infections are among fully vaccinated persons. Among vaccinated persons, older adults are at the highest risk for severe illness resulting from COVID-19 infection.

Accordingly, the HCSA Director recommends that social distancing measures adopted in the early days of the pandemic remain in place for meetings of your Board and Board Committees. This recommendation is consistent with the Division of Occupational Safety and Health of California's (Cal/OSHA) Emergency Temporary Standards, which require employers to train and instruct employees that the use of social distancing helps combat the spread of COVID-19 (8 Cal. Code Regs. 3205(c)(5)(D)). Under the requirements of AB 361, no later than 30 days after the September 28 meeting, and again every 30 days thereafter for as long as this recommendation remains in place, your Board will need to reconsider the state of emergency, and whether (a) the emergency directly impacts the ability of members to safely meet in person; or (b) social distancing measures are still recommended at Board and Board Committee meetings.

FINANCING

Acceptance of this recommendation will have no impact on net County cost.

VISION 2026 GOAL

Acceptance of this recommendation will prevent potential spread of COVID-19 in the Board's public meetings, and thus advances the 10X Vision 2026 Goal pathway of **Accessible Infrastructure** in support of our shared visions of a **Thriving & Resilient Population** and **Safe & Livable Communities**.

Sincerely,

DocuSigned by:

CB284AE84C50405...

Colleen Chawla, Director
Health Care Services Agency

September 16, 2021
Minutes of the Regular Board Meeting
For approval under October 21, 2021
Board “Consent Calendar”



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

THIS MEETING WAS CONDUCTED IN-PERSON and VIA TELECONFERENCE WITH VIDEO

Thursday, September 16, 2021

Chair Dale Amaral called the meeting to order at 2:00 p.m.

Trustees Present: Dale Amaral
Ophelia Basgal
Keith Carson
Jaime Godfrey
Henry Levy
George Wood
Darryl Walker
Nancy Reilly (*Alternate*)

Trustees Excused: Tarrell Gamble
Liz Koppenhaver

Staff Present: Victoria Arruda, Human Resource Officer
Angela Bradford, Executive Secretary
Sandra Dueñas-Cuevas, Benefits Manager
Kathy Foster, Assistant Chief Executive Officer
Jessica Huffman, Benefits Manager
Harsh Jadhav, Chief of Internal Audit
Vijay Jagar, Retirement Chief Technology Officer, ACERA
David Nelsen, Chief Executive Officer
Jeff Rieger, Chief Counsel
Betty Tse, Chief Investment Officer

Staff Excused: Margo Allen, Fiscal Services Officer

PUBLIC INPUT

During the discussion regarding the status of the ACERA Board Elections Process, ACERA President Pete Albert inquired as to when the Candidates' names would be published. Chief Executive Officer Dave Nelsen responded that the Candidates' names will be published after they have been verified by the ACERA Board Elections Coordinator.

During the discussion regarding the up to \$70 million investment in Ares Senior Direct Lending Fund II, Chloe Jackson introduced herself and addressed the Board stating that Ares Management is part owner of Front Yard Residential (Haven Brook Rental Homes). Ms. Jackson reported that Haven Brook tenants, and in particular, low-income African American tenants, have been adversely affected, as their rents are constantly increased and their maintenance issues are not being properly addressed. After Ms. Jackson made her comments, she urged the Board not to invest in Ares Senior Direct Lending Fund II. Alyssa Giachino of the Private Equity Stakeholder Project also addressed the Board stating that Ares Management acquired Front Yard Residential in January 2021 and that it owns approximately 15,000 rental homes, along with Pretium Partners. Ms. Giachino further stated that Front Yard Residential has filed approximately 1,200 eviction actions since the CDC Moratorium took effect in September 2020 and of those 1,200 eviction actions, most of them were filed in majority black counties in Georgia (DeKalb and Clayton Counties) as opposed to majority white counties (Polk County, Florida). Ms. Giachino reported that the United States House of Representatives Select Sub-Committee launched an investigation to look into the eviction actions filed by Front Yard Residential. After Ms. Giachino made her comments, she requested that the Board hold-off on new investments with Ares Management until it adequately addresses its home rental eviction actions and its disproportionate filings of evictions in majority Black Counties.

**CONSENT CALENDAR
REPORTS AND ACTION ITEMS**

APPROVAL of APPLICATIONS FOR SERVICE RETIREMENT

Appendix A

APPROVAL of APPLICATIONS FOR RETIREMENT, DEFERRED

*Appendix B
Appendix B-1*

APPROVAL of APPLICATIONS FOR DEFERRED TRANSFER

None

LIST OF DECEASED MEMBERS

Appendix D

APPROVAL of REQUEST FOR 130 BI-WEEKLY PAYMENTS TO RE-DEPOSIT CONTRIBUTIONS AND GAIN CREDIT

None

APPROVAL of STAFF RECOMMENDATIONS (UNCONTESTED) FOR DISABILITY RETIREMENTS

Appendix F

APPROVAL of HEARING OFFICER RECOMMENDATIONS FOR DISABILITY RETIREMENTS

None

APPROVAL of COMMITTEE and BOARD MINUTES

*August 19, 2021 Governance Committee Minutes
August 19, 2021 Minutes of the Regular Board Meeting
September 1, 2021 Retirees Committee Minutes
September 8, 2021 Investment Committee Minutes*

MISCELLANEOUS MATTERS

*Operating Expenses as of 07/31/21
Approve Staff Recommendation regarding County of Alameda’s amendment to Oversight
Facilities Management/Staff Development – 42C*

21-65

It was moved by Jaime Godfrey and seconded by Keith Carson that the Board adopt the Consent Calendar. The motion carried 7 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Wood*), 0 no, and 1 abstention (*Trustee Walker recused himself*).

**REGULAR CALENDAR
REPORTS AND ACTION ITEMS**

DISABILITY AND DEATH BENEFIT CLAIMS

Discussion and Possible Motion on Claim for Service-Connected Surviving Spouse Allowance

Deceased Member: Oscar Rocha
Surviving Spouse: Carol Maureen Ennor
Non-Service-Connected Surviving Spouse Allowance Effective: July 24, 2020

Trustee Amaral recused himself from the discussion because, as a Commander in the Alameda County Sheriff’s Office, he helped Ms. Ennor apply for federal benefits for officers who die in the line of duty. First Vice-Chair Jaime Godfrey took over the discussion stating that Carol Maureen Ennor’s new counsel (Raymond E. Frost, Esq.) requested that this matter be postponed for discussion at a future Board meeting. It was noted that Mr. Frost, Esq. was in attendance (virtually) at today’s Board meeting. Chief Counsel Jeff Rieger informed the Board that the Office of the County Counsel did not object to postponing this matter. No motion was made so the matter was postponed.

COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS

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

Retirees:

Nancy Reilly gave an oral report stating that the Retirees Committee met on September 1, 2021 and was presented with, reviewed information for, and discussed Information Items regarding ACERA-Sponsored Medical Plans and Premiums for Plan Year 2022.

Trustee Reilly further reported the Committee was presented with, reviewed information for, and discussed approving an offer for Kaiser Permanente Senior Advantage Plan Enrollees Optional Silver & Fit Benefit for Plan Year 2022 at no cost as a “trial.”

21-66

It was moved by Nancy Reilly and seconded by Ophelia Basgal that the Board approve the Optional Silver & Fit benefit offer for Kaiser Permanente Senior Advantage plan enrollees for the 2022 Plan Year at no cost as a “trial”, and decide whether to continue this benefit starting with the 2023 Plan Year, based on the cost for the benefit at that time. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Walker Wood*), 0 no, and 0 abstentions.

Trustee Reilly further reported that the Committee was presented with, reviewed information for, and discussed approving an offer for Optional Meals Rider for Kaiser Permanente Senior Advantage plan enrollees beginning in Plan Year 2022, at an estimated annual cost of \$86,016. Although the Committee recommended that the Board approve the plan, based on later discussions with Consultants and Staff, Trustee Reilly requested that the Board postpone this matter for further analysis stating that the Optional Meals Rider Plan may not be cost effective and it may also replicate other benefits already in place. No motion was made so the matter was postponed.

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

Investment:

Chair Amaral moved the Ares Senior Direct Lending Fund II investment discussion and motion to the end of the agenda after Closed Session [See Motion No. 21-71 below.]

George Wood gave an oral report stating that at the September 8, 2021 Investment Committee meeting, the Committee was presented with, reviewed information for, and discussed an up to \$25 million Investment in Summit Partners Growth Equity Fund XI as part of ACERA's Private Equity Portfolio – Venture Capital, pending completion of Legal and Investment due diligence and successful contract negotiations.

21-67

It was moved by George Wood and seconded by Jaime Godfrey that the Board approve an up to \$25 million investment in Summit Partners Growth Equity Fund XI as part of ACERA’s Private Equity Portfolio – Venture Capital, pending completion of legal and investment due diligence and successful contract negotiations. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Walker Wood*), 0 no, and 0 abstentions.

Trustee Wood further reported that the Committee was presented with, reviewed information for, and discussed the following Information Items *1) Review of ACERA’s Dedicated Emerging Markets Equity Manager Newton Investment Management; and 2) Verus Firm Update – Introduction of Eileen Neill, Managing Director/Senior Consultant,*

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

NEW BUSINESS:

State Association of County Retirement System (SACRS) Voting Proxy

Chief Executive Officer Dave Nelsen presented his September 16, 2021, memo requesting the Board’s approval for him to vote ACERA’s Proxy (or his Designee) on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting. Mr. Nelsen also recommended that the Board designate Assistant CEO Kathy Foster as the Alternate Voting Delegate in Mr. Nelsen’s absence. Mr. Nelsen reported that the SACRS Business Meeting agenda items up for vote were not available in time for this Board meeting, but that the agenda items should be available for the Board’s consideration at the October 21, 2021 Board meeting.

21-68

It was moved by Ophelia Basgal and seconded by Nancy Reilly to select Chief Executive Officer (CEO) Dave Nelsen and Assistant CEO Kathy Foster as the Alternate Voting Delegate to vote ACERA’s Proxy on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Walker Wood*), 0 no, and 0 abstentions.

Council of Institutional Investors (CII) Voting Proxy

Mr. Nelsen presented his September 16, 2021, memo regarding *Voting Proxy for the Council of Institutional Investors (CII) Fall Conference* wherein he provided three options for the Board’s consideration regarding ACERA’s proxy vote at the CII Fall Conference. Mr. Nelsen recommended option 2, which is to designate and provide direction to either Trustee Gamble or Trustee Levy, who are both attending the CII Fall Conference, to use his discretion/best judgement to vote ACERA’s proxy on behalf of the Board of Retirement at the CII Business Meeting – similar to the type of vote ACERA participates in at the SACRS Conference. Trustees Gamble and Levy will decide amongst themselves regarding who will vote ACERA’s Proxy. It was noted that the CII Packet materials were provided to the Trustees and that the items up for vote do not impact ACERA.

21-69

It was moved by Jaime Godfrey and seconded by Darryl Walker that the Board authorize and select Trustee Gamble or Trustee Levy, who are both attending the Council of Institutional Investors (CII) Fall Conference, to review CII’s materials and to use his discretion/best judgement to vote ACERA’s Proxy on behalf of the Board of Retirement at the CII Fall Conference Business Meeting. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Walker Wood*), 0 no, and 0 abstentions.

Retire Members for Service Pursuant to Government Code Section 31670(b)

Assistant Chief Executive Officer Kathy Foster presented her September 16, 2021, memo regarding *Retire Members for Service Pursuant to Government Code Section 31670(b)*, which recommended that Staff be allowed to exercise the Board’s power and perform the Board’s duty to retire members as of the date ACERA issues the first retirement allowance payment. Ms. Foster reported that ACERA currently publishes its service retirements for the Board’s approval (on Appendix A of the monthly Board agenda) approximately one to two months *after* members have retired and received their first retirement allowance payment. Mr. Rieger explained that ACERA’s current practice can create administrative difficulties and legal ambiguities. In response to Trustee Wood’s question, Mr. Rieger explained that, if adopted, Staff’s recommendation will not have an impact on the claims the Board expects to receive on the Board’s June 17, 2021 decisions regarding the inclusion of leave sell back and cash out in “compensation earnable.”

21-70

It was moved by Nancy Reilly and seconded by Dale Amaral that the Board authorize and direct ACERA Staff to exercise the Board’s power and perform the Board’s duty to retire members as of the date ACERA issues the first retirement allowance payment, pursuant to Gov’t Code § 31670(b). The motion carried 7 yes (*Amaral, Basgal, Carson, Godfrey, Levy, Reilly, Wood*), 1 no (*Walker*), and 0 abstentions.

David Nelsen, Chief Executive Officer’s Report

Chief Executive Officer Dave Nelsen presented his September 16, 2021, written CEO Report which provided an update on: **1)** Senior Manager Recruitment for Assistant CEO of Operations; **2)** Committee and Board Action Items; **3)** Other Items, which included updates on: **a)** COVID-19 Responses; **b)** Pension Administration System Project; **c)** Board Election; **d)** Legislation of Interest: **i)** AB 826 and **ii)** AB 361; and **e)** Key Performance Indicators.

Mr. Nelsen reported the status of Assembly Bill 826 (Bill) that was recently introduced by SEIU in coordination with Ventura County that relates to reporting compensation that was deemed legally non-reportable as “compensation earnable.” Mr. Nelsen reported that, due to opposition by several retirement systems, the Bill did not pass in this Legislative Session.

Mr. Nelsen reported the status of Assembly Bill 361 stating the Bill was amended to include an emergency clause, which would allow the Board to continue to meet remotely/virtually whenever there is a State of Emergency declared by the Governor (*i.e.*, the rise in COVID cases) under specified conditions. Several Trustees expressed that they would like to continue meeting virtually. Mr. Nelsen will keep the Board apprised to the status of the Bill.

Mr. Nelsen reported the status of the Board Election Process stating that four (4) members have requested and received *Board Election Information Packets* and that the results of the election will be announced at the December 2021 Board meeting. Mr. Nelsen reminded the Board that Staff will accept scanned and/or copies of signatures as opposed to original (wet) signatures on the *Nomination Petition*. However, the *Candidate's Application* must contain the Candidate's original (wet) signature.

CONFERENCE/ORAL REPORTS

Trustee Levy encouraged Trustees who attend the Milken Conference (October 17 thru 20, 2021) to please report back to the Board any ideas they gained from attending the Conference.

ANNOUNCEMENTS

None.

BOARD INPUT

Trustee Basgal announced that there was a *New York Times* news article that reported CalPERS paid approximately \$41 million to its deceased members. Trustee Basgal inquired whether or not ACERA uses the same Company (Berwyn) that CalPERS uses to find out if its members are deceased. Ms. Foster responded that ACERA does not.

CLOSED SESSION

- A. Existing Litigation pursuant to Government Code Section 54956.9(d)(1): *Alameda Health System v. ACERA*, San Francisco County Superior Court, No. CGC-19-516795.
- B. Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)): *Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association*, Contra Costa County Superior Court, Case No. MSN12-1870.

The Board reconvened into Open Session and the following Trustees returned:
Amaral, Basgal, Levy, Reilly, Walker, Wood

Chair Amaral stated the Board took no reportable action on the *AHS* or the *ACDSA* matters. Mr. Rieger reported that Trustee Carson recused himself from the discussion regarding the *AHS* matter.

Discussion regarding the up to \$70 million investment in Ares Senior Direct Lending Fund II

Trustee Wood reported that the Investment Committee was presented with, reviewed information for, and discussed an up to \$70 million Investment in Ares Senior Direct Lending Fund II as part of ACERA’s Private Credit Portfolio. However, the Investment Committee did not make a recommendation to the Board and requested that this issue be presented to the full Board for its consideration at today’s Board meeting. Chief Investment Officer Betty Tse reported that Staff and Verus performed further research regarding the eviction actions filed by Front Yard Residential. Ms. Tse further reported that both Ares Management and ACERA have responded to the public’s comments at the Investment Committee meeting and that the responses have been posted to ACERA’s Website. Verus and Staff acknowledged that Front Yard Residential is a company under Ares. However, Front Yard Residential has no direct relation to the Ares Senior Direct Lending Fund II. After an in-depth discussion, including input from representatives of Ares, the Board made the following motion:

21-71

It was moved by George Wood and seconded by Dale Amaral that the Board approve an up to \$70 million Investment in Ares Senior Direct Lending Fund II as part of ACERA’s Private Credit Portfolio, pending completion of Legal and Investment due diligence and successful contract negotiations. The motion carried 5 yes (*Amaral, Basgal, Reilly, Walker Wood*), 1 no (*Levy*), and 0 abstentions.

ADJOURNMENT

The meeting adjourned at approximately 4:57 p.m.

Respectfully Submitted,



David Nelsen
Chief Executive Officer

10/21/21

Date Adopted

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

ALLEN, Michael
Effective: 7/1/2021
Sheriff's Office

GALINDO, Gustavo
Effective: 7/10/2021
District Attorney

ALTAMIRANO, Claudette
Effective: 7/24/2021
Health Care Services Agency

HO, Yoke
Effective: 8/10/2021
Health Care Services Agency

ARGULA, Dawn
Effective: 7/28/2021
Board of Supervisors

PHILLIP, Victoria
Effective: 7/10/2021
Social Services Agency

BALANDRA, Joyce
Effective: 7/10/2021
Probation Department

PORTER, Brenda
Effective: 6/2/2021
Social Services Agency

BUNKER-ALBERTS, Michele
Effective: 6/15/2021
Alameda Health System

REITER, Marianne
Effective: 6/26/2021
Auditor-Controller

CASTELLVI, Delia
Effective: 7/10/2021
Health Care Services Agency

ROBERSON, Loretta
Effective: 7/10/2021
Sheriff's Office

DRENICK, Teresa
Effective: 7/24/2021
District Attorney

ROBINSON, Cora
Effective: 5/29/2021
Social Services Agency

EAVES, Damon
Effective: 5/15/2021
Health Care Services Agency

SALTZMAN, Paula
Effective: 6/28/2021
Alameda Health System

EDWARDS, Cheryl
Effective: 6/25/2021
Superior Court

STONE, Lance
Effective: 6/26/2021
Alameda Health System

ESPINOZA, Caleen
Effective: 5/29/2021
Superior Court

VILLASENOR-MURPHY, Edelmira
Effective: 7/10/2021
Health Care Services Agency

VON GELDERN, Eric
Effective: 7/10/2021
District Attorney

**APPENDIX A
APPLICATION FOR SERVICE RETIREMENT**

WRIGHT, Roger
Effective: 6/30/2021
Alameda Health System

YOUNG, Andrew
Effective: 7/10/2021
Community Development Agency

ZHANG, Danni
Effective: 7/10/2021
Social Services Agency

**APPENDIX B
APPLICATION FOR DEFERRED RETIREMENT**

BALMES, Alma A.
County Administrator
Effective Date: 3/5/2021

CORPUZ, Alan P.
Sheriff's Office
Effective: 2/27/2021

FANFA, Amanda M.
Sheriff's Office
Effective: 2/26/2021

GREEN, Sandra L.
Superior Court
Effective: 7/23/2021

HUANG, Sandra Y.
Health Care Services Agency
Effective: 2/19/2021

MCDONNELL, Thomas
Community Development Agency
Effective: 7/16/2021

NAGY, Jeanne M.
Superior Court
Effective: 7/16/2021

RANSOM, Brandi S.
Social Services Agency
Effective: 7/23/2021

TUTOL, William B.
Health Care Services Agency
Effective: 7/30/2021

**APPENDIX B-1
APPLICATION FOR NON-VESTED DEFERRED**

ALTER, Harrison J.
Health Care Services Agency
Effective Date: 2/5/2021

MENDOZA, Jonathan D.
Alameda Health System
Effective: 7/9/2021

BEYROUTI, Seryn
Alameda Health System
Effective: 7/23/2021

MOLINA-PHILLIPS, Joann
Alameda Health System
Effective: 7/6/2021

CERVANTES, Felipe
General Services Agency
Effective: 7/27/2021

PIPER, John
General Services Agency
Effective: 6/11/2021

CHIN, Patricia M.
Health Care Services Agency
Effective: 2/5/2021

RALLANKA, Reena Faith B.
Alameda Health System
Effective: 4/30/2021

FLORES, Jessica
Alameda Health System
Effective: 4/16/2021

RHONE, Sade V.
Alameda Health System
Effective: 7/9/2021

FURTADO, Melissa
Superior Court
Effective: 5/6/2021

ROWLEY, Heather M.
Alameda Health System
Effective: 7/9/2021

HAMBLIN, Dallas C.
Sheriff's Office
Effective: 8/6/2021

WEINBERGER, Brian E.
County Administrator
Effective: 8/6/2021

LAITY, Hayley V.
County Administrator
Effective: 4/16/2021

WU, Tin Nok
District Attorney
Effective: 8/6/2021

**APPENDIX D
LIST OF DECEASED MEMBERS**

CARTER, Delores
Social Services Agency
8/17/2021

COSTAIN, John
Public Defender
8/14/2021

CHAMBERS, Jill
District Attorney
7/24/2021

COULTER, Sandra
Health Care Services Agency
7/20/2021

COMELO, Ernest
Social Services Agency
8/14/2021

DE LA TORRE, Raquel
Health Care Services Agency
7/13/2021

**APPENDIX D
LIST OF DECEASED MEMBERS**

DE OCAMPO, Norma Sheriff's Office 7/22/2021	NAVA, Patricia Ann Superior Court 8/5/2021
DEGARMO, Ramona Non-Mbr Survivor of David Degarmo 7/23/2021	NISLEIT, Kathleen Public Works Agency 8/17/2021
DELGADO, Robert Sheriff's Office 8/4/2021	ODELL, Betty Non-Mbr Survivor of David Odell 8/7/2021
DELPHEY, William Probation Department 7/30/2021	O'TOOLE, Thomas Public Defender 8/21/2021
ELLIS, Robert Information Technology Department 8/7/2021	PANGASNAN, Annie Sheriff's Office 8/4/2021
FLORES, Alma Probation Department 8/18/2021	PRIEST, Carolyn Probation Department 8/28/2021
FULGADO, Samuel Alameda Health System 7/17/2021	QUAN, Mely Alameda Health System 8/8/2021
GULSETH, Bridget Non-Mbr Survivor of Charles Gulseth 8/25/2021	RIFFEL, Louise Non-Mbr Survivor of Edward Riffel 7/25/2021
KELLY, Jesse General Services Agency 7/28/2021	SHANER, Robert Probation Department 8/3/2021
LAURICELLA, Nilda Sheriff's Office 8/5/2021	SIMS, Arthur Superior Court 7/31/2021
MEYER, Carleton Public Defender 8/4/2021	STINSON, Ethlyn Alameda Health System 8/16/2021
	VAUGHN, Dorothy Alameda Health System 7/10/2021

APPENDIX F
APPLICATION FOR DISABILITY RETIREMENT

Name: **Bachan, Pius**
Type of Claim: Service-Connected

Staff's Recommendation:

Grant Mr. Pius Bachan's application for a non-service connected disability retirement, without prejudice to his surviving spouse's pending claim for a service connected disability retirement.

THIS LINE SHOULD BE DELETED FROM THE ORIGINAL DOCUMENT. IT IS A PLACEHOLDER FOR THE BOARD'S ACTION AND SHOULD NOT BE REPRODUCED IN ANY OTHER FORM.

Name: **Pugh, Deidre**
Type of Claim: Non-Service Connected

Staff's Recommendation:

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

THIS LINE SHOULD BE DELETED FROM THE ORIGINAL DOCUMENT. IT IS A PLACEHOLDER FOR THE BOARD'S ACTION AND SHOULD NOT BE REPRODUCED IN ANY OTHER FORM.

October 6, 2021
Operations Committee Minutes
For approval under October 21, 2021
Board “Consent Calendar”



MINUTES OF OCTOBER 6, 2021 OPERATIONS COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Operations Committee

From: Jaime Godfrey, Chair, Appointed

Subject: Summary of the October 6, 2021 Operations Committee Meeting

Committee Chair Jaime Godfrey called the October 6, 2021 Committee meeting to order at 9:32 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Jaime Godfrey, Keith Carson and Liz Koppenhaver. Also present were Dale Amaral and alternate member Nancy Reilly. Darryl Walker, Tarrell Gamble, and Committee member Henry Levy joined the meeting after roll call.

Staff present were Dave Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Jeff Rieger, Chief Counsel; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer; Vijay Jagar, Chief Technology Officer; and Harsh Jadhav, Chief of Internal Audit.

PUBLIC INPUT

None

Action Items

1. Discussion and Possible motion to Adopt Banking RFP Decision

Staff presented a summary of the RFP for Banking Providers.

It was moved by Liz Koppenhaver and seconded by Keith Carson that the Committee recommend to the Board of Retirement a motion to accept ACERA's recommendation to select JP Morgan Chase as the new banking provider.

The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, and Walker*), 0 no, and 0 abstentions.

INFORMATION ITEMS

1. Operating Expenses as of 08/31/2021

Staff provided the operating expenses as of August 31, 2021. As of August 31, 2021, actual expenses were \$1,520K under budget. Budget Surpluses noted were Staffing (\$855K under budget), Staff Development (\$80K under budget), Professional Fees (\$50K under budget), Office Expense (\$92K under budget), Insurance (\$17K under budget), Member Services (\$38K under budget), Systems (\$104K under budget), Depreciation (\$1K under budget), and Board of Retirement (\$283K under budget).

2. Statement of Reserves as of 06/30/2021

Staff reported on the Statement of Reserves as of June 30, 2021. For the six month period ending June 30, 2021, approximately \$475.5 million of total interest was credited to all the valuation reserve accounts, including the 401(h) account and the SRBR at a rate of 3.6250%.

3. Pension Software Replacement Project Update

Staff presented the Pension Software and Replacement Project Update.

4. Staff report on changes and enhancements to benefits processing, member services, and website

Chair Jaime Godfrey moved this item to the December meeting of the Operations Committee.

5. Board of Retirement Election Update

Staff provided an update regarding the 2021 Board of Retirement election. The nomination period ended on September 27, 2021. There were three certification for the Second Member to represent the General Members.

The drawing of lots was held on September 28, 2021, and the names and designations will appear on the ballots in the following order:

Second Member to represent the General Members

1. Kellie Blumin Simon, Deputy Public Defender
2. Stacey R. Perry, Administrative Specialist II
3. Dana Hodge, Social Worker III

A public review period of the candidate statements will be held for ten (10) calendar days ending October 8, 2021. The ballots for the 2021 Board Election will be mailed out on November 10, 2021. The election period is between November 10 and December 15, 2021 at 5 p.m. The ballots will be counted by the Registrar of Voters on December 16, 2021, and the results will be announced at 2:00 p.m. at the Board Meeting.

TRUSTEE INPUT AND DIRECTION TO STAFF

None

FUTURE DISCUSSION ITEMS

November

- Discussion and possible motion to approve the proposed 2022 ACERA Operating Expense Budget

December

- Discussion and possible motion to approve the annual agreement for the Segal Group

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for November 18, 2021 at 1:00 p.m.

MEETING ADJOURNED

The meeting adjourned at 10:34 a.m.

October 6, 2021
Retirees Committee Minutes
For approval under October 21, 2021
Board “Consent Calendar”



MINUTES OF OCTOBER 6, 2021 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair

Subject: Summary of the October 6, 2021 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the October 6, 2021 Committee meeting to order at 10:36 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Liz Koppenhaver, Henry Levy, Keith Carson, and Darryl Walker. Also present were Dale Amaral, Tarrell Gamble and Jamie Godfrey, and alternate member Nancy Reilly. Ophelia Basgal joined the meeting after roll call.

Staff present were Victoria Arruda, Human Resources Officer; Sandra Dueñas-Cuevas, Benefits Manager; Mike Fara, Communications Manager; Kathy Foster, Assistant Chief Executive Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; David Nelsen, Chief Executive Officer; Ismael Piña, Assistant Benefits Manager; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

ACTION ITEMS

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

Staff and Segal, ACERA's Actuary, presented the annual Actuarial Valuation of the OPEB and non-OPEB Benefits Provided by the Supplemental Retiree Benefit Reserve, Including Sufficiency of Funds, as of December 31, 2020. Based on this valuation report, the terminal year of the "Other Post-Employment Benefits" (OPEB) is projected to be 2042, with full benefits paid through 2041 for a total of 21 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2044, with full benefits paid through 2043 for a total of 23 full years and one partial year.

It was moved by Jamie Godfrey and seconded by Darryl Walker that the Committee recommend to the Board of Retirement that it accept the December 31, 2020 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

The motion carried 7 yes (*Amaral, Carson, Gamble, Godfrey, Koppenhaver, Levy, Walker*), 0 no, 0 abstentions. Trustee Basgal was not present for the vote on the motion.

2. Cease Permitting ACERA Retiree Payroll Deductions to Pay Premiums to the Operating Engineers Local 3 Union Medical Plan

There was lengthy discussion regarding ACERA's current process of deducting monthly medical premiums from Operating Engineers Local 3 (OE3) retirees who have medical coverage through its union medical plan, and the timing of the premium due date set by OE3. ACERA's vendor payroll for all medical, dental and vision premium payments is run after the normal monthly payroll is processed at the end of the month. OE3 wants its premium payment by the 15th of the month, and is now insisting that ACERA pay a late fee. Although ACERA has explained the payroll process timing and tried to negotiate at length to waive this late fee, OE3 is unwilling to consider ACERA's request. As a result, Staff is recommending that ACERA no longer permit ACERA retirees to make allowance deductions to pay premiums to the OE3 union medical plan (currently 31) effective the end of the current Plan Year on January 31, 2022.

Doug Brody, a retiree covered under the OE3 union medical plan, provided feedback and expressed concern that he would be losing his medical plan coverage if ACERA no longer permitted retirees to make allowance deductions to pay premiums to OE3. He requested Staff and the Committee to consider other options to allow the deductions in order for the current retirees covered under the OE3 union medical plan to keep their medical plan coverage and continue to receive the Monthly Medical Allowance.

Trustees directed Staff to notify the 31 retirees currently covered under the OE3 union medical plan to begin looking for other medical coverage due to this proposed action, and that this proposed action will be discussed at the upcoming Board of Retirement meeting for a decision. Trustees also directed Staff to advise OE3 of the proposed action, and confirm with OE3 if it will allow a direct pay option.

It was moved by Ophelia Basgal and seconded by Jamie Godfrey that the Committee recommend to the Board of Retirement that it no longer permit ACERA retirees to make allowance deductions to pay premiums to the Operating Engineers Local 3 Union Medical Plan effective the end of the current Plan Year on January 31, 2022, with direction that Staff continue to determine whether there are alternative methods to allow premium payments.

The motion carried 3 yes (*Amaral, Godfrey, Koppenhaver*), 2 no (*Gamble, Walker*), 2 abstentions (*Carson, Levy*). Trustee Basgal was not present for the vote on the motion.

3. Supplemental Retiree Benefit Reserve Policy Update

Staff provided a redline copy of the Supplemental Retiree Benefit Reserve (SRBR) Policy, which was changed to be consistent with the Board of Retirement policy template format. The revisions were mostly minor clarifications and formatting line edits.

It was moved by Jamie Godfrey and seconded by Dale Amaral that the Committee recommend to the Board of Retirement that it adopt the Supplemental Retiree Benefit Reserve Policy with Staff's recommended revisions, which are shown in the redline included in the public agenda packet.

The motion carried 5 yes (*Amaral, Carson, Godfrey, Koppenhaver, Walker*), 0 no, 0 abstentions. Trustees Basgal, Gamble and Levy were not present for the vote on the motion.

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, 2021. The ending balance of the SRBR as of June 30, 2021 was approximately \$1,010.7 million. The semi-annual interest crediting as of June 30, 2021 based on the rate of 11.7916% was completed on August 25, 2021; approximately \$109.9 million in interest was credited. During that same six-month period, the net deductions from the SRBR were approximately \$30.9 million.

2. Presentation on Hearing Aid Benefits

This informational item was deferred to the December Retirees Committee meeting.

3. Final Report on Open Enrollment Preparation and Communications Material, and Virtual Retiree Health and Wellness Fair Arrangements

Staff provided information regarding the preparations being made for the Plan Year 2022 Open Enrollment, and the Virtual Retiree Health and Wellness Fair, which will be held on October 28, 2021.

4. Miscellaneous Updates

Staff reported that: 1) the annual Medicare Part D Certificate of Coverage Notice will be mailed out by October 15th and posted to ACERA's website; and 2) Via Benefits mailed the Medicare Fall Newsletters starting August 26th, the Pre-65 Fall Newsletters were mailed starting September 22nd, and the Balance Reminder statements for Health Reimbursement Account holders were mailed in waves starting mid-September.

TRUSTEE REMARKS

Trustee Walker expressed his appreciation to Staff for all their hard work and efforts.

FUTURE DISCUSSION ITEMS

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2022
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for December 1, 2021 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:13 p.m.

Retirees Committee, October 21, 2021
Board Agenda Item 6.B.3.

Memo re Retiree Payroll Deductions to Pay Premiums to the Operating Engineers Local 3 Union Medical Plan.



MEMORANDUM TO THE BOARD OF RETIREMENT

MEETING: October 21, 2021

TO: Members of the Board of Retirement

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Retiree Payroll Deductions to Pay Premiums to the Operating Engineers Local 3 Union Medical Plan**

In response to direction from Trustees regarding Operating Engineers Local 3 Union Medical Plan (OE3) imposing a late fee on the monthly payments for medical premiums that ACERA deducts from some retired members' allowances, Staff has determined via communication with OE3 that direct payments may not be made by retirees to OE3.

Staff has determined that the best approach to keep coverage with OE3 for these retired members is to charge the retirees a "reasonable fee for the making of the deductions and payments," pursuant to Gov't Code § 31452.5(c) and ACERA's Retiree Payroll Deduction Policy, in order to cover the late fees OE3 will be charging ACERA. Staff recommends a flat fee for all ACERA retirees with deductions for premiums paid to OE3, as other approaches (e.g., percentage of each retiree's deductions) would be administratively burdensome.

If the Board of Retirement (Board) approves this option, ACERA will promptly notify all impacted retirees that (a) the administrative fee will be deducted from their monthly allowances starting with the January 31, 2022 payroll, and (b) they may enroll in an ACERA-sponsored plan during open enrollment if they do not wish to pay the administrative fee.

Staff recommends that the Board approve an initial administrative fee of \$20.00 per month for each retired member who has deductions for premiums paid to OE3. This initial amount is based on current enrollment of 31 retired members in OE3, and a projected monthly late fee of \$554.00. Future adjustments may be necessary based on changes to enrollment numbers or changes to the late fee. Thus, Staff also asks the Board to delegate authority to Staff to either decrease the administrative fee or increase the administrative fee to as much as \$40.00 per month, as may become necessary.

**October 13, 2021
Investment Committee Minutes
For approval under October 21, 2021
Board “Consent Calendar”**

**The October 13, 2021 Investment Committee
Minutes will be distributed
under separate cover**

October 21, 2021
Actuarial Committee Minutes
For approval under November 18, 2021
Board “Consent Calendar”

October 21, 2021
Audit Committee Minutes
For approval under November 18, 2021
Board “Consent Calendar”

CONSENT CALENDAR ITEM

Confirm that the Board's September 16, 2021 action regarding the formal retirement of members applied to general and safety members.



To: Members of the Board of Retirement
From: Jeff Rieger, Chief Counsel
Meeting: October 21, 2021
Subject: **Confirmation That The Board's Action Regarding The Formal Retirement Of Members Applied To General And Safety Members**



At the Board's September 16, 2021 meeting, staff recommended that the Board "authorize and direct ACERA Staff to exercise the Board's power and perform the Board's duty to retire members as of the date ACERA issues the first retirement allowance payment, pursuant to Gov't Code § 31670(b)." The Board adopted staff's recommendation.

Staff's memorandum to the Board for the September 16, 2021 meeting related to all ACERA members and there is no legal or practical reason to distinguish between general members and safety members on this issue. Staff realized after the meeting, however, that the memorandum and recommended motion should have referenced both Gov't Code § 31670(b) (general members) and Gov't Code § 31662.2(b) (safety members).

In order to ensure a clear historical record, staff recommends that the Board confirm that its September 16, 2021 action applied to both general members under Gov't Code § 31670(b) and safety members under Gov't Code § 31662.2(b), which is consistent with the staff's intent, and its understanding of the Board's intent, at the September 16, 2021 meeting.

NEW BUSINESS

7.A. Proposed Findings Regarding State of Emergency Pursuant to Gov't Code § 54953(e)(3):

Staff Recommendation: Staff Recommendation: The Board find that it has reconsidered the circumstances of the state of emergency and (1) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (2) state or local officials continue to impose or recommend measures to promote social distancing.



To: Members of the Board of Retirement
From: Jeff Rieger, Chief Counsel 
Meeting: October 21, 2021
Subject: **Proposed Board Findings For “Teleconference” Meetings**

Since the beginning of the pandemic, based on the Governor’s Executive Order, the Board has been meeting by Zoom without having to comply with some of the normal requirements under the Brown Act for a “teleconference” meeting. More specifically, the Governor’s Executive Order waived the following “teleconference” requirements:

... post agendas at all teleconference locations ... Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction ... The agenda shall provide an opportunity for members of the public to address the legislative body directly ... at each teleconference location.

The Governor’s Executive Order that waived the above requirements expired on September 30, 2021, but on September 16, 2021, the Legislature passed legislation, immediately effective, adding a new provision to the Brown Act that allows the Board to waive the above requirements under the following circumstances.

- The Board holds a meeting during a proclaimed emergency and “state or local officials have imposed or recommended measures to promote social distancing.”
- The Board holds a meeting during a proclaimed emergency and has determined, by majority vote that “as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.”

Within 30 days after the Board first invokes either of the above provisions, and each 30 days thereafter, the Board must confirm that the conditions stated above still exist in order to continue holding “teleconference” meetings under the less stringent requirements.

California is still in a declared state of emergency and the Board has held several Board/Committee meetings since September 30, 2021. Those meetings were conducted under the less stringent “teleconferencing” requirements, because local officials in Alameda County “have imposed or recommended measures to promote social distancing.” As an example of such recommendations, at the end of each Board/Committee agenda since September 30, 2021, there was a copy of a September

23, 2021 letter from the Director of the Alameda County Health Care Services Agency that recommended social distancing measures.

Since the Board must make specified findings every 30 days for the Board/Committees to continue holding meetings under the less stringent "teleconference" requirements, staff recommends that the Board find as follows:

The Board has reconsidered the circumstances of the state of emergency and:

- **The state of emergency continues to directly impact the ability of the members to meet safely in person.**
- **State or local officials continue to impose or recommend measures to promote social distancing.**

Either finding on its own is adequate, but staff recommends that the Board make both findings to ensure the Board is able to utilize the less stringent requirements for "teleconference" meetings without regard to how other parties may interpret the phrase "state or local officials have imposed or recommended measures to promote social distancing."

Staff expects that similar recommended motions will be on the Board's Consent Calendar at the Board's November 18, 2021 and December 16, 2021 meetings, so long as (a) California is still in a declared state of emergency, and (b) staff and the Board Chair believe that one or both findings are still warranted at that time. Those two meetings are each less than 30 days after the prior Board meeting. If staff and the Board Chair believe that the two findings are still warranted for the Board's January 2022 meetings, the same recommendations will be brought to the January 12, 2022 Investment Committee/Board meeting, because the January 20, 2022 Board meeting is more than 30 days after the December 16, 2021 Board meeting.

I will briefly speak to this issue at the October 21, 2021 Board meeting and I will be happy to answer any questions at that time.

NEW BUSINESS

- 7.B. Motion to direct the Chief Executive Officer (or his Designee) on how to vote ACERA's Proxy on behalf of the Board of Retirement at the SACRS Fall Conference (Business Meeting).**

Staff Recommendation: The Board directs the CEO to vote to Receive and File the Secretary and Treasurer's reports and to vote in favor of SACRS sponsoring the Legislative Proposal.



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 21, 2021
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 12, 2021. There are two Receive and File actions and one Action item the Board of Retirement can vote on, if it chooses to do so, which is the SACRS Board of Directors Legislative Proposal.

Your options are to:

1. Instruct the CEO (or his Designee) on how to vote on the Receive and File and action items.
2. Give the CEO (or his Designee) authority to vote proxy on the action item using his (or her) discretion on behalf of the Board of Retirement.

Background:

The business meeting will vote to receive and file both the Secretary's and Treasurer's reports. These are generally ministerial duties. The action item is a proposed clean-up bill developed by the Legislative Committee and recommended by the SACRS Board to the membership to sponsor during the 2022 Legislative session. The SACRS Business Meeting attachment contains a description of each of the 12 items contained in the proposal and draft legislation. This proposal was developed by the Legislative Committee with input from all the systems. The items are designed to be non-controversial and/or clarifying proposals.

Recommendation:

Staff recommends that the Board instruct the CEO to vote to receive and file the Secretary and Treasurer's Reports and to vote in favor of SACRS sponsoring the Legislative Proposal.

Enclosure: 1) SACRS Business Meeting Packet

ENCLOSURE 1



SACRS Annual Business Meeting

Annual Fall Conference 2021

Friday, November 12

10 AM - 11:30 AM

Loews Hollywood Hotel

Hollywood, CA

Ray Dolby Ballroom



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, November 12, 2021
10:00 AM – 11:30 AM
Loews Hollywood Hotel, Hollywood, CA
Ray Dolby Ballroom

SACRS Parliamentarian – TBD
Sergeant at Arms – Bob Goodchild, San Diego CERA

1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary

2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

- A. Spring 2021 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 Financials
- B. 2021-2022 Annual Budget

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2021 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – Action

6. SACRS Nomination Committee – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2022-2023

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Annual Audit Update



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2021 Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

- A. SACRS Annual Fall Conference 2021 report

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global, SACRS Affiliate Committee Chair

- A. Affiliate Committee report

11. SACRS Bylaws Committee Report – No Action

Chair Position Open, SACRS Bylaws Committee Chair

- A. No report

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.



1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary



1. SACRS System Roll Call
Thomas Garcia, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

- A. Spring 2021 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, May 14, 2021
10:00 AM - Upon Adjournment
Online Via SACRS Conference Platform

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:05 am

SACRS Board of Directors in Attendance:

Vivian Gray, President; Roger Hilton, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; David MacDonald, Board member; Dan McAllister, Immediate Past President, Ben Lazarus, Past Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

20 SACRS Member Systems Present

Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

*Fresno arrived at 10:15 am

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2020 SACRS Business Meeting Minutes

Motion: Sonoma CERA made motion to approve the minutes as presented.

2nd: Marin CERA

Yes: Alameda, Contra Costa, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Fresno

Motion Passes 19-0-1

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

Motion: Stanislaus CERA made a motion to approve the Treasurers report on the July 2020 – January 2021 financials.

2nd: San Bernardino CERA

Yes: Alameda, Contra Costa, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Absent: Fresno

Motion Passes 19-0-1



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion: A verbal report was provided by Vivian Gray, SACRS President. No action was taken.

5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2021 Legislative Report – No Action

B. SACRS Board of Directors Legislative Proposal – Action

Discussion: An overview of the 2021 Legislative report was provided by the Legislative committee co-chairs and SACRS lobbying team – Trent Smith, Mike Robson and Bridget McGowan. No action was taken for item 5A.

Motion: Sonoma CERA made a motion to approve the proposed legislation presented in item 5B.

2nd: Merced CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Motion Passes 20-0

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice – Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

Motion: Los Angeles CERA made a motion to approve the recommended slate for the 2021-2022 SACRS Board of Directors.

- Vivian Gray, Los Angeles CERA
- Kathryn Cavness, Mendocino CERA, Vice President
- Harry Hagen, Santa Barbara CERS, Treasurer
- Thomas Garcia, Imperial CERA, Secretary
- David MacDonald, Contra Costa CERA, General member
- Vere Williams, San Bernardino CERA, General member
- Dan McAllister, San Diego CERA, Immediate Past President (per Bylaws)

2nd: San Diego CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Motion Passes 20-0



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit

Discussion: Steve Delaney, Audit Committee Chair, provided a verbal overview of the annual audit performed by James Marta & Co. Steve thanked the committee and SACRS staff for their time and dedication to the project. The external auditor's opinion in the report listed that the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, is fairly stated in all material respects in relation to the financial statement as a whole.

Motion: Fresno CERA submitted a motion to accept the 2019-2020 Audit as presented by the Audit committee.

2nd: Alameda CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Motion Passes 20-0

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

Discussion: A verbal report was provided by JJ Popowich, Committee Chair, great conference! The keynote sessions were really well balanced, the covid update on Friday was insightful. Many positive comments regarding the technology and virtual platform used for the conference. Encouragement to submit evaluations when people return home, feedback at conferences was positive. No action taken, verbal report on committee meeting. Evaluations are electronic, therefore will be presented at the Board meeting in January 2021.

9. SACRS Program Committee Report – No Action

Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

Discussion: Verbal report provided by Roger Hilton, feedback on conference was very positive. No action taken, Roger thanked the Program Committee and Education Committee for their time and dedication to the conference. Suggestions for future conferences can be submitted online at the SACRS website.

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion: Ben Lazarus, Past Committee Chair, gave a verbal update on Affiliate matters. Affiliate leadership really appreciate the commitment and dedication of the Board and fellow committee members. No action taken, Ben gave a verbal update on the Affiliate Breakout, attendance was great and members



really enjoyed the Spotlight Series on the Systems. The committee intends to continue system interviews for viewing during the SACRS Summer Webinar Series.

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion: No report

12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

A. Administrators – Leanne Malison, Tulare CERA, reported that the meeting was very productive. Donald Kendig, Fresno CERA, will moderate the Fall 2021 Conference.

B. Counsel – Ashley Dunning, SACRS Program Committee, provided a brief report on their closed session, and that the group did not get a volunteer for the Fall 2021 conference.

C. Disability/ Operations & Benefits Combo – Carlos Barrios, Los Angeles CERA, reported that the session was well attended and great information. Louis Gittens, Los Angeles CERA, has volunteered to moderate the Fall 2021 Conference.

D. Internal Auditors – No report.

E. Investment Officers – Tim Price, Contra Costa CERA, reported that the meeting was well attended and that Daryn Miller, Kern CERA volunteered to moderate the Fall 2021 Conference.

F. Safety Trustees – Susan Lee, San Mateo CERA, reported that the meeting was well attended and Brian Williams, Sonoma CERA will continue to serve as moderator for Fall 2021 Conference.

G. General Trustees – Kathryn Cavness, Mendocino CERA, reported that the session was fantastic. Kathryn Cavness will serve as the moderator for Fall 2021 Conference.

13. Adjournment

Motion: San Diego CERA submitted a motion to adjourn at 10:54 am

2nd: Ventura CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0

Motion Passes 20-0

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel, in Rancho Mirage, CA unless Covid-19 restrictions are in place.

Respectfully Submitted by:

Thomas Garcia, Imperial CERA, SACRS Secretary

Sulema Peterson, SACRS Executive Director



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 Financials
- B. 2021-2022 Annual Budget

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of July 31, 2021

Jul 31, 21

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking 201,567.30

1001 · BofA Interest Checking 4389 16,847.68

1002 · First Foundation Bank ICS Acct 57,555.25

Total Checking/Savings 275,970.23

Other Current Assets

1100 · CalTrust - Medium Term 979,872.82

1107 · CalTrust Liquidity Fund 8,225.47

1110 · CAMP-SACRS Liquidity Fund 791,150.15

Total Other Current Assets 1,779,248.44

Total Current Assets 2,055,218.67

TOTAL ASSETS 2,055,218.67

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 · First Foundation Credit Card 1,415.07

Total Credit Cards 1,415.07

Total Current Liabilities 1,415.07

Total Liabilities 1,415.07

Equity

32000 · Retained Earnings 2,034,191.90

Net Income 19,611.70

Total Equity 2,053,803.60

TOTAL LIABILITIES & EQUITY 2,055,218.67

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021

Jul 21

Ordinary Income/Expense

Income

4100 - Membership Dues	
4101 - Affiliates	63,750.00
4102 - Non Profit - Organizations	500.00
4103 - Non Profit - Systems	1,500.00
4104 - Systems - Medium	8,000.00
Total 4100 - Membership Dues	<u>73,750.00</u>
4270 - UC Berkeley Program	
4271 - Registrations	1,650.00
4272 - Sponsorships	2,500.00
Total 4270 - UC Berkeley Program	<u>4,150.00</u>
4900 - Interest Earned	315.95

Total Income 78,215.95

Gross Profit 78,215.95

Expense

5000 - Administrative Fee	30,000.00
5003 - Bank Charges/Credit Card Fees	2,004.32
5041 - Consulting	6,582.00
5072 - Legislative Advocacy	10,002.00
6011 - Postage & Delivery	274.96
6020 - Spring Conference	1,107.95
6053 - Technology/AMS/Website	7,711.12
6054 - Travel	921.90

Total Expense 58,604.25

Net Ordinary Income 19,611.70

Net Income 19,611.70

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021

	Jul 21	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	63,750.00	268,750.00	-205,000.00	23.72%
4102 - Non Profit - Organizations	500.00	2,750.00	-2,250.00	18.18%
4103 - Non Profit - Systems	1,500.00	6,000.00	-4,500.00	25.0%
4104 - Systems - Medium	8,000.00	52,000.00	-44,000.00	15.39%
4105 - Systems - Large	0.00	42,000.00	-42,000.00	0.0%
4100 - Membership Dues - Other	0.00	0.00	0.00	0.0%
Total 4100 - Membership Dues	73,750.00	371,500.00	-297,750.00	19.85%
4200 - Webinar Symposium Registration				
4201 - Affiliates - Early	0.00	200.00	-200.00	0.0%
4202 - Affiliates - Regular	0.00	200.00	-200.00	0.0%
4203 - Affiliates - Late/Onsite	0.00	200.00	-200.00	0.0%
4204 - Non Profit	0.00	200.00	-200.00	0.0%
4205 - Systems	0.00	200.00	-200.00	0.0%
4206 - Non-Members	0.00	200.00	-200.00	0.0%
4200 - Webinar Symposium Registration - Other	0.00	0.00	0.00	0.0%
Total 4200 - Webinar Symposium Registration	0.00	1,200.00	-1,200.00	0.0%
4250 - Product Income				
4255 - Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 - Product Income	0.00	2,000.00	-2,000.00	0.0%
4270 - UC Berkeley Program				
4271 - Registrations	1,650.00	60,000.00	-58,350.00	2.75%
4272 - Sponsorships	2,500.00	40,000.00	-37,500.00	6.25%
4270 - UC Berkeley Program - Other	0.00	0.00	0.00	0.0%
Total 4270 - UC Berkeley Program	4,150.00	100,000.00	-95,850.00	4.15%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4302 - Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4303 - Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4304 - Non Profit	0.00	960.00	-960.00	0.0%
4305 - Systems	0.00	20,000.00	-20,000.00	0.0%
4306 - Non-Members	0.00	200,250.00	-200,250.00	0.0%
4307 - Fun Run	0.00	500.00	-500.00	0.0%
4308 - Yoga	0.00	100.00	-100.00	0.0%
4300 - Fall Conference Registration - Other	0.00	0.00	0.00	0.0%
Total 4300 - Fall Conference Registration	0.00	492,210.00	-492,210.00	0.0%
4350 - Spring Conference Registration				
4351 - Affiliates - Early	0.00	140,000.00	-140,000.00	0.0%
4352 - Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4353 - Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4354 - Non Profit	0.00	960.00	-960.00	0.0%
4355 - Systems	0.00	20,000.00	-20,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021

	Jul 21	Budget	\$ Over Budget	% of Budget
4356 · Non-Members	0.00	200,250.00	-200,250.00	0.0%
4357 · Fun Run	0.00	500.00	-500.00	0.0%
4358 · Yoga	0.00	100.00	-100.00	0.0%
Total 4350 · Spring Conference Registration	0.00	492,210.00	-492,210.00	0.0%
4900 · Interest Earned	315.95	-953.55	1,269.50	-33.13%
Total Income	78,215.95	1,458,166.45	-1,379,950.50	5.36%
Gross Profit	78,215.95	1,458,166.45	-1,379,950.50	5.36%
Expense				
5000 · Administrative Fee	30,000.00	180,000.00	-150,000.00	16.67%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	2,004.32	36,000.00	-33,995.68	5.57%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	0.00	12,500.00	-12,500.00	0.0%
5014 · Food & Beverage	0.00	12,500.00	-12,500.00	0.0%
5015 · Materials/Printing/Design	0.00	3,000.00	-3,000.00	0.0%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	0.00	216,000.00	-216,000.00	0.0%
Total 5010 · Berkeley & Symposium	0.00	248,700.00	-248,700.00	0.0%
5020 · Webinar Symposium				
5022 · Webinar Technology	0.00	25,000.00	-25,000.00	0.0%
Total 5020 · Webinar Symposium	0.00	25,000.00	-25,000.00	0.0%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	0.00	20,000.00	-20,000.00	0.0%
5041 · Consulting	6,582.00	19,992.00	-13,410.00	32.92%
5042 · Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 · Fall Conference				
5051 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
5052 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
5054.2 · Conference	0.00	15,000.00	-15,000.00	0.0%
5054.3 · Food & Beverage	0.00	250,000.00	-250,000.00	0.0%
5054 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 5054 · Hotel	0.00	330,000.00	-330,000.00	0.0%
5055 · Program Material	0.00	25,000.00	-25,000.00	0.0%
5056 · Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 · Supplies	0.00	500.00	-500.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021

	Jul 21	Budget	\$ Over Budget	% of Budget
5050 · Fall Conference - Other	0.00	0.00	0.00	0.0%
Total 5050 · Fall Conference	0.00	489,500.00	-489,500.00	0.0%
5070 · Insurance	0.00	5,000.00	-5,000.00	0.0%
5071 · Legal & Professional Fees	0.00	35,000.00	-35,000.00	0.0%
5072 · Legislative Advocacy	10,002.00	60,012.00	-50,010.00	16.67%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	0.00	20,000.00	-20,000.00	0.0%
5083 · Magazine - Other	0.00	5,200.00	-5,200.00	0.0%
5080 · Magazine - Other	0.00	0.00	0.00	0.0%
Total 5080 · Magazine	0.00	25,800.00	-25,800.00	0.0%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	25,000.00	-25,000.00	0.0%
6001.2 · Printing/Supplies	0.00	4,000.00	-4,000.00	0.0%
6001.3 · Travel - BOD Meetings	0.00	11,000.00	-11,000.00	0.0%
6001.4 · Travel - Miscellaneous BOD	0.00	3,500.00	-3,500.00	0.0%
6001.5 · Board Of Directors - Other	0.00	3,000.00	-3,000.00	0.0%
Total 6001 · Board of Directors	0.00	46,500.00	-46,500.00	0.0%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	0.00	49,250.00	-49,250.00	0.0%
6010 · Office Expenses / Supplies	0.00	2,500.00	-2,500.00	0.0%
6011 · Postage & Delivery	274.96	3,000.00	-2,725.04	9.17%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
6024.2 · Conference	0.00	0.00	0.00	0.0%
6024.4 · Hotel - Other	0.00	25,000.00	-25,000.00	0.0%
6024 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 6024 · Hotel	0.00	90,000.00	-90,000.00	0.0%
6025 · Program Material	0.00	25,000.00	-25,000.00	0.0%
6026 · Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
6020 · Spring Conference - Other	1,107.95			
Total 6020 · Spring Conference	1,107.95	250,000.00	-248,892.05	0.44%
6050 · Strategic Facilitator	0.00	15,000.00	-15,000.00	0.0%
6051 · Taxes & Licenses	0.00	50.00	-50.00	0.0%
6053 · Technology/AMS/Website	7,711.12	45,000.00	-37,288.88	17.14%
6054 · Travel	921.90	7,500.00	-6,578.10	12.29%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021

Total Expense
Net Ordinary Income

Jul 21	Budget	\$ Over Budget	% of Budget
58,604.25	1,539,804.00	-1,481,199.75	3.81%
19,611.70	-81,637.55	101,249.25	-24.02%
19,611.70	-81,637.55	101,249.25	-24.02%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

	Budget
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	268,750.00
4102 · Non Profit - Organizations	2,750.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	0.00
Total 4100 · Membership Dues	371,500.00
4200 · Webinar Symposium Registration	
4201 · Affiliates - Early	200.00
4202 · Affiliates - Regular	200.00
4203 · Affiliates - Late/Onsite	200.00
4204 · Non Profit	200.00
4205 · Systems	200.00
4206 · Non-Members	200.00
4200 · Webinar Symposium Registration - Other	0.00
Total 4200 · Webinar Symposium Registration	1,200.00
4250 · Product Income	
4255 · Magazine Advertising	2,000.00
Total 4250 · Product Income	2,000.00
4270 · UC Berkeley Program	
4271 · Registrations	60,000.00
4272 · Sponsorships	40,000.00
4270 · UC Berkeley Program - Other	0.00
Total 4270 · UC Berkeley Program	100,000.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	140,000.00
4302 · Affiliates - Regular	60,000.00
4303 · Affiliates - Late/Onsite	70,400.00
4304 · Non Profit	960.00
4305 · Systems	20,000.00
4306 · Non-Members	200,250.00
4307 · Fun Run	500.00
4308 · Yoga	100.00
4300 · Fall Conference Registration - Other	0.00
Total 4300 · Fall Conference Registration	492,210.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	140,000.00
4352 · Affiliates - Regular	60,000.00
4353 · Affiliates - Late/Onsite	70,400.00
4354 · Non Profit	960.00
4355 · Systems	20,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

	Budget
4356 · Non-Members	200,250.00
4357 · Fun Run	500.00
4358 · Yoga	100.00
Total 4350 · Spring Conference Registration	492,210.00
4900 · Interest Earned	-953.55
Total Income	1,458,166.45
Gross Profit	1,458,166.45
Expense	
5000 · Administrative Fee	180,000.00
5001 · Administrative Services	500.00
5002 · Awards	500.00
5003 · Bank Charges/Credit Card Fees	36,000.00
5010 · Berkeley & Symposium	
5011 · Audio/Visual	2,200.00
5013 · Hotel	12,500.00
5014 · Food & Beverage	12,500.00
5015 · Materials/Printing/Design	3,000.00
5016 · Travel	2,500.00
5017 · UC Berkeley	216,000.00
Total 5010 · Berkeley & Symposium	248,700.00
5020 · Webinar Symposium	
5022 · Webinar Technology	25,000.00
Total 5020 · Webinar Symposium	25,000.00
5030 · CERL	
5031 · Materials/Printing/Design	16,500.00
5032 · Shipping	1,300.00
Total 5030 · CERL	17,800.00
5040 · Commissions & Fees	20,000.00
5041 · Consulting	19,992.00
5042 · Dues & Subscriptions	3,700.00
5050 · Fall Conference	
5051 · Audio/Visual	60,000.00
5052 · Delivery & Shipping	2,500.00
5053 · Entertainment	6,500.00
5054 · Hotel	
5054.1 · Wednesday Night Event	65,000.00
5054.2 · Conference	15,000.00
5054.3 · Food & Beverage	250,000.00
5054 · Hotel - Other	0.00
Total 5054 · Hotel	330,000.00
5055 · Program Material	25,000.00
5056 · Speakers	50,000.00
5057 · Supplies	500.00
5058 · Travel	15,000.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

	Budget
5050 · Fall Conference - Other	0.00
Total 5050 · Fall Conference	489,500.00
5070 · Insurance	5,000.00
5071 · Legal & Professional Fees	35,000.00
5072 · Legislative Advocacy	60,012.00
5080 · Magazine	
5081 · Delivery & Shipping	600.00
5082 · Design/Printing/Etc.	20,000.00
5083 · Magazine - Other	5,200.00
5080 · Magazine - Other	0.00
Total 5080 · Magazine	25,800.00
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	25,000.00
6001.2 · Printing/Supplies	4,000.00
6001.3 · Travel - BOD Meetings	11,000.00
6001.4 · Travel - Miscellaneous BOD	3,500.00
6001.5 · Board Of Directors - Other	3,000.00
Total 6001 · Board of Directors	46,500.00
6002 · Legislative Committee Meetings	250.00
6003 · Program Committee Meetings	2,500.00
Total 6000 · Board & Committees	49,250.00
6010 · Office Expenses / Supplies	2,500.00
6011 · Postage & Delivery	3,000.00
6020 · Spring Conference	
6021 · Audio/Visual	60,000.00
6022 · Delivery & Shipping	2,500.00
6023 · Entertainment	6,500.00
6024 · Hotel	
6024.1 · Wednesday Night Event	65,000.00
6024.2 · Conference	0.00
6024.4 · Hotel - Other	25,000.00
6024 · Hotel - Other	0.00
Total 6024 · Hotel	90,000.00
6025 · Program Material	25,000.00
6026 · Speakers	50,000.00
6027 · Supplies	1,000.00
6028 · Travel	15,000.00
6020 · Spring Conference - Other	
Total 6020 · Spring Conference	250,000.00
6050 · Strategic Facilitator	15,000.00
6051 · Taxes & Licenses	50.00
6053 · Technology/AMS/Website	45,000.00
6054 · Travel	7,500.00

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
ANNUAL BUDGET
JULY 2021

	<u>Budget</u>
Total Expense	<u>1,539,804.00</u>
Net Ordinary Income	<u>-81,637.55</u>
Net Income	<u><u>-81,637.55</u></u>



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed materials for this item



5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2021 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – Action



October 7, 2021

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – October 2021**

General Update

The Legislature adjourned for interim recess on September 10 after passing roughly 700 bills out of the Legislature and onto the Governor's desk. The Governor has until October 10 to consider these bills. Below is an update on the outcomes of the bills SACRS has been following closely.

Legislation of Interest

SB 634 (Committee on Labor, Public Employment, and Retirement) - SACRS Sponsored Bill. This bill makes a few clarifying changes to the CERL, including clarifying that a 37 Act Retirement board may contract with a private physician to provide medical advice to the board to process disability claims and changing an obsolete code reference related to when a 37 Act system member may opt to continue as a member of the 37 Act system instead of enrolling in CalSTRS.

The Governor signed this bill into law on September 16.

AB 361 (Rivas) - Virtual Meetings for Declared Emergencies. This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

Recent amendments add an urgency clause so the bill will go into effect immediately after it is signed.

The Governor signed this bill into law on September 16. Because the existing Brown Act Executive Order expired on September 30, the Governor also issued an Executive Order to make the provisions of AB 361 effective October 1, so the two standards do not conflict.

AB 339 (Lee) – Large City Council and Board of Supervisor Public Meetings – This bill would require until December 31, 2023 that city councils and boards of supervisors

in jurisdictions over 250,000 residents provide both in person and teleconference options for the public to attend their meetings.

The bill is currently on the Governor's desk.

AB 826 (Irwin) - Compensation Earnable. Late into session, this bill was amended into a bill that prescribes that the definition of compensation earnable in CERL includes any form of remuneration, whether paid in cash or as in-kind benefits, if certain requirements are met.

The bill is co-sponsored by SEIU and the Ventura County Board of Supervisors. They argue that some pay items, like their Flexible Benefit Allowance was not clearly addressed in the *Alameda* decision and should not be excluded, because members receive the full cash value, it is a regular, set amount paid every pay period, and it isn't subject to pension spiking or any other manipulation.

In the final days of session, the bill was amended to clarify that the provisions of the bill only apply to Ventura County.

SACRS does not have a position on the bill.

The bill was moved to the inactive file before the Legislature adjourned, making it a two-year bill.

AB 498 (Quirk-Silva) – Compensation Earnable. At the end of session, Assemblymember Quirk-Silva amended her AB 498 to attempt to address a difference of opinion regarding compensation earnable, similar to AB 826 (Irwin) discussed above. Because the bill was just amended, it did not move at the end of session and will be considered next year when the Legislature returns in January.

AB 845 (Rodriguez) - COVID-19 Presumption. This bill creates a rebuttable presumption for members that a COVID-19 related illness contracted on the job must be eligible for an in-service disability retirement. The provisions sunset January 1, 2023. The bill is sponsored by SEIU. The co-chairs of the Legislative Committee have been closely engaged with the sponsor and committee staff working on the legislation to ensure smooth implementation in CERL Systems.

This bill was signed into law by the Governor on July 23.



September 20, 2021

RE: SACRS-Sponsored Legislation in 2022

Dear SACRS Board of Directors,

The SACRS Legislative Committee recommends that SACRS sponsor legislation in 2022 to amend various sections of the County Employees' Retirement Law of 1937 (CERL).

At its September 17, 2021 meeting, the Legislative Committee approved bill language for a CERL Omnibus Bill and recommended approval by the SACRS Board of Directors. If approved by the SACRS membership at the Fall Conference, the bill language can be introduced in January 2022 for consideration during the 2022 legislative session.

The enclosed language reflects the work of Legislative Committee members, in collaboration with system administrators, over the past year to develop non-controversial, technical, and clarifying amendments to the CERL.

A summary matrix and draft bill language are attached.

If you have questions or would like to provide additional feedback, please contact us at dnelsen@acera.org or sterne@saccounty.net.

Respectfully,

/s/

David Nelsen and Eric Stern
Co-Chairs, Legislative Committee

ATTACHMENTS

- Summary Matrix
- Draft Bill Language

2022 CERL Clean-Up Bill

Issue	Gov Code	Topic	Issue/Justification
1	31452.7	Beneficiaries - Designating Estate	This amendment would allow a member to designate a corporation, trust, or estate to receive his or her last check upon death. This does not allow an estate or trust to receive ongoing payments. Note: Members who choose Option 1 already can designate an estate to receive the balance of contributions.
2	31525	Board of Supervisor approval of Board of Retirement regulations	This amendment would delete the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed by a county department, and was adopted prior to the passage on Prop.162 in 1992. Adoption of regulations is part of the BOR's duty to administer the system.
3	31641.4	Prior Service -- Military Reserve Service	This amendment would note a potential federal pre-emption issue regarding purchasing prior military reserve service. Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C. § 12736 provides that a period of military service may not be excluded from credit towards a civilian employment pension just because that period also counts towards reservist retirement. Thus, the question arises which statute prevails in a conflict between 10 U.S.C. § 12736 and Section 31641.4. The Ninth Circuit Court of Appeal considered that question in Cantwell v. San Mateo County, 631 F.2d 631 (9th Cir. 1980), and determined that federal law overrides Section 31641.4.
4	31646	Service Purchase for FMLA Leave	This amendment would include all leaves that are covered under the FMLA that are not due to the illness of the member.
5	31646.XX	Furloughs	This amendment would provide boards with authority to prevent temporary mandatory furloughs from impacting member benefits under specified circumstances. Similar to CalPERS statutes (see GC 20968, 20969, 20969.1, 20969.2), but granting more discretion to boards, this proposed new code section may help avoid inequities that can arise because of the timing of temporary mandatory furloughs in relation to members' planned retirements.

6	31680.2	Post-Retirement Employment	This amendment would add clarifying language that nonsalaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commission.
7	31725.7 31760	Disability Retirement: Optional Allowances	This amendment would allow members to change optional allowance if subsequently granted disability retirement, regardless of when the member filed a Disability Retirement application. Currently, Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though both members may subsequently be granted a disability retirement.
8	31726 31726.5	Nonservice-connected disability	This amendment restructures the sections to provide more clarity; no substantive changes. The sections on the nonservice-connected disability retirement benefit formula distinguish between those retiring on or after age 65 for general and on or after age 55 for safety versus those retiring under these ages in the same section: 31726 and 31726.5.
9	31730	Disability -- Reinstatement	This amendment addresses the scenario in which an employer does not offer to take the employee back who has been found to no longer be incapacitated. The proposed amendment would convert convert the disability retirement into service retirement without adjusting benefit (i.e. actuarial reduction). This conforms to existing practice of several systems. Note: Similar to GC 21193 in which CalPERS only reinstates if the local employer offers to take the employee back.
10	31761 31762 31763 31764	Beneficiary Designation	This amendment would insert the word "natural" in front of the phrase "person having an insurable interest in his or her life" to clarify that the optional retirement settlement death benefit cannot be paid to a fictitious person such as a trust or corporation.
11	31781	Lump Sum Death Benefit	This amendment would add language consistent with other CERL sections that provide direction on the calculation of compensation earnable and pensionable compensation when the member is on a leave of absence during the 12 months immediately preceding the member's death.

12	31838.5	Concurrent Retirement: Disability	<p>Section 31838.5 prevents windfalls for members who retire for disability from one or more systems. This amendment would clarify that a CERL system must reduce a member's allowance from that system as much as necessary so that the member does not receive a combined allowance that is "greater than the amount the member would have received had all the member's service been with only one entity." The statute currently refers to a pro rata reduction by each system, but some systems (like CalPERS) are not subject to section 31838.5 and do not make any reduction. This may leave the member with the windfall that section 31838.5 is designed to prevent, depending upon how a system calculates its "pro rata" reduction. This statute would make clear that the windfalls section 31838.5 is designed to prevent should always be prevented.</p>
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SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language

Issue 1: 31452.7 – Beneficiaries Designating Estate

This amendment would allow a member to designate a corporation, trust, or estate to receive his or her last check upon death. This does not allow an estate or trust to receive ongoing payments. Note: Members who choose Option 1 already can designate an estate to receive the balance of contributions.

Section 31452.7 of the Government Code is amended to read:

(a) Upon the death of any member after retirement, any retirement allowance earned but not yet paid to the member shall, notwithstanding any other provision of law, be paid to the member’s designated beneficiary.

(b) Upon the death of any person receiving a survivor’s allowance under this chapter, any allowance earned but not yet paid to the survivor shall, notwithstanding any other provision of law, be paid to the survivor’s designated beneficiary.

(c) For purposes of this section, “beneficiary” includes, but is not limited to, a corporation, a trust, or an estate.

Issue 2: 31525 – BOR Regulations

This amendment would delete the requirement that Board of Retirement regulations must be approved by the Board of Supervisors. This language is a holdover from when CERL systems were managed by a county department, and was adopted prior to the passage on Prop. 162 in 1992. Adoption of regulations is part of the BOR’s duty to administer the system.

Section 31525 of the Government Code is amended to read:

The board may make regulations not inconsistent with this chapter, **the Public Employees’ Pension Reform Act of 2013, The California Pension Protection Act of 1992, and any other provisions of law applicable to county retirement systems.**

~~The regulations become effective when approved by the board of supervisors.~~

Issue 3: 31641.4 -- Prior Military Reserve Service

This amendment would note a potential federal pre-emption issue regarding purchasing prior military reserve service. Current statute establishes that prior service purchases from another public agency must not yield a pension from that agency. However, 10 U.S.C. § 12736 provides that a period of military service may not be excluded from credit towards a civilian employment pension just because that period also counts towards reservist retirement. Thus, the question arises which statute prevails in a

SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language

conflict between 10 U.S.C. § 12736 and Section 31641.4. The Ninth Circuit Court of Appeal considered that question in Cantwell v. San Mateo County, 631 F.2d 631 (9th Cir. 1980), and determined that federal law overrides Section 31641.4.

Section 31641.4 of the Government Code is amended to read:

A member shall receive credit for employment in public service only for such service as he is not entitled to receive a pension or retirement allowance from such public agency. The service for which he elects to contribute and the fact that no pension or retirement allowance will accrue to such member by virtue of his employment in such public agency must be certified to by an officer of the public agency where he rendered such public service or must be established to the satisfaction of the board. **Nothing in this paragraph prohibits a member from receiving credit for a period of federal public service where federal law expressly permits such credit even though the member is already entitled to receive a pension or retirement allowance from that service (Cantwell v. San Mateo County, 631 F.2d 631 (9th Cir. 1980)).**

Issue 4: 31646 – Credit for Uncompensated Leave of Absence for Illness; Parental Leave; Conditions

This amendment would include all leaves that are covered under the FMLA that are not due to the illness of the member.

Section 31646 of the Government Code is amended to read:

(a) A member who returns to active service following an uncompensated leave of absence on account of illness may receive service credit for the period of the absence upon the payment of the contributions that the member would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(b) (1) A member who returns to active service following an uncompensated leave of absence on account of parental leave may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subdivision, parental leave is defined as any time, up to one year, during which a member is granted an approved maternity or paternity leave and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is

*SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language*

claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to parental leave that commences after the adoption by the board of supervisors.

(c) (1) A member who returns to active service following an uncompensated leave of absence on account of the serious illness of a family member when the absence is eligible for coverage under the Family Medical Leave Act, 29 U.S.C. section 2601 et. seq., or the California Family Rights Act, Government Code section 12945 et. seq., may receive service credit for the period of the absence upon the payment of the contributions that the member and the employer would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. For purposes of this subdivision, leave on account of illness of a family member is defined as any time, up to one year, during which a member is granted an approved leave to care for a seriously ill family member and returns to employment at the end of the approved leave for a period of time at least equal to that leave. The contributions may be paid in a lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. Credit shall not be received for any period of such an absence in excess of 12 consecutive months.

(2) This subdivision shall not be operative until the board of supervisors, by resolution adopted by majority vote, makes the provisions applicable to that county and applies it to leave that commences after the adoption by the board of supervisors.

Issue 5: 31646.XX – Furloughs

This amendment would provide boards with authority to prevent temporary mandatory furloughs from impacting member benefits under specified circumstances. Similar to CalPERS statutes (see GC 20968, 20969, 20969.1, 20969.2), but granting more discretion to boards, this proposed new code section may help avoid inequities that can arise because of the timing of temporary mandatory furloughs in relation to members' planned retirements.

Section 31646.XX of the Government Code is added to read:

The board may grant members who are subject to a temporary mandatory furlough the same service credit and “compensation earnable” or “pensionable compensation” to which the members would have been entitled in the absence of the temporary mandatory furlough. The board may condition such grant on the receipt of additional member and/or employer contributions that the board

determines are necessary to fund any benefits granted under this section on an actuarially sound basis.

For the purposes of this section, a “temporary mandatory furlough” refers to time during which a member is directed to be absent from work without pay for up to one quarter of the member’s normal working hours, with such reduced working hours in place for no longer than two years.

Issue 6: 31680.20 – Postretirement Employment

This amendment would add clarifying language that nonsalaried positions and per diems do not count as double dipping for members appointed to boards and commissions under purview of a participating employer of a county system; similar to language of 7522.57 for state boards and commission.

Section 31680.20 of the Government Code is added to read:

A person who is retired under this chapter may serve without reinstatement from retirement or loss or interruption of benefits under this chapter or the Public Employees’ Pension Reform Act of 2013 provided the service is on a part-time state, county, city, district, or other political subdivision board or commission. A retired person whose employment without reinstatement is authorized by this subdivision shall acquire no benefits, service credit, or retirement rights with respect to the employment. Part-time service is limited to less than 20 hours per week, and salary or stipend of the part-time service may not exceed \$60,000 annually.

Issue 7: 31725.7, 31760 – Disability Retirement: Optional Allowances

This amendment would allow members to change optional allowance if subsequently granted disability retirement, regardless of when the member filed a Disability Retirement application. Currently, Section 31725.7 only allows a benefit option change for members who retired for service after filing a disability retirement application but does not provide the same ability for those who retired for service before filing an application, even though both members may subsequently be granted a disability retirement.

Section 31725.7 of the Government Code is amended to read:

(a) At any time after filing an application for disability retirement with the board, the member may, if eligible, apply for, and the board in its discretion may grant, a service retirement allowance pending the determination of his or her entitlement to disability retirement. If he or she is found to be eligible for disability retirement, appropriate

*SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language*

adjustments shall be made in his or her retirement allowance retroactive to the effective date of his or her disability retirement as provided in Section 31724.

(b) Notwithstanding subdivision (a), this section shall also apply to a member retired for service who subsequently files an application for disability retirement with the board. If he or she is found to be eligible for disability retirement, appropriate adjustments shall be made in his or her retirement allowance retroactive to the effective date of his or her disability retirement as provided in Section 31724.

~~(b)~~**(c)** This section shall not be construed to authorize a member to receive more than one type of retirement allowance for the same period of time nor to entitle any beneficiary to receive benefits which the beneficiary would not otherwise have been entitled to receive under the type of retirement which the member is finally determined to have been entitled. In the event a member retired for service is found not to be entitled to disability retirement he or she shall not be entitled to return to his or her job as provided in Section 31725.

~~(c)~~**(d)** If the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary shall be as selected by the member at the time of retirement for service. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall also be binding as to the type of allowance the member receives if the member is awarded a disability retirement.

~~(d)~~**(e)** Notwithstanding subdivision ~~(e)~~**(d)**, if the retired member should die before a final determination is made concerning entitlement to disability retirement, the rights of the beneficiary may be as selected by the member at the time of retirement for service, or as if the member had selected an unmodified allowance. The optional or unmodified type of allowance selected by the member at the time of retirement for service shall not be binding as to the type of allowance the member receives if the member is awarded a disability retirement. A change to the optional or unmodified type of allowance shall be made only at the time a member is awarded a disability retirement and the change shall be retroactive to the service retirement date and benefits previously paid shall be adjusted. If a change to the optional or unmodified type of allowance is not made, the benefit shall be adjusted to reflect the differences in retirement benefits previously received. This paragraph shall only apply to members who retire on or after January 1, 1999.

Section 31760 of the Government Code is amended to read:

(a) Except as provided in subdivisions **(b) and (c)**, until the first payment of any retirement allowance is made, a member or retired member, in lieu of the retirement allowance for the member's life alone, may elect to have the actuarial equivalent of his or her retirement allowance as of the date of retirement applied to a lesser retirement

*SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language*

allowance payable throughout life in accordance with one of the optional settlements specified in this article.

(b) Notwithstanding subdivision (a), a member who applies for disability and is subsequently granted a service retirement pending a determination of entitlement to disability may change the type of optional or unmodified allowance that he or she elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

(c) Notwithstanding subdivision (a), a member retired for service who applies for and is subsequently granted a disability retirement may change the type of optional or unmodified allowance that he or she elected at the time the service retirement was granted, subject to the provisions of Section 31725.7.

Issue 8: Sections 31726 and 31726.5: Nonservice-connected disability

This amendment restructures the sections to provide more clarity; no substantive changes. The sections on the nonservice-connected disability retirement benefit formula distinguish between those retiring on or after age 65 for general and on or after age 55 for safety versus those retiring under these ages in the same section: 31726 and 31726.5.

Section 31726 of the Government Code is amended to read:

(a) Upon retirement for ~~non-service~~**nonservice**-connected disability a member who has attained age 65 shall receive his or her service retirement allowance.

(b) Every member under age 65 who is retired for ~~non-service~~**nonservice**-connected disability and who is not simultaneously retired as a member on deferred retirement of the ~~State~~**Public** Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of the following:

~~(a)~~**(1)** The sum to which he or she would be entitled as service retirement; **or**

~~(b)~~**(2)** A sum which shall consist of ~~any of the following~~:

~~(1)~~**(A)** An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

~~(2)~~**(B)** If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

~~(3)~~**(C)** If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district. This paragraph

*SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language*

shall only apply to a person who becomes a member of the system on or after January 1, 1988.

Section 31726.5 of the Government Code is amended to read:

(a) Upon retirement for nonservice-connected disability a safety member who has attained age 55 shall receive his or her service retirement allowance.

(b) Every safety member under age 55 who is retired for nonservice-connected disability and who is not simultaneously retired as a member on deferred retirement of the Public Employees' Retirement System or a retirement system established under this chapter in another county shall receive a disability retirement allowance which shall be the greater of:

~~(a)~~**(1)** The sum to which he or she would be entitled to as service retirement; or

~~(b)~~**(2)** A sum which shall consist of:

~~(1)~~**(A)** An annuity which is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

~~(2)~~**(B)** If, in the opinion of the board, his or her disability is not due to intemperate use of alcoholic liquor or drugs, willful misconduct, or violation of law on his or her part, a disability retirement pension purchased by contributions of the county or district.

~~(3)~~**(C)** If, in the opinion of the board, his or her disability is not due to conviction of a felony or criminal activity which caused or resulted in the member's disability, a disability retirement pension purchased by contributions of the county or district.

~~Paragraph 3~~**Subparagraph (C)** shall only apply to a person who becomes a member of the association on or after January 1, 1988.

Issue 9: 31730 – Disability Reinstatement

This amendment addresses the scenario in which an employer does not offer to take the employee back who has been found to no longer be incapacitated. The proposed amendment would convert convert the disability retirement into service retirement without adjusting benefit (i.e. actuarial reduction). This conforms to existing practice of several systems. Note: Similar to GC 21193 in which CalPERS only reinstates if the local employer offers to take the employee back.

Section 31730 of the Government Code is amended to read as follows:

(a) If the board determines that the beneficiary is not incapacitated, and his or her employer offers to reinstate that beneficiary, his or her retirement allowance shall be

SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language

anceled forthwith, and he or she shall be reinstated in the county service pursuant to the regulations of the county or district for reemployment of personnel.

(b) If the board determines that the beneficiary is not incapacitated, and his or her employer does not offer to reinstate that beneficiary, notwithstanding any requirement of this chapter regarding eligibility therefor, his or her retirement allowance shall be reclassified to a service retirement in the same amount and subject to any applicable future cost of living adjustments. The optional or unmodified type of allowance selected by the beneficiary at the time of retirement for disability shall be binding as to the service retirement.

Issue 10: 31761, 31762, 31763, and 31764 – Optional Retirement Allowances:

This amendment would insert the word “natural” in front of the phrase “person having an insurable interest in his or her life” to clarify that the optional retirement settlement death benefit cannot be paid to a fictitious person such as a trust or corporation.

Sections 31761, 31762, 31763, and 31764 of the Government Code are amended to read:

31761 – Optional settlement 1 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death and, if he or she dies before he or she receives in annuity payments the amount of his or her accumulated contributions at retirement, to have the balance at death paid to his or her estate or to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board.

31762 – Optional settlement 2 consists of the right to elect in writing to have a retirement allowance paid to him or her until his or her death, and thereafter to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement.

31763 – Optional settlement 3 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death, and thereafter to have one-half of his or her retirement allowance paid to the natural person, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement.

31764 – Optional settlement 4 consists of the right to elect in writing to have a retirement allowance paid him or her until his or her death and thereafter to have other benefits as are approved by the board, upon the advice of the actuary, continued throughout the life of and paid to the natural persons, having an insurable interest in his or her life, as he or she nominates by written designation duly executed and filed with the board at the time of his or her retirement. The designation shall not, in the opinion of the board and the actuary, place any additional burden upon the retirement system.

SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language

Issue 11: 31781 – Death Benefit; Elements

This amendment would add language consistent with other CERL sections that provide direction on the calculation of compensation earnable and pensionable compensation when the member is on a leave of absence during the 12 months immediately preceding the member's death.

Section 31781 of the Government Code is amended to read:

The death benefit shall consist of:

- (a) The member's accumulated contributions.
- (b) An amount, provided from contributions by the county or district, equal to one-twelfth of the annual compensation earnable or pensionable compensation as defined in [Section 7522.34](#), whichever is applicable, by the deceased during the 12 months immediately preceding his death, multiplied by the number of completed years of service under the system, but not to exceed 50 percent of such annual compensation. **The computation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence.**

Issue 12: 31838.5 – Concurrent Retirement; Disability

Section 31838.5 prevents windfalls for members who retire for disability from one or more systems. This amendment would clarify that a CERL system must reduce a member's allowance from that system as much as necessary so that the member does not receive a combined allowance that is "greater than the amount the member would have received had all the member's service been with only one entity." The statute currently refers to a pro rata reduction by each system, but some systems (like CalPERS) are not subject to section 31838.5 and do not make any reduction. This may leave the member with the windfall that section 31838.5 is designed to prevent, depending upon how a system calculates its "pro rata" reduction. This statute would make clear that the windfalls section 31838.5 is designed to prevent should always be prevented.

Section 31838.5 of the Government Code is amended to read:

No provision of this chapter shall be construed to authorize any member, credited with service in more than one entity and who is eligible for a disability allowance, whether service connected or nonservice connected to receive an amount from one county that, when combined with any amount from other counties or the Public Employees' Retirement System, results in a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.

*SACRS Proposed Legislation
CERL Clean-Up Bill 2022: Draft Language*

In cases of service-connected disability allowances only, the limitation on disability allowances provided for in this section shall apply to service-connected disability allowances payable to those who, after being employed with another county or an entity within the Public Employees' Retirement System, become employed by a second public entity on or after January 1, 1984.

Each entity shall calculate its respective obligations based upon the member's service with that entity and each shall adjust its payment on a pro rata basis. **If, however, another entity does not reduce the amount it pays the member, an entity subject to this section shall reduce the allowance it pays the member by as much as necessary to ensure that the member does not receive a disability allowance greater than the amount the member would have received had all the member's service been with only one entity.**



6. SACRS Nomination Committee – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2022-2023



August 24, 2021

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2022-2023 - Elections Notice

SACRS BOD 2022-2023 election process will begin January 2022. Please provide this election notice to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2022	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, 2022	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 13, 2022	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference
May 13, 2022	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 10 – 13, 2022 at the Rancho Las Palmas, Rancho Mirage, CA. Elections will be held during the Annual Business meeting on Friday, May 13, 2022.

If you have any questions, please contact Dan McAllister, Dan.McAllister@sdcounty.ca.gov

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee & San Diego County Treasurer Tax Collector
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 2022-2023**

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, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov 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	



7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Annual Audit Update



No printed materials for this item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Fall Conference 2021 Evaluations/Feedback



No printed materials for this item



9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

- A. SACRS Annual Fall Conference 2021 report



No printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global, SACRS Affiliate Committee Chair

A. Affiliate Committee report



No printed materials for this item



11. SACRS Bylaws Committee Report – No Action
Chair Position Open, SACRS Bylaws Committee Chair

- A. No report



No printed materials for this item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



No printed materials for this item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.

NEW BUSINESS

- 7.C. Discussion and possible motion to authorize ACERA to join in Institutional Limited Partners Association (ILPA) written request for SEC rulemaking action to mandate greater fee transparency and reporting by advisers in alternative investment funds.**

Staff Recommendation: Authorize ACERA to join the written request.



To: Members of the Board of Retirement

From: Jeff Rieger, Chief Counsel
Susan Weiss, Investment Counsel

A handwritten signature in black ink, appearing to be "M H".

Meeting: October 21, 2021

Subject: **ACERA Sign-Off On Institutional Limited Partners Association (ILPA) Letter To The SEC On Fee Transparency And Reporting**

ACERA is a longstanding member of the Institutional Limited Partners Association (ILPA), an organization that advocates for institutional investors in private equity, commonly known as Limited Partners or LPs. From time to time, members participate as signatories to ILPA letters requesting certain actions designed to protect the interests of institutional LPs.

ILPA has prepared the attached draft letter to the U.S. Securities & Exchange Commission (SEC) Chair Gary Gensler, seeking the SEC's rulemaking action to mandate regular reporting of direct and indirect fees and expenses charged by private fund advisers and their affiliates to investors in private funds. Although California has already enacted Gov't Code Section 7514.7, which requires similar reporting for public pension investors, an SEC rule would offer additional protections and cover those institutional LPs that are not subject to state laws on the subject. Such quarterly reporting would ensure transparency for all investors and enable investors to verify that fees charged conform to contractual agreements. The proposal also should create a more level playing field for ACERA and other investors that are not currently subject to some of the transparency requirements that apply to ACERA.

The draft letter has been circulated for review and, to date, approximately 23 ILPA members have agreed to join as signatories.¹ Staff seeks the Board's authorization to sign the letter on behalf of ACERA and support this effort towards greater fee transparency in alternative investments.

¹ We understand that current signatories include: Alaska Permanent Fund Corporation, CalPERS, CalSTRS, City of Fresno Retirement System, Fire and Police Pension Association of Colorado (FPPACO), Florida State Board of Administration (SBA), GFPE (Southern Ute Tribe), Illinois Municipal Retirement Fund (IMRF), Iowa PERS, Los Angeles Fire and Police Pension (LAFPP), Los Angeles City ERS (LACERS), Los Angeles County ERA (LACERA), Minnesota State Board of Investment (MSBI), Comptroller of the City of New York (NYC), Oregon State Treasury, Pennsylvania School Employees' Retirement System (PSERS), San Francisco County and City ERS (SFERS), Seattle City ERS, South Carolina Retirement System Investment Commission, State of Wisconsin Investment Board (SWIB), Utah Retirement System (URS), Virginia Retirement Services (VRS), and Washington State Investment Board.

October XX, 2021

Honorable Gary Gensler
Chair

U.S. Securities and Exchange Commission

100 F Street NE
Washington, D.C. 20549-1090

Institutional Investors Seek SEC Rulemaking Action to Require Quarterly Fee and Expense Reporting by Private Fund Advisers

Dear Chair Gensler,

We, as ILPA¹ and the Institutional Investor Members of ILPA, write to you today seeking SEC rulemaking action that would mandate the regular reporting of all direct and indirect fees and expenses charged by private fund advisers and their affiliates to investors in private funds. Quarterly reporting is necessary to ensure transparency for all investors and ensure investors can validate that the fees charged by private fund advisers conform with contractual agreements.

Since 2014², the SEC has continually indicated that a material number of private fund advisers have continued to charge fees and expenses to their LPs that were not agreed to in the investment contract, both at the fund and portfolio company level or by the adviser and/or its affiliates. Without clear and consistent disclosure, tracking of fees and expenses charged in a private fund is not possible. Beyond the traditional management fee and carry, there are typically a number of fees and expenses charged to the portfolio companies by the private fund adviser and its affiliates, providing a number of potential fee streams to the adviser, which ultimately impacts the returns received by the investors. Adding to the complexity, LPs may have negotiated certain portfolio company fee offsets which reduce the management fees that may be charged. Without regular fee and expense reporting, LPs are unable to verify that these cash flows match the fees that were contractually agreed. While access to this reporting may be attainable through fund negotiations, this leaves basic transparency up to market forces, undermines existing investor protections, constrains capital formation, and disproportionately limits access for smaller institutional investors, including city and county pension plans, in the marketplace.

The urgent need for fee transparency rulemaking has been magnified by specific state laws in California and Texas³ requiring that public pensions in those states obtain certain private fund fee reporting, which may limit investment opportunities to those private funds from which they can negotiate this necessary level of transparency. Industry efforts, led by ILPA and its widely adopted Fee Template that was released in 2016, have helped coalesce the industry around a standard reporting framework, endorsed by over 130 private fund advisers and LPs, but many limited partners are still unable to receive this level of reporting across their portfolios.

¹ ILPA is the voice of the institutional investors invested in private equity, colloquially known as Limited Partners or LPs. Our 550+ member institutions represent over USD 2 trillion in private equity assets under management globally and include public and private pension funds, insurance companies, university endowments, charitable foundations, family offices and sovereign wealth funds, all of which invest in the U.S. alternative investment market. LPs provide the capital that fuels private equity and venture capital investment, generating economic growth and job creation, across America and around the world.

In addition to providing this critical capital for economic growth, LPs are the trusted financial stewards investing the assets of millions of Americans. Limited partner beneficiaries include teachers, first responders, students receiving university scholarships, charity recipients and insurance policyholders, among others. ILPA is headquartered in Washington, D.C. with additional offices in Toronto, Ontario. For more information on ILPA's members, please visit: <http://www.ilpa.org/members>.

² Spreading Sunshine in Private Equity., U.S. Securities & Exchange Commission (May 6, 2014), available at: <https://www.sec.gov/news/speech/2014-spch05062014ab.html>

³ California Assembly Bill 2833 (2016); Texas Senate Bill 322 (2019).

The lengthy track record of SEC examinations and enforcement efforts on this issue, as well as the increased action at the state level, calls out for rulemaking action. **We believe the SEC should take action under its existing authority in the Investment Advisers Act of 1940 to create a new rule under Section 206 requiring all private fund advisers to report all direct and indirect fees, expenses and fee offsets charged by the adviser and its affiliates.**

The SEC should ensure this new rule is *principles based*, as opposed to creating a new SEC form or rigid template for fee reporting. A *principles-based* rule provides sufficient flexibility to ensure the level of transparency can accommodate market changes in the types of fees and fee offsets charged by private fund advisers and their affiliates without the need for continual SEC rulemaking to update a form or template in coming years. Given that the private funds industry is global in nature, a *principles-based* approach will also promote more widespread adoption beyond the use of a specific SEC template. While this may create the appearance of the risk of lack of uniformity in reporting, this can easily be addressed through ongoing staff guidance from the Division of Investment Management and dispensed through Division of Examinations Risk Alerts and SEC examination activities. Ultimately, we believe the industry will be incentivized to coalesce around a common industry standard for the sake of administrative simplicity and the SEC's guidance can be targeted to ensure that the types of fees and offsets charged are clearly delineated.

Sunlight and transparency are the hallmarks of the federal securities laws. It is time for the SEC to bring these principles to the private fund industry to ensure investors, and ultimately their beneficiaries, no longer have to navigate incomplete, inconsistent, and misleading financial disclosure in this industry.

For additional questions in regard to this issue, please contact ILPA's Senior Policy Counsel, Chris Hayes, at chayes@ilpa.org.

Sincerely,

Steve Nelson, CEO, Institutional Limited Partners Association

NEW BUSINESS

7.D. Update on Proxy Vote at the CII Business Meeting.

NEW BUSINESS

7.E. Chief Executive Officer's Report.



*Office of the Chief Executive Officer
Office of Administration*

DATE: October 21, 2021
TO: Members of the Board of Retirement
FROM: Dave Nelsen, Chief Executive Officer *DN*
SUBJECT: **Chief Executive Officer's Report**

Senior Manager Recruitment

Assistant CEO for Operations: This is to fill the duties due to Margo's acceptance of the position at Sacramento CRS. I will work with Alliance RC to recruit for this position. The goal is to offer the position to the right candidate around the first of the year. In the interim, fiscal and admin supervisory staff will report to me.

Committee/Board Action Items

ASSIGNED FOLLOW-UP ITEMS				
Follow-Up Board Item	Assigned Senior Leader	Estimated Completion Date	Completion Date	Notes
Develop ACERA Re-Opening Plan.	Dave Nelsen	July 2021	On-going	The general guidelines of the Plan have been developed and implemented. We are responding to changes as necessary based on new information.

Conference/Event Schedule

SACRS Fall Conference November 9-12. This will be in person, not a virtual conference.

Other Items

COVID-19 Responses

Recently, the County has requested all employees to declare their vaccination status. They are working with the Unions to determine what next steps will be after the information is collected. This has caused increased speculation with employees, with some asking questions about possible mandatory vaccination for return to the work place. We will continue to monitor the situation and let you know outcomes, and their possible impact on ACERA.

We continue to be open to customers by appointment on Tuesdays and Thursday, but have had very few appointments made since that time. We stress digital tools, web services, and phone/Zoom appointments to meet customer needs, and the overwhelming majority are still using those methods of interaction. Given the low use of in-person interactions, we have scaled back the number of benefits team members coming on-site. The remainder of the team members continue to work their prior schedule, with most working from home. We will continue to promote virtual service delivery options as the primary means of meeting our customers' needs.

Currently, the County has not made any changes to work site requirements regarding employee mask use and social distancing. These are still required in County work sites.

Pension Administration System Update

The project is continuing to work through its phases. We have completed the first two deliverables, and we are now working on Deliverable three. A comprehensive update on the project was provided at the last Operations Committee meeting.

Board Election

We are conducting an election for the vacant Seat 2 (General Member). Three candidates have qualified and will be included on the ballot. The ACERA What's Up Newsletter-Election Edition will be mailed out on October 25th. Ballots will be mailed to eligible voters on November 10, and returned ballots will be counted the morning of December 16.

Legislation of Interest

AB 1048: This is a bill discussed earlier that would allow employees of AHS that are currently excluded from membership in ACERA to potentially bargain for membership for their bargaining unit. This bill was passed by the legislature and signed by the Governor. We are working with AHS to explain the impacts of membership and the items for consideration should they choose to address this in a bargaining situation.

Other Recruitments: We are in the process of filling our Investment Operations Officer position, as well as two Retirement Benefit Specialists. These are lead positions within the Benefits Unit.

Key Performance Indicators

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

Scorecard KPI	2020 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 Through August of 2021: .02% above the benchmark.</i>
EFFECTIVE PLAN ADMINISTRATION	
Actual Spent vs. Approved Budget	<i>On budget or 10% below 2021 approved budget As of end of July 2021: 6% under budget.</i>
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?" As of last survey (Fall of 2020): 65%. The next survey will go out on 10/19 with results back the following week.</i>
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?" As of 2nd Quarter of 2021: 91%</i>

12. CLOSED SESSION:

- A. Conference With Legal Counsel--Existing Litigation (Gov't Code § 54956.9(d)(1)):
Alameda County Deputy Sheriff's Association v. Alameda County Employees' Retirement Association, Contra Costa County Superior Court, Case No. MSN12-1870.**

- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).**

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