



Alameda County Employees' Retirement Association  
BOARD OF RETIREMENT

**NOTICE and AGENDA**

**THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE  
[GOV'T CODE § 54953(e)]**

**ACERA MISSION:**

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

**Thursday, November 17, 2022  
2:00 p.m.**

<b>ZOOM INSTRUCTIONS</b>	<b>BOARD OF RETIREMENT - MEMBERS</b>	
<p>The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below.  <a href="https://zoom.us/join">https://zoom.us/join</a>  <b>Webinar ID: 879 6337 8479</b>  <b>Passcode: 699406</b>  <b>Call-In Number:</b>  <b>1 (669) 900-6833 US</b>            For help joining a Zoom meeting, see:  <a href="https://support.zoom.us/hc/en-us/articles/201362193">https://support.zoom.us/hc/en-us/articles/201362193</a></p>	<b>JAIME GODFREY</b>	<b>APPOINTED</b>
	<b>CHAIR</b>	
	<b>LIZ KOPPENHAVER</b>	<b>ELECTED RETIRED</b>
	<b>FIRST VICE-CHAIR</b>	
	<b>OPHELIA BASGAL</b>	<b>APPOINTED</b>
	<b>SECOND VICE-CHAIR</b>	
	<b>DALE AMARAL</b>	<b>ELECTED SAFETY</b>
	<b>KEITH CARSON</b>	<b>APPOINTED</b>
	<b>TARRELL GAMBLE</b>	<b>APPOINTED</b>
	<b>HENRY LEVY</b>	<b>TREASURER</b>
<b>KELLIE SIMON</b>	<b>ELECTED GENERAL</b>	
<b>GEORGE WOOD</b>	<b>ELECTED GENERAL</b>	
<b>NANCY REILLY</b>	<b>ALTERNATE RETIRED<sup>1</sup></b>	
<b>VACANT</b>	<b>ALTERNATE SAFETY<sup>2</sup></b>	

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

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

*Note regarding accommodations:* 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 agendized items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at [www.acera.org](http://www.acera.org).

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT**

**4. CONSENT CALENDAR:**

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

**A. REPORT ON SERVICE RETIREMENTS:**

*Appendix A*

**B. LIST OF DEFERRED RETIREMENTS:**

*Appendix B*

**C. LIST OF DECEASED MEMBERS:**

*Appendix C*

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

*None*

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

*Appendix E*

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

*None*

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

*October 14, 2022 Minutes of the Special Board Meeting*

*October 20, 2022 Actuarial Committee Minutes*

*October 20, 2022 Audit Committee Minutes*

*October 20, 2022 Minutes of the Regular Board Meeting*

**H. MISCELLANEOUS:**

- *Proposed Findings Regarding State of Emergency Pursuant to Gov't Code §54953(e)(3): **Staff Recommendation:** The Board finds 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.*

**H. MISCELLANEOUS (Continued):**

- *Operating Expenses as of 9/30/22*
- *Quarterly Financial Statements as of 9/30/22*
- *Quarterly Cash Forecast as of 9/30/22*
- *Board Conference Expense Report for 3<sup>rd</sup> Qtr.*
- *Senior Manager Conference & Training Report for 3<sup>rd</sup> Qtr.*
- *Quarterly Report on Member Underpayments and Overpayments*
- *3<sup>rd</sup> Quarter 2022 Call Center Report*
- *Approve Staff Recommendation regarding the County of Alameda’s Amendment to Pay Item/Code Lead Duties-CAO Assessment Units – 41Q*
- *Approve Staff Recommendation regarding the County of Alameda’s New Pay Item/Code Legal Process Clerk-Warrants/Records Unit – 42W*
- *Approve Staff Recommendation regarding the Livermore Area Recreation and Park District’s New Pay Item/Code COVID-19 Supplemental Paid Sick Leave – SPSL*

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

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

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

None.

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

**A. Governance: [See November 17, 2022 Governance Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of November 17, 2022 Meeting.
2. Motion to adopt the Governance Committee’s recommended revisions to the *ACERA Conflict of Interest Code*.
3. Motion to adopt the Governance Committee’s recommended revisions to the *Conflict of Interest Policy*.

**B. Operations: [See November 17, 2022 Operations Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of November 17, 2022 Meeting.
2. Motion to approve the Proposed 2023 ACERA Operating Expense Budget.

**7. NEW BUSINESS:**

A. 2022 Board Election Update (Election Year).

B. Chief Executive Officer's Report.

**8. CONFERENCE/ORAL REPORTS**

**9. ANNOUNCEMENTS**

**10. BOARD INPUT**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, December 15, 2022 at 2:00 p.m.**

**12. CLOSED SESSION:**

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

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

**13. REPORT ON ACTION TAKEN IN CLOSED SESSION.**

**14. ADJOURNMENT**



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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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ATKINS, Robert  
Effective: 9/3/2022  
General Services Agency

LEONARD, Edwin  
Effective: 8/20/2022  
Health Care Services

BAKER, Karen  
Effective: 9/3/2022  
Probation Department

MALONE, April  
Effective: 8/20/2022  
Probation Department

BREWER, Roberta  
Effective: 8/19/2022  
Alameda Health System

MARAPAO, Erich  
Effective: 8/20/2022  
Sheriff's Office

BROWNE, James  
Effective: 9/3/2022  
Public Works Agency

PEREZ, Elinor  
Effective: 9/1/2022  
Alameda Health System

CALDERON, Humberto  
Effective: 8/25/2022  
Probation Department

POLLAK, Judith  
Effective: 8/20/2022  
District Attorney

CHAN, Winnie  
Effective: 9/1/2022  
ACERA

RICE, Valarie  
Effective: 9/3/2022  
Social Services Agency

CHHIM, C. Raymond  
Effective: 9/3/2022  
Social Services Agency

RODRIGUEZ, Michael  
Effective: 8/21/2022  
Probation Department

CUENCA, Olivia  
Effective: 9/3/2022  
Social Services Agency

RYAN, Andrew  
Effective: 9/3/2022  
Sheriff's Office

ISHIDA, Yumiko  
Effective: 7/23/2022  
Community Development Agency

SIU, David  
Effective: 9/30/2022  
Auditor-Controller

KNAPP, Dawne  
Effective: 8/23/2022  
Non-Member

STENSON, Jon  
Effective: 8/24/2022  
Health Care Services

KROLL, Daniel  
Effective: 8/20/2022  
Superior Courts

WHITTAKER, Phyllis  
Effective: 8/20/2022  
Social Services Agency

WILTZ, LaWanda  
Effective: 9/1/2022  
Social Services Agency

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**APPENDIX B**  
**LIST OF DEFERRED RETIREMENTS**

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ATH, Jimmy  
Health Care Services Agency  
Effective Date: 9/16/2022

CRUZ, Brenda  
Social Services Agency  
Effective: 9/16/2022

CARDENAS, Ivan  
Sheriff's Office  
Effective: 9/13/2022

ENGOLE, Douglas  
Alameda Health System  
Effective: 9/20/2022

CERVERA TORRES, Scarlett  
District Attorney  
Effective: 9/16/2022

GLASSER, Carole  
Superior Courts  
Effective: 9/8/2022

CHAN, Gary  
Assessor  
Effective: 9/16/2022

GUMS, April  
Social Services Agency  
Effective: 7/1/2022

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**APPENDIX C**  
**LIST OF DECEASED MEMBERS**

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Bauer, Hans  
General Services Agency  
10/26/2022

Hume, David  
Alameda Health System  
10/14/2022

Beltran, Roy  
Public Works Agency  
10/17/2022

~~Jordan, Albert~~  
~~Public Works Agency~~  
~~10/14/2022~~

Mr. Jordan was listed here in error. He is not deceased.

Brown, Yvonne  
Non-Mbr Survivor of Gordon Brown  
10/2/2022

King, Cynthia  
Alameda Health System  
10/24/2022

Cundiff, Donna  
Social Services Agency  
8/8/2022

Kobernus, Norma  
Non-Mbr Survivor of Gilbert Kobernus  
10/5/2022

Dever, Leslie  
Public Works Agency  
9/23/2022

Manglicmot, Carmelita  
Treasurer - Tax Collector  
10/2/2022

Hansen, Richard  
Non-Mbr Survivor of Janelle Hansen  
10/14/2022

Martinez, Kimberly  
Child Support Services  
9/26/2022

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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May, Lee  
Social Services Agency  
10/20/2022

Redmond, William  
Probation Department  
10/3/2022

Morrison, Connie  
Alameda Health System  
10/26/2022

Rio, Shirley Ann  
Superior Courts  
10/11/2022

Morrison, Joyce  
Social Services Agency  
9/21/2022

Terry, Kenneth  
Behavioral Health Care Services  
10/10/2022

Moton, Selbert  
Social Services Agency  
10/10/2022

Voigt, Karl  
Zone 7  
10/15/2022

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

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

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

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

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

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

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

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

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

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

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

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**October 14, 2022**  
**Minutes of the Special Board Meeting**  
**For approval under November 17, 2022**  
**Board “Consent Calendar”**



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
BOARD OF RETIREMENT – SPECIAL MEETING  
MINUTES**

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**THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

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**Friday, October 14, 2022**

Chair Jaime Godfrey called the Special Board meeting to order at 9:30 a.m.

Trustees Present: Dale Amaral  
Ophelia Basgal (*Arrived After Roll Call*)  
Tarrell Gamble (*Arrived After Roll Call*)  
Jaime Godfrey  
Liz Koppenhaver  
Henry Levy  
Kellie Simon  
George Wood  
Nancy Reilly (*Alternate*)

Trustees Excused: Keith Carson

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

Staff Excused: Jessica Huffman, Benefits Manager

Mosaic Governance Advisors, LLC Staff: Amy McDuffee  
Catherine Jackson

## **PUBLIC INPUT**

None.

## **NEW BUSINESS:**

### **Board of Retirement Strategic Planning Strategy Session**

Chair Jaime Godfrey opened with remarks stating that the purpose of today's meeting is to begin the process to develop ACERA's Strategic Plan. Chair Godfrey reported that he has been involved with developing Strategic Plans, but at the corporate level. Chair Godfrey expressed his enthusiasm stating that a Strategic Plan will assist in developing a blueprint for ACERA to continue its history of shareholder focus, cost-effect service delivery and; most importantly, top investment performance.

Chief Executive Officer (CEO) Dave Nelsen opened with remarks stating that he has been through a number of Strategic Planning events throughout his career and explained that today's goal is for the Board to provide its vision for what ACERA would like to look like in ten (10) years, what are the necessary steps it will take to get there and that the Senior Leadership Team is here to support the Board in the Strategic Planning Process.

Strategic Planning Consultant Amy McDuffee of Mosaic Governance Advisors, LLC (Mosaic) introduced herself and her colleague, Catherine Jackson, and reported that Mosaic was retained to assist ACERA in developing its Strategic Plan. Ms. McDuffee reported that she and Ms. Jackson have been working closely with the Senior Leadership Team by engaging them in various discussions in order to develop a starting point to get the Board's feedback in an effort to develop a DRAFT Strategic Planning document for the Board's consideration. Ms. McDuffee reported that ACERA is starting its Strategic Planning Process from a strong position and that the Process is a cyclical practice that should be reviewed and/or updated every 3 to 5 years.

Ms. McDuffee provided a high-level overview of the following discussion items:

- Outcome of the Panel Interviews of ACERA's Actuarial Consultant (Segal Consulting) and Investment Consultant (Verus Advisory Inc.) regarding their Insights on Trends, Risks and Opportunities
- Discussion of Research Summary Key Insights
- Discussion of the Future Vision of ACERA: The Next Ten (10) Years
- Discussion of Critical Themes
- Discussion Recap: Next Steps in the Process and Feedback

Trustee Liz Koppenhaver inquired whether or not ACERA's Healthcare and Benefits Consultants provided feedback to be included in these discussions. Mr. Nelsen reported that he and Former Assistant CEO of Benefits Kathy Foster have had discussions with and obtained feedback from ACERA's Healthcare and Benefits Consultants that has been included in this process and that the consultants can provide any additional feedback before ACERA moves forward with finalizing its Strategic Plan.



Ms. Jackson moderated the Consultant Panel Interviews wherein ACERA's Actuarial Consultant Andy Yeung of Segal and ACERA's Investment Consultants Margaret Jadallah and Eileen Neill of Verus were asked to respond to the following questions in order to get their insights:

- What high-level trends do you see in your area of practice that could potentially create risks or opportunities for ACERA in the next 3 to 5-year period?
- What topics or initiatives are your other similar clients considering or undertaking that you believe may also be of benefit for ACERA to explore?
- Is there anything else you think would be important for the ACERA Board and Leadership Team to be aware of as it undertakes strategic planning?

Segal and Verus' Consultants provided their feedback and responded to Trustees' questions. Chief Counsel Jeff Rieger explained the level of authority ACERA has regarding the Supplemental Retiree Benefit Reserve (SRBR) benefits and the regular employment benefits structure. Mr. Nelsen responded to Trustees' questions regarding other Counties' Structures. Mr. Yeung reported that ACERA has a very robust *Contribution Rate Policy (Actuarial Funding Policy)* and that as long as ACERA continues to inform the employers of increased contribution rates and the reason(s) why in advance, ACERA should be fine going forward. Ms. Neill reported that ACERA has a well-diversified Portfolio along with a strong, well-defined risk mitigation process built into its *Investment Policy (General Investment Guidelines, Policies, and Procedures)* which should keep ACERA on the right track for the future. Ms. Neill further reported that within the last six months, 35% of ACERA's Portfolio had positive returns during a period when equities were down by 20% and bonds were down by 10%.

Ms. McDuffee reported that she captured the following exploratory discussion items from the Consultant Panel Interviews, which will be included in either ACERA's Strategic Plan or in ACERA's Annual Business Plan:

**Segal (Actuarial):** 1) What are the implications regarding a Partial vs. Fully Funded Fund (Asset Allocation); 2) Future Employer Contribution Rates (Projections and Analysis); 3) Enhancements to the Modeling of ACERA's Actuarial Process (ACERA's active member benefits and Supplemental Retiree Benefit Reserve (SRBR) benefits); and 4) PEPRA (Public Employees' Pension Reform Act) Retirement Readiness (How Are the Tiers Performing, etc.).

**Verus (Investments):** 1) Asset Allocation; 2) Enhancements to Risk Mitigation and Diversification; 3) Evaluation of Benefits/Delegation of Implementation Authority for Staff regarding Incentives/Compensation/Discussions; 4) Portable Alpha Implementation; 5) Education Session on what is a Functionally Focused Portfolio; and 6) Discussion on the Global and Regulatory Impact Due to Investments in China.

There was a brief discussion regarding the impact of PEPRA wherein Trustee George Wood recommended that the higher-earning PEPRA Members who run into the cap should take advantage of the County's Deferred Compensation Program so that they have two separate retirement benefit plans.

Ms. McDuffee reported that in addition to surveying the Senior Leadership Team, Mosaic also conducted surveys of ACERA's key Stakeholders in order to get their feedback on the future of ACERA.

Ms. McDuffee requested that the Board identify the Key Takeaways from today's discussion. The Trustees provided their feedback, which included, but not limited to, the following recommendations: **1)** Full engagement from the Board on important issues; **2)** More discussions/clarification on Environmental, Social and Governance (ESG); **3)** Continuing educational/orientation training for Board Trustees to improve their decision making process; **4)** Provide retirement and financial education in order to engage new and/or younger employees; and **5)** Facilitate sufficient oversight without recreating the work of internal Staff. Trustee Levy, who oversees the County of Alameda's Deferred Compensation Program, reported that a Deferred Compensation Education Segment is presented at ACERA's Retirement Seminars and stated the Treasurer's Office is in the process of expanding the Program to include Financial Wellness. Mr. Nelsen announced that the County of Alameda Treasurer's Office was recognized nationally for its Financial Wellness Study.

Ms. McDuffee asked that the Senior Leadership Team also provided their feedback. Mr. Nelsen provided his feedback stating that, based on surveys conducted by ACERA, both members and employers agreed that ACERA is a reliable partner and a prudent steward of their Retirement System. Chief of Internal Audit Harsh Jadhav asked the Trustees their thoughts on how they feel ACERA can create a plan that will put ACERA on a trajectory toward financial stability. Chair Godfrey responded that ACERA should continue its diligence and prudent focus on how it invests by continuing to utilize the expertise of its Consultants and Staff and to continue to get educated on what goes on in the Marketplace. Other Trustees and the Senior Leadership provided their feedback and discussed a plan on how to engage new employees/younger generation.

Ms. Jackson moderated the discussion regarding ACERA's Vision of Success Statements which are ACERA's aspirational goals on how ACERA should look like in 10 years. Trustees and the Senior Leadership Team provided their feedback and the following aspirational goals were added to ACERA's Vision of Success Statements: **1)** Mutual respect amongst Board Trustees and the ability to work together collegiately; **2)** Listening to the members/retirees and to provide them with as much information as possible to maintain their financial stability; and **3)** Ability to be nimble and pivot and respond to changing circumstances.

Ms. McDuffee moderated the discussion regarding the Critical Themes Section and presented a high-level overview of the internal and external factor analysis results and the results from the SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis performed by the Senior Leadership Team. The SWOT Analysis helped to identify: **1)** What Has Made ACERA Successful to Date; **2)** What Key Risks are on the Horizon; and **3)** What Must ACERA Become Good at to Succeed in the Future. Ms. McDuffee gave a high-level overview of the ingredients to ACERA's success to date that are within AND not entirely within its control and discussed the key risks on the horizon. Ms. McDuffee stated that the SWOT Analysis reflected that both the Board and the Senior Leadership Team have the same attitude and philosophies regarding ACERA's success to date.

Ms. McDuffee requested that the Board provide its feedback regarding its approach in developing the following areas regarding ACERA's future vision: **1)** People Transitions (internal and external); **2)** Structural or Systemic Transitions; **3)** Resource Allocation and Reallocation; **4)** Cost-effective Service Improvements; and **5)** Financial Position. Chair Godfrey stated the aforementioned information was well-defined/identified; therefore, other Trustees provided no feedback. Mr. Nelsen stated, based on the five areas listed above, the Senior Leadership Team will now have the opportunity to create next steps Business Plan Initiatives.

Ms. McDuffee stated that based on the outcome and consensus from today’s discussions, Mosaic will provide the Board with a DRAFT Strategic Planning document for its consideration and Mosaic will also provide the Senior Leadership Team with notes to assist them in preparing ACERA’s Annual Business Plan. The reaffirmation of ACERA’s Mission Statement and ACERA’s Core Values will be discussed at the November 2022 meeting. Trustee Levy requested that a discussion regarding ACERA’s Committees also take place. Trustee Reilly recommended that some of the language in ACERA’s Mission Statement be revised. Trustee Dale Amaral requested that the Strategic Plan be reviewed and/or updated on an annual basis, which both Chair Godfrey and Mr. Nelsen assured would be done.

No Board reportable action was taken at today’s meeting.

Everyone expressed their appreciation to each other for their participation and hard work in preparation for today’s Strategic Planning Strategy Process.

**BOARD INPUT**

None.

For detailed information regarding the information presented and discussed at today’s, see the October 14, 2022 Special Board Meeting Packet on ACERA’s Website at: [https://www.acera.org/sites/main/files/file-attachments/10-14-22\\_special\\_board\\_meeting\\_packet.pdf?1665175986](https://www.acera.org/sites/main/files/file-attachments/10-14-22_special_board_meeting_packet.pdf?1665175986)

To view the October 14, 2022 Special Board meeting in its entirety, click on the link below: <https://youtu.be/uqsj9l1VhUE>.

**ADJOURNMENT**

The meeting was adjourned at approximately 12:01 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

11/17/22

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Date Adopted

**October 20, 2022**  
**Minutes of the Regular Board Meeting**  
**For approval under November 17, 2022**  
**Board “Consent Calendar”**



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

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**THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

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**Thursday, October 20, 2022**

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

Trustees Present: Dale Amaral  
Ophelia Basgal (*Arrived After Roll Call*)  
Keith Carson  
Tarrell Gamble  
Jaime Godfrey  
Liz Koppenhaver  
Henry Levy (*Arrived After Roll Call*)  
Kellie Simon  
George Wood  
Nancy Reilly (*Alternate*)

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

Staff Excused: Erica Haywood, Fiscal Services Officer

Chief Executive Officer (CEO) Dave Nelsen introduced Carlos Barrios, ACERA's New Assistant CEO of Benefits.

**PUBLIC INPUT**

None.

**CONSENT CALENDAR**  
**REPORTS AND ACTION ITEMS**

**REPORT ON SERVICE RETIREMENTS**

*Appendix A*

**LIST OF DEFERRED RETIREMENTS**

*Appendix B*

**LIST OF DECEASED MEMBERS**

*Appendix C*

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

*None*

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

*Appendix E*

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

*Appendix F (See Ruth Sanchez matter below).*

**APPROVE MINUTES of BOARD and COMMITTEE MEETINGS**

*September 14, 2022 Investment Committee Minutes*

*September 15, 2022 Minutes of the Regular Board Meeting*

*October 5, 2022 Operations Committee Minutes*

*October 5, 2022 Retirees Committee Minutes*

*October 12, 2022 Investment Committee Minutes*

**MISCELLANEOUS**

- *Proposed Findings Regarding State of Emergency Pursuant to Gov't Code § 54953(e)(3): **Staff Recommendation:** The Board finds 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.*

**22-61**

**It was moved by Keith Carson and seconded by Kellie Simon that the Board adopt the Consent Calendar, except for Appendix F, which was removed from the Consent Calendar for discussion. The motion carried 9 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood), 0 no, and 0 abstentions.**

**Ruth Sanchez Matter (Appendix F):**

Trustee Simon requested that this item be pulled from the Consent Calendar so that a discussion could take place. Mr. Rieger reported that Cari Schwartz, legal counsel for Ms. Sanchez, was present at the meeting. Chair Godfrey and Ms. Schwartz both had no objection to proceeding with discussion at this meeting and having that discussion in Open Session. Trustee Simon inquired about why Managed Medical Review Organization (MMRO), ACERA’s Disability Benefits Consultant, was unable to locate a rheumatologist and allowed an Orthopedist to evaluate Ms. Sanchez. Mr. Rieger agreed that further efforts should have been made to find a rheumatologist and stated he was already planning on discussing this issue with MMRO. After a brief discussion, the following motion was made:

**22-62**

**It was moved by Kellie Simon and seconded by Dale Amaral that the Board adopt the Hearing Officer’s Proposed Recommendation to grant Ruth Sanchez, Account Clerk II, a Non Service-Connected Disability Retirement Benefit. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

**REGULAR CALENDAR  
REPORTS AND ACTION ITEMS**

**DISABILITY AND DEATH BENEFIT CLAIMS**

**A. This Item was addressed in Closed Session, pursuant to Gov’t Code § 54957(b).**

Service-Connected Disability Retirement Application of Dennis Teichera, Deputy Sheriff II for the County of Alameda: Consideration of Hearing Officer’s Proposed Findings of Fact and Recommended Decision, pursuant to Gov’t Code § 31534.

The Board reconvened into Open Session and the following Trustees returned:  
*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon Wood and Reilly*

Chief Counsel Jeff Rieger reported that the Board took the following action in Closed Session:

**22-63**

**The Board adopted the Hearing Officer’s Proposed Recommendation to deny Dennis Teichera, Deputy Sheriff II, a Service-Connected Disability Retirement Benefit (he will continue to receive a Non-Service-Connected Disability Retirement allowance) The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

- B.** Member Joe Dutra’s Claim for Retroactive MBRP Benefits: Board Chair Report on Resolution of Dispute.

Chief Counsel Jeff Rieger reported that the parties reached a Settlement Agreement, which is a public document and posted on ACERA’s website with the backup materials for this meeting.

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

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

#### ***Operations:***

Ophelia Basgal gave an oral report stating that the Operations Committee met on October 5, 2022 and that the Committee discussed allowing new members’ certifications to ACERA to be made through the employer's transmittal file in lieu of a sworn statement, pursuant to Government Code Section 31526(b)(2).

#### **22-64**

**It was moved by Ophelia Basgal and seconded by Liz Koppenhaver that the Board allow new members’ certifications to ACERA to be made through the employer's transmittal file in lieu of a sworn statement, pursuant to Government Code Section 31526(b)(2). The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

Trustee Basgal further reported that the Committee discussed the following Information Items: *1) Operating Expenses as of 8/31/2022; 2) Statement of Reserves as of 6/30/2022; and 3) 2022 Board Elections Update.*

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

#### ***Retirees:***

Liz Koppenhaver gave an oral report stating that the Retirees Committee met on October 5, 2022, and that the Committee discussed accepting Segal’s Actuarial Valuation of the OPEB and Non-OPEB Benefits Provided by the Supplemental Retiree Benefit Reserve, Including Sufficiency of Funds, as of December 31, 2021.

#### **22-65**

**It was moved by Liz Koppenhaver and seconded by George Wood that the Board accept the December 31, 2021 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**



Trustee Koppenhaver further reported that the Committee discussed bringing back the lump sum death benefit and the Active Death Equity Benefit (ADEB) for review at some future date. Trustee Koppenhaver also reported that the Committee discussed the following Information Items *1) Supplemental Retiree Benefit Reserve (SRBR) Financial Status; 2) Final Report on Open Enrollment Preparation and Communications Material; and 3) Miscellaneous Updates.*

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

***Investment:***

Tarrell Gamble gave an oral report stating that the Investment Committee met on October 12, 2022 and that the Committee was presented with and discussed Amendments to ACERA's *Emerging Investment Manager (EIM) Policy.*

**22-66**

**It was moved by Tarrell Gamble and seconded by Kellie Simon that the Board adopt Amendments to ACERA's *Emerging Investment Manager (EIM) Policy.* The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

Trustee Gamble further reported the Committee discussed Search Criteria for ACERA's General Investment Consultant (GIC) Search, including Proposed Minimum Qualifications and Evaluation Matrix.

**22-67**

**It was moved by Tarrell Gamble and seconded by George Wood that the Board adopt Search Criteria for ACERA's General Investment Consultant (GIC) Search, including Proposed Minimum Qualifications and Evaluation Matrix (as revised by the Committee). The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

Trustee Gamble reported that there were no information items.

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

***Actuarial:***

Ophelia Basgal gave an oral report stating that the Actuarial Committee met earlier today and that the Committee was presented with information from three (3) actuarial auditing firms. The Committee recommended that Cavanaugh Macdonald Consulting, LLC be selected to audit Segal's actuarial work.

**22-68**

**It was moved by Ophelia Basgal and seconded by Henry Levy that the Board approve Staff's recommendation to hire Cavanaugh Macdonald to audit Segal's work, pending completion of a satisfactory reference check, legal due diligence and successful contract negotiations. The motion carried 9 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions.**

Trustee Basgal reported that there were no information items.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the November 17, 2022 Board meeting.

***Audit:***

Henry Levy gave an oral report stating that the Audit Committee met earlier today and that there were no action items. However, the Committee was updated on the following Information Items: **1)** Progress report on the Internal Audit Plan; **2)** Progress on Audits: **a)** Felony Forfeiture Policy Audit; **b)** Workforce Resilience Audit; **4)** Pension Administration System Internal Control Project; and **5)** Cybersecurity.

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the November 17, 2022 Board meeting.

**NEW BUSINESS:**

***State Association of County Retirement System (SACRS) Voting Proxy***

CEO Dave Nelsen presented his October 20, 2022, memo requesting the Board's approval for him to vote ACERA's Proxy (or his Designee) and to provide him with direction on how to vote on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting.

**21-69**

**It was moved by Ophelia Basgal and seconded by Liz Koppenhaver to direct the Chief Executive Officer (CEO) (or his Designee) to vote ACERA's Proxy and that the CEO vote to receive and file SACRS' Secretary and Treasurer's Reports on behalf of the Board of Retirement at the SACRS Fall Conference Business Meeting. The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the vote on the motion.***

**Appointment of Kathy Foster to fill a Critically Needed ACERA Position**

Mr. Nelsen explained the process for appointing a Retiree Annuitant and announced that he will be appointing Kathy Foster as a Retiree Annuitant to fill a critically needed ACERA position before the 180 days have passed after her retirement, pursuant to Government Code Section 7522.56(f)(1). Mr. Nelsen reminded the Board that Ms. Foster has a wealth of knowledge regarding pension benefits that will be important for the PAS project and that she will also assist the new Assistant CEO Carlos Barrios to get up to speed. Mr. Nelsen reported that Ms. Foster will not work more than the statutory 960 hours per year and that her appointment is scheduled to conclude in mid-2024.

**22-70**

**It was moved by Liz Koppenhaver and seconded by Kellie Simon to approve Staff's recommendation to hire Kathy Foster as a Retiree Annuitant to fill a critically needed ACERA position before the 180 days have passed after her retirement, pursuant to Government Code Section 7522.56(f)(1). The motion carried 8 yes (*Amaral, Basgal, Carson, Godfrey, Koppenhaver, Levy, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Gamble was not present for the vote on the motion.***

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

Chief Executive Officer Dave Nelsen presented his October 20, 2022 written CEO Report which provided an update on: **1) Senior Management Recruitment; 2) Committee and Board Action Items; 3) Conference/Event Schedule; 4) Other Items: a) COVID-19 Responses; b) Pension Administration System Project; c) Legislation; d) Strategic Planning; and 5) Key Performance Indicators.**

Mr. Nelsen reported that AB 826 was vetoed by the Governor (Ventura sponsored bill); AB 1824 and AB 1971 (SACRS sponsored bills) were signed by the Governor; and that AB 2493 did not pass the Legislature. Mr. Nelsen further reported that the Governor will lift the Emergency Order regarding COVID effective February 28, 2023. Staff will provide the Board with a Legislative Update in the near future.

**CONFERENCE/ORAL REPORTS**

Chair Godfrey and Trustee Levy reported that they both attended Nossaman's Public Pensions & Investments Fiduciaries' Forum. Trustee Levy reported he also attended the Institutional Limited Partners Association (ILPA) Conference. Other Trustees were encouraged to attend both events next year, if possible.

**ANNOUNCEMENTS**

None.

**BOARD INPUT**

None.

**CLOSED SESSION**

**Item 12:**

The Board reconvened into Open Session and the following Trustees returned: *Amaral, Basgal, Godfrey, Koppenhaver, Levy, Simon Wood and Reilly. Trustees Carson and Gamble did not return from Closed Session.*

- A. Significant exposure to litigation and potential initiation of litigation, pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9: (one potential case).
- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

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

To view the October 20, 2022 Board meeting in its entirety, click on the link below:  
<https://www.youtube.com/watch?v=YgXTJ4bCDsg>.

**ADJOURNMENT**

The meeting was adjourned at approximately 4:15 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

11/17/22

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Date Adopted

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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ANLAVAN, Hom  
Effective: 7/23/2022  
Social Services Agency

LEE, May  
Effective: 8/6/2022  
Social Services Agency

ARULANANTHAM, Anton  
Effective: 8/16/2022  
Health Care Services Agency

MATEO, Gerald  
Effective: 7/23/2022  
Social Services Agency

BERRY, Priscilla  
Effective: 7/23/2022  
Social Services Agency

PARCHMAN, Connie  
Effective: 8/9/2022  
Superior Court

CHAN, Gavin  
Effective: 8/20/2022  
Sheriff's Department

RIDEOUT, Wanda  
Effective: 8/6/2022  
Sheriff's Department

CHUNG, Heidi  
Effective: 8/6/2022  
Social Services Agency

SMITH, Kurtis  
Effective: 7/1/2022  
Sheriff's Department

COOPER, Paul  
Effective: 8/6/2022  
Health Care Services Agency

STINSON, Patricia  
Effective: 8/8/2022  
Sheriff's Department

CRAWFORD, Susan  
Effective: 8/6/2022  
Health Care Services Agency

STRANG, Richard  
Effective: 7/23/2022  
District Attorney

DEBUSMAN, Mary  
Effective: 8/6/2022  
Health Care Services Agency

TIMPANE, Colleen  
Effective: 8/16/2022  
Alameda Health System

DESANTIS, Adrienne  
Effective: 8/21/2022  
Health Care Services Agency

TUBBY, Janice  
Effective: 7/24/2022  
Alameda Health System

HAMMOND, Virginia  
Effective: 7/11/2022  
Library

VANDAGRIFF, David  
Effective: 4/9/2022  
Sheriff's Department

HAWKINS, William  
Effective: 8/6/2022  
Alameda Health System

WAKEFIELD, Cynthia  
Effective: 8/1/2022  
Superior Court

HOANG, Thi  
Effective: 7/30/2022  
Alameda Health System

WALKER, Gerald  
Effective: 7/23/2022  
Health Care Services Agency

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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WINGES, Mark  
Effective: 7/30/2022  
Information Technology Dept

WRIGHT, Venus  
Effective: 8/6/2022  
Superior Court

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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ALLEN, Lisha M.  
Social Services Agency  
Effective Date: 8/12/2022

LOHMEYER, Emily D.  
District Attorney  
Effective: 5/24/2022

FLORES, Dominic N.  
Sheriff's Department  
Effective: 8/12/2022

LUK, Kelsey P.  
Public Defender  
Effective: 7/29/2022

GOMEZ RAMIREZ, Lorena  
Alameda Health System  
Effective: 6/27/2022

MARTIN, Brian R.  
Health Care Services Agency  
Effective: 7/29/2022

JENNINGS-PARRIOTT, Kari A.  
Health Care Services Agency  
Effective: 8/2/2022

SUAREZ, Martha E.  
Social Services Agency  
Effective: 6/10/2022

LOCHIN, Glenford A.  
Alameda Health System  
Effective: 7/18/2022

YEN, Kelly  
Human Resource Services  
Effective: 7/22/2022

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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AUSTIN, Alice M  
Superior Court  
8/15/2022

GRAYSON, Louise  
Assessor  
8/25/2022

BROSCH, Jeffrey  
District Attorney  
8/23/2022

HERNANDEZ, Joe  
Assessor  
8/17/2022

CASE, Rosanne  
Superior Court  
8/31/2022

HORN, Wesley  
Sheriff's Department  
9/17/2022

CHATMAN, Grace  
Alameda Health System  
9/16/2021

INGRAM, James  
Public Works Agency  
6/27/2022

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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JOHNSTON, Meg  
Social Services Agency  
8/6/2022

SHANKAR, Anand  
Community Development Agency  
8/2/2022

KISH, Lyall  
District Attorney  
8/22/2022

SHANKLAND, Linda  
Social Services Agency  
9/1/2022

LEWIS, Linda  
General Services Agency  
9/13/2022

SHELDON, Gary  
Sheriff's Department  
9/7/2022

LYNCH, Maryanne  
Social Services Agency  
9/8/2022

THOMAS, Della  
Alameda Health System  
8/22/2022

PRICE, Khojesta  
Health Care Services Agency  
8/28/2022

THOMAS, Donna  
Alameda Health System  
9/11/2022

RIPLEY, Evelyn  
Alameda Health System  
8/26/2022

WALTON, Margaret  
Alameda Health System  
9/10/2022

ROGERS, Betty  
Sheriff's Department  
8/28/2022

WOLIN, Fredrick  
Public Works Agency  
8/30/2022

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

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

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

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

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**Name:** Neufville-Pratt, Zondell  
**Type of Claim:** Non- Service Connected

Staff's Recommendation:

On the Board's February 17, 2022 Consent Calendar, the Board granted Ms. Neufville-Pratt a non-service-connected disability retirement, with an effective retirement date of April 1, 2021. Staff has since determined that she is entitled to an earlier effective date of October 2, 2018 and therefore Staff recommends that she be granted that earlier effective date. The earlier effective date is not opposed by the County.

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**APPENDIX F**  
**APPLICATION FOR DISABILITY RETIREMENT**  
**UNCONTESTED HEARING OFFICER RECOMMENDATIONS**

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**Name:** Sanchez, Ruth  
**Type of Claim:** Non-Service-Connected Disability

Staff's Recommendation:

Adopt the Hearing Officer's Proposed Findings of Fact and Recommended Decision as the Board's own final decision to grant Ms. Ruth Sanchez's application for a Non-Service-Connected Disability Retirement.



**October 20, 2022**  
**Actuarial Committee Minutes**  
**For approval under November 17, 2022**  
**Board “Consent Calendar”**



**MINUTES OF OCTOBER 20, 2022 ACTUARIAL COMMITTEE MEETING  
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

To: Members of the Actuarial Committee

From: Ophelia Basgal, Chair

Subject: **Summary of the October 20, 2022 Actuarial Committee Meeting**

Committee Chair Ophelia Basgal called the October 20, 2022 Actuarial Committee meeting to order at 11:00 a.m.

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

Committee members present were Ophelia Basgal, Henry Levy, Keith Carson, and Liz Koppenhaver. Also present were Dale Amaral, Tarrell Gamble, Kellie Simon and alternate member Nancy Reilly. Jaime Godfrey joined soon after roll call.

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

**PUBLIC INPUT**

None

**Action Items**

**1. Discussion and possible motion to hire an Actuarial Auditing firm to audit Segal's actuarial work.**

Staff presented a review of potential qualified actuaries to audit Segal's actuarial work. Based on staff's findings, it was recommended that Cavanaugh Macdonald Consulting, LLC be selected as the firm to audit Segal's actuarial work.

It was moved by Keith Carson and seconded by Dale Amaral that the Actuarial Committee recommend to the Board of Retirement that the Board approve staff's recommendation of Cavanaugh Macdonald to audit Segal's work pending a satisfactory reference check.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, and Simon*), 0 no and 0 abstentions.

**INFORMATION ITEMS**

Actuarial Committee Meeting Summary

October 20, 2022

Page 2 of 2

None

**TRUSTEE INPUT AND DIRECTION TO STAFF**

None

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

T.B.D.

**MEETING ADJOURNED**

The meeting adjourned at 11:12 a.m.

**October 20, 2022**  
**Audit Committee Minutes**  
**For approval under November 17, 2022**  
**Board “Consent Calendar”**



**MINUTES OF OCTOBER 20, 2022 AUDIT COMMITTEE MEETING**

**THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO**

Date: October 20, 2022  
To: Members of the Audit Committee  
From: Henry Levy, Chair  
**Subject: Summary of the October 20, 2022 Audit Committee Meeting**

The Audit Committee Chair, Henry Levy called the October 20, 2022, Audit Committee meeting to order at 12:32 p.m.

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

Committee members present were Henry Levy, Dale Amaral, and Keith Carson. Other Board members present were, Ophelia Basgal, Jaime Godfrey, Kellie Simon and alternate member Nancy Reilly.

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

**PUBLIC COMMENT**

None

**ACTION ITEMS**

None

**INFORMATION ITEMS**

*Internal Audit*

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

Staff reviewed the internal audit plan.

**2. Review completed audits and provide an update on audits or projects in progress.**

The following audits and projects were reviewed:

- Felony Forfeiture Policy Audit
- Workforce Resilience Audit
- Pension Administration System Internal Control Project
- Cybersecurity

**TRUSTEE INPUT AND DIRECTION TO STAFF**

None

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

TBD

**MEETING ADJOURNED**

The meeting adjourned at 1:44 p.m.

**CONSENT CALENDAR ITEM**

**Operating Expenses as of 9/30/22**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Operating Expenses and Budget Summary for the period ended September 30, 2022

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ACERA's operating expenses are \$1,201K under budget for the period ended September 30, 2022. Budget overages and surpluses worth noting are as follows:

**Budget Overages**

1. *Depreciation*: Depreciation is \$6K over budget.

**Budget Surpluses**

2. *Staffing*: Staffing is \$771K under budget. This amount comprises surpluses in staff vacancies of (\$215K), and fringe benefits of (\$645K), offset by an overage in temporary staffing of \$89K due to vacant positions filled by temporary staff.
3. *Staff Development*: Staff Development is \$17K under budget due to savings from unattended staff trainings and conferences.
4. *Professional Fees*: Professional Fees are \$15K under budget. This amount comprises an overage in actuarial fees of \$60K, and operations consultant fees of \$9K, offset by surpluses in legal fees of (\$84K),
5. *Office Expense*: Office Expense is \$172K under budget. This amount comprises surpluses in printing and postage of (\$11K) and office maintenance and supplies of (\$35K) both due to savings in usage, communication expenses of (\$30K), building expenses of (\$80K), minor equipment and furniture of (\$5K), and equipment lease and maintenance of (\$11K).
6. *Member Services*: Member Services are \$67K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$17K), disability medical expense of (\$27K), member training and education of (\$3K), and members printing and postage of (\$29K), offset by overages in health reimbursement account of \$9K.
7. *Systems*: Systems are \$68K under budget. This amount comprises surpluses in software maintenance and support of (\$70K), county data processing of (\$5K), offset by overage in business continuity expense of \$3K and minor computer hardware of \$4K.
8. *Board of Retirement*: Board of Retirement is \$95K under budget. This amount comprises surpluses in board conferences and trainings of (\$86K) mainly due to unattended trainings and conferences, board miscellaneous expenses of (\$9K), board compensation of (\$4K), and



## Operating Expenses Budget Summary for the period ended September 30, 2022

board software maintenance and support of (\$6K), offset by an overage in board employer reimbursement of \$6K, and board election of \$4K.

**Staffing Detail**

Vacant positions as of September 30, 2022:

Department	Position	Qty	Comments
Administration	Clerk II	1	Vacant - currently budgeted for the year
Benefits	Senior Retirement Technician	2	Vacant - currently budgeted for the year
Benefits	Retirement Benefits Specialist	2	Vacant - currently budgeted for the year
Fiscal Services	Retirement Accountant III	1	Vacant - currently budgeted for the year
Investments	Investment Analyst	1	Vacant - currently budgeted for the year
PRISM	Retirement System Program Analyst	1	Vacant – currently budgeted for the year
<b>Total Positions</b>		<b>8</b>	

Pension Administration System Project - as of September 30, 2022					
	Year-To-Date			2022 Budget	2019-21 Actual
	Actual	Budget	Variance		
<b>Consultant Fees</b>					
Levi, Ray and Shoup	28,337	393,750	(365,413)	525,000	2,041,606
Segal	326,187	307,500	18,687	410,000	1,203,390
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	354,524	701,250	(346,726)	935,000	3,345,466
<b>Staffing</b>	452,374	530,250	(77,876)	707,000	1,515,887
<b>TOTAL</b>	<b>806,899</b>	<b>1,231,500</b>	<b>(424,601)</b>	<b>1,642,000</b>	<b>4,861,353</b>

## Attachments:

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



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

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>September 30, 2022</u>					
	Actual	Budget	YTD	2022	% Actual to
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 11,906,603	\$ 12,677,470	\$ (770,867)	\$ 16,941,000	70.3%
Staff Development	200,681	218,000	(17,319)	279,000	71.9%
Professional Fees (Next Page)	947,260	962,080	(14,820)	1,146,000	82.7%
Office Expense	323,182	495,390	(172,208)	659,000	49.0%
Insurance	406,490	407,700	(1,210)	550,000	73.9%
Member Services	231,374	298,840	(67,466)	393,000	58.9%
Systems	843,982	912,370	(68,388)	1,207,000	69.9%
Depreciation	92,236	85,990	6,246	114,000	80.9%
Board of Retirement	372,054	466,800	(94,746)	656,000	56.7%
Uncollectable Benefit Payments	-	-	-	56,000	0.0%
<b>Total Operating Expense</b>	<b>\$ 15,323,862</b>	<b>\$ 16,524,640</b>	<b>\$ (1,200,778)</b>	<b>\$ 22,001,000</b>	<b>69.7%</b>
Investment Consultant Fees	1,060,079	1,175,220	(115,141)	1,567,000	67.7%
Investment Custodian Fees	411,916	470,250	(58,334)	627,000	65.7%
Investment Manager and Incentive Fees	15,921,830	39,209,550	(23,287,720)	52,278,000	30.5%
Other Investment Expenses	102,978	403,290	(300,312)	538,000	19.1%
<b>Total Portfolio Management Investment Expense</b>	<b>\$ 17,496,803</b>	<b>\$ 41,258,310</b>	<b>\$ (23,761,507)</b>	<b>\$ 55,010,000</b>	<b>31.8%</b>
<b>Total Operating and Portfolio Management Investment Expense</b>	<b>\$ 32,820,665</b>	<b>\$ 57,782,950</b>	<b>\$ (24,962,285)</b>	<b>\$ 77,011,000</b>	<b>42.6%</b>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

September 30, 2022

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<i>Professional Fees</i>					
Consultant Fees - Operations and Projects <sup>1</sup>	\$ 309,150	\$ 300,340	\$ 8,810	\$ 384,000	80.5%
Actuarial Fees <sup>2</sup>	429,703	369,400	60,303	420,000	102.3%
External Audit <sup>3</sup>	142,000	142,000	-	142,000	100.0%
Legal Fees <sup>4</sup>	66,407	150,340	(83,933)	200,000	33.2%
<b>Total Professional Fees</b>	<b>\$ 947,260</b>	<b>\$ 962,080</b>	<b>\$ (14,820)</b>	<b>\$ 1,146,000</b>	<b>82.7%</b>

	<u>Actual</u> <u>Year-To-Date</u>	<u>Budget</u> <u>Year-To-Date</u>	<u>YTD Variance</u> <u>(Under)/Over</u>	<u>2022 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
<sup>1</sup> CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Administration					
Banking transition consultant fees	50,000	50,000	-	50,000	100.0%
Strategic Planning	11,500	-	11,500	-	0.0%
Total Administration	61,500	50,000	11,500	50,000	123.0%
Benefits					
Alameda County HRS (Benefit Services)	94,500	94,500	-	126,000	75.0%
Segal (Benefit Consultant/Retiree Open Enrollment)	95,400	98,240	(2,840)	131,000	72.8%
Total Benefits	189,900	192,740	(2,840)	257,000	73.9%
Human Resources					
Lakeside Group (County Personnel)	57,750	57,600	150	77,000	75.0%
Total Human Resources	57,750	57,600	150	77,000	75.0%
<b>Total Consultant Fees - Operations</b>	<b>\$ 309,150</b>	<b>\$ 300,340</b>	<b>\$ 8,810</b>	<b>\$ 384,000</b>	<b>80.5%</b>
<sup>2</sup> ACTUARIAL FEES					
Actuarial valuation	81,000	81,000	-	81,000	100.0%
GASB 67 & 68 Valuation	50,500	51,000	(500)	51,000	99.0%
GASB 74 & 75 Actuarial	15,000	15,000	-	15,000	100.0%
Actuarial Standard of Practice 51 Pension Risk	27,500	30,000	(2,500)	30,000	91.7%
Supplemental Consulting	212,703	149,400	63,303	200,000	106.4%
Supplemental Retiree Benefit Reserve valuation	43,000	43,000	-	43,000	100.0%
<b>Total Actuarial Fees</b>	<b>\$ 429,703</b>	<b>\$ 369,400</b>	<b>\$ 60,303</b>	<b>\$ 420,000</b>	<b>102.3%</b>
<sup>3</sup> EXTERNAL AUDIT					
External audit	119,000	119,000	-	119,000	100.0%
GASB 67 & 68 audit	11,000	11,000	-	11,000	100.0%
GASB 74 & 75 audit	12,000	12,000	-	12,000	100.0%
<b>Total External Audit Fees</b>	<b>\$ 142,000</b>	<b>\$ 142,000</b>	<b>\$ -</b>	<b>\$ 142,000</b>	<b>100.0%</b>
<sup>4</sup> LEGAL FEES					
Fiduciary Counseling & Litigation	48,939	93,780	(44,841)	125,000	39.2%
Tax and Benefit Issues	3,153	18,760	(15,608)	25,000	12.6%
Miscellaneous Legal Advice	14,316	37,800	(23,484)	50,000	28.6%
<b>Total Legal Fees</b>	<b>\$ 66,407</b>	<b>\$ 150,340</b>	<b>\$ (83,933)</b>	<b>\$ 200,000</b>	<b>33.2%</b>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Nine Months Ending 9/30/2022

	<i><u>For the Month of September 2022</u></i>	<i><u>For the Month of September 2021</u></i>	<i><u>Variance</u></i>	<i><u>Year-To-Date 2022</u></i>	<i><u>Year-To-Date 2021</u></i>	<i><u>Variance</u></i>
STAFFING						
Salaries	874,989	823,207	51,782	7,651,373	7,131,590	519,783
Fringe Benefits	510,057	389,212	120,845	3,970,066	3,563,533	406,533
Temporary & Other Staffing Cost	16,844	22,516	(5,672)	285,164	372,867	(87,703)
Staffing Total	<u>1,401,890</u>	<u>1,234,935</u>	<u>166,955</u>	<u>11,906,603</u>	<u>11,067,990</u>	<u>838,613</u>
STAFF DEVELOPMENT	43,401	8,007	35,394	200,681	104,818	95,863
PROFESSIONAL FEES						
Actuarial Fees	101,991	170,412	(68,421)	429,703	475,148	(45,445)
Consultant Fees - Operations	39,017	27,517	11,500	309,150	248,434	60,716
Consultant Fees - Legal	6,654	227	6,427	66,407	136,322	(69,915)
External Audit	0	(4,873)	4,873	142,000	152,127	(10,127)
Professional Fees Total	<u>147,662</u>	<u>193,283</u>	<u>(45,621)</u>	<u>947,260</u>	<u>1,012,031</u>	<u>(64,771)</u>
OFFICE EXPENSE						
Bank Charges & Misc. Admin	11,446	9,589	1,857	102,165	87,330	14,835
Building Expenses	(22,933)	7,015	(29,948)	(14,196)	61,286	(75,482)
Communications	14,037	5,905	8,132	111,899	64,260	47,639
Interest expense on lease liability - GASB-87	707	1,171	(464)	7,812	11,791	(3,979)
Amortization expense of lease assets - GASB-87	3,548	3,548	0	31,929	31,929	0
Equipment Lease/Maintenance	4,363	5,160	(797)	38,820	36,543	2,277
Minor Equipment and Furniture	3,785	0	3,785	8,557	429	8,128
Office Supplies/Maintenance	1,087	3,014	(1,927)	25,887	23,182	2,705
Printing & Postage	1,027	30	997	10,309	8,491	1,818
Office Expense Total	<u>17,067</u>	<u>35,432</u>	<u>(18,365)</u>	<u>323,182</u>	<u>325,241</u>	<u>(2,059)</u>
INSURANCE	46,924	63,379	(16,455)	406,490	584,549	(178,059)
MEMBER SERVICES						
Disability - Legal Arbitration & Transcripts	1,300	0	1,300	16,552	0	16,552
Disability Medical Expense	(150)	19,876	(20,026)	64,324	102,136	(37,812)
Disability Claims Management	3,850	3,850	0	34,650	34,650	0
Health Reimbursement Acct. (HRA)	7,568	6,201	1,367	53,512	45,945	7,567
Member Training & Education	434	434	0	3,926	4,334	(408)
Printing & Postage - Members	11,756	46,770	(35,014)	58,410	84,668	(26,258)
Virtual Call Center	0	5,041	(5,041)	0	43,921	(43,921)
Member Services Total	<u>24,758</u>	<u>82,172</u>	<u>(57,414)</u>	<u>231,374</u>	<u>315,654</u>	<u>(84,280)</u>

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Nine Months Ending 9/30/2022

	<i><b>For the Month of September 2022</b></i>	<i><b>For the Month of September 2021</b></i>	<i><b>Variance</b></i>	<i><b>Year-To-Date 2022</b></i>	<i><b>Year-To-Date 2021</b></i>	<i><b>Variance</b></i>
SYSTEMS						
Business Continuity Expense	22,450	35,767	(13,317)	162,210	165,717	(3,507)
County Data Processing	10,404	10,357	47	94,471	90,580	3,891
Minor Computer Hardware	3,169	1,296	1,873	33,132	25,574	7,558
Software Maintenance & Support	65,998	80,579	(14,581)	554,169	562,111	(7,942)
Systems Total	<u>102,021</u>	<u>127,999</u>	<u>(25,978)</u>	<u>843,982</u>	<u>843,982</u>	<u>0</u>
DEPRECIATION						
Depreciation Expense	9,961	10,720	(759)	92,236	88,776	3,460
BOARD OF RETIREMENT						
Board Compensation	1,200	1,500	(300)	17,000	19,400	(2,400)
Board Conferences & Training	5,869	244	5,625	79,369	12,020	67,349
Board Election	0	0	0	3,533	0	3,533
Board Employer Reimbursement	28,250	20,917	7,333	259,855	138,180	121,675
Board Miscellaneous Expense	1,032	476	556	8,354	5,307	3,047
Board Software Maint. & Support	0	986	(986)	3,943	9,083	(5,140)
Board of Retirement Total	<u>36,351</u>	<u>24,123</u>	<u>12,228</u>	<u>372,054</u>	<u>183,990</u>	<u>188,064</u>
GRAND TOTALS	<u><u>1,830,035</u></u>	<u><u>1,780,050</u></u>	<u><u>49,985</u></u>	<u><u>15,323,862</u></u>	<u><u>14,527,031</u></u>	<u><u>796,831</u></u>

**CONSENT CALENDAR ITEM**

**Quarterly Financial  
Statements as of 9/30/22**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer

SUBJECT: Quarterly Unaudited Financial Statements as of September 30, 2022

DS  
EH

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**Executive Summary**

Attached for review and discussion is the unaudited financial statements for the period ended September 30, 2022.

The Fiduciary Net Position Held in Trust and the Change in Fiduciary Net Position compared to the same period in 2021 decreased by \$1.6 billion.

**Financial Highlights**

- Net Position Restricted (Held in Trust for Benefits), as reported on the Statement of Fiduciary Net Position totaled \$9.8 billion. Total Receivables decreased \$13.4 million, Investments at fair value decreased by \$1.6 billion, Capital Assets increased by \$1.9 million, and Total Liabilities without Security Lending Liability increased by \$24.9 million.
- The year-over-year Change in Net Position decreased by \$3.8 billion.
  - Total Additions year-over-year decreased by \$3.8 billion. This includes, a decrease in net investment income of \$3.0 billion.
  - Total Deductions year-over-year increased by \$26.6 million. The amount is mainly attributable to the growth in payments of service retirement, disability benefits, and member refunds.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**As of 9/30/2022**

	<b>Year-To-Date 2022</b>	<b>Year-To-Date 2021</b>
<b>ASSETS</b>		
Cash (Note 1)	9,141,402	2,409,834
Securities Lending Cash Collateral (Note 2)	145,679,384	185,020,724
Receivables:		
Contributions (Note 3)	13,443,253	26,471,439
Investment Receivables (Note 4a)	23,431,689	23,929,989
Unsettled Trades - Investments Sold	30,935,241	30,111,613
Futures Contracts (Note 5a)	0	536,955
Foreign Exchange Contracts (Note 7a)	13,811	32,803
Other Receivables (Note 8)	253,423	412,646
Total Receivables	68,077,417	81,495,445
Prepaid Expenses	581,143	576,524
Total Current Assets	223,479,346	269,502,527
Investments - at Fair Value:		
Short-Term Investments (Note 9)	295,649,377	243,815,337
Domestic Equity	479,581,529	636,222,635
Domestic Equity Commingled Funds	1,878,282,744	2,467,191,515
International Equity	942,075,370	1,415,765,326
International Equity Commingled Funds (Note 10)	1,181,970,163	1,603,276,404
Domestic Fixed Income	1,352,645,804	1,703,451,847
International Fixed Income	49,024,781	87,298,774
International Fixed Income - Commingled Funds (Note 11)	70,508,676	86,381,855
Real Estate - Separate Properties (Note 12)	71,862,753	71,936,664
Real Estate - Commingled Funds (Note 13)	754,920,122	560,789,392
Real Assets	649,256,365	700,477,191
Absolute Return (Note 14a)	839,550,431	735,610,816
Private Equity (Note 14b)	1,052,174,596	934,015,900
Private Credit	170,345,133	139,543,288
Total Investments	9,787,847,844	11,385,776,945
Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) (Note 15)	6,887,640	4,992,727
<b>Total Assets</b>	<b>10,018,214,830</b>	<b>11,660,272,199</b>
<b>LIABILITIES</b>		
Securities Lending Liability (Note 2)	145,679,384	185,020,724
Unsettled Trades - Investments Purchased	73,686,599	54,249,576
Investment-Related Payables (Note 4b)	13,564,005	18,625,149
Futures Contracts (Note 5b)	12,757,358	2,613,250
Foreign Exchange Contracts (Note 7b)	3,438,483	2,852,879
Accrued Administration Expenses (Note 16)	2,641,390	2,638,261
Members Benefits & Refunds Payable (Note 17a)	6,903,419	7,054,939
Retirement Payroll Deductions Payable (Note 17b)	13,421	8,943
Lease Liability	66,585	113,513
<b>Total Liabilities</b>	<b>258,750,644</b>	<b>273,177,234</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>Net Position</b>		
<b>Restricted - Held in Trust for Benefits</b>	<b>9,759,464,185</b>	<b>11,387,094,964</b>
<b>Total Net Position</b>	<b>9,759,464,185</b>	<b>11,387,094,964</b>



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Nine Months Ending 9/30/2022**

	<b>Year-To-Date 2022</b>	<b>Year-To-Date 2021</b>
<b>ADDITIONS</b>		
Contributions: (Note 18)		
Members	91,301,257	82,559,226
Employers	214,865,056	1,049,223,508
Total Contributions	306,166,314	1,131,782,734
From Investment Activities:		
Net Appreciation/(Depreciation) in Fair Value of Investments (Note 19a)	(2,000,311,285)	1,007,407,415
Interest	41,803,147	35,182,694
Dividends	36,232,885	35,940,449
Real Estate - Net	19,143,731	12,248,555
Private Equity and Alternatives	23,186,496	50,326,020
Brokers Commissions - Directed Brokerage	5,081	13,651
Sub-Total of Dividends, Interest, Other Investment Income (Note 19b)	120,371,339	133,711,368
Total Income from Investment Activities	(1,879,939,946)	1,141,118,783
Total Investment Expenses (Note 20)	(19,862,283)	(55,313,631)
Net Income from Investment Activities (Note 21)	(1,899,802,228)	1,085,805,153
From Securities Lending Activities:		
Securities Lending Income	644,715	704,282
Securities Lending Expenses	(181,168)	(139,666)
Net Income from Securities Lending Activities (Note 22)	463,547	564,616
Total Net Investment Income	(1,899,338,681)	1,086,369,769
Miscellaneous Income (Note 23)	96,904	932,075
<b>Total Additions</b>	<b>(1,593,075,463)</b>	<b>2,219,084,578</b>
<b>DEDUCTIONS</b>		
Benefits:		
Service Retirement and Disability Benefits (Note 24)	428,187,652	404,704,225
Death Benefits (Note 25)	2,421,217	2,596,497
Supplemental Cost of Living Allowance	705,209	724,258
Retiree Healthcare Program	34,830,716	34,333,641
Total Benefit Payments	466,144,795	442,358,620
Member Refunds	9,220,072	6,859,702
Administration: (Note 26)		
Administrative Expenses	9,618,809	9,219,562
Actuarial Expenses	386,703	433,148
Business Continuity Expenses	422,500	480,619
Legal Expenses	600,418	625,176
Technology Expenses	676,950	667,135
401(h) Expenses	1,253,000	1,113,000
Total Administration	12,958,380	12,538,640
<b>Total Deductions</b>	<b>488,323,248</b>	<b>461,756,963</b>
<b>Net Increase(Decrease)</b>	<b>(2,081,398,711)</b>	<b>1,757,327,614</b>
<b>Net Position Held in Trust for Benefits:</b>		
<b>Net Position - January 1</b>	<b>11,840,862,896</b>	<b>9,629,767,350</b>
<b>Net Position - September 30</b>	<b>9,759,464,185</b>	<b>11,387,094,964</b>

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

*Basis of Accounting*

ACERA follows the accounting principles and reporting guidelines set forth by the Government Accounting Standards Board (GASB). ACERA's financial statements are prepared on the accrual basis of accounting.

*(Note 1)*

*Cash - \$9.14 million*

Cash balance is the sum of the funds in the Wells Fargo and JP Morgan banks operating accounts. The increase of \$6.73 million from 2.41 million in September 30, 2021, is primarily due to the timing difference between receipt of contributions and the transfer of funds for retiree payroll and investments.

*(Note 2)*

*Securities Lending Cash Collateral - \$145.68 million*

Cash collateral of \$145.68 million and \$185.02 million was held by ACERA related to securities on loan as of September 30, 2022, and September 30, 2021, respectively. This amount is reported as an asset with a corresponding liability for the same amount in compliance with the GASB Statement No. 28.

*(Note 3)*

*Contributions Receivables - \$13.44 million*

The receivable balances of September 30, 2022, decreased by approximately \$13.03 million from \$26.47 million in September 30, 2021. This is primarily due to the number of days accrued as the end of the period and decrease in employer contribution rates for County safety membership and LARPD.

*(Note 4)*

*4a. Investment Receivables - \$23.43 million*

The investment receivables balance as of September 30, 2022, decreased by \$0.50 million from \$23.93 million for September 30, 2021. The increase is mainly attributed to interest and dividend receivables.

*4b. Investment Related Payables - \$13.56 million*

The decrease of \$5.06 million in investment related payables balance as of September 30, 2022, from \$18.62 million for September 30, 2021 is primarily due to timing of the investment manager fee payments.

*(Note 5)*

*5a. Futures Contracts Receivables - \$0 million*

The receivables represent unrealized gains on open future contracts. The balance for unrealized gains as of September 30, 2022, and September 30, 2021, were zero, and \$0.54 million, respectively.

*5b. Futures Contracts Payables - \$12.76 million*

The payables represent the unrealized losses on open future contracts. The balance for unrealized losses as of September 30, 2022, and September 30, 2021, were \$12.76 million and \$2.61 million, respectively.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

*(Note 7)*

*7a. Foreign Exchange Contracts Receivables - \$0.013 million*

The receivables represent unrealized gains on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of September 30, 2022, and September 30, 2021, unrealized gains on FX contracts were \$0.013 million and \$0.032 million, respectively. The decreased of \$0.019 million is due to change in number and valuation of contracts and market volatility.

*7b. Foreign Exchange Contracts Payables - \$3.44 million*

The payables represent unrealized losses on foreign exchange contracts. Foreign exchange (FX) contracts include currency forward contracts and spot contracts. As of September 30, 2022, and September 30, 2021, unrealized losses on FX contracts were \$3.44 million and \$2.85 million, respectively. The increase in unrealized losses of \$0.59 million is mainly due to change in foreign exchange contracts and market volatility from Brandywine manager.

*(Note 8)*

*Other Receivables - \$0.25 million*

Other receivables as of September 30, 2022, are comprised primarily of funds due from deceased retirees' estates for overpayment of benefits and from insurance for ACERA legal claims.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

(Note 9)

Short-Term Investments - \$295.65 million

Short-term investments are temporarily kept in a pooled account with State Street Bank. These pooled assets are primarily invested in short-term investment funds and deposits, including U.S. Treasury and agency obligations, corporate bonds, commercial paper, repurchase agreements, certificates of deposit, bankers' acceptances, time deposits, and floating-rate notes.

(Dollars in Millions)

<b>Fund Name</b>	<b>9/30/2022</b>
Unallocated Cash	\$ 101.95
Baird Investors	55.78
Brandywine	49.15
Capital Guardian	33.17
Parametic Portfolio Associates (cash overlay)	20.18
Loomis	14.36
Kennedy	4.94
Aristotle Capital	3.98
William Blair Small Cap Growth	3.89
TCW	3.84
Mondrian	1.12
Bivium - Arga Investment Management	0.80
Bivium - Dundas Partners	0.51
Bivium - Denali Advisors	0.49
Bivium - Promethos Capital, LLC	0.34
Bivium - Global Alpha Capital Mgmt	0.31
Bivium - Radin Capital Partners	0.28
Bivium Redwood Investment	0.26
AQR Capital Management, LLC	0.25
Bivium RVX Asset Management LLC	0.05
<b>Total</b>	<b>\$ 295.65</b>

(Note 10)

International Equity Commingled Funds - \$1,181.97 million

As of September 30, 2022, and September 30, 2021, the International Equity Commingled Funds were \$1,181.97 million and \$1,603.27 million, respectively. The decrease of \$421.30 million is mainly due to unrealized losses from lower market valuations.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION****NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

As of September 30, 2022

*(Note 11)**International Fixed Income Commingled Funds - \$70.51 million*

The decrease of \$15.87 million from the prior year is due to additional distributions and market depreciation. Disclosure of credit ratings on mutual fund holdings of fixed income portfolio is not required per GASB Statement No. 40.

*(Note 12)**Real Estate Separate Properties - \$71.86 million*

The following is a summary of Real Estate – Separate Property investments as of September 30, 2022, and September 30, 2021. The year over year decrease of \$0.08 million is due to the market depreciation and income distributions of the Oakland 14<sup>th</sup> Street property.

*(Dollars in Millions)*

<i>Investment Manager</i>	<i>Net Mkt. Value 9-30-2022</i>	<i>Net Mkt. Value 9-30-2021</i>	<i>No. of Properties 2022</i>	<i>No. of Properties 2021</i>
RREEF	\$ 71.86	\$ 71.94	1	1

*(Note 13)**Real Estate Commingled Funds - \$754.92 million*

Detailed records regarding these investments of public pension funds are exempt from disclosure under the California Government Code Section 6254.26. The increase of \$194.13 million in 2022 as compared to 2021 is mainly due to market appreciation and additional investments net of distributions.

*(Note 14)**14a. Absolute Return - \$839.55 million*

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$103.94 million in 2022 as compared to 2021 is mainly due to additional investments net of distributions and net gain on investments.

*14b. Private Equity - \$1,052.17 million*

Detailed records regarding these investments of public pension funds are exempt from disclosure under California Government Code Section 6254.26. The increase of \$118.16 million in 2022 as compared to 2021 is mainly due to additional investments net of distributions and net loss on investments.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

(Note 15)

Capital Assets at Cost (Net of Accumulated Depreciation and Amortization) - \$6.89 million

(Dollars in Millions)

<i>Net Capital Assets</i>	<i>9/30/2022</i>	<i>9/30/2021</i>
Retirement Information System and Others - Construction-In-Process	\$ 5.69	\$ 3.63
Equipment, Furniture & Information Systems	13.58	13.58
Electronic Document Management System	4.18	4.18
Right-to-Use Leased Office Equipments	0.21	0.21
Less: Accumulated Depreciation and Amortization	(17.87)	(17.80)
Net Book Value	5.79	3.80
Leasehold Improvements	2.59	2.59
Less: Accumulated Depreciation	(1.49)	(1.40)
Net Book Value	1.10	1.19
<b>Total Capital Assets, Net</b>	<b>\$ 6.89</b>	<b>\$ 4.99</b>

Depreciation is computed using the straight-line method over the following estimated useful lives or over the term of the lease:

<input type="checkbox"/>	Computer Hardware	5 years
<input type="checkbox"/>	Computer Software	3 years
<input type="checkbox"/>	Equipment	5 years
<input type="checkbox"/>	Furniture	7 years
<input type="checkbox"/>	Information System -Retirement	7 years
<input type="checkbox"/>	Information System -Accounting	3 years
<input type="checkbox"/>	EDMS	5 years
<input type="checkbox"/>	Right to use Leased Assets	5 years
<input type="checkbox"/>	Disaster Recovery	5 years
<input type="checkbox"/>	Leasehold Improvements	27.5 years

(Note 16)

Accrued Administration Expenses - \$2.64 million

Accrued administration expenses consist of accounts payable, payroll expense, actuarial services payable and other operating expenses.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

*(Note 17)*

*17a. Members' Benefits & Refunds Payable - \$6.90 million*

The detail of Members Benefits and Refund Payables are as follows:

*(Dollars in Millions)*

<i>Accrued Benefits and Refunds</i>	<i>9/30/2022</i>	<i>9/30/2021</i>
Basic Active Death Benefits	\$ 0.85	\$ 1.12
Active Death Contribution Refunds	2.16	2.35
Retired Death Benefits	3.47	3.13
Members' Contribution Refunds	0.42	0.45
<b>Total Members' Benefit &amp; Refunds Payable</b>	<b>\$ 6.90</b>	<b>\$ 7.05</b>

*17b. Retirement Payroll Deductions Payables - \$0.01 million*

The balance for September 30, 2022, includes \$0.01 million in health premium prepayments for 9 retirees. The corresponding balance for September 30, 2021, included \$0.01 million in health premium prepayments for 8 retirees.

*(Note 18)*

*Contributions - \$306.17 million*

The decrease in contributions of \$825.61 million in 2022 as compared to 2021 is primarily due to the advance UAAL contributions of \$800 million for County safety membership and \$12.6 million for LARPD; plus decreases in County's employer contribution rates for safety membership and LARPD's employer contribution rates.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

(Note 19)

19a. Net Appreciation/ (Depreciation) in Fair Value of Investments – (\$2,000.31) million

(Dollars in Millions)

	<i>For the Period Ended</i>	
	<i>9/30/2022</i>	<i>9/30/2021</i>
<i>Actual / Realized Gains/(Losses)</i>		
Domestic Equities	\$ 70.00	\$ 104.58
International Equities	(22.18)	93.66
Domestic Bonds	(41.56)	2.16
International Bonds	(2.17)	19.68
Real Estate Commingled Funds	(50.55)	(11.10)
Real Estate Sep. Props.	-	0.03
Private Equity & Alternative	106.02	155.77
Real Assets	37.76	4.35
Private Credit	0.79	0.12
Futures	(20.55)	2.51
Currency	(14.44)	4.07
<i>Total Realized Gains/(Losses)</i>	63.12	375.83
<i>Paper / Unrealized Gains/(Losses)</i>		
Domestic Equities	(890.57)	321.68
International Equities	(890.93)	77.81
Domestic Bonds	(251.64)	(40.17)
International Bonds	(30.69)	(37.13)
Real Estate Commingled Funds	163.94	37.37
Real Estate Sep. Props.	(0.46)	(1.71)
Private Equity & Alternative	(117.54)	220.43
Real Assets	(27.71)	62.40
Private Credit	(1.85)	2.42
Futures	(12.33)	(2.31)
Currency	(3.65)	(9.21)
<i>Total Unrealized Gains/(Losses)</i>	(2,063.43)	631.58
<b>Total Net Realized and Unrealized Gains/(Losses)</b>	<b>\$ (2,000.31)</b>	<b>\$ 1,007.41</b>



**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

*19b. Dividend, Interest, and Other Investment Income - \$120.37 million*

*(Dollars in Millions)*

<i>Interest, Dividend, and Other Investment Income</i>	<i>For the Period Ended</i>	
	<i>9/30/2022</i>	<i>9/30/2021</i>
Interest Income	\$ 41.80	\$ 35.18
Dividend Income	36.23	35.94
Real Estate Income	19.14	12.25
Private Equity, Absolute Return and Real Asset Income / (Losses) (1)	23.19	50.33
<b>Total Net Income</b>	<b>\$ 120.37</b>	<b>\$ 133.71</b>

(1) The decrease of \$13.34 million in 2022 as compare to 2021 is mainly related to Private Equity investments.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

(Note 20)

Investment Expenses - \$19.86 million

(Dollars in Millions)

<i>Investment Expenses</i>	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>9/30/2022</i>	<i>Basis Points</i>	<i>9/30/2021</i>
Investment Manager and Incentive Fees	16.27	\$ 15.92	46.00	\$ 52.37
Investment Custodian	0.42	0.41	0.38	0.43
Investment Consultants & Other Expenses(*)	1.20	1.17	0.47	0.52
Subtotal	17.89	17.50	46.85	53.32
Investment Allocated Cost	2.42	2.36	1.75	1.99
<b>Total Investment Expenses(**)</b>	<b>20.31</b>	<b>\$ 19.86</b>	<b>48.60</b>	<b>\$ 55.31</b>

(\*) *Investment Consultant and Other Expenses*

(Dollars in Millions)

	<i>For the Period Ended</i>			
	<i>Basis Points</i>	<i>9/30/2022</i>	<i>Basis Points</i>	<i>9/30/2021</i>
Investment Advising & Performance (Pearls, Alternative Investment)	0.76	\$ 0.74	0.63	\$ 0.72
Consultant - Portfolio Rebalancing	0.04	0.04	0.04	0.04
Consultant - Legal (Alternative Investment)	0.18	0.18	0.20	0.23
Subtotal – Consultants Expenses	0.98	0.96	0.87	0.99
Proxy Services	0.06	0.06	0.04	0.04
Transaction Cost Analysis	0.04	0.04	0.03	0.03
Other Investment Expenses/(Income)	0.12	0.11	(0.47)	(0.54)
Subtotal – Other Investment Expenses	0.22	0.21	(0.40)	(0.47)
<b>Total Investment Consultants and Other Expenses</b>	<b>1.20</b>	<b>\$ 1.17</b>	<b>0.47</b>	<b>\$ 0.52</b>

(\*\*) The decrease in total investment expenses of \$35.45 million in 2022 as compared to 2021 is due to Private Equity and Absolute Return incentive fees which are based on funds' performance. This decrease is due to high investment returns in 2021 and timing differences from Private Equity Managers in 2022.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

(Note 21)

Net Investment Income/ (Losses) – (\$1,899.80) million

(Dollars in Millions)

	<i>For the Period Ended</i>		<i>Inc./ (Dec.)</i>
	<i>9/30/2022</i>	<i>9/30/2021</i>	<i>from previous period</i>
Paper / Unrealized Gains/(Losses)	\$ (2,063.42)	\$ 631.57	\$ (2,695.00)
Actual / Realized Gains/(Losses)	63.11	375.84	(312.73)
Investment Income (Interest/Dividend/RE/Other) - Net of Expenses	100.51	78.40	22.11
<b>Total Net Income/ (Losses)</b>	<b>\$ (1,899.80)</b>	<b>\$ 1,085.81</b>	<b>\$ (2,985.62)</b>

(Note 22)

Securities Lending Net Income - \$0.46 million

The securities lending net income balance as of September 30, 2022, and September 30, 2021, were \$0.46 million and \$0.56 million, respectively.

(Note 23)

Miscellaneous Income - \$.097 million

The miscellaneous income of \$.097 million is predominantly from prior year investment income and security litigation incomes recovery.

(Note 24)

Service Retirement and Disability Benefits - \$428.19 million

The increase of \$23.49 million was predominantly due to the higher average benefit paid to the newly added retirees as compared to that of deceased retirees with lower average benefits as well as a modest increase of 271 in the total number of retirees and beneficiaries receiving benefits, from 10,451 on September 30, 2021 to 10,722 on September 30, 2022.

(Note 25)

Death Benefits - \$2.42 million

The death benefits paid out during the nine months ended September 30, 2022, were comprised of \$0.19 million of Retired Death Benefits, \$0.32 million of Active Death Benefits, and \$1.91 million of Survivorship Benefits.

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
As of September 30, 2022

*(Note 26)*

*Total Administration - \$12.96 million*

ACERA's Board of Retirement adopted Section 31580.2 of the 1937 Act. This Section allows ACERA to exclude investment (included in Total Investment Expenses under Note 20 above), actuarial, legal, business continuity related expenses and technology costs from administrative expenses subject to the statutory limits. Under Section 31618.5 ACERA excludes the SRBR administrative expenses from its total administrative expenses. ACERA's SRBR administrative expenses are the amount that exceeds the employers' 401(h) contributions allocated to estimated administrative costs of Postemployment Medical Benefits. The detail of total administration expenses are as follows:

*(Dollars in Millions)*

	<i>9/30/2022</i>	<i>9/30/2021</i>	<i>Inc./ (Dec.) from previous period</i>
Administrative Expenses	\$ 9.62	\$ 9.22	\$ 0.40
Actuarial Expenses	0.39	0.43	(0.04)
Business Continuity Expenses	0.42	0.48	(0.06)
Legal Expenses	0.60	0.63	(0.03)
Technology Expenses	0.68	0.67	0.01
401(h) Administrative Expenses	1.25	1.11	0.14
<b>Total</b>	<b>\$ 12.96</b>	<b>\$ 12.54</b>	<b>\$ 0.42</b>

**CONSENT CALENDAR ITEM**

**Quarterly Cash Forecast as of 9/30/22**




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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer DS  
EH

SUBJECT: Actual Cash and Forecast as of September 30, 2022

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### Executive Summary

ACERA liquidates cash from the plan's invested assets on a monthly basis to meet its increasing financial obligations. To better manage assets, best practices recommend a robust cash forecast and analysis to understand, communicate, and manage the invested assets that fund ever-increasing pension liabilities and administrative expense obligations.

- Table 1 is the annual cash forecast from October 2022 to September 2023, which will roll forward monthly as the year progresses; and,
- Tables 2 through 4 is the annualized, 5-year actual cash management information. Please note that the current year 2022 comprises the nine months actual and three months forecast information.

*Table 1 Cash Forecast:* Table 1 provides the current forecasted negative cash position for the period spanning October 2022 to September 2023. The average monthly negative cash position for the referenced period is \$26,380,024. Excluding the three three-pay-period months i.e., March 2023, and September 2023, annotated by an \*. The year-over-year increase in average monthly forecasted negative cash position compared to the same period in 2021-2022 is \$3,678,796.

<b>Table 1 Annual Cash Forecast from October 2022 to September 2023</b>			
Month-Year	Total Receipts	Total Disbursements	Negative Cash Position
Oct-22	\$ 29,009,120	\$ 55,916,398	\$ (26,907,278)
Nov-22	29,251,768	55,905,528	(26,653,761)
Dec-22	29,331,602	56,201,382	(26,869,779)
Jan-23	32,136,831	56,651,318	(24,514,487)
Feb-23	32,216,666	56,747,329	(24,530,663)
Mar-23*	48,204,835	57,516,281	(9,311,447)
Apr-23	32,376,336	59,124,250	(26,747,913)
May-23	32,456,171	59,170,260	(26,714,089)
Jun-23	32,536,006	59,266,271	(26,730,265)
Jul-23	32,615,841	59,362,282	(26,746,441)
Aug-23	32,695,676	60,081,234	(27,385,558)
Sep-23*	45,559,275	59,554,304	(13,995,029)
<b>Total</b>	<b>\$ 408,390,128</b>	<b>\$ 695,496,839</b>	<b>\$ (287,106,711)</b>
<b>Average</b>	<b>\$ 31,462,602</b>	<b>\$ 57,842,625</b>	<b>\$ (26,380,024)</b>

**Table 1 notes:** \*These are three-pay-period months which are excluded from the average because they cause inaccuracy with extreme fluctuation.

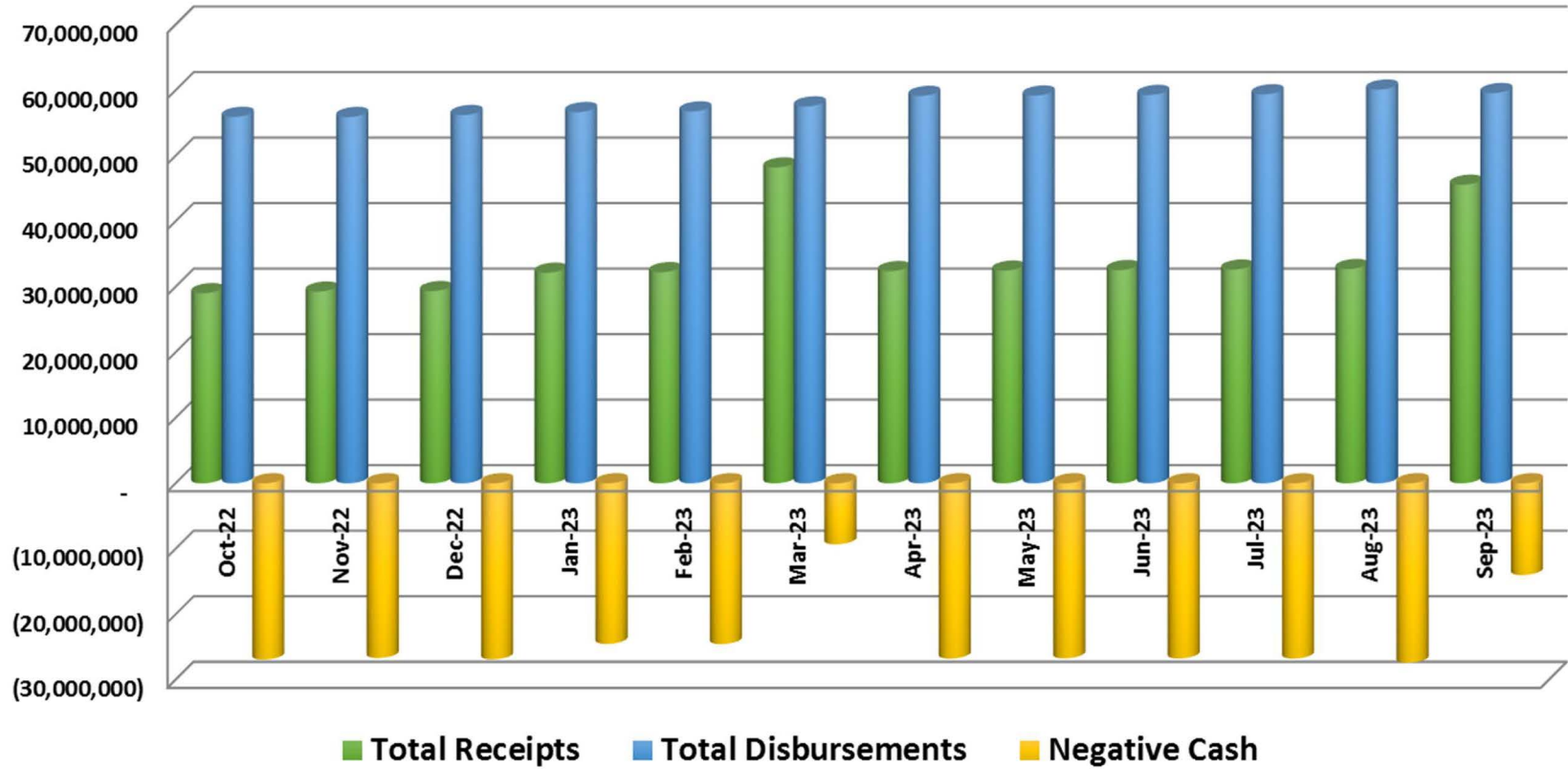
Tables 2 through 4, below, provide a 5-year, annualized analysis of ACERA's cash management.

<b>Table 2</b> <b>5-Year Annual Cash Inflow</b>			
<b>Year</b>	<b>Total Contributions, Misc. Cash Receipts, etc.</b>	<b>Cash Draw from SSB*</b>	<b>Total Cash Inflow</b>
<b>2022</b>	<b>\$ 404,282,233</b>	<b>\$ 308,000,000</b>	<b>\$ 712,282,233</b>
2021	415,814,788	278,500,000	694,314,788
2020	413,586,022	247,200,000	660,786,022
2019	401,756,315	232,000,000	633,756,315
2018	361,633,074	224,000,000	585,633,074
<b>Table 2.</b> Annualized inflow of total cash receipts. The Cash Draw from SSB, in the second column is the actual net cash drawn from ACERA's investment portfolio.			
<b>Table 3</b> <b>5-Year Annual Cash Outflow</b>			
<b>Year</b>	<b>Retiree Payroll, Accounts Payable, ACERA Payroll, etc.</b>	<b>Cash Return to SSB*</b>	<b>Total Cash Outflow</b>
<b>2022</b>	<b>\$ 662,032,616</b>	<b>\$ 46,000,000</b>	<b>\$ 708,032,616</b>
2021	626,589,116	64,700,000	691,289,116
2020	597,872,011	64,013,096	661,885,107
2019	570,574,725	60,500,000	631,074,725
2018	534,704,781	66,503,646	601,208,427
<b>Table 3.</b> Annualized outflow of retirement and benefit payments, accounts payable, and ACERA payroll. Excess cash (Cash Return to SSB column) is wired to the SSB HI1A account.			
<b>Table 4</b> <b>5-Year Annual Net Cash Position</b>			
<b>Year</b>	<b>Negative Cash</b>	<b>Net Cash Draw from SSB</b>	<b>Variance</b>
<b>2022</b>	<b>\$ (257,750,384)</b>	<b>\$ 262,000,000</b>	<b>\$ 4,249,616</b>
2021	(210,774,327)	213,800,000	3,025,673
2020	(184,285,989)	183,186,904	(1,099,085)
2019	(168,818,410)	171,500,000	2,681,590
2018	(173,071,707)	157,496,354	(15,575,353)
<b>Table 4.</b> Annualized Negative Cash position and the SSB Net Cash Draw. Due to timing differences and end-of-year balance differences, the net cash draw can fluctuate several hundred-thousand dollars in a year-over-year comparison.			

\* State Street Bank (SSB)

**Conclusion:** This information is not meant to be statistically inferential in nature; but rather, it presents facts about ACERA's negative cash position on a 5-year annualized basis. Future analysis of the this information can be undertaken to evaluate specific tendency; however, the current presentation is intended to provide a factual assessment of the actual cash draw down of ACERA's investment portfolio.

### Cash Forecast Oct 2022 - Sep 2023





**CONSENT CALENDAR ITEM**

**Board Conference and Training  
Expense Report for 3<sup>rd</sup> Qtr.**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly Board Conference and Training Expense Report for the period  
January 1, 2022, to September 30, 2022

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Attached is the January 1, 2022 – September 30, 2022 Board conference and training expense report. As of September 30, 2022, reported expenses totaled \$75,057.

ACERA Trustees  
Board Conference Expense Report  
January 1, 2022 to  
September 30, 2022

From	To	Attendee	Conference	Location	Total
1/10/22	1/12/22	Darryl Walker	Opal Group Public Funds Summit	Scottsdale, AZ	\$ 667
3/5/22	3/8/22	Darryl Walker	CALAPRS General Assembly	San Diego, CA	\$ 1,457
3/23/22	3/24/22	Darryl Walker	NASP	Los Angeles, CA	\$ 846
4/7/22	4/7/22	Darryl Walker	CALAPRS Trustees Roundtable	Online	\$ 50
4/18/22	4/20/22	Darryl Walker	Pension Bridge Conference	San Francisco, CA	\$ 79
5/1/22	5/4/22	Darryl Walker	Milken Global Conference	Los Angeles, CA	\$ 14,652
5/10/22	5/13/22	Darryl Walker	SACRS Spring Conference	Palm Springs, CA	\$ 1,848
6/25/22	6/29/22	Darryl Walker	NASP Financial Conference	Chicago, IL	\$ 2,293
7/18/22	7/20/22	Darryl Walker	Opal Group Public Funds Summit	Newport, RI	\$ 245
9/6/22	9/8/22	Darryl Walker	VE Public Funds Summit	Newport Beach, CA	\$ 716
<b>Darryl Walker Total</b>					<b>\$ 22,853</b>
5/1/22	5/4/22	George Wood	Milken Global Conference	Los Angeles, CA	\$ 14,010
<b>George Wood Total</b>					<b>\$ 14,010</b>
3/5/22	3/8/22	Henry Levy	CALAPRS General Assembly	San Diego, CA	\$ 50
3/7/22	3/9/22	Henry Levy	CII Spring Conference	Washington, DC	\$ 1,676
10/17/22	10/18/22	Henry Levy	Nossamon Public Pensions & Investments Fiduciaries Forum	Los Angeles, CA	\$ 650
10/28/22	10/28/22	Henry Levy	CALAPRS Trustees Roundtable	Online	\$ 50
<b>Henry Levy Total</b>					<b>\$ 2,426</b>
10/17/22	10/18/22	Jaime Godfrey	Nossamon Public Pensions & Investments Fiduciaries Forum	Los Angeles, CA	\$ 650
11/30/22	12/1/22	Jaime Godfrey	Pension Bridge Bi-Coastal Investment Conference	Los Angeles, CA	\$ 334
<b>Jaime Godfrey Total</b>					<b>\$ 984</b>
5/1/22	5/4/22	Keith Carson	Milken Global Conference	Los Angeles, CA	\$ 13,701
5/10/22	5/13/22	Keith Carson	SACRS Spring Conference	Palm Springs, CA	\$ 120
<b>Keith Carson Total</b>					<b>\$ 13,821</b>
3/14/22	8/31/22	Kellie Blumin Simon	Berkeley Law	Online	\$ 1,275
5/10/22	5/13/22	Kellie Blumin Simon	SACRS Spring Conference	Palm Springs, CA	\$ 1,155
7/17/22	7/20/22	Kellie Blumin Simon	SACRS UC Berkeley Program	Berkeley, CA	\$ 2,500
<b>Kellie Blumin Simon Total</b>					<b>\$ 4,930</b>
5/10/22	5/13/22	Liz Koppenhaver	SACRS Spring Conference	Palm Springs, CA	\$ 120
<b>Liz Koppenhaver Total</b>					<b>\$ 120</b>
5/10/22	5/13/22	Nancy Reilly	SACRS Spring Conference	Palm Springs, CA	\$ 1,548
<b>Nancy Reilly Total</b>					<b>\$ 1,548</b>
2/23/22	2/25/22	Tarrell Gamble	Opal Group: Investment Education Symposium	New Orleans, LA	\$ 1,997
3/7/22	3/9/22	Tarrell Gamble	CII Spring Conference	Washington, DC	\$ 839
3/23/22	3/24/22	Tarrell Gamble	ALTSLA: The West Coast's Premier Alternative Investment Conference	Los Angeles, CA	\$ 308
7/25/22	7/26/22	Tarrell Gamble	Pension Bridge Private Equity Conference	Chicago, IL	\$ 591
5/10/22	5/13/22	Tarrell Gamble	SACRS Spring Conference	Palm Springs, CA	\$ 468
6/27/22	6/29/22	Tarrell Gamble	NASP	Chicago, IL	\$ 1,281
7/17/22	7/19/22	Tarrell Gamble	Compensation Committees: New Challenges, New Solutions	Boston, MA	\$ 8,285
10/11/22	10/13/22	Tarrell Gamble	Institutional Investor Diversity, Equity & Inclusion	Chicago, IL	\$ 595
<b>Tarrell Gamble Total</b>					<b>\$ 14,364</b>
<b>Grand Total</b>					<b>\$ 75,057</b>

**CONSENT CALENDAR ITEM**

**Senior Leader Conference and  
Training Expense Report for 3<sup>rd</sup> Qtr.**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Quarterly SLT Conference and Training Expense Report for the period  
January 1, 2022, to September 30, 2022

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Attached is the January 1, 2022 – September 30, 2022 Senior Leadership Team conference and training expense report. As of September 30, 2022, reported expenses totaled \$27,884.

**ACERA SLT**  
**Conference and Training Expense Report**  
**January 1, 2022 to September 30, 2022**

From	To	SLT	Training or Conference	Name	Amount
<b>Conferences</b>					
03/05/22	03/08/22	Dave Nelsen	Conference	CALAPRS General Assembly	\$ 1,128
05/10/22	05/13/22	Dave Nelsen	Conference	SACRS Spring Conference	\$ 1,535
08/06/22	08/10/22	Dave Nelsen	Conference	NASRA Annual Conference	\$ 3,274
<b>Trainings</b>					
02/11/22	02/11/22	Dave Nelsen	Training	CALAPRS Administrator's Round Table	\$ 50
06/24/22	06/24/22	Dave Nelsen	Training	CALAPRS Administrators' Round Table	\$ 50
08/26/22	08/26/22	Dave Nelsen	Training	SACRS Legislative Meeting	\$ 118
09/28/22	09/30/22	Dave Nelsen	Training	CALAPRS Administrators' Institute	\$ 1,909
<b>Dave Nelsen Total</b>					<b>\$ 8,064</b>
<b>Conferences</b>					
05/10/22	05/13/22	Lisa Johnson	Conference	SACRS Spring Conference	\$ 1,781
10/23/22	10/26/22	Lisa Johnson	Conference	IFEBP 68th Annual Employee Benefits Conference	\$ 203
<b>Trainings</b>					
05/06/22	05/06/22	Lisa Johnson	Training	CALAPRS Overview Course in Ret Plan	\$ 100
06/30/22	06/30/22	Lisa Johnson	Training	ASPPA Intro to Retirement Plans Online	\$ 400
07/27/22	07/28/22	Lisa Johnson	Training	RPA/RFA Module Certificate Program	\$ 540
09/28/22	09/30/22	Lisa Johnson	Training	CALAPRS Administrators' Institute	\$ 158
<b>Lisa Johnson Total</b>					<b>\$ 3,181</b>
<b>Conferences</b>					
06/04/22	06/08/22	Erica Haywood	Conference	GFOA Annual Conference	\$ 2,703
<b>Trainings</b>					
11/03/22	11/03/22	Erica Haywood	Training	GFOA Annual GAAP Update	\$ 125
<b>Erica Haywood Total</b>					<b>\$ 2,828</b>
<b>Conferences</b>					
03/05/22	03/08/22	Kathy Foster	Conference	CALAPRS General Assembly	\$ 1,351
05/10/22	05/13/22	Kathy Foster	Conference	SACRS Spring Conference	\$ 1,473
<b>Trainings</b>					
02/11/22	02/11/22	Kathy Foster	Training	CALAPRS Administrator's Round Table	\$ 50
<b>Kathy Foster Total</b>					<b>\$ 2,874</b>
<b>Conferences</b>					
09/11/22	09/15/22	Sandra Dueñas	Conference	Hyland Conference	\$ 3,478
10/03/22	10/06/22	Sandra Dueñas	Conference	Pension Gold Conference	\$ 839
<b>Trainings</b>					
<b>Sandra Dueñas Total</b>					<b>\$ 4,317</b>
<b>Conferences</b>					
03/05/22	03/08/22	Vijay Jagar	Conference	CALAPRS General Assembly	\$ 818
<b>Trainings</b>					
10/21/22	10/21/22	Vijay Jagar	Training	CALAPRS Information Tech Round Table	\$ 50
<b>Vijay Jagar Total</b>					<b>\$ 868</b>
<b>Conferences</b>					
05/10/22	05/13/22	Jeff Rieger	Conference	SACRS Spring Conference	\$ 1,230
<b>Trainings</b>					
02/18/22	02/18/22	Jeff Rieger	Training	CALAPRS Attorney Round Table	\$ 50
<b>Jeffrey Rieger Total</b>					<b>\$ 1,280</b>
<b>Conferences</b>					
03/05/22	03/08/22	Harsh Jadhav	Conference	CALAPRS General Assembly	\$ 943
05/10/22	05/13/22	Harsh Jadhav	Conference	SACRS Spring Conference	\$ 942
06/19/22	06/24/22	Harsh Jadhav	Conference	ACFE Fraud Conference	\$ 895
<b>Trainings</b>					
01/01/22	12/31/22	Harsh Jadhav	Training	Excel University	\$ 390
02/07/22	02/07/22	Harsh Jadhav	Training	CPA Education	\$ 289
05/17/22	05/17/22	Harsh Jadhav	Training	AGA Ethics Training	\$ 50
10/06/22	10/06/22	Harsh Jadhav	Training	CALCPA Govt Auditing & Accounting Committee Mtg	\$ 271
11/17/22	11/17/22	Harsh Jadhav	Training	Sequoia CPA CPE	\$ 127
11/17/22	11/20/22	Harsh Jadhav	Training	CALCPA CPE	\$ 565
<b>Harsh Jadhav Total</b>					<b>\$ 4,471</b>
<b>Grand Total</b>					<b>\$ 27,884</b>

**CONSENT CALENDAR ITEM**

**Quarterly Report on Member  
Underpayments and Overpayments**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Jessica Huffman, Retirement Benefits Manager 

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

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

Overpayments of Retirement Allowance Due to Death

This report provides any payments (including HRA (Health Reimbursement Arrangements) payments) made after the death of a retiree. In instances where a death is not reported timely, an overpayment occurs. For the six-month reporting period January 9, 2022 through June 25, 2022, 154 deaths occurred. There are ten overpayments due to unreported deaths to report at this time. Staff is actively attempting to collect on these overpayments.

Staff Errors

There are no staff errors to report.

Overpayments and Underpayments of Member Contributions

This report, which is for the period January 9, 2022 through June 25, 2022, shows discrepancies in member contribution amounts resulting in an underpayment or overpayment above the \$50 threshold, average time to resolve, and an explanation of the error type. For this reporting period, staff identified two members who underpaid their mandatory employee contributions and zero members who overpaid their mandatory employee contributions. Staff reviewed and resolved each of the two cases of incorrect payment. There were a total of 2,456 exceptions from all Participating Employers. The most common exception type was underpayments due to the Employers withholding retirement contributions based on the incorrect salary.

Attachments



## Overpayments of Retirement Allowance Due to Unreported Death January 9, 2022 thru June 25, 2022

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Service Retirement	1/23/2022	3/4/2022	2/28/2022	\$3,212.44	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Duty Disability Retirement	2/24/2022	3/31/2022	3/31/2022	\$2,270.94	Staff initiated an ACH Letter of Indemnity request with Wells Fargo but was unsuccessful in overpayment. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	3/22/2022	3/31/2022	3/31/2022	\$2,318.09	Staff initiated ACH Letter of Indemnity request with Wells Fargo but was unsuccessful at collecting. Three unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	4/25/2022	5/5/2022	4/29/2022	\$3,076.67	Staff initiated a reversal request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Continuance	5/28/2022	6/6/2022	5/31/2022	\$3,912.20	Staff initiated a reversal request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Service Retirement	5/22/2022	6/3/2022	5/31/2022	\$652.11	Staff initiated a reversal request with Wells Fargo but was unsuccessful at collecting. Two unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.
Health Reimbursement	1/17/2022	2/14/2022	3/3/2022	\$413.58	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Four unsuccessful attempts have been made to collect the overpayment from the family. Staff will continue to attempt collection of overpayment.

Benefit Type	Date of Death	Date ACERA Notified of Death	Last Check Issued	Net Receivable Owed	Staff's Comment
Health Reimbursement	1/20/2022	2/10/2022	3/3/2022	\$261.75	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Three unsuccessful attempts have been made to collect the overpayment form the family. Staff will continue to attempt collection of overpayment.
Health Reimbursement	2/14/2022	2/22/2022	3/31/2022	\$390.25	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Four unsuccessful attempts have been made to collect the overpayment form the family. Staff will continue to attempt collection of overpayment.
Health Reimbursement	4/26/2022	4/27/2022	5/12/2022	\$187.25	Via Benefits reimbursed a claim reimbursement prior to receiving notification of member's death. Three unsuccessful attempts have been made to collect the overpayment form the family. Staff will continue to attempt collection of overpayment.
<b>Total Receivable</b>				<b>\$16,695.28</b>	

**Active Members - Overpayments and Underpayments of Member Contributions  
January 9, 2022 thru June 25, 2022**

<b>Alameda County</b>					
	<b>Amount</b>	<b>Date Discovered/Received</b>	<b>Date Completed</b>	<b># of days to complete</b>	<b>Cause</b>
<b>Overpayments:</b>	<b>No Overpayments to Report</b>				
<b>Underpayments:</b>	<b>No Underpayments to Report</b>				
<b>Summary</b>	<b>Most Common Exception Type: N/A</b> <b>Total Exceptions: 1,317</b> <b>% Above Exceptions of Total Exceptions: 0.00%</b>				

<b>Alameda County Housing Authority</b>					
	<b>Amount</b>	<b>Date Discovered/Received</b>	<b>Date Completed</b>	<b># of days to complete</b>	<b>Cause</b>
<b>Overpayments:</b>	<b>No Overpayments to Report</b>				
<b>Underpayments:</b>	<b>No Underpayments to Report</b>				
<b>Summary</b>	<b>Most Common Exception Type: N/A</b> <b>Total Exceptions: 35</b> <b>% Above Exceptions of Total Exceptions: 0.00%</b>				

Alameda Health Systems					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments: 1	\$69.13	6/02/2022	6/02/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Underpayments: 2	\$63.56	6/16/2022	6/16/2022	1	Employer Withheld Contribution Based at Incorrect Salary
Summary	Most Common Exception Type: Employer Withheld Contribution Based at Incorrect Salary Total Exceptions: 818 % Above Exceptions of Total Exceptions: 0.24%				

First 5 Alameda County					
	Amount	Date Discovered/ Received	Date Completed	# of days to complete	Cause
Overpayments:	No Overpayments to Report				
Underpayments:	No Underpayments to Report				
Summary	Most Common Exception Type: N/A Total Exceptions: 1 % Above Exceptions of Total Exceptions: 0.00%				

<b>Livermore Area Recreation and Park District</b>					
	<b>Amount</b>	<b>Date Discovered/ Received</b>	<b>Date Completed</b>	<b># of days to complete</b>	<b>Cause</b>
<b>Overpayments:</b>	<b>No Overpayments to Report</b>				
<b>Underpayments:</b>	<b>No Underpayments to Report</b>				
<b>Summary</b>	<b>Most Common Exception Type: N/A</b> <b>Total Exceptions: 1</b> <b>% Above Exceptions of Total Exceptions: 0.00%</b>				

<b>Alameda County Superior Courts</b>					
	<b>Amount</b>	<b>Date Discovered/ Received</b>	<b>Date Completed</b>	<b># of days to complete</b>	<b>Cause</b>
<b>Overpayments:</b>	<b>No Overpayments to Report</b>				
<b>Underpayments:</b>	<b>No Underpayments to Report</b>				
<b>Summary</b>	<b>Most Common Exception Type: N/A</b> <b>Total Exceptions: 284</b> <b>% Above Exceptions of Total Exceptions: 0.00%</b>				

**CONSENT CALENDAR ITEM**

**3<sup>rd</sup> Quarter 2022 Call Center Report**




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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022  
TO: Members of the Board of Retirement  
FROM: Ismael Piña, Assistant Benefits Manager   
SUBJECT: **3rd Quarter 2022 Call Center Report**

Attached is the Service Level Report for the 3rd quarter of 2022. Our service levels exceeded our benchmark this past quarter. The team handled a total of 3,620 incoming calls this past quarter, 98.4% of which were answered within 60 seconds. The team also responded to a total of 140 member voicemails within 1 business day or less.

The matrix below provides the five highest call volume categories for Q2 2022 and Q3 2022.

Q2 2022 Highest Volume	Categories of Calls	Q3 2022 Highest Volume	Categories of Calls
36%	Retiree Payroll Change Requests	40%	Retiree Payroll Change Requests
28%	Retirement/Membership/Job Status Change Related Q's	31%	Retirement/Membership/Job Status Change Related Q's
17%	Health/Dental/Vision related Q's	16%	Health/Dental/Vision related Q's
14%	Award Letter/EFT Statement/1099R Requests	9%	Award Letter/EFT Statement/1099R Requests
5%	Service Purchase/Retirement Estimate Requests	4%	Service Purchase/Retirement Estimate Requests

Attachment

**ACERA**

**YTD 2022 Member Services Service Level Report**

<b>Performance Indicators</b>	<b>January 2022 Member Services</b>	<b>February 2022 Member Services</b>	<b>March 2022 Member Services</b>	<b>April 2022 Member Services</b>	<b>May 2022 Member Services</b>	<b>June 2022 Member Services</b>
<b>KPI - Service Level</b> (% of calls answered within 60 seconds)	<b>98.20%</b>	<b>97.63%</b>	<b>97.46%</b>	<b>97.37%</b>	<b>98.84%</b>	<b>98.95%</b>
<b>Total Number of Call Offered</b>	<b>1562</b>	<b>1571</b>	<b>1940</b>	<b>1654</b>	<b>1389</b>	<b>1246</b>
<b>Call Center Agent Handled Calls</b>	<b>1556</b>	<b>1562</b>	<b>1931</b>	<b>1636</b>	<b>1383</b>	<b>1238</b>
<b>Number of Abandoned Calls</b>	<b>6</b>	<b>9</b>	<b>10</b>	<b>18</b>	<b>16</b>	<b>8</b>
<b>Average Hold Time Before Abandoned</b> (minutes:seconds)	<b>00:57</b>	<b>01:02</b>	<b>00:28</b>	<b>1:09</b>	<b>0:13</b>	<b>0:14</b>
<b>Abandoned Call Rate</b> (Goal: 3% or less)	<b>0.38%</b>	<b>0.57%</b>	<b>0.52%</b>	<b>1.0%</b>	<b>0.80%</b>	<b>0.60%</b>
<b>Average Talk Time</b> (minutes:seconds)	<b>05:23</b>	<b>05:03</b>	<b>04:55</b>	<b>4:34</b>	<b>4:46</b>	<b>4:48</b>

<b>Performance Indicators</b>	<b>July 2022 Member Services</b>	<b>August 2022 Member Services</b>	<b>September 2022 Member Services</b>	<b>October 2022 Member Services</b>	<b>November 2022 Member Services</b>	<b>December 2022 Member Services</b>
<b>KPI - Service Level</b> (% of calls answered within 60 seconds)	<b>97.27%</b>	<b>98.50%</b>	<b>99.50%</b>			
<b>Total Number of Call Offered</b>	<b>1281</b>	<b>1342</b>	<b>1057</b>			
<b>Call Center Agent Handled Calls</b>	<b>1246</b>	<b>1322</b>	<b>1052</b>			
<b>Number of Abandoned Calls</b>	<b>5</b>	<b>6</b>	<b>4</b>			
<b>Average Hold Time Before Abandoned</b> (minutes:seconds)	<b>1:35</b>	<b>1:34</b>	<b>0:24</b>			
<b>Abandoned Call Rate</b> (Goal: 3% or less)	<b>0.40%</b>	<b>0.40%</b>	<b>0.30%</b>			
<b>Average Talk Time</b> (minutes:seconds)	<b>4:37</b>	<b>4:45</b>	<b>4:32</b>			

**YTD 2022**  
**12926**

**Total Call Center Agent Handled Calls**



## **CONSENT CALENDAR ITEM**

**Approve Staff Recommendation regarding the  
County of Alameda's Amendment to Pay Item/Code  
Lead Duties-CAO Assessment Units – 41Q**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **Amendment to Pay Code 41Q – County of Alameda**

The County of Alameda (County) requested an amendment to pay item/code Lead Duties-CAO Assessment Units – 41Q, which is currently for pay that is included in “compensation earnable” but is excluded from “pensionable compensation.” Pay code 41Q was initially approved at the Board of Retirement’s (Board) September 15, 2016 meeting. This pay code is excluded from “pensionable compensation” because it applies to one position in Job Code 1137, Administrative Associate, CAO.

Effective October 30, 2022, this pay code was amended to include one additional position in Job Code 1137, Administrative Associate, CAO, increasing the total number of eligible positions to two in the same group or class of employment.

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that the amended pay code now qualifies as “pensionable compensation” (for PEPRAs members) since it applies to more than one similarly situated employee in the same group or class of employment, and it does not fall under any of the express exclusions for “pensionable compensation”. Under the Board’s historical practices, these kinds of pay items/codes have been included in both “compensation earnable” and “pensionable compensation”. The two relevant Government Code sections are attached for the Board’s reference.

Staff informed the County that its determination will be included on the Board’s consent calendar for approval at its November 17, 2022 meeting. If this item is not pulled from the consent calendar for discussion, then the Board will approve Staff’s determination that the amended pay code is “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members).

Attachments



AGENDA NO. 25 (October 25, 2022) <sup>10/4/22</sup> **REVISED**

Lakeside Plaza Building  
1401 Lakeside Drive, Suite 200  
Oakland, CA 94612-4305  
TDD: (510) 272-3703

## Human Resource Services

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October 04, 2022

Honorable Board of Supervisors  
County of Alameda  
1221 Oak Street, Suite 536  
Oakland, California 94612-4305

**SUBJECT:** ADOPT SALARY ORDINANCE AMENDMENT TO AMEND SUBSECTION 3-6.16 (FOOTNOTE FOR THE CLASSIFICATION OF ADMINISTRATIVE ASSOCIATE, COUNTY ADMINISTRATOR'S OFFICE (CAO) (JOB CODE #1137)

Dear Board Members:

### **RECOMMENDATIONS:**

Adopt a Salary Ordinance amendment to update Article 3, Section 3-6 (County Administrator Department) by amending subsection 3-6.16, a footnote to allow no more than two (2) employees in the classification of Administrative Associate, County Administrator's Office ("CAO") (Job Code ("JC") #1137) when assigned to lead employees in same said classification shall receive an additional compensation of five percent (5%) of the base pay effective October 30, 2022.

### **DISCUSSION/SUMMARY:**

The CAO requested a review of subsection 3-6.16 of the Salary Ordinance to better support and align with the current operational needs of the office. Currently, said subsection provides one (1) Administrative Associate, CAO (JC #1137) a footnote when assigned lead duties in the Assessment Appeals Unit and coordination of the Statement of Economic Interest Form 700 ("Form 700") processing. Given the automation of the Form 700 process, the need for this function no longer exists. However, CAO does have a business need for another Administrative Associate to function as a lead in the Assessment Appeals Unit and Board Agenda Unit. As such, staff recommends amending subsection 3-6.16 to provide a footnote for two (2) employees in the classification of Administrative Associate, CAO (JC #1137) when assigned to lead employees in the same classification in the Assessment Appeals Unit and/or Board Agenda Unit to receive an additional five percent (5%) compensation of base pay effective October 30, 2022.

### **FINANCING:**

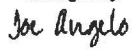
Funds are available in the 2022-2023 Approved Budget and will be included in future years' requested budgets to cover the cost resulting from the recommendation.

*An Equal Opportunity Employer*

**VISION 2026 GOAL:**

The Salary Ordinance amendments meet the 10x goal pathways of **Employment for All** in support of our shared vision of a **Prosperous and Vibrant Economy**.

Very truly yours,

DocuSigned by:  
  
2CC022F034DA404...

Joe Angelo, Director  
Human Resource Services

c: CAO  
Auditor-Controller  
County Counsel

1st reading 10/4/22

Approved as to Form  
DONNA ZIEGLER, County Counsel

By   
Kristy van Rensse, Asst. County Counsel

**AN ORDINANCE AMENDING  
CERTAIN PROVISIONS OF THE 2021 – 2022  
COUNTY OF ALAMEDA SALARY ORDINANCE**

The Board of Supervisors of the County of Alameda ordains as follows:

**SECTION I**

**Article 3, Section 3-6, Subsection 3-6.16** of the County of Alameda Salary Ordinance is hereby amended to read as follows:

3-6.16 – Effective October 30, 2022, not to exceed two (2) employees in Job Code 1137, when assigned to lead other Administrative Associates, CAO in the Assessment Appeals Unit and/or Board Agenda Unit, shall receive an additional five percent (5%) compensation of base pay.

**SECTION II**

This ordinance shall take effect immediately, and before the expiration of fifteen days after its passage, shall be published once with the names of the members voting for and against it in the Inter-City Express, a newspaper published in the County of Alameda.

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

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

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

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

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

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

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

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

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

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **CONSENT CALENDAR ITEM**

**Approve Staff Recommendation regarding the County of Alameda's New Pay Item/Code Legal Process Clerk-Warrants/Records Unit – 42W**



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **New Pay Code: Approve as “Compensation Earnable” and “Pensionable Compensation” – County of Alameda**

The County of Alameda (County) requested that new pay item/code Legal Process Clerk-Warrants/Records Unit – 42W be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation. This new pay code establishes a footnote provision for additional compensation of 5% of the base pay to be paid to up to nine employees in the job classifications of Legal Process Clerk I (Job Code 1511) and Legal Process Clerk II (Job Code 1513) when assigned to the Warrants & Records Unit.

On October 4, 2022, the Board of Supervisors of the County of Alameda approved amending Article 3, Section 17 to add Subsection 3-17.56 to the County of Alameda Salary Ordinance. It states: “Effective October 16, 2022, not to exceed nine (9) employees in Job Code 1511 or 1513 when assigned to the Warrants & Records Unit, a 24/7 work operation, requiring specialized criminal justice information systems knowledge, shall receive an additional five percent (5%) compensation of the base pay. This footnote shall be reviewed by the Director of Human Resource Services on or before October 16, 2024.”

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that the new pay code qualifies as “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members). This pay code increases the employee’s base pay in all pay periods like a normal salary increase. Under the Board of Retirement’s (Board) historical practices, this kind of pay code has been included in both “compensation earnable” and “pensionable compensation.” The two relevant Government Code sections are attached for the Board’s reference.

Staff informed the County that its determination will be included on the Board’s consent calendar for its November 17, 2022 meeting. If this item is not pulled from the consent calendar for discussion, then the Board will approve Staff’s determination that pay item/code Legal Process Clerk-Warrants/Records Unit – 42W is “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members).

Attachments





**ALAMEDA COUNTY**  
**AUDITOR-CONTROLLER AGENCY**  
**MELISSA WILK**  
 AUDITOR-CONTROLLER/CLERK-RECORDER

**REQUEST FOR ACERA’S REVIEW OF A NEW PAY ITEM/CODE**

Employer Name:	County of Alameda
Date of Request	10/18/22
Employer Department Submitting the Request	Auditor-Controller’s Agency
Contact Person/Employer (include title/position)	Stephanie Tsurumoto
Contact Person Telephone incl area code	(510) 272-6581
Contact Person Email address	stephanie.tsurumoto@acgov.org
<b>Pay Item Name (and code Number)</b>	<b>42W – Legal Proc. Clerk-War/Rec Unit</b>
Pay Item Effective Date per authorization:	10/16/22
State if additional documentation is attached	Yes Board Letter

**NOTE:** The following information is required before ACERA can review and respond to the request. To meet ACERA’s requirements, please provide substantive responses below or on a separate paper and return , with this form, all of the supporting documentation prior to issuing (paying) the pay item to any employee who is an ACERA member.

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

**RESPONSE #1: #1511 – Legal Process Clerk I**  
**#1513 – Legal Process Clerk II**

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

**RESPONSE #2: Full Time**

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

**RESPONSE #3: Not to exceed nine employees**

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

**RESPONSE #4: Regular Base Pay**

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

**RESPONSE #5: Percentage, 5% of base pay**

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

**RESPONSE #6: No**



**ALAMEDA COUNTY**  
**AUDITOR-CONTROLLER AGENCY**  
**MELISSA WILK**  
AUDITOR-CONTROLLER/CLERK-RECORDER

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

**RESPONSE #7: No**

8. State whether the pay item is a reimbursement (i.e., car allowance, housing allowance, uniform allowance, mileage payment, cell phone allowance)

**RESPONSE #8: No**

9. State regular working hours of the employees who will receive the pay item (i.e., 37.5 hour workweek employees, 40 hour workweek employees)

**RESPONSE #9: 37.5 Hour Workweek**

**Effective 11/13/22, the standard hours will change to a 40.0 Hour Workweek**

- B. Adopt a Sideletter of Agreement ("SLA") between the County and Service Employees International Union Local 1021 ("SEIU") to change the standard workweek hours for the classifications of Legal Process Clerk I (JC #1511) and Legal Process Clerk II (JC #1513) from 37.5- to 40-hours per week in the Alameda County Sheriff's Office ("ACSO") and amend Appendices A-1 (Classification Listing in Alphabetical Order) and A-3 (Classification and Salary Listing for Representation Unit 010 – June 28, 2020 to December 10, 2022) to reflect said changes in the 2015-2022 MOU between the County and SEIU.

10. State whether pay item is for work performed outside of the regular workweek (i.e., payment for work or services performed outside of the employee's 37.5 hour workweek, or outside the employee's 40 hour workweek)

**RESPONSE #10: No**

11. State whether the pay item if for deferred compensation

**RESPONSE #11: No**

12. State whether the pay item is for retro payments

**RESPONSE #12: No**

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

**RESPONSE #13: No**



**ALAMEDA COUNTY**  
**AUDITOR-CONTROLLER AGENCY**  
**MELISSA WILK**  
AUDITOR-CONTROLLER/CLERK-RECORDER

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

**RESPONSE #14: No**

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

**RESPONSE #15: No**

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

**RESPONSE #16: Bi Weekly**

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

**RESPONSE #17: Per Salary Ordinance Section 3-17.56**

- B. Adopt a Sideletter of Agreement ("SLA") between the County and Service Employees International Union Local 1021 ("SEIU") to change the standard workweek hours for the classifications of Legal Process Clerk I (JC #1511) and Legal Process Clerk II (JC #1513) from 37.5- to 40-hours per week in the Alameda County Sheriff's Office ("ACSO") and amend Appendices A-1 (Classification Listing in Alphabetical Order) and A-3 (Classification and Salary Listing for Representation Unit 010 – June 28, 2020 to December 10, 2022) to reflect said changes in the 2015-2022 MOU between the County and SEIU.

**Article 3, Section 17, Subsection 3-17.56** of the County of Alameda Salary Ordinance is hereby added to read as follows:

3-17.56 – Effective October 16, 2022, not to exceed nine (9) employees in Job Code 1511 or 1513 when assigned to the Warrants & Records Unit, a 24/7 work operation, requiring specialized criminal justice information systems knowledge, shall receive an additional five percent (5%) compensation of the base pay. This footnote shall be reviewed by the Director of Human Resource Services on or before October 16, 2024.

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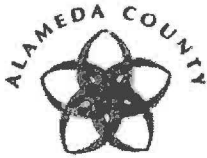
**Office of the Auditor-Controller**  
1221 Oak St., Suite 249  
Oakland, CA 94612  
Tel: (510) 272-6565  
Fax: (510) 272-6502

**Central Collections Division**  
1221 Oak St., Suite 220  
Oakland, CA 94612  
Tel: (510) 208-9900  
Fax: (510) 208-9932

**Clerk-Recorder's Office, Main**  
1106 Madison St., 1<sup>st</sup> Floor  
Oakland, CA 94607  
Tel: (510) 272-6362  
Fax: (510) 208-9858

**Clerk-Recorder's Office, Tri-Valley**  
7600 Dublin Blvd.  
Dublin, CA 94568  
Tel: (510) 272-6362  
Fax: (510) 208-9858

SECOND READING - CONTINUED FROM 09/20/2022



AGENDA NO. 70 September 20, 2022

Lakeside Plaza Building  
1401 Lakeside Drive, Suite 200  
Oakland, CA 94612-4305  
TDD: (510) 272-3703

Human Resource Services

September 20, 2022

*2nd reading 10/4/22*

Honorable Board of Supervisors  
County of Alameda  
1221 Oak Street, Suite 536  
Oakland, California 94612-4305

SUBJECT: ADOPT 1) A DISCRIMINATION, HARASSMENT, AND RETALIATION PREVENTION POLICY FOR THE COUNTY OF ALAMEDA; AND 2) A SALARY ORDINANCE AMENDMENT TO ADD SUBSECTION 3-17.56 TO ARTICLE 3, SECTION 3-17. (SHERIFF'S DEPARTMENT)

Dear Board Members:

**RECOMMENDATIONS:**

- A. Adopt a Discrimination, Harassment, and Retaliation Prevention Policy for the County of Alameda ("County"); and
- B. Adopt a Salary Ordinance amendment to amend Article 3, Section 3-17. (Sheriff's Department) to add subsection 3-17.56, a new footnote that provides for up to nine (9) employees in the classifications of Legal Process Clerk I (Job Code ("JC") #1511) or Legal Process Clerk II (JC #1513) when assigned to the Warrants & Records Unit, a 24/7 work operation, requiring specialized criminal justice information systems knowledge, to receive an additional five percent (5%) compensation of the base pay effective October 16, 2022.

*New Add'l Pay 42w*

**DISCUSSION/SUMMARY:**

The current County Sexual Harassment Prevention Prohibition and Equal Employment and Affirmative Action policies from May 1996 have not been amended to incorporate legislative changes impacting discrimination, harassment, and retaliation over the years. As such, staff merged said two (2) policies into a single comprehensive policy reflecting current legal standards and updated the title to the Discrimination, Harassment, and Retaliation Prevention Policy ("Policy"). The Policy also comports with the current infrastructure and practices and establishes guidelines for County agencies and departments to comply with said requirements. Staff notified all employee organizations of the decision to implement the Policy and satisfied our obligation to meet and confer on the impacts of this decision. Staff recommends that your Board adopt the attached Policy for the County.

In addition, at the request of the Alameda County Sheriff's Office ("ACSO"), staff concurs and recommends amending Section 3-17. (Sheriff's Department) of the Salary Ordinance by adding subsection 3-17.56, a footnote to provide up to nine (9) employees in the classifications of Legal Process Clerk I (JC #1511) or Legal Process Clerk II (JC #1413) an additional five percent (5%) compensation of base pay, when assigned to the ACSO Warrants and Records Unit ("Unit") effective October 16, 2022. The footnote is intended to assist with Unit's staffing structure, maintain continuity of operations, recognize the need for specialized knowledge and training that includes special access to multiple Department of Justice criminal database systems, as well as the requirement to testify in court. Staff offered the Service Employees International Union Local 1021 ("Union") the opportunity to meet and confer on the impacts for the said footnote. The Union reached agreement and concurred to add the provision to the Salary Ordinance. Therefore, staff recommends that your Board adopt the attached amendment to Section 3-17. (Sheriff's Department) of the Salary Ordinance.

*1513*

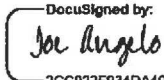
**FINANCING:**

Funds are available in the 2022-2023 Approved Budget and will be included in future years' requested budgets to cover the costs resulting from the applicable recommendation.

**VISION 2026 GOAL:**

The Salary Ordinance amendments meet the 10x goal pathways of **Employment for All** in support of our shared vision of a **Prosperous and Vibrant Economy**.

Very truly yours,

DocuSigned by:  
  
2CC022F934DA404...  
Joe Angelo, Director  
Human Resource Services

c: CAO  
Auditor-Controller  
County Counsel  
All Agency/Department Heads

**SECOND READING - CONTINUED FROM 09/20/2022**

Approved as to Form  
DONNA ZIEGLER, County Counsel

By   
Kristy van Herick, Asst. County Counsel

2nd reading 10/4/22

**AN ORDINANCE AMENDING  
CERTAIN PROVISIONS OF THE 2021- 2022  
COUNTY OF ALAMEDA SALARY ORDINANCE**

The Board of Supervisors of the County of Alameda ordains as follows:

**SECTION I**

**Article 3, Section 17, Subsection 3-17.56** of the County of Alameda Salary Ordinance is hereby added to read as follows:

New  
Add'l  
42W

3-17.56 – Effective October 16, 2022, not to exceed nine (9) employees in Job Code 1511 or 1513 when assigned to the Warrants & Records Unit, a 24/7 work operation, requiring specialized criminal justice information systems knowledge, shall receive an additional five percent (5%) compensation of the base pay. This footnote shall be reviewed by the Director of Human Resource Services on or before October 16, 2024.

**SECTION II**

This ordinance shall take effect immediately, and before the expiration of fifteen days after its passage, shall be published once with the names of the members voting for and against it in the Inter-City Express, a newspaper published in the County of Alameda.

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

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

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

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

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

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

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

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

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

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **CONSENT CALENDAR ITEM**

**Approve Staff Recommendation regarding the Livermore Area Recreation and Park District's New Pay Item/Code COVID-19 Supplemental Paid Sick Leave – SPSL**





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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: November 17, 2022

TO: Members of the Board of Retirement

FROM: Sandra Dueñas-Cuevas, Benefits Manager 

SUBJECT: **New Pay Code: Approve as “Compensation Earnable” and  
“Pensionable Compensation” – Livermore Area Recreation & Park  
District**

Livermore Area Recreation & Park District (LARPD) requested that new pay item/code COVID-19 Supplemental Paid Sick Leave – SPSL be reviewed to determine whether it qualifies as “compensation earnable” and “pensionable compensation”. This new pay code was established to comply with Senate Bill 114 (SB 114), which was signed into law on February 9, 2022. SB 114 requires covered employers to provide full-time employees up to 80 hours of Supplemental Paid Sick Leave (2022 SPSL) for specific COVID-19 related reasons in two separate banks of 40 hours. Part-time employees are eligible for prorated 2022 SPSL hours. The effective date of SB 114 and this new pay code is retroactive to January 1, 2022. On September 29, 2022, Assembly Bill 152 (AB 152) was signed into law, which extends the expiration date for the provisions of the 2022 COVID-19 Supplemental Paid Sick Leave program contained in SB 114 from September 30, 2022 to December 31, 2022. Therefore, this pay code will sunset on December 31, 2022.

Staff and Chief Counsel reviewed the required supporting documentation (attached) and made the determination that the new pay code qualifies as “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members). Paid leave is included in both “compensation earnable” and “pensionable compensation”. The two relevant Government Code sections are attached for the Board of Retirement’s (Board) reference.

Staff informed LARPD that its determination will be included on the Board’s consent calendar for its November 17, 2022 meeting. If this item is not pulled from the consent calendar for discussion, then the Board will approve Staff’s determination that pay item/code COVID-19 Supplemental Paid Sick Leave – SPSL is “compensation earnable” under Government Code Section 31461 (for Legacy members) and “pensionable compensation” under Government Code Section 7522.34 (for PEPRAs members).

Attachments



**REQUEST FOR ACERA’S REVIEW OF A NEW PAY ITEM/CODE**

Employer Name:	Livermore Area Recreation and Park District
Date of Request	10/31/2022
Employer Department Submitting the Request	Payroll
Contact Person/Employer (include title/position)	Julie Dreher / Finance Officer
Contact Person Telephone #	925-373-5726
Contact Person Email address	<a href="mailto:jdreher@larpd.org">jdreher@larpd.org</a>
<b>Pay Item Name (and code Number)</b>	COVID-19 Supplemental Paid Sick Leave (SPSL)
Pay Item Effective Date per authorization:	1/1/2022
Pay Item End Date (if known)	12/31/2022

**NOTE:** The following information is required **before** ACERA can review and respond to the request. To meet ACERA’s requirements, please provide substantive responses below or on a separate paper and return , with this form, all of the supporting documentation prior to issuing (paying) the pay item to any employee who is an ACERA member.

**Please attach the approving document from your agency (Board Letter, Side Letter, MOU Agreement, or Approving Memo from Department Head.**

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

**RESPONSE #1: All job classifications are eligible for the pay item.**

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

**RESPONSE #2: All Full-Time employees who are members of ACERA are eligible to receive the pay item.**

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

**RESPONSE #3: All members in all job classifications are eligible to receive the pay item.**

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

**RESPONSE #4: This pay item is not overtime and is part of regular base pay.**

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

**RESPONSE #5: The pay item is calculated as a fixed amount.**

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

**RESPONSE #6: The pay item is not a one-time payment and is dependent upon how many times an employee contracts Covid-19 and how long the employee is out.**

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

**RESPONSE #7: The pay item is not an ad hoc payment.**

8. State whether the pay item is a reimbursement (i.e., car allowance, housing allowance, uniform allowance, mileage payment, cell phone allowance)

**RESPONSE #8: The pay item is not a reimbursement.**

9. State regular working hours of the employees who will receive the pay item ( i.e., 37.5 hour workweek employees, 40 hour workweek employees)

**RESPONSE #9: Employees who are eligible to receive this pay item work either a 38-hour workweek or a 40-hour workweek.**

10. State whether pay item is for work performed outside of the regular workweek (i.e., payment for work or services performed outside of the employee's 37.5 hour workweek, or outside the employee's 40 hour workweek)

**RESPONSE #10: The pay item is not for work performed.**

11. State whether the pay item is for deferred compensation

**RESPONSE #11: The pay item is not for deferred compensation.**

12. State whether the pay item is for retro payments

**RESPONSE #12: The pay item is not for retro payments.**

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

**RESPONSE #13: The pay item is not for accrued unused leave.**

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

**RESPONSE #14: The payment is not compensation that had previously been provided in kind to the member by LARPD or paid directly by LARPD to a third party other than the retirement system for the benefit of the member or employee.**

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

**RESPONSE #15: The payment is not severance or other payment in connection with or in anticipation of separation from employment.**

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

**RESPONSE #16: The pay item will be paid as the time is used (like with sick leave) but not on a determinable basis.**

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

**RESPONSE #17: There is no specific basis for the pay item aside from contracting Covid-19 or caring for a family member with Covid-19, as it will be made available to all employees and is required by law.**

# 2022 COVID-19 Supplemental Paid Sick Leave

Effective February 19, 2022



Covered employees in the public or private sectors who work for employers with 26 or more employees are entitled to up to 80 hours of 2022 COVID-19 related paid sick leave from January 1, 2022 through December 31, 2022, immediately upon an oral or written request to their employer, with up to 40 of those hours available only when an employee or family member tests positive for COVID-19.

**A full-time covered employee may take up to 40 hours of leave** if the employee is unable to work or telework for any of the following reasons:

- **Vaccine-Related:** The covered employee is attending a vaccine or booster appointment for themselves or a family member\* or cannot work or telework because they have vaccine--related symptoms or are caring for a family member with vaccine-related symptoms. An employer may limit an employee to 24 hours or 3 days of leave for each vaccination or booster appointment and any consequent side effects, unless a health care provider verifies that more recovery time is needed.
- **Caring for Yourself:** The employee is subject to quarantine or isolation period related to COVID-19 as defined by an order or guidance of the California Department of Public Health, the federal Centers for Disease Control and Prevention, or a local public health officer with jurisdiction over the workplace; has been advised by a healthcare provider to quarantine; or is experiencing COVID-19 symptoms and seeking a medical diagnosis.
- **Caring for a Family Member\*:** The covered employee is caring for a family member who is subject to a COVID-19 quarantine or isolation period or has been advised by a healthcare provider to quarantine due to COVID-19, or is caring for a child whose school or place of care is closed or unavailable due to COVID-19 on the premises.

**A full-time covered employee may take up to an additional 40 hours of leave** if the employee is unable to work or telework for either of the following reasons:

- The covered employee tests positive for COVID-19
  - The covered employee is caring for a family member\* who tested positive for COVID-19.
- \* A family member includes a child, parent, spouse, registered domestic partner, grandparent, grandchild, or sibling.

**Part-Time covered Employees:** Part-time covered employees may take as leave up to the amount of hours they work over two weeks, with half of those hours available only when they or a family member\* test positive for COVID-19.

**Payment:** If an employee took leave for one of the reasons identified above between January 1, 2022 and February 19, 2022, and that leave was either unpaid or compensated at a rate less than the employee's regular rate of pay, the employee may also request a retroactive payment. Payment is at the employee's regular or usual rate of pay, not to exceed \$511 per day and \$5,110 in total.

**Retaliation or discrimination against a covered employee requesting or using COVID-19 supplemental paid sick leave is strictly prohibited.** A covered employee who experiences such retaliation or discrimination can file a claim with the Labor Commissioner's Office. Locate the nearest district office by looking at the [directory on our website](http://www.dir.ca.gov/dlse/DistrictOffices.htm) <http://www.dir.ca.gov/dlse/DistrictOffices.htm> using the alphabetical listing of cities, locations, and communities or by calling 1-833-526-4636.

**This poster must be displayed where employees can easily read it. If employees do not frequent a physical workplace, it may be disseminated to employees electronically.**

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

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

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

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

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

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

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

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

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

Gov. Code Sec. 7522.34. (a) "Pensionable compensation" of a new member of any public retirement system means the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis during normal working hours, pursuant to publicly available pay schedules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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MEMORANDUM TO THE OPERATIONS COMMITTEE

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DATE: November 17, 2022  
TO: Members of the Operations Committee  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: Presentation of 2023 ACERA Budget Proposal

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**Executive Summary**

It is my pleasure to present the 2023 ACERA Budget Proposal. This operating expense budget invests in both personnel and information technology infrastructure, but is prudent in the approach. I look forward to discussing it further with you.

The Proposed Operating Expense Budget is \$21,472,000, which is a 2.4% decrease over the 2022 Approved Operating Expense Budget of \$22,001,000. Highlights of the proposal are as follows:

- Decrease in total staffing costs from 2022 Approved Budget by 4.2%;
- Increase in staff development costs from 2022 Approved Budget by 31.5%;
- Increase in professional fees from 2022 Approved Budget by 13.5%;
- Increase in member services from 2022 Approved Budget by 32.8%, and
- Contingency fund for litigation reserve of \$50,000.

The 2023 proposal includes increases in salary and fringe benefit costs from the 2022 forecast. It recognizes the increased costs from vacant positions previously filled by less expensive temporary staff that are projected to be filled by permanent employees for the full budget year; therefore, increasing both salary and fringe benefit costs. In addition, it includes the COLA, step, and merit increases. However, this year we then applied an across the board decrease of 5% to all staffing costs to reflect unanticipated staff vacancies throughout the year.

Variance Analysis

In reviewing the 2023 Proposed Expense Budget Summary (Section III, pg. 19) there are thirteen expense line items identified with net changes exceeding \$15,000<sup>1</sup>. For ease of review, the ten line items are summarized in the following table on page 2 using the line item nomenclature with page reference, net change amount, percentage associated with the net change, and the budget variance narrative.

---

<sup>1</sup> A \$15,000 threshold has been used as in the mid-year budget review to establish consideration for reportable overages and line item transfers; therefore, staff is relying on the same \$15,000 threshold to review net changes in the 2023 Proposed Budget versus the 2022 Forecast.

<b>2023 Expense Line Items with a Net Change &gt; \$15,000</b>				
	<b>Expense Line Items</b>	<b>Net Change</b>	<b>Percentage</b>	<b>Cause of Variance (COV)</b>
1	<i>Staffing</i> (Cited on pg. 22)	\$ 108,000	0.7%	<ul style="list-style-type: none"> <li>• Increase in salaries due to filled vacant positions and COLA, offset decrease in temporary staff and adjustment for unexpected vacancies</li> </ul>
2	<i>Staff Development</i> (Cited on pg. 23)	\$ 118,000	47.4%	<ul style="list-style-type: none"> <li>• Increase staff development due to moving additional costs from contingency fund</li> </ul>
3	<i>Actuarial Fees</i> (Cited on pg. 27)	\$ 233,000	55.5%	<ul style="list-style-type: none"> <li>• Increase due to actuarial audit, triennial study, and increase in supplement consulting</li> </ul>
4	<i>Consultant Fees</i> (Cited on pg. 27)	\$ (29,000)	-7.6%	<ul style="list-style-type: none"> <li>• Decrease in consultant fees due to completion of commercial bank transition</li> </ul>
5	<i>Bank Charges</i> (Cited on pg. 28)	\$ (24,000)	-20.0%	<ul style="list-style-type: none"> <li>• Decrease in bank charges</li> </ul>
6	<i>Building Expenses</i> (Cited on pg. 28)	\$ 74,000	925.0%	<ul style="list-style-type: none"> <li>• Increase in building expenses</li> </ul>
7	<i>Communication</i> (Cited on pg. 28)	\$ (61,000)	-42.1%	<ul style="list-style-type: none"> <li>• Decrease in communication due to transfer of virtual call to Benefits</li> </ul>
8	<i>Insurance</i> (Cited on pg. 29)	\$ 48,000	9.0%	<ul style="list-style-type: none"> <li>• Increase in fiduciary liability and cyber liability</li> </ul>
9	<i>Disability-medical expense</i> (Cited on pg. 30)	\$ 71,000	58.2%	<ul style="list-style-type: none"> <li>• Increase in medical disability cases</li> </ul>
10	<i>Virtual Call Center</i> (Cited on pg. 30)	\$ 63,000	100.0%	<ul style="list-style-type: none"> <li>• Transfer virtual call center from Communication</li> </ul>
11	<i>Business Continuity Expenses</i> (Cited on pg. 31)	\$ 39,000	18.1%	<ul style="list-style-type: none"> <li>• Increase due to UPS batteries</li> </ul>
12	<i>Software License and Maintenance</i> (Cited on pg. 31)	\$ 28,000	3.6%	<ul style="list-style-type: none"> <li>• Increase in software and maintenance support</li> </ul>
13	<i>Board of Retirement</i> (Cited on pg. 32)	\$ (36,000)	-5.5%	<ul style="list-style-type: none"> <li>• Increase in board conference and trainings</li> <li>• Decrease in board elections</li> <li>• Increase in employer reimbursement due to COLA and fringe benefits and new policy</li> </ul>





**ALAMEDA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**2023  
PROPOSED  
EXPENSE  
BUDGET**

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## **Section I**

### **Letter from the CEO to the Board of Retirement**

## Section I

### Letter from the CEO to the Board of Retirement

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Members of the Board of Retirement,

It is my pleasure to present the proposed 2023 budget. Though much of the social hardship brought by the COVID-19 pandemic has eased with the widespread availability of the COVID-19 vaccines and the high vaccinated rate of our community, in 2022 we continued to navigate and adapt to the distinctive work situation presented.

Utilizing remote server technology to connect ACERA's team, the majority of staff continue to work from home, and the vast majority of members continue to connect virtually with ACERA through a virtual call center and through Zoom for counseling appointments and seminars. ACERA continues utilizing Zoom to hold virtual Board and Committee meetings.

ACERA has continued to closely monitor the pandemic, and as case counts have dropped, we have begun a staged reopening. As of this writing, ACERA's office is open Tuesday, Wednesday, and Thursday for walk-ins and Tuesday and Thursday for appointments, with the eventual goal of reopening 5 days a week, possibly before the end of the year. County-mandated workplace protection protocols continue. As we endeavor to enhance work-life balance, recruitment, and retention, the reopening plan includes continuing opportunities for staff to work remotely where work requirements allow.

ACERA's focus continues to be on maintaining the delivery of essential services, with staff processing retirements and making retirement and benefit payments on schedule.

The proposed 2023 budget has been predicated on priorities determined as necessary to carry out ACERA's mission. These priorities are to continue developing a culture and infrastructure of accountability and cost effectiveness, to make for a more transparent organization moving forward. Additionally, we will leverage technology to introduce new service models and enhance service effectiveness that will continue building an organization focused on its core values and a vision of exceeding customer expectations, of engaging team members, and of developing supportive leadership. To that end, we look forward to finalizing this budget with the Board.

#### KEY 2022 ACCOMPLISHMENTS

##### Pension Administration System (PAS) Replacement

Utilizing considerable resources from all departments across the organization, ACERA continued its project to replace its pension administration system, Pension Gold Version 2, with Pension Gold Version 3 by 2024. A significant component of ACERA's new pension system engine for calculating retirement benefits was designed and configured this past year during deliverable 3. We are testing the functionality in November 2022. Other accomplishments include:

- Continued collaboration with employers on development of Version 3 transmittal file
- Internal testing and gap analysis on transmittal file upload validation and exception management

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- Implementation of business requirements requiring an integration with OnBase of Correspondence and Reporting output

#### Benefits Initiatives

- Conducted RFI for Medical Advisor / Disability Case Manager for evaluating disability retirement applications and management of disability claims, and retained incumbent Managed Medical Review Organization (MMRO)
- Waved diagnostic and preventive services from counting against annual dental PPO maximum
- Increased annual dental PPO benefit maximum from \$1,000 to \$1,300 for the Premier and non-contracted providers for parity with in-network providers
- Added UV coating and polycarbonate lenses to vision plan and increased frame allowance
- Promoted trial Kaiser Silver&Fit free-gym membership program, conducted member survey, and adopted continuation of benefit Silver&Fit benefit for 2023
- Conducted study of hearing aid benefits, and adopted \$1,000 hearing aid benefit per ear every 36 months to Kaiser Permanente non-Medicare enrollees
- Conducted non-vested benefits survey, specifically studying the possibility of increasing lump-sum death benefit and re-establishing Active Death Equity Benefit
- Continued launching member forms in DocuSign

#### Administration Initiatives

- Conferred with unions, developed a staged office reopening plan, and began reopening in August while continuing to provide full virtual services and retaining opportunity for staff to work remotely where suitable
- Initiated project for new bank service provider and hired JP Morgan Chase to replace incumbent Wells Fargo
- Received Certificate of Achievement for Excellence in Financial Reporting for 2020 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) from Government Financial Officers Association (GFOA)
- Received an unqualified opinion on the 2021 Annual Financial Statements from the external auditors
- Conducted Board elections for five Trustee positions
- Completed a Felony Forfeiture Participating Employer Audit
- Organized a Board discussion with CalPERS CEO Marcie Frost
- Contracted with Mosaic Governance Advisors to develop strategic plan; conducted stakeholder surveys
- Recruited Lisa Johnson to serve as Assistant CEO, Operations
- Conducted recruitment to hire an Assistant CEO, Benefits to replace Kathy Foster, who retired
- Improved efficiency of several major Benefits and Fiscal Services processes using Lean methodology

#### Investment Initiatives

- Total Fund reached an unprecedented level of \$11.87 billion at year-end 2021
- Board Adopted ESG Implementation Plan in January 20, 2022
- Hired ACERA's first Investment Operation Officer in February of 2022
- Year-to-date in 2022 (June 2021 to June 2022), ACERA expanded the Total Fund's investment in 7 privately placed funds worth \$339 million
- Conducted an Emerging Markets Equity Manager search and selected William Blair
- Kicked off a Request For Proposal (RFP) for a General Investment Consultant

#### Portfolio Performance

- As of June 30, 2022, the total fund had returned -11.97% (net) year-to-date for 2022. The value of the total fund was \$10.4 billion

### BUSINESS INITIATIVES

In 2023, initiatives will continue to be prioritized and reduced due to the increased resource needs required to complete the Pension Administration System Replacement Project, though we will continue concentrating on aligning technology and personnel to optimize the virtual customer service options and performing the daily functions of the organization. Highlights of upcoming business initiatives are:

#### For the Pension Administration System Replacement Project:

- Scenario Planning With Benefit Calculation Workflows in V3
- Staff Training on Software Testing
- Internal Validation of Requirements for Deliverable 4 Benefit Set Up and Payroll Starting in Jan. 2023

#### Additional Projects Include:

- Strategic Planning
- Completion of Banking Provider Transition
- Continuation of Internal Cybersecurity Controls Review
- On-the-Job Training (OJT) Structure
- CEM Benchmarking
- Enterprise Risk Management

### BASELINE AND PROPOSED 2023 OPERATING EXPENSE BUDGET (OEB)

The starting point for the 2023 OEB is a "baseline" that reflects the anticipated costs of carrying out the same level of services proposed by the ACERA Board in the 2022 Budget. Staff was required to request and justify additional funds with a formal Budget Change Proposal (BCP) for any item affecting the 2023 baseline and proposed 2023 budget. Additional staff positions or changes in salaries for 2023 were requested and justified using a Personnel Change Request (PCR) form. Approvals for changes did not take place without careful review of cost impacts and on-going organizational needs. Reviews were conducted by the Chief Executive Officer, Human Resource Officer (for PCRs), and Fiscal Services Officer before approvals were granted. With the addition of those items, the proposed 2023 budget is \$21.5 million. This is \$0.53 million or 2.4% less than the 2022 approved budget of \$22.0 million. It is also \$0.24 million or 1.1% less than the 2023 baseline budget of \$21.7 million.

The reasons for the budget differences will be explained below.

### PROPOSED 2023 BUDGET HIGHLIGHTS

This section highlights the proposed adjustments to the 2023 proposed budget from the 2022 approved budget. A complete review of the differences can be found in Section III.

## Staffing

The primary changes in Staffing costs for 2023 are as follows:

We continued the assumption to fill and fund the remaining vacant positions filled by temporary staff in 2022; cost-of-living adjustments, step increases, and an average four percent (4%) performance-driven merit increase for eligible/ selected deep-class positions, but then applied an across the board decrease of 5% to reflect unanticipated staff vacancies throughout the year. The total 2023 reduction for staffing from the 2022 approved budget is \$0.72 million, or a net decrease of 4.2%.

## Staff Development

The primary change in Staff Development costs is a 31.5% increase compared to the 2022 budget. The increase is due to the expected increase in attendance of trainings and conferences. Due to COVID impacts, beginning with the 2021 Budget we removed regularly budgeted Staff Development costs and put them in the Contingency Fund in case the impact to training of COVID waned during the year. This year, we moved all of this cost in the Contingency Fund to the regular expense fund.

## Professional Fees

The change in Professional Fees for 2023 is an increase of \$0.16 million, or a net increase of 13.5%. This increase is due to expected higher costs in Actuarial fees.

The senior managers and I look forward to presenting our proposed 2023 operating expense budget to the committee and to the Board of Retirement.

Respectfully submitted,



Dave Nelsen  
Chief Executive Officer

## Section II

## Budget Policies and Process

## Section II

# Budget Policies and Process

---

### Budget Policies

ACERA's budget policy, practices, and guidelines are based on the County Employees Retirement Law of 1937 and the ACERA Board of Retirement's Charter.

#### Legal Requirements

The California Constitution and Statute Section 31580.2(a) of the 1937 Act specifies that the Board of Retirement "shall annually adopt a budget covering the entire expense of administration of the retirement system which expense shall be charged against the earning of the retirement fund..."

As applied to ACERA, § 31580.2(a) also imposes a cap on administrative expenses. Administrative expenses incorporate the limits of § 31580.2(a) (1) of the County Employees Act of 1937; whereby, administrative expenses are capped at "Twenty-one hundredths of one percent (0.21%) of accrued actuarial liabilities of the retirement system". Pursuant to the applicable code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with Business Continuity Planning (BCP), the Supplemental Retiree Benefits Reserve (SRBR) used to pay Other Postretirement Benefits (OPEB and non-OPEB), technology, actuarial, legal related expenses, and investment-related expenses. Excludable expenses also include the pro rata portion of overhead expense attributable to excludable activities.

ACERA prepares the budget on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP), a methodology consistent with ACERA's audited financial statements.

#### Budget Amendments

Budget line item amounts may be amended, i.e., reallocated from one department to another or moved between categories at the discretion of the Chief Executive Officer, if such action does not increase the overall proposed budget. Conversely, increases to the overall proposed budget are only permitted with the approval of the Board of Retirement (the Board). There are two ways in which the budget can be increased: The first way is through committee action and board approval. And the second way is with a contingency budget that is accepted when the budget is put forth for approval during the annual budget cycle. A contingency budget is useful for current unknown expenses that arise from an event such as legislation, natural disasters, an action by the Board of Supervisors, or a release of new project; where the event may or will occur but the timing is in question.

### Budget Process

ACERA's budget is developed with Adaptive Insights budget software. This flexible budgeting software is a cloud-based program that enables department management and staff to access organizational expense forecasts from any location. It also enables users to view current year actuals, as well as expense forecasts; moreover, users can input and change expense forecast variables to easily prepare "what if" scenarios. These user-friendly features reduce,

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and in some cases eliminates, time previously spent converting department provided information into the budget format and circulating the information for review and approval.

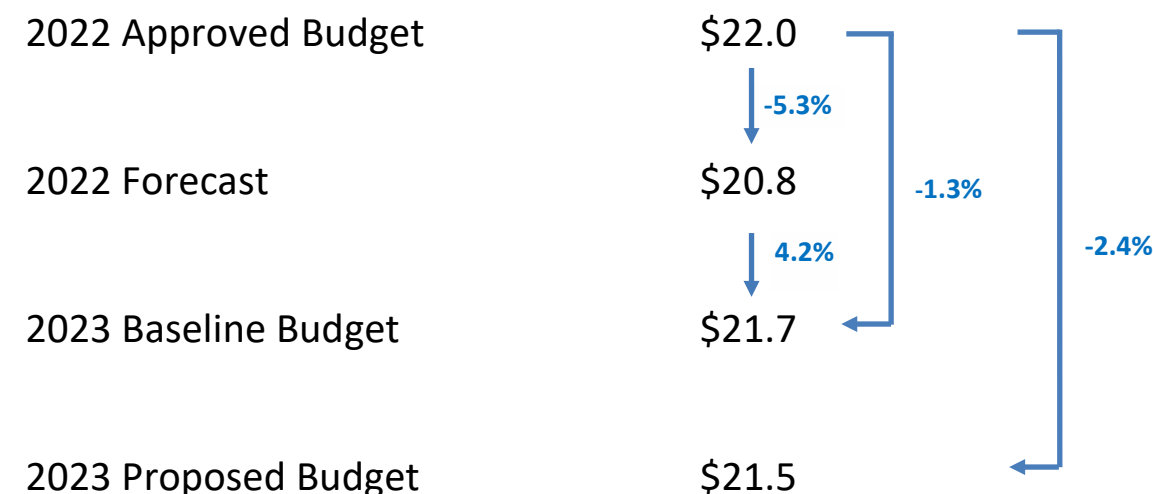
While the Fiscal Services Department Budget Team (budget team) is responsible for the preparation of the budget timeline, ACERA’s Senior Leadership Team (SLT) is responsible for establishing business plan initiatives, in detail as to time and cost before the budget process begins, and is responsible for setting budget assumptions for the various expense categories.

It is the responsibility of the budget team to develop the baseline budget once the forecast has been completed. Upon completion of the baseline, department staff and management begin entering information into the budget worksheets. When that step is completed, the budget team prepares the administrative budget based upon SLT prepared time allocations. Throughout the budget preparation process, the budget team now has the ability to monitor the budget progress by using the process tracker and workflows developed in Adaptive Insights. Nevertheless, the budget team continues to be available to meet with department staff and management to answer questions or to strategize the best way to present budget items or develop costs.

Once the proposed budget and the administrative budget are complete, the budget team pulls the information from Adaptive through Office Connect software into InDesign (the budget publishing software). The budget team is responsible for preparing the variance analyses, updating changes to the budget, and for reviewing the budget document for submission to the Board of Retirement.

The Chief Executive Officer present the proposed budget to committee and at a future date to the Board. If committee members request changes to the budget, those changes are made and re-presented at the discretion of the committee. The Board’s feedback is incorporated into the budget for final approval.

## ACERA 2023 Budget Process<sup>1</sup>



1. The starting point for the 2023 proposed expenses budget was to develop a “baseline” budget that reflected the anticipated costs of maintaining the same level of services approved by ACERA’s Board of Retirement in the 2022 budget. To that end, the 2023 baseline budget is \$21.7 million, a decrease of 1.3% from the approved 2022 budget.
2. Key to developing the 2023 proposed budget was more accurately estimating the forecast by including only incremental expenditures needed to achieve business objectives. But more importantly, it was setting assumptions that guided and prioritized expenditures, yet achieved the following objectives: a) allowed the necessary vacant staff positions to be filled; b) funded projects that directly support strategic goals and business plan initiatives; and, c) funded new programs or projects mandated by state legislation, the Board of Retirement, or management. Following the agreed criteria resulted in a 2023 Proposed Budget of \$21.5 million which is \$529K or 2.4% decrease from the approved 2022 budget.

<sup>1</sup> Rounding to tenths of millions may impact percentages. Percentages in this document are based on rounding to nearest dollar, as is done in the budget document.



**Section III**

**Operating Expense Budget**

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## Section III

### Operating Expense Budget

---

The purpose of the annual Operating Expense Budget (OEB) is to forecast and document the necessary resources required to meet ACERA's operating expenses. The OEB provides detailed estimates of anticipated annual expenditures for staffing, staff development, professional fees, office expenses, insurance, member services, systems, board of retirement expenses, uncollectible benefit payments, and capital costs and is contingent on approval by ACERA's Board of Retirement. The OEB does not include estimated expenditures for payment of portfolio management investment expenses reported in Section VIII or payment of member benefits such as Pension and Other Post-Employment Benefits (OPEB). Lastly, the OEB functions as a tool for decision making and is a means to monitor business performance.

The annual proposed OEB is derived from a baseline budgeting methodology; whereby, current spending levels are rolled into a "baseline". The overarching assumption of baseline budgeting is that it uses current spending levels as the baseline for establishing future funding requirements. Further, it assumes the future budget will equal the current budget—plus established growth, inflation, increase adjustments, and new expenditures.

The following is a review of the 2023 budget assumptions for each major expense category and the corresponding results:

#### Staffing and Salary Assumptions

- Merit increase average of 4% per department, for eligible/selected deep class employees;
- Cost of living allowance and associated fringe benefit increase of 3.5%;
- 5% adjustment for unexpected vacancies
- Filling all current vacancies with:
  - Hire deep-class employees at 80% of the top range; and,
  - Hire step-class employees at an average Step 3.

*Result: Staffing expenses realized a (4.2%) net decrease compared to the 2022 budget; and a 0.7% net increase compared to the 2022 forecast.*

#### Staff Development Assumptions

- Training, conferences and certifications would experience a 73.0% increase over the 2022 budget;
- Professional dues and subscriptions would experience a (26.1%) decrease over the 2022 budget.

*Result: Staff development realized a 31.5% net increase compared to the 2022 budget; and a 47.4% net increase compared to the 2022 forecast.*

#### Professional Fees Assumptions

- Actuarial Fees—Funding and SRBR valuations, GASB 67/68 and GASB 74/75 valuations, and reporting requirement for ASOP #51 were fixed to service agreement contracts, actuarial audit and other actuarial consulting services were estimated at contracted hourly rate;
- Auditor Fees—Annual audit, GASB 67/68 and GASB 74/75 schedules were fixed to service agreement contracts, other auditing services were estimated at contracted hourly rate; and,

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- Other Consultant Fees— Consultant services (i.e., Benefits, Fiscal, Legal, and Human Resources) were calculated using the actual contract price or estimated cost.

*Result: Professional fees realized a 13.5% net increase compared to the 2022 budget; and a 20.1% net increase compared to the 2022 forecast.*

#### Office Expenses Assumptions

- Banking expenses would experience a (20.0%) decrease over the 2022 budget;
- Miscellaneous Administrative expenses would experience a (53.3%) decrease over the 2022 budget;
- Building Operation expenses would experience a (6.8%) decrease over the 2022 budget;
- Communication expenses would experience a (55.6%) decrease over the 2022 budget;
- Equipment Lease and Maintenance expenses would experience a (7.4%) decrease over the 2022 budget;
- Office supplies and Maintenance expenses would experience a (32.5%) decrease over the 2022 budget;
- Printing and Postage expenses would experience a (25.0%) decrease over the 2022 budget.

*Result: Office expenses realized a (28.8%) net decrease compared to the 2022 budget; and a (3.3%) net decrease compared to the 2022 forecast.*

#### Insurance Assumption

- The 2023 commercial insurance expense would realize a 20.7% increase over the 2022 budget;
- The Alameda County risk insurance expense would experience a (18.4%) decrease over the 2022 budget.

*Result: Insurance expenses (in aggregate) realized a 5.3% net increase compared to the 2022 budget; and a 9.0% net increase compared to the 2022 forecast.*

#### Member Services Assumptions

- Benefit Verification expenses would experience no increase over the 2022 budget;
- Disability Arbitration and Transcript expenses would experience no increase over the 2022 budget;
- Disability Medical expenses would experience a 58.2% increase over the 2022 budget;
- Health Reimbursement Accounts (HRA) expense would experience a 8.3% increase over the 2022 budget;
- Member Training & Education expense would experience a (31.3%) decrease over the 2022 budget;
- Printing and Postage expense would experience a (5.1%) decrease over the 2022 budget.

*Result: Member Services expenses realized a 32.8% net increase compared to the 2022 budget; and a 32.2% net increase compared to the 2022 forecast.*

#### Systems Assumptions

- Business Continuity expense would experience a 23.9% increase over the 2022 budget;
- County Data Processing expense would experience a (2.3%) decrease over the 2022 budget;
- Minor Computer Hardware expenses would realize a 5.0% increase over the 2022 budget;
- Software License and Maintenance expenses would realize a (3.9%) decrease over the 2022 budget.

*Result: Systems expenses realized a 1.3% net increase compared to the 2022 budget; and a 6.3% increase compared to the 2022 forecast.*

#### Board of Retirement Assumptions

- Training and conferences expenses increase as outlined in the Board’s policy;
- Voluntary Employer Reimbursement increase as outlined in the Board’s policy;
- Trustee stipend is \$100 per meeting based on committee work plans.

*Result: Board of Retirement expenses realized a (6.4%) net decrease compared to the 2022 budget; and a (5.5%) decrease compared to the 2022 forecast.*

#### Uncollectible Benefit Payments Assumption

- Uncollectible Benefit Payment expenses were determined by the Benefits Department.

*Result: Uncollectible Benefit Payments expenses realized a (5.4%) decrease compared to the 2022 budget; and a (5.4%) decrease compared to the 2022 forecast.*

#### Depreciation Assumption

- Depreciation expenses were based on the current capitalized assets.

*Result: Depreciation expense realized a 5.3% net increase compared to the 2022 budget; and a (1.6%) decrease compared to the 2022 forecast.*

## Proposed 2023 BUDGET SUMMARY AND COMPARISON

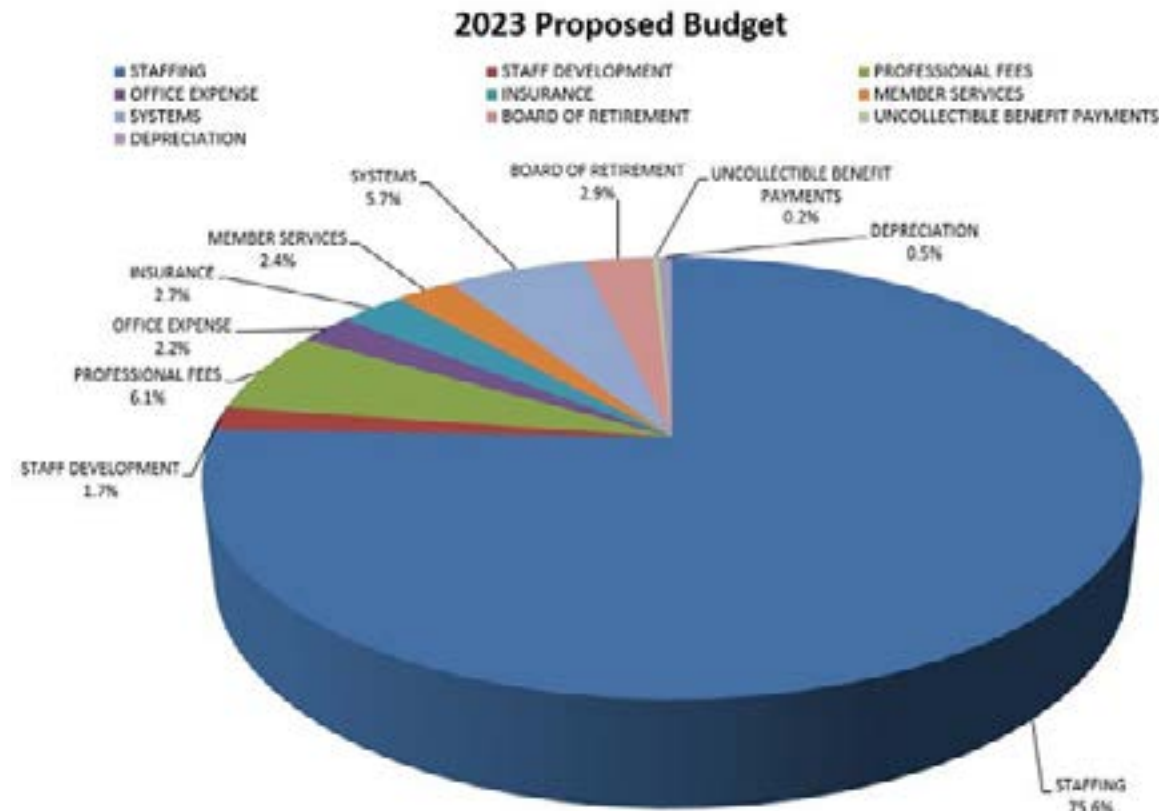
Staff recommends a Proposed 2023 budget of \$21.5 million which is:

- \$0.53 million or 2.4% less than the approved 2022 budget of \$22.0 million;
- \$0.24 million or 1.1% less than the 2023 baseline budget of \$21.7 million; and,
- \$0.64 million or 3.0% greater than the 2022 forecast of \$20.8 million.

The 2023 administrative budget of \$12.8 million is \$12.7 million under the administrative cap of \$25.5 million. A year-over-year comparison reveals that the 2023 administrative budget of \$12.8 million is \$0.8 million lower than the 2022 administrative budget of \$13.6 million. Approximately \$8.7 million was excluded for the annual operating expense budget of \$21.5 million (see Section VI for administrative budget and allocation schedules).

**2023 Proposed Operating Expense Budget (\$ in thousands)**

	2022 Forecast	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change	Category % of Total Operating Expenses
Staffing	\$ 16,116	\$ 16,224	\$ 108	0.7%	75.6%
Staff Development	249	367	118	47.4%	1.7%
Professional Fees	1,083	1,301	218	20.1%	6.1%
Office Expense	485	469	(16)	-3.3%	2.2%
Insurance	531	579	48	9.0%	2.7%
Member Services	395	522	127	32.2%	2.4%
Systems	1,150	1,223	73	6.3%	5.7%
Board Of Retirement	650	614	(36)	-5.5%	2.9%
Uncollectible Benefit Payments	56	53	(3)	-5.4%	0.2%
Depreciation	122	120	(2)	-1.6%	0.5%
<b>OPERATING EXPENSES Total</b>	<b>\$ 20,837</b>	<b>\$ 21,472</b>	<b>\$ 635</b>	<b>3.0%</b>	<b>100.0%</b>



**Operating Expense Budget<sup>1</sup>**

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>STAFFING (p#21)</b>						
Salaries	\$ 10,550,000	\$ 10,161,000	\$ (389,000)	\$ 11,017,000	\$ 856,000	8.4%
Fringe Benefits	6,129,000	5,536,000	(593,000)	5,910,000	374,000	6.8%
Temporary Staff	262,000	419,000	157,000	150,000	(269,000)	-64.2%
5% Adjustment for unexpected vacancies	-	-	-	(853,000)	(853,000)	-100%
<b>Staffing Total</b>	<b>16,941,000</b>	<b>16,116,000</b>	<b>(825,000)</b>	<b>16,224,000</b>	<b>108,000</b>	<b>0.7%</b>
<b>STAFF DEVELOPMENT (p#22)</b>	<b>279,000</b>	<b>249,000</b>	<b>(30,000)</b>	<b>367,000</b>	<b>118,000</b>	<b>47.4%</b>
<b>PROFESSIONAL FEES (p#26)</b>						
Actuarial Fees	420,000	420,000	-	653,000	233,000	55.5%
Audit Fees	142,000	142,000	-	144,000	2,000	1.4%
Consultant Fees	384,000	383,000	(1,000)	354,000	(29,000)	-7.6%
Legal Fees	200,000	138,000	(62,000)	150,000	12,000	8.7%
<b>Professional Fees Total</b>	<b>1,146,000</b>	<b>1,083,000</b>	<b>(63,000)</b>	<b>1,301,000</b>	<b>218,000</b>	<b>20.1%</b>
<b>OFFICE EXPENSE (p#28)</b>						
Bank Charges	120,000	120,000	-	96,000	(24,000)	-20.0%
Misc. Administrative Expenses	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equipment Lease & Maint.	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equip.	18,000	15,000	(3,000)	13,000	(2,000)	-13.3%
Office Supplies & Maint.	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
<b>Office Expense Total</b>	<b>659,000</b>	<b>485,000</b>	<b>(174,000)</b>	<b>469,000</b>	<b>(16,000)</b>	<b>-3.3%</b>
<b>INSURANCE (p#29)</b>	<b>550,000</b>	<b>531,000</b>	<b>(19,000)</b>	<b>579,000</b>	<b>48,000</b>	<b>9.0%</b>
<b>MEMBER SERVICES (p#30)</b>						
Benefit Verification	6,000	6,000	-	6,000	-	0.0%
Disability - Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000	18.4%
Disability - Medical Expense	122,000	122,000	-	193,000	71,000	58.2%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account	60,000	62,000	2,000	65,000	3,000	4.8%
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)	-21.4%
Printing & Postage - Members	98,000	107,000	9,000	93,000	(14,000)	-13.1%
Virtual Call Center	-	-	-	63,000	63,000	100.0%
<b>Member Services Total</b>	<b>393,000</b>	<b>395,000</b>	<b>2,000</b>	<b>522,000</b>	<b>127,000</b>	<b>32.2%</b>
<b>SYSTEMS (p#31)</b>						
Business Continuity Expenses	205,000	215,000	10,000	254,000	39,000	18.1%
County Data Processing	132,000	125,000	(7,000)	129,000	4,000	3.2%
Minor Computer Hardware	40,000	40,000	-	42,000	2,000	5.0%
Software License & Maintenance	830,000	770,000	(60,000)	798,000	28,000	3.6%
<b>Systems Total</b>	<b>1,207,000</b>	<b>1,150,000</b>	<b>(57,000)</b>	<b>1,223,000</b>	<b>73,000</b>	<b>6.3%</b>
<b>BOARD OF RETIREMENT (p#32)</b>	<b>656,000</b>	<b>650,000</b>	<b>(6,000)</b>	<b>614,000</b>	<b>(36,000)</b>	<b>-5.5%</b>
<b>UNCOLLECTIBLE BENEFITS PAYMENTS (p#34)</b>	<b>56,000</b>	<b>56,000</b>	<b>-</b>	<b>53,000</b>	<b>(3,000)</b>	<b>-5.4%</b>
<b>Total Operating Expenses Before Depreciation</b>	<b>21,887,000</b>	<b>20,715,000</b>	<b>(1,172,000)</b>	<b>21,352,000</b>	<b>637,000</b>	<b>3.1%</b>
<b>DEPRECIATION (p#33)</b>	<b>114,000</b>	<b>122,000</b>	<b>8,000</b>	<b>120,000</b>	<b>(2,000)</b>	<b>-1.6%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>22,001,000</b>	<b>20,837,000</b>	<b>(1,164,000)</b>	<b>21,472,000</b>	<b>635,000</b>	<b>3.0%</b>
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>55,010,000</b>	<b>48,652,000</b>	<b>(6,358,000)</b>	<b>55,109,000</b>	<b>6,457,000</b>	<b>13.3%</b>
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>77,011,000</b>	<b>69,489,000</b>	<b>(7,522,000)</b>	<b>76,581,000</b>	<b>7,092,000</b>	<b>10.2%</b>
<b>CONTINGENCY FUND (p#82)</b>	<b>\$ 323,000</b>	<b>\$ -</b>	<b>\$ (323,000)</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>100.0%</b>

<sup>1</sup> Budget schedules amounts are rounded to the nearest thousand.

Operating Expense Budget 2023 Baseline vs. 2023 Increments (\$ in thousands)	2022 Forecast	2023 Baseline	2023 Baseline vs. 2022 Forecast Over/ (Under)	2023 Baseline % Of Change	2023 Proposed Increments	2023 Proposed Budget (Baseline + Increments)	2023 Proposed Budget (Baseline + Increments) vs. 2022 Forecast Over/ (Under)	% Change
<b>STAFFING</b>								
Salaries	\$ 10,161	\$ 0,917	\$ 756	7.4%	\$ 100	\$ 11,017	\$ 856	8.4%
Fringe Benefits	5,536	5,650	114	2.1%	260	5,910	374	6.8%
Temporary Staff	419	150	(269)	-64.2%	-	150	(269)	-64.2%
5% Adjustment for unexpected vacancies	-	-	-	0.0%	(853)	(853)	(853)	-100.0%
<b>Staffing Total</b>	<b>16,116</b>	<b>16,717</b>	<b>601</b>	<b>3.7%</b>	<b>(493)</b>	<b>16,224</b>	<b>108</b>	<b>0.7%</b>
<b>STAFF DEVELOPMENT</b>	<b>249</b>	<b>367</b>	<b>118</b>	<b>47.4%</b>	<b>-</b>	<b>367</b>	<b>118</b>	<b>47.4%</b>
<b>PROFESSIONAL FEES</b>								
Actuarial Fees	420	478	58	13.8%	175	653	233	55.5%
Audit Fees	142	144	2	1.4%	-	144	2	1.4%
Consultant Fees	383	334	(49)	-12.8%	20	354	(29)	-7.6%
Legal Fees	138	150	12	8.7%	-	150	12	8.7%
<b>Professional Fees Total</b>	<b>1,083</b>	<b>1,106</b>	<b>23</b>	<b>2.1%</b>	<b>195</b>	<b>1,301</b>	<b>218</b>	<b>20.1%</b>
<b>OFFICE EXPENSE</b>								
Bank Charges	120	96	(24)	-20.0%	-	96	(24)	-20.0%
Miscellaneous Administrative Expenses	3	7	4	133.3%	-	7	4	133.3%
Building Expenses	8	82	74	925.0%	-	82	74	925.0%
Communications	145	84	(61)	-42.1%	-	84	(61)	-42.1%
Equipment Lease & Maint.	117	119	2	1.7%	(7)	112	(5)	-4.3%
Minor Furniture & Equipment	15	13	(2)	-13.3%	-	13	(2)	-13.3%
Office Supplies & Maint.	54	54	-	0.0%	-	54	-	0.0%
Printing & Postage	23	21	(2)	-8.7%	-	21	(2)	-8.7%
<b>Office Expense Total</b>	<b>485</b>	<b>476</b>	<b>(9)</b>	<b>-1.9%</b>	<b>(7)</b>	<b>469</b>	<b>(16)</b>	<b>-3.3%</b>
<b>INSURANCE</b>	<b>531</b>	<b>579</b>	<b>48</b>	<b>9.0%</b>	<b>-</b>	<b>579</b>	<b>48</b>	<b>9.0%</b>
<b>MEMBER SERVICES</b>								
Benefit Verification	6	6	-	0.0%	-	6	-	0.0%
Disability Arbitr. & Transcripts	38	45	7	18.4%	-	45	7	18.4%
Disability - Medical Expense	122	193	71	58.2%	-	193	71	58.2%
Disability - Managed Medical Review Organization (MMRO)	46	46	-	0.0%	-	46	-	0.0%
Health Reimb. Account (HRA)	62	65	3	4.8%	-	65	3	4.8%
Member Training & Education	14	11	(3)	-21.4%	-	11	(3)	-21.4%
Printing & Postage - Members	107	93	(14)	-13.1%	-	93	(14)	-13.1%
Virtual Call Center	-	63	63	100.0%	-	63	63	100.0%
<b>Member Services Total</b>	<b>395</b>	<b>522</b>	<b>127</b>	<b>32.2%</b>	<b>-</b>	<b>522</b>	<b>127</b>	<b>32.2%</b>
<b>SYSTEMS</b>								
Business Continuity Expenses	215	225	10	4.7%	29	254	39	18.1%
County Data Processing	125	129	4	3.2%	-	129	4	3.2%
Minor Computer Hardware	40	42	2	5.0%	-	42	2	5.0%
Software License & Maint.	770	767	(3)	-0.4%	31	798	28	3.6%
<b>Systems Total</b>	<b>1,150</b>	<b>1,163</b>	<b>13</b>	<b>1.1%</b>	<b>60</b>	<b>1,223</b>	<b>73</b>	<b>6.3%</b>
<b>BOARD OF RETIREMENT</b>								
Board Conferences & Misc. Activity	650	610	(40)	-6.2%	4	614	(36)	-5.5%
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>								
	56	53	(3)	-5.4%	-	53	(3)	-5.4%
<b>Total Operating Expenses Before Depreciation</b>	<b>20,715</b>	<b>21,593</b>	<b>878</b>	<b>4.2%</b>	<b>(241)</b>	<b>21,352</b>	<b>637</b>	<b>3.1%</b>
<b>DEPRECIATION</b>	<b>122</b>	<b>120</b>	<b>(2)</b>	<b>-1.6%</b>	<b>-</b>	<b>120</b>	<b>(2)</b>	<b>-1.6%</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>20,837</b>	<b>21,713</b>	<b>876</b>	<b>4.2%</b>	<b>(241)</b>	<b>21,472</b>	<b>635</b>	<b>3.0%</b>
<b>TOTAL PORTFOLIO MANAGEMENT INVESTMENT EXPENSE</b>	<b>48,652</b>	<b>55,109</b>	<b>6,457</b>	<b>13.3%</b>	<b>-</b>	<b>55,109</b>	<b>6,457</b>	<b>13.3%</b>
<b>TOTAL OPERATING AND PORTFOLIO MANAGEMENT INVESTMENT EXPENSES</b>	<b>\$ 69,489</b>	<b>\$ 76,822</b>	<b>\$ 7,333</b>	<b>10.6%</b>	<b>\$ (241)</b>	<b>\$ 76,581</b>	<b>\$ 7,092</b>	<b>10.2%</b>

## STAFFING (p#19)

Staffing expense includes salaries, fringe benefits, and temporary services<sup>1</sup>.

Headcount by Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Administration	7	6	(1)	6	-
Benefits	42	42	-	42	-
Fiscal Services	12	12	-	12	-
Human Resources	3	3	-	3	-
Internal Audit	3	3	-	3	-
Investments	9	9	-	9	-
Legal	4	4	-	4	-
PRISM	8	8	-	8	-
<b>HEADCOUNT TOTAL</b>	<b>88</b>	<b>87</b>	<b>(1)</b>	<b>87</b>	<b>-</b>

<sup>1</sup> Headcount does not include temporary Retirement Technician to cover fluctuations in headcount.

Staffing	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Administration	\$ 931,000	\$ 841,000	\$ (90,000)	\$ 918,000	\$ 77,000	9.2%
Benefits	4,248,000	4,039,000	(209,000)	4,415,000	376,000	9.3%
Fiscal Services	1,289,000	1,235,000	(54,000)	1,359,000	124,000	10.0%
Human Resources	405,000	409,000	4,000	425,000	16,000	3.9%
Internal Audit	467,000	467,000	-	483,000	16,000	3.4%
Investments	1,330,000	1,261,000	(69,000)	1,418,000	157,000	12.5%
Legal	687,000	687,000	-	731,000	44,000	6.4%
PRISM	1,143,000	1,146,000	3,000	1,198,000	52,000	4.5%
5% Adjustment for unexpected vacancies	-	-	-	(782,000)	(782,000)	-100.0%
<b>Total Salaries</b>	<b>10,500,000</b>	<b>10,085,000</b>	<b>(415,000)</b>	<b>10,165,000</b>	<b>80,000</b>	<b>0.8%</b>
Cafeteria Benefit Allowance	280,000	252,000	(28,000)	246,000	(6,000)	-2.4%
Health and Dental	1,967,000	1,748,000	(219,000)	1,921,000	173,000	9.9%
Retirement Contributions	2,820,000	2,522,000	(298,000)	2,741,000	219,000	8.7%
Medicare and SDI	246,000	220,000	(26,000)	244,000	24,000	10.9%
Social Security	740,000	702,000	(38,000)	695,000	(7,000)	-1.0%
Other Benefits (Life Insurance, Def. Comp. and Auto Allowance)	76,000	92,000	16,000	63,000	(29,000)	-31.5%
Adjustment for unexpected vacancies	-	-	-	(71,000)	(71,000)	-100.0%
<b>Total Fringe Benefits</b>	<b>6,129,000</b>	<b>5,536,000</b>	<b>(593,000)</b>	<b>5,839,000</b>	<b>303,000</b>	<b>5.5%</b>
<b>Overtime</b>	<b>50,000</b>	<b>76,000</b>	<b>26,000</b>	<b>70,000</b>	<b>(6,000)</b>	<b>-7.9%</b>
<b>Temporary Staffing</b>	<b>262,000</b>	<b>419,000</b>	<b>157,000</b>	<b>150,000</b>	<b>(269,000)</b>	<b>-64.2%</b>
<b>STAFFING EXPENSES Total</b>	<b>\$ 16,941,000</b>	<b>\$ 16,116,000</b>	<b>\$ (825,000)</b>	<b>\$ 16,224,000</b>	<b>\$ 108,000</b>	<b>0.7%</b>



**Staffing - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
• Increase in salaries due to filled vacant positions, COLA, merit increases, step increases, and vacation sellbacks	\$ 862,000
• Adjustment for 2023 unexpected vacancies	(782,000)
• Increase in 2023 fringe benefits	303,000
• Decrease in overtime expense	(6,000)
• Decrease in 2023 temporary staff	(269,000)
<b>Total Over/(Under) \$</b>	<b>108,000</b>

**Staffing - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
• Net savings from unfilled and vacant positions	\$ (415,000)
• Decrease in fringe benefits	(593,000)
• Increase in overtime expense	26,000
• Increase in 2022 temporary staff due to staff vacancies	157,000
<b>Total Over/(Under) \$</b>	<b>(825,000)</b>

**STAFF DEVELOPMENT** (p#19)

Staff Development includes education, training, professional dues, recruitment, and subscription expenses.

Staff Development	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>CONFERENCES/TRAININGS</b>						
Adaptive	\$ 2,000	\$ 2,000	\$ -	\$ 4,000	\$ 2,000	100.0%
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	21,000	18,000	(3,000)	56,000	38,000	211.1%
CALPERLA	1,000	1,000	-	5,000	4,000	400.0%
Cyber-Security	3,000	2,000	(1,000)	3,000	1,000	50.0%
GFOA	5,000	4,000	(1,000)	12,000	8,000	200.0%
IFEBP	8,000	4,000	(4,000)	25,000	21,000	525.0%
ILPA	4,000	3,000	(1,000)	6,000	3,000	100.0%
MILKEN	14,000	-	(14,000)	10,000	10,000	100.0%
PG User, Onbase, Sungard Conference	14,000	14,000	-	27,000	13,000	92.9%
SACRS	10,000	19,000	9,000	34,000	15,000	78.9%
Technology Related Trainings	6,000	4,000	(2,000)	6,000	2,000	50.0%
Misc.	75,000	73,000	(2,000)	94,000	21,000	28.8%
<b>Sub-Total</b>	<b>163,000</b>	<b>144,000</b>	<b>(19,000)</b>	<b>282,000</b>	<b>138,000</b>	<b>95.8%</b>
<b>PROFESSIONAL DUES &amp; SUBSCRIPTIONS</b>						
	115,000	96,000	(19,000)	85,000	(11,000)	-11.5%
<b>RECRUITMENT EXPENSES</b>						
	1,000	9,000	8,000	-	(9,000)	-100.0%
<b>STAFF DEVELOPMENT EXPENSES TOTAL</b>	<b>\$ 279,000</b>	<b>\$ 249,000</b>	<b>\$ (30,000)</b>	<b>\$ 367,000</b>	<b>\$ 118,000</b>	<b>47.4%</b>

**Staff Development - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
<b>CONFERENCE/TRAINING</b>	
• Expected increase in attendance mainly of MILKEN, IFEBP, CALAPRS, and other miscellaneous conferences and trainings	\$ 138,000
<b>Sub-total</b>	<b>138,000</b>
<b>PROFESSIONAL FEES &amp; SUBSCRIPTIONS</b>	
• Decrease in professional dues and subscriptions	(11,000)
<b>Sub-total</b>	<b>(11,000)</b>
<b>RECRUITMENT</b>	
• Decrease in recruitment expense attributed to vacancies	(9,000)
<b>Sub-total</b>	<b>(9,000)</b>
<b>Total Over/(Under) \$</b>	<b>118,000</b>

**Staff Development - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
<b>CONFERENCE/TRAINING</b>	
• Savings due to unattended conferences and trainings	\$ (19,000)
<b>Sub-total</b>	<b>(19,000)</b>
<b>PROFESSIONAL FEES &amp; SUBSCRIPTIONS</b>	
• Decrease in professional dues and subscriptions	(19,000)
<b>Sub-total</b>	<b>(19,000)</b>
<b>RECRUITMENT</b>	
• Increase in recruitment expense attributed to vacancies	8,000
<b>Sub-total</b>	<b>8,000</b>
<b>Total Over/(Under) \$</b>	<b>(30,000)</b>

**2023 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences**

	Administration	Benefits	Fiscal Services	Human Resources	Internal Audit
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	-	9,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	-	2,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	-	-	-
Computer Training/County	-	5,000	2,000	-	-
CSDA Conference	2,000	-	-	-	-
IDEA Training	-	-	-	-	3,000
Institutional Investors	-	-	-	-	-
Investment Related	-	-	-	-	-
LMS (Alameda County HRS)	-	-	-	1,000	-
NAPPA	-	-	-	-	-
NCPERS Conference	-	1,000	-	-	-
NASRA Winter & Annual Conference	5,000	-	-	-	-
Project Management	-	-	-	-	-
PRISM Conference	-	-	-	-	-
Staff Development	-	9,000	-	-	-
Miscellaneous Trainings/Conferences	3,000	5,000	5,000	6,000	4,000
<b>Total Other Trainings/Conferences</b>	<b>10,000</b>	<b>20,000</b>	<b>7,000</b>	<b>7,000</b>	<b>20,000</b>
Adaptive	-	-	4,000	-	-
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	6,000	43,000	2,000	-	-
CALPERLA	-	-	-	5,000	-
Cybersecurity	-	-	-	-	-
GFOA	-	-	11,000	-	1,000
IFEBP	5,000	20,000	-	-	-
ILPA	-	-	-	-	-
MILKEN	-	-	-	-	-
PG User and Onbase Conference	-	16,000	4,000	-	-
SACRS	6,000	16,000	-	2,000	2,000
Technology Related Trainings	-	-	-	-	-
Other Trainings/Conferences (from above)	10,000	20,000	7,000	7,000	20,000
<b>Total Trainings/Conferences</b>	<b>27,000</b>	<b>115,000</b>	<b>28,000</b>	<b>14,000</b>	<b>23,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>25,000</b>	<b>3,000</b>	<b>3,000</b>	<b>2,000</b>	<b>4,000</b>
<b>TOTAL</b>	<b>\$ 52,000</b>	<b>\$ 118,000</b>	<b>\$ 31,000</b>	<b>\$ 16,000</b>	<b>\$ 27,000</b>

**2023 Proposed Budget: Breakdowns for Miscellaneous Trainings/Conferences**

	Investments	Legal	PRISM	Total
American Institute of Certified Public Accountants (AICPA)	\$ -	\$ -	\$ -	2,000
Association of Certified Fraud Examiners (ACFE)	-	-	-	9,000
Association of Public Pension Fund Auditors (APPFA)	-	-	-	2,000
BCP/Disaster Recovery Journal Conference (DRJ)	-	-	2,000	2,000
Computer Training/County	-	-	-	7,000
CSDA Conference	-	-	-	2,000
IDEA Training	-	-	-	3,000
Institutional Investors	1,000	-	-	1,000
Investment Related	-	3,000	-	3,000
LMS (Alameda County HRS)	-	-	-	1,000
NAPPA	-	5,000	-	5,000
NCPERS Conference	-	-	-	1,000
NASRA Winter & Annual Conference	-	-	-	5,000
Project Management	-	-	1,000	1,000
PRISM Conference	-	-	1,000	1,000
Staff Development	-	-	-	9,000
Miscellaneous Trainings/Conferences	4,000	9,000	4,000	40,000
<b>Total Other Trainings/Conferences</b>	<b>5,000</b>	<b>17,000</b>	<b>8,000</b>	<b>94,000</b>
Adaptive	-	-	-	4,000
CALAPRS (Roundtable, Mgmt. Academy, General Assembly)	1,000	3,000	1,000	56,000
CALPERLA	-	-	-	5,000
Cybersecurity	-	-	3,000	3,000
GFOA	-	-	-	12,000
IFEBP	-	-	-	25,000
ILPA	3,000	3,000	-	6,000
MILKEN	10,000	-	-	10,000
PG User and Onbase Conference	-	-	7,000	27,000
SACRS	1,000	5,000	2,000	34,000
Technology Related Trainings	-	-	6,000	6,000
Other Trainings/Conferences (from above)	5,000	17,000	8,000	94,000
<b>Total Trainings/Conferences</b>	<b>20,000</b>	<b>28,000</b>	<b>27,000</b>	<b>282,000</b>
<b>Professional Dues &amp; Subscriptions</b>	<b>17,000</b>	<b>31,000</b>	<b>-</b>	<b>85,000</b>
<b>TOTAL</b>	<b>\$ 37,000</b>	<b>\$ 59,000</b>	<b>\$ 27,000</b>	<b>\$ 367,000</b>

## PROFESSIONAL FEES (p#19)

This category excludes investment professional consultant and advisor expenses.

Professional Fees	2022		2022 Forecast vs. 2022	2023		2023 Proposed Budget vs. 2022	% Change
	Budget	Forecast	Budget Over/(Under)	Proposed Budget	Forecast Over/(Under)	Forecast Over/(Under)	
Actuarial Fees	\$ 420,000	\$ 420,000	\$ -	\$ 653,000	\$ 233,000		55.5%
Audit Fees	142,000	142,000	-	144,000	2,000		1.4%
Consultant Fees	384,000	383,000	(1,000)	354,000	(29,000)		-7.6%
Legal Fees	200,000	138,000	(62,000)	150,000	12,000		8.7%
<b>PROFESSIONAL FEES TOTAL</b>	<b>1,146,000</b>	<b>1,083,000</b>	<b>(63,000)</b>	<b>1,301,000</b>	<b>218,000</b>		<b>20.1%</b>
<b>Actuarial Fees</b>							
Actuarial Valuation	81,000	81,000	-	85,000	4,000		4.9%
Actuarial Audit	-	-	-	135,000	135,000		100.0%
ASOP #51, Risk Report	30,000	30,000	-	30,000	-		0.0%
GASB 67 & 68	51,000	51,000	-	52,000	1,000		2.0%
GASB 74 & 75	15,000	15,000	-	16,000	1,000		6.7%
SRBR Valuation	43,000	43,000	-	44,000	1,000		2.3%
Supplemental Consulting	200,000	200,000	-	251,000	51,000		25.5%
Triennial Study	-	-	-	40,000	40,000		100.0%
<b>Total Actuarial Fees</b>	<b>420,000</b>	<b>420,000</b>	<b>-</b>	<b>653,000</b>	<b>233,000</b>		<b>55.5%</b>
<b>Audit Fees</b>							
Audit Fees	119,000	119,000	-	121,000	2,000		1.7%
GASB 67 & 68	11,000	11,000	-	11,000	-		0.0%
GASB 74 & 75	12,000	12,000	-	12,000	-		0.0%
<b>Total Audit Fees</b>	<b>142,000</b>	<b>142,000</b>	<b>-</b>	<b>144,000</b>	<b>2,000</b>		<b>1.4%</b>
<b>Consultant Fees</b>							
<b>Administration</b>							
Commercial Bank Transition Fees	50,000	50,000	-	-	(50,000)		-100.0%
<b>Total Administration</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>		<b>-100.0%</b>
<b>Benefits</b>							
Benefit Cons./Open Enroll.	131,000	130,000	(1,000)	131,000	1,000		0.8%
County Retirees Medical	126,000	126,000	-	126,000	-		0.0%
<b>Total Benefits</b>	<b>257,000</b>	<b>256,000</b>	<b>(1,000)</b>	<b>257,000</b>	<b>1,000</b>		<b>0.4%</b>
<b>Fiscal Services</b>							
Cashlog	-	-	-	20,000	20,000		100.0%
<b>Total Fiscal Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>		<b>100.0%</b>
<b>Human Resources</b>							
Lakeside Group (County Personnel)	77,000	77,000	-	77,000	-		0.0%
<b>Total Human Resources</b>	<b>77,000</b>	<b>77,000</b>	<b>-</b>	<b>77,000</b>	<b>-</b>		<b>0.0%</b>
<b>Total Consultant Fees</b>	<b>384,000</b>	<b>383,000</b>	<b>(1,000)</b>	<b>354,000</b>	<b>(29,000)</b>		<b>-7.6%</b>
<b>Legal Fees</b>							
Fiduciary	125,000	88,000	(37,000)	75,000	(13,000)		-14.8%
Miscellaneous Legal Advice	50,000	34,000	(16,000)	50,000	16,000		47.1%
Tax and Benefit Issues	25,000	16,000	(9,000)	25,000	9,000		56.3%
<b>Total Legal Fees</b>	<b>\$ 200,000</b>	<b>\$ 138,000</b>	<b>\$ (62,000)</b>	<b>\$ 150,000</b>	<b>\$ 12,000</b>		<b>8.7%</b>

## Professional Fees - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

	Variance Over/(Under)
<b>ACTUARIAL</b>	
• Increase in supplemental consulting, GASB, actuarial valuation, SRBR valuation	\$ 58,000
• Triennial Experience Study in 2023	40,000
• Actuarial audit in 2023	135,000
<b>Sub-total</b>	<b>233,000</b>
<b>AUDIT</b>	
• Slight increase in audit fees	2,000
<b>Sub-total</b>	<b>2,000</b>
<b>CONSULTANTS</b>	
• Decrease in commercial bank fees attributed to bank transition	(50,000)
• Cash log project expected in 2023	20,000
• Slight increase in benefit consulting fees	1,000
<b>Sub-total</b>	<b>(29,000)</b>
<b>LEGAL</b>	
• Decrease in fees for fiduciary services	(13,000)
• Increase in fees for tax & benefit issues	9,000
• Increase in litigation expenses	16,000
<b>Sub-total</b>	<b>12,000</b>
<b>Total Over/(Under)</b>	<b>\$ 218,000</b>

## Professional Fees - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
<b>CONSULTANTS</b>	
• Slight decrease in benefits consulting fees	\$ (1,000)
<b>Sub-total</b>	<b>(1,000)</b>
<b>LEGAL</b>	
• Decrease in fees for fiduciary services	(37,000)
• Decrease in fees for tax & benefit issues	(9,000)
• Decrease in litigation expenses	(16,000)
<b>Sub-total</b>	<b>(62,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (63,000)</b>



**OFFICE EXPENSE** (p#19)

This category covers expenses such as building expenses, banking fees, telecommunications, and office equipment.

Office Expense	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Bank Charges	\$ 120,000	\$ 120,000	\$ -	\$ 96,000	\$ (24,000)	-20.0%
Misc. Administrative Expenses	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equip. Leasing & Maint.	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equipment	18,000	15,000	(3,000)	13,000	(2,000)	-13.3%
Office Supplies & Maint.	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
<b>OFFICE EXPENSE Total</b>	<b>\$ 659,000</b>	<b>\$ 485,000</b>	<b>\$ (174,000)</b>	<b>\$ 469,000</b>	<b>\$ (16,000)</b>	<b>-3.3%</b>

**Office Expense - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
<b>EQUIPMENT, FURNITURE, SUPPLIES AND MAINTENANCE</b>	
• Decrease in equipment lease and maintenance as well as minor furniture	\$ (7,000)
<b>Sub-total</b>	<b>(7,000)</b>
<b>MISCELLANEOUS ADMINISTRATIVE EXPENSES</b>	
• Increase in miscellaneous administrative expenses	4,000
<b>Sub-total</b>	<b>4,000</b>
<b>PRINTING &amp; POSTAGE</b>	
• Slight decrease in printing and postage usage	(2,000)
<b>Sub-total</b>	<b>(2,000)</b>
<b>BUILDING, BANK CHARGES AND COMMUNICATIONS</b>	
• Decrease in communications	(61,000)
• Increase in building expenses	74,000
• Decrease in bank charges	(24,000)
<b>Sub-total</b>	<b>(11,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (16,000)</b>

**Office Expense - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
<b>MISCELLANEOUS ADMINISTRATIVE EXPENSES</b>	
• Savings in usage of office supplies & maintenance; decrease in equipment lease & maintenance	\$ (33,000)
<b>Sub-total</b>	<b>(33,000)</b>
<b>MISCELLANEOUS ADMINISTRATIVE EXPENSES</b>	
• Decrease in miscellaneous administrative expenses	(12,000)
<b>Sub-total</b>	<b>(12,000)</b>
<b>PRINTING &amp; POSTAGE</b>	
• Decrease in printing and postage usage	(5,000)
<b>Sub-total</b>	<b>(5,000)</b>
<b>BUILDING AND COMMUNICATIONS</b>	
• Decrease in building expenses	(80,000)
• Decrease in communications	(44,000)
<b>Sub-total</b>	<b>(124,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (174,000)</b>

**INSURANCE** (p#19)

This category includes insurance premiums for business automobile, commercial, earthquake, fiduciary, criminal and cyber liability, employer liability, umbrella, and workers' compensation.

Insurance	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Business Automobile	\$ 1,000	\$ 1,000	\$ -	\$ 1,000	\$ -	0.0%
Commercial Package	33,000	32,000	(1,000)	31,000	(1,000)	-3.1%
Crime	9,300	9,000	(300)	11,000	2,000	22.2%
Cyber Liability	20,600	20,000	(600)	40,000	20,000	100.0%
Earthquake	32,000	32,000	-	35,000	3,000	9.4%
Fiduciary Liability	141,600	142,000	400	170,000	28,000	19.7%
Risk Management	136,000	120,000	(16,000)	111,000	(9,000)	-7.5%
Umbrella	8,500	9,000	500	9,000	-	0.0%
Worker's Compensation	168,000	166,000	(2,000)	171,000	5,000	3.0%
<b>INSURANCE Total</b>	<b>\$ 550,000</b>	<b>\$ 531,000</b>	<b>\$ (19,000)</b>	<b>\$ 579,000</b>	<b>\$ 48,000</b>	<b>9.0%</b>

**Insurance - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
• Increase in premium for fiduciary liability	\$ 28,000
• Increase in premiums for crime, cyber liability and earthquake; offset by decrease in commercial package	24,000
• Decrease in Alameda County risk management premium	(9,000)
• Increase in Alameda County worker's compensation premium	5,000
<b>Total Over/(Under)</b>	<b>\$ 48,000</b>

**Insurance - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
• Slight decrease in premiums for worker's compensation and commercial package	\$ (3,000)
• Decrease in Alameda County risk management premium	(16,000)
<b>Total Over/(Under)</b>	<b>\$ (19,000)</b>

## MEMBER SERVICES (p#19)

This category includes expenses for services provided to members, including healthcare plans, enrollments, wellness seminars, communications, disability hearings and evaluations.

Member Services	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Benefit Verification	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	\$ -	0.0%
Disability - Legal Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000	18.4%
Disability - Medical	122,000	122,000	-	193,000	71,000	58.2%
Disability Claims Management	46,000	46,000	-	46,000	-	0.0%
Health Reimbursement Account (HRA)	60,000	62,000	2,000	65,000	3,000	4.8%
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)	-21.4%
Printing and Postage - Members	98,000	107,000	9,000	93,000	(14,000)	-13.1%
Virtual Call Center	-	-	-	63,000	63,000	100.0%
<b>MEMBER SERVICES Total</b>	<b>\$ 393,000</b>	<b>\$ 395,000</b>	<b>\$ 2,000</b>	<b>\$ 522,000</b>	<b>\$ 127,000</b>	<b>32.2%</b>

### Member Services - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

	Variance Over/(Under)
<b>DISABILITY</b>	
• Increase in medical disability, legal arbitration and transcripts	\$ 78,000
<b>Sub-total</b>	<b>78,000</b>
<b>VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS</b>	
• Increase in virtual call center expense	63,000
• Decrease in members printing and postage	(14,000)
<b>Sub-total</b>	<b>49,000</b>
<b>Total Over/(Under) \$</b>	<b>127,000</b>

### Member Services - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
<b>DISABILITY</b>	
• Savings in disability legal arbitration and transcripts due to decrease in number of projected cases	\$ (7,000)
<b>Sub-total</b>	<b>(7,000)</b>
<b>VIRTUAL CALL CENTER AND PRINTING AND POSTAGE BENEFITS</b>	
• Increase in printing and postage	9,000
<b>Sub-total</b>	<b>9,000</b>
<b>Total Over/(Under) \$</b>	<b>2,000</b>

## SYSTEMS (p#19)

This category includes the costs of business continuity planning, county data processing, software maintenance and support, and uncanceled computer hardware and software.

System Expenses	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Business Continuity Expenses	\$ 205,000	\$ 215,000	\$ 10,000	\$ 254,000	\$ 39,000	18.1%
County Data Processing	132,000	125,000	(7,000)	129,000	4,000	3.2%
Minor Computer Hardware	40,000	40,000	-	42,000	2,000	5.0%
Software License & Maintenance	830,000	770,000	(60,000)	798,000	28,000	3.6%
<b>SYSTEMS Total</b>	<b>\$ 1,207,000</b>	<b>\$ 1,150,000</b>	<b>\$ (57,000)</b>	<b>\$ 1,223,000</b>	<b>\$ 73,000</b>	<b>6.3%</b>

### Systems - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

	Variance Over/(Under)
<b>SOFTWARE, MAINTENANCE &amp; SUPPORT</b>	
• Increase in software license and maintenance support	\$ 28,000
<b>Sub Total</b>	<b>28,000</b>
<b>COMPUTER HARDWARE &amp; COUNTY DATA PROCESSING</b>	
• Slight increase in minor computer hardware	2,000
• Slight increase in county data processing	4,000
<b>Sub Total</b>	<b>6,000</b>
<b>BUSINESS CONTINUITY EXPENSES</b>	
• Increase due to UPS batteries	39,000
<b>Sub Total</b>	<b>39,000</b>
<b>Total Over/(Under) \$</b>	<b>73,000</b>

### Systems - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
<b>SOFTWARE, MAINTENANCE &amp; SUPPORT</b>	
• Savings mainly from Onbase and Pension Gold support	\$ (60,000)
<b>Sub Total</b>	<b>(60,000)</b>
<b>COMPUTER HARDWARE &amp; COUNTY DATA PROCESSING</b>	
• Decrease in county data processing	(7,000)
<b>Sub Total</b>	<b>(7,000)</b>
<b>BUSINESS CONTINUITY EXPENSES</b>	
• Increase due to higher usage of amazon workspace	10,000
<b>Sub Total</b>	<b>10,000</b>
<b>Total Over/(Under) \$</b>	<b>(57,000)</b>

**BOARD OF RETIREMENT** (p#19)

This category covers Board compensation and expenses for meetings, conferences and trainings, employer reimbursement (elected members only), and election expenses.

Board of Retirement	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Board Compensation	\$ 27,000	\$ 25,000	\$ (2,000)	\$ 27,000	\$ 2,000	8.0%
Board Conference and Training	184,000	161,000	(23,000)	195,000	34,000	21.1%
Board Elections	60,000	84,000	24,000	-	(84,000)	-100.0%
Board Employer Reimbursement	339,000	345,000	6,000	356,000	11,000	3.2%
Board Miscellaneous Activities	23,000	13,000	(10,000)	14,000	1,000	7.7%
Board Software Maint. & Support	13,000	12,000	(1,000)	12,000	-	0.0%
Board Strategic Planning	10,000	10,000	-	10,000	-	0.0%
<b>BOARD OF RETIREMENT Total</b>	<b>\$ 656,000</b>	<b>\$ 650,000</b>	<b>\$ (6,000)</b>	<b>\$ 614,000</b>	<b>\$ (36,000)</b>	<b>-5.5%</b>

**Board of Retirement - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
• Decrease in board election expense	\$ (84,000)
• Slight increase in board compensation	2,000
• Expected increase in the attendance of board conferences and trainings	34,000
• Increase in employer reimbursements	11,000
• Slight increase in board miscellaneous activities	1,000
<b>Total Over/(Under)</b>	<b>\$ (36,000)</b>

**Board of Retirement - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
• Increase in board election expense	\$ 24,000
• Slight decrease in board compensation	(2,000)
• Decrease due to unattended board conferences and trainings	(23,000)
• Increase in employer reimbursements	6,000
• Decrease in board miscellaneous activities	(10,000)
• Slight decrease in board maintenance and support	(1,000)
<b>Total Over/(Under)</b>	<b>\$ (6,000)</b>

**DEPRECIATION** (p#19)

Depreciation expense is the allocation of a capital asset cost over the asset's useful life.

Depreciation	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Computer Software	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ (1,000)	-100.0%
EDMS Admin. Share	2,000	2,000	-	2,000	-	0.0%
Equipment	15,000	15,000	-	14,000	(1,000)	-6.7%
Furniture	1,000	1,000	-	-	(1,000)	-100.0%
Information system	-	8,000	8,000	9,000	1,000	12.5%
Leasehold Improvements	95,000	95,000	-	95,000	-	0.0%
<b>DEPRECIATION Total</b>	<b>\$ 114,000</b>	<b>\$ 122,000</b>	<b>\$ 8,000</b>	<b>\$ 120,000</b>	<b>\$ (2,000)</b>	<b>-1.6%</b>

Depreciation is computed using the straight-line method for most assets over the following estimated useful lives:

- Computer Hardware 5 years
- Computer Software 3 years
- Equipment 5 years
- Furniture 7 years
- Information System-Retirement 7 years
- Information System-Fiscal Services 5 years
- Disaster Recovery 5 years
- Leasehold Improvements 27.5 years
- EDMS 5 years

**Depreciation - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
• Decrease attributed to furniture and equipment	\$ (2,000)
<b>Total Over/(Under)</b>	<b>\$ (2,000)</b>

**Depreciation - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
• Increase attributed to information systems	\$ 8,000
<b>Total Over/(Under)</b>	<b>\$ 8,000</b>

**UNCOLLECTIBLE BENEFIT PAYMENTS** (#19)

After the adoption of the discharge of uncollectible accounts receivable policy and Board of Retirement authorization, the annual uncollectible accounts receivable balance to be discharged is approximately \$53,000. This balance is comprised of benefit overpayments healthcare premium, payroll deductions, and taxes. Discharges of uncollectible balances normally include one year’s worth of transactions, after passage of a four-year period from which collection efforts have been exhausted and the receivable has been declared uncollectible.

Uncollectible Benefit Payments	2022		2022 Forecast vs. 2022 Budget		2023 Proposed Budget		2023 Proposed Budget vs. 2022 Forecast		% Change
	Budget	Forecast	Over/(Under)	Over/(Under)	Forecast	Over/(Under)	Forecast		
Uncollectible Benefit Payments	\$ 56,000	\$ 56,000	\$ -	\$ -	\$ 53,000	\$ (3,000)	\$ (3,000)	-5.4%	
<b>Total</b>	<b>\$ 56,000</b>	<b>\$ 56,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,000</b>	<b>\$ (3,000)</b>	<b>\$ (3,000)</b>	<b>-5.4%</b>	

Uncollectible Benefit Payments - Variance Narrative		2023 Proposed Budget vs. 2022 Forecast		Variance Over/(Under)
• Expected decrease in uncollectible benefit payments			\$	(3,000)
<b>Total Over/(Under)</b>			<b>\$</b>	<b>(3,000)</b>

**Section IV**

**Departmental Operating Expense Budgets**

## Section IV

### Departmental Operating Expense Budgets

ACERA operations are organized into eight departments: Administration, Benefits, Fiscal Services, Human Resources, Internal Audit, Investments, Legal, and Project and Information Services Management (PRISM).

Departments	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Administration <a href="#">(p.#35)</a>	\$ 4,081,000	\$ 3,752,000	\$ (329,000)	\$ 3,860,000	\$ 108,000	2.9%
Benefits <a href="#">(p.#35)</a>	7,595,000	7,288,000	(307,000)	7,570,000	282,000	3.9%
Fiscal Services <a href="#">(p.#63)</a>	2,468,000	2,299,000	(169,000)	2,378,000	79,000	3.4%
Human Resources <a href="#">(p.#35)</a>	760,000	745,000	(15,000)	747,000	2,000	0.3%
Internal Audit <a href="#">(p.#35)</a>	774,000	755,000	(19,000)	743,000	(12,000)	-1.6%
Investment <a href="#">(p.#35)</a>	2,134,000	1,988,000	(146,000)	2,112,000	124,000	6.2%
Legal <a href="#">(p.#35)</a>	1,372,000	1,267,000	(105,000)	1,278,000	11,000	0.9%
PRISM <a href="#">(p.#35)</a>	2,812,000	2,743,000	(69,000)	2,784,000	41,000	1.5%
<b>Total Depart. Expenses</b>	<b>21,996,000</b>	<b>20,837,000</b>	<b>(1,159,000)</b>	<b>21,472,000</b>	<b>635,000</b>	<b>3.0%</b>
<b>PROJECTS<sup>1</sup></b>	<b>5,000</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Total Depart. Exp. + Projects</b>	<b>\$ 22,001,000</b>	<b>\$ 20,837,000</b>	<b>\$ (1,164,000)</b>	<b>\$ 21,472,000</b>	<b>\$ 635,000</b>	<b>3.0%</b>

<sup>1</sup> See Section V

### ADMINISTRATION DEPARTMENT [\(p.#35\)](#)

The Administration Department is led by the Chief Executive Officer who plans, manages, and administers the business of the retirement system and coordinates external outreach with legislators and member organizations.

Administration Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>STAFFING</b>						
Salaries	\$ 931,000	\$ 841,000	\$ (90,000)	\$ 918,000	\$ 77,000	9.2%
Fringe Benefits	487,000	418,000	(69,000)	443,000	25,000	6.0%
Temporary Staff	112,000	116,000	4,000	-	(116,000)	-100.0%
5% adjustment for unexpected vacancies	-	-	-	(68,000)	(68,000)	-100.0%
<b>Staffing Total</b>	<b>1,530,000</b>	<b>1,375,000</b>	<b>(155,000)</b>	<b>1,293,000</b>	<b>(82,000)</b>	<b>-6.0%</b>
<b>STAFF DEVELOPMENT</b>						
	<b>45,000</b>	<b>64,000</b>	<b>19,000</b>	<b>52,000</b>	<b>(12,000)</b>	<b>-18.8%</b>
<b>PROFESSIONAL FEES</b>						
Actuarial Fees	420,000	420,000	-	653,000	233,000	55.5%
Consultant Fees	50,000	50,000	-	-	(50,000)	-100.0%
<b>Professional Fees Total</b>	<b>470,000</b>	<b>470,000</b>	<b>-</b>	<b>653,000</b>	<b>183,000</b>	<b>38.9%</b>
<b>OFFICE EXPENSE</b>						
Miscellaneous Administrative	15,000	3,000	(12,000)	7,000	4,000	133.3%
Building Expenses	88,000	8,000	(80,000)	82,000	74,000	925.0%
Communications	189,000	145,000	(44,000)	84,000	(61,000)	-42.1%
Equipment Lease & Maintenance	121,000	117,000	(4,000)	112,000	(5,000)	-4.3%
Minor Furniture & Equipment	3,000	5,000	2,000	3,000	(2,000)	-40.0%
Office Supplies & Maintenance	80,000	54,000	(26,000)	54,000	-	0.0%
Printing & Postage	28,000	23,000	(5,000)	21,000	(2,000)	-8.7%
<b>Office Expense Total</b>	<b>524,000</b>	<b>355,000</b>	<b>(169,000)</b>	<b>363,000</b>	<b>8,000</b>	<b>2.3%</b>
<b>INSURANCE</b>	<b>550,000</b>	<b>531,000</b>	<b>(19,000)</b>	<b>579,000</b>	<b>48,000</b>	<b>9.0%</b>
<b>SYSTEMS</b>						
County Data Processing	132,000	125,000	(7,000)	129,000	4,000	3.2%
Software Maintenance & Support	4,000	4,000	-	4,000	-	0.0%
<b>Systems Total</b>	<b>136,000</b>	<b>129,000</b>	<b>(7,000)</b>	<b>133,000</b>	<b>4,000</b>	<b>3.1%</b>
<b>BOARD OF RETIREMENT</b>						
Board Conferences & Miscellaneous Activity	656,000	650,000	(6,000)	614,000	(36,000)	-5.5%
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>56,000</b>	<b>56,000</b>	<b>-</b>	<b>53,000</b>	<b>(3,000)</b>	<b>-5.4%</b>
<b>DEPRECIATION</b>						
Depreciation Expense	114,000	122,000	8,000	120,000	(2,000)	-1.6%
<b>GRAND TOTAL</b>	<b>\$ 4,081,000</b>	<b>\$ 3,752,000</b>	<b>\$ (329,000)</b>	<b>\$ 3,860,000</b>	<b>\$ 108,000</b>	<b>2.9%</b>

**Administration Department - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

Variance Over/(Under)

<b>STAFFING</b>	
• Increase in salary expense from filing vacant position and COLA	\$ 77,000
• Increase in fringe benefits	25,000
• Decrease in temporary staff expense	(116,000)
• 5% adjustment for unexpected vacancies	(68,000)
<b>Sub-Total</b>	<b>(82,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in attendance of staff trainings and conferences	(12,000)
<b>Sub-Total</b>	<b>(12,000)</b>
<b>PROFESSIONAL FEES</b>	
• Increase in actuarial fees due to 2023 audit and triennial experience study	233,000
• Decrease in consultant fees	(50,000)
<b>Sub-Total</b>	<b>183,000</b>
<b>OFFICE EXPENSE</b>	
• Increase in miscellaneous administrative, offset by slight decrease in printing & postage	2,000
• Decrease in communications expense	(61,000)
• Increase in building expenses	74,000
• Decrease in minor furniture, equipment lease and maintenance	(7,000)
<b>Sub-Total</b>	<b>8,000</b>
<b>INSURANCE</b>	
• Increase in insurance premiums for cyber and fiduciary liability	48,000
<b>Sub-Total</b>	<b>48,000</b>
<b>SYSTEMS</b>	
• Increase in county data processing	4,000
<b>Sub-Total</b>	<b>4,000</b>
<b>BOARD OF RETIREMENT</b>	
• Decrease in board elections, offset by board conferences & trainings and employer reimbursement	(36,000)
<b>Sub-Total</b>	<b>(36,000)</b>
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	
• Decrease in uncollectible benefit payments	(3,000)
<b>Sub-Total</b>	<b>(3,000)</b>
<b>DEPRECIATION EXPENSE</b>	
• Decrease in depreciation expense	(2,000)
<b>Sub-Total</b>	<b>(2,000)</b>
<b>Total Over/(Under)</b>	<b>\$ 108,000</b>

**Administration Department - Variance Narrative  
2022 Forecast vs. 2022 Budget**

Variance Over/(Under)

<b>STAFFING</b>	
• Decrease in salaries primarily due to vacant position and unfilled position	\$ (90,000)
• Decrease in fringe benefits	(69,000)
• Increase in temporary staff expense	4,000
<b>Sub-Total</b>	<b>(155,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Increase in attendance of conferences and trainings	19,000
<b>Sub-Total</b>	<b>19,000</b>
<b>OFFICE EXPENSE</b>	
• Decrease in miscellaneous administrative expenses	(12,000)
• Decrease in building expenses	(80,000)
• Decrease in communications expense	(44,000)
• Decrease in equipment lease and maintenance; offset by minor furniture and equipment	(2,000)
• Savings in office supplies & maintenance due to reduction in usage	(26,000)
• Savings in printing and postage due to reduction in usage	(5,000)
<b>Sub-Total</b>	<b>(169,000)</b>
<b>INSURANCE</b>	
• Decrease in insurance premium for risk management	(19,000)
<b>Sub-Total</b>	<b>(19,000)</b>
<b>SYSTEMS</b>	
• Decrease in county data processing usage	(7,000)
<b>Sub-Total</b>	<b>(7,000)</b>
<b>BOARD OF RETIREMENT</b>	
• Decrease in board miscellaneous and attended board conferences and trainings; offset increase in board elections	(6,000)
<b>Sub-Total</b>	<b>(6,000)</b>
<b>DEPRECIATION EXPENSE</b>	
• Increase in depreciation expense due information system	8,000
<b>Sub-Total</b>	<b>8,000</b>
<b>Total Over/(Under)</b>	<b>\$ (329,000)</b>



Administration Department Professional Fees		2022 Budget	2022 Forecast	2022 Forecast vs. 2021 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>Consultant Fees</b>							
Commercial Bank Transition Fees	\$	50,000	\$ 50,000	\$ -	\$ -	\$ (50,000)	-100.0%
<b>Sub-Total</b>		<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>-100.0%</b>
<b>Actuarial Fees</b>							
Actuarial Valuation		81,000	81,000	-	85,000	4,000	4.9%
Actuarial Audit		-	-	-	135,000	135,000	100.0%
ASOP #51, Risk Report		30,000	30,000	-	30,000	-	0.0%
GASB 67 & 68		51,000	51,000	-	52,000	1,000	2.0%
GASB 74 & 75		15,000	15,000	-	16,000	1,000	6.7%
SRBR Valuation		43,000	43,000	-	44,000	1,000	2.3%
Supplemental Consulting		200,000	200,000	-	251,000	51,000	25.5%
Triennial Study		-	-	-	40,000	40,000	100.0%
<b>Sub-Total</b>		<b>420,000</b>	<b>420,000</b>	<b>-</b>	<b>653,000</b>	<b>233,000</b>	<b>55.5%</b>
<b>Administration Total</b>	<b>\$</b>	<b>470,000</b>	<b>\$ 470,000</b>	<b>\$ -</b>	<b>\$ 653,000</b>	<b>\$ 183,000</b>	<b>38.9%</b>

Administration Department Staffing		2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Chief Executive Officer	\$	319,000	\$ 322,000	\$ 3,000	\$ 331,000	\$ 9,000
Assistant CEO		201,000	166,000	(35,000)	219,000	53,000
Administrative Support Specialist		77,000	77,000	-	81,000	4,000
Administrative Specialist II		97,000	97,000	-	100,000	3,000
Clerk II		58,000	-	(58,000)	-	-
Executive Secretary		119,000	119,000	-	123,000	4,000
Supply Clerk II		60,000	60,000	-	64,000	4,000
5% adjustment for unexpected vacancies		-	-	-	(62,000)	(62,000)
<b>Sub-total Salaries<sup>1</sup></b>		<b>931,000</b>	<b>841,000</b>	<b>(90,000)</b>	<b>856,000</b>	<b>15,000</b>
Fringe Benefits		487,000	418,000	(69,000)	443,000	25,000
Adjustment for unexpected vacancies		-	-	-	(6,000)	(6,000)
<b>Sub-total Fringe Benefits</b>		<b>487,000</b>	<b>418,000</b>	<b>(69,000)</b>	<b>437,000</b>	<b>19,000</b>
Temporary Staff		112,000	116,000	4,000	-	(116,000)
<b>Administration Total</b>	<b>\$</b>	<b>1,530,000</b>	<b>\$ 1,375,000</b>	<b>\$ (155,000)</b>	<b>\$ 1,293,000</b>	<b>\$ (82,000)</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

## BENEFITS DEPARTMENT (p#36)

The Benefits Department administers all benefit programs and provides multiple services to active, deferred and retired ACERA members.

Benefits Department		2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>STAFFING</b>							
Salaries	\$	4,298,000	\$ 4,089,000	\$ (209,000)	\$ 4,465,000	\$ 376,000	9.2%
Fringe Benefits		2,451,000	2,215,000	(236,000)	2,425,000	210,000	9.5%
Temporary Staff		150,000	304,000	154,000	150,000	(154,000)	-50.7%
5% adjustment for unexpected vacancies		-	-	-	(352,000)	(352,000)	-100.0%
<b>Staffing Total</b>		<b>6,899,000</b>	<b>6,608,000</b>	<b>(291,000)</b>	<b>6,688,000</b>	<b>80,000</b>	<b>1.2%</b>
<b>STAFF DEVELOPMENT</b>		<b>51,000</b>	<b>40,000</b>	<b>(11,000)</b>	<b>118,000</b>	<b>78,000</b>	<b>195.0%</b>
<b>PROFESSIONAL FEES</b>		<b>257,000</b>	<b>256,000</b>	<b>(1,000)</b>	<b>257,000</b>	<b>1,000</b>	<b>0.4%</b>
<b>MEMBER SERVICES</b>							
Benefit Verification		6,000	6,000	-	6,000	-	0.0%
Disability - Medical Expense		122,000	122,000	-	193,000	71,000	58.2%
Disability Claims Management		46,000	46,000	-	46,000	-	0.0%
Health Reimburs. Account (HRA)		60,000	62,000	2,000	65,000	3,000	4.8%
Member Training & Education		16,000	14,000	(2,000)	11,000	(3,000)	-21.4%
Printing & Postage - Members		98,000	107,000	9,000	93,000	(14,000)	-13.1%
Virtual Call Center		-	-	-	63,000	63,000	100.0%
<b>Member Services Total</b>		<b>348,000</b>	<b>357,000</b>	<b>9,000</b>	<b>477,000</b>	<b>120,000</b>	<b>33.6%</b>
<b>SYSTEMS</b>							
Software Maintenance/Support		40,000	27,000	(13,000)	30,000	3,000	11.1%
<b>Systems Total</b>		<b>40,000</b>	<b>27,000</b>	<b>(13,000)</b>	<b>30,000</b>	<b>3,000</b>	<b>11.1%</b>
<b>GRAND TOTAL</b>	<b>\$</b>	<b>7,595,000</b>	<b>\$ 7,288,000</b>	<b>\$ (307,000)</b>	<b>\$ 7,570,000</b>	<b>\$ 282,000</b>	<b>3.9%</b>

### Benefits Department - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries from filling vacant positions, COLA, merit increase, step increase and vacation sellbacks	\$ 376,000
• Increase in fringe benefits attributed to filling vacant positions and inflation costs	210,000
• Decrease in temporary staff expense	(154,000)
• 5% adjustment for unexpected vacancies	(352,000)
<b>Sub-Total</b>	<b>80,000</b>
<b>STAFF DEVELOPMENT</b>	
• Expected increase in attendance of conferences and trainings	78,000
<b>Sub-Total</b>	<b>78,000</b>
<b>PROFESSIONAL FEES</b>	
• Slight increase in benefit consulting fees	1,000
<b>Sub-Total</b>	<b>1,000</b>
<b>MEMBER SERVICES</b>	
• Increase in medical disability expense	71,000
• Increase in virtual call center expense	63,000
• Decrease in printing and postage	(14,000)
<b>Sub-Total</b>	<b>120,000</b>
<b>SYSTEMS</b>	
• Slight increase in software maintenance and support	3,000
<b>Sub-Total</b>	<b>3,000</b>
<b>Total Over/(Under)</b>	<b>\$ 282,000</b>

**Benefits Department - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
<b>STAFFING</b>	
• Decrease in salary expense due to vacant positions	\$ (209,000)
• Decrease in fringe benefits	(236,000)
• Increase temporary staff expense	154,000
<b>Sub-Total</b>	<b>(291,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Decrease in attendance of trainings and conferences	(11,000)
<b>Sub-Total</b>	<b>(11,000)</b>
<b>PROFESSIONAL FEES</b>	
• Slight decrease in benefits consulting fees	(1,000)
<b>Sub-Total</b>	<b>(1,000)</b>
<b>MEMBER SERVICES</b>	
• Increase in printing and postage	9,000
<b>Sub-Total</b>	<b>9,000</b>
<b>SYSTEMS</b>	
• Decrease in software maintenance and support	(13,000)
<b>Sub-Total</b>	<b>(13,000)</b>
<b>Total Over/(Under) \$</b>	<b>(307,000)</b>

**Benefits Department  
Professional Fees**

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Benefits Consultant/Open Enrollment	\$ 131,000	\$ 130,000	\$ (1,000)	\$ 131,000	\$ 1,000	0.8%
County Retirees Medical (Benefit Consultant)	126,000	126,000	-	126,000	-	0.0%
<b>Benefits Total</b>	<b>\$ 257,000</b>	<b>\$ 256,000</b>	<b>\$ (1,000)</b>	<b>\$ 257,000</b>	<b>\$ 1,000</b>	<b>0.4%</b>

**Benefits Department  
Staffing**

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Assistant CEO	\$ 246,000	\$ 204,000	\$ (42,000)	\$ 206,000	\$ 2,000
Administrative Specialist II	97,000	97,000	-	100,000	3,000
Administrative Support Specialist	78,000	82,000	4,000	85,000	3,000
Communications Manager	112,000	112,000	-	116,000	4,000
Graphic Designer	89,000	90,000	1,000	96,000	6,000
Management Analyst	104,000	110,000	6,000	114,000	4,000
Retirement Assistant Benefits Manager	121,000	123,000	2,000	132,000	9,000
Retirement Assistant Benefits Manager	156,000	156,000	-	162,000	6,000
Retirement Benefits Manager	173,000	174,000	1,000	180,000	6,000
Retirement Benefits Manager	184,000	184,000	-	190,000	6,000
Retirement Benefits Specialist	105,000	105,000	-	108,000	3,000
Retirement Benefits Specialist	105,000	105,000	-	108,000	3,000
Retirement Benefits Specialist	94,000	98,000	4,000	108,000	10,000
Retirement Benefits Specialist	94,000	98,000	4,000	109,000	11,000
Retirement Benefits Specialist	94,000	99,000	5,000	110,000	11,000
Retirement Benefits Specialist	106,000	106,000	-	110,000	4,000
Retirement Benefits Specialist	104,000	105,000	1,000	108,000	3,000
Retirement Benefits Specialist	104,000	104,000	-	108,000	4,000
Retirement Support Specialist	66,000	68,000	2,000	71,000	3,000
Retirement Support Specialist	63,000	63,000	-	66,000	3,000
Retirement Technician	82,000	82,000	-	85,000	3,000
Retirement Technician	78,000	77,000	(1,000)	85,000	8,000
Retirement Technician	82,000	81,000	(1,000)	85,000	4,000
Retirement Technician	82,000	81,000	(1,000)	86,000	5,000
Retirement Technician	78,000	78,000	-	85,000	7,000
Retirement Technician	74,000	74,000	-	85,000	11,000
Retirement Technician	78,000	78,000	-	85,000	7,000
Retirement Technician	93,000	19,000	(74,000)	76,000	57,000
Retirement Technician	95,000	54,000	(41,000)	75,000	21,000
Senior Retirement Technician	91,000	91,000	-	99,000	8,000
Senior Retirement Technician	91,000	91,000	-	99,000	8,000
Senior Retirement Technician	90,000	90,000	-	97,000	7,000
Senior Retirement Technician	90,000	90,000	-	97,000	7,000
Senior Retirement Technician	90,000	90,000	-	98,000	8,000
Senior Retirement Technician	93,000	93,000	-	101,000	8,000
Senior Retirement Technician	93,000	93,000	-	101,000	8,000
Senior Retirement Technician	96,000	96,000	-	101,000	5,000
Senior Retirement Technician	98,000	98,000	-	101,000	3,000
Senior Retirement Technician	98,000	98,000	-	101,000	3,000
Senior Retirement Technician	98,000	22,000	(76,000)	91,000	69,000
Senior Retirement Technician	98,000	98,000	-	101,000	3,000
Senior Retirement Technician	85,000	82,000	(3,000)	94,000	12,000
5% adjustment for unexpected vacancies	-	-	-	(322,000)	(322,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>4,248,000</b>	<b>4,039,000</b>	<b>(209,000)</b>	<b>4,093,000</b>	<b>54,000</b>
Fringe Benefits	2,451,000	2,215,000	(236,000)	2,425,000	210,000
Adjustment for unexpected vacancies	-	-	-	(30,000)	(30,000)
<b>Sub-total Fringe Benefits</b>	<b>2,451,000</b>	<b>2,215,000</b>	<b>(236,000)</b>	<b>2,395,000</b>	<b>180,000</b>
Temporary Staff	150,000	304,000	154,000	150,000	(154,000)
Overtime	50,000	50,000	-	50,000	-
<b>Benefits Total</b>	<b>\$ 6,899,000</b>	<b>\$ 6,608,000</b>	<b>\$ (291,000)</b>	<b>\$ 6,688,000</b>	<b>\$ 80,000</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.



**FISCAL SERVICES DEPARTMENT** (p#36)

The Fiscal Services Department prepares Board reports, the Comprehensive Annual Financial Report (CAFR), and the annual budget. The Department accounts for cash management, retiree and vendor payrolls, capital assets, and operating expenditures.

Fiscal Services Department	2022 Forecast vs. 2022 Budget		2023 Proposed Budget vs. 2022 Forecast		% Change	
	2022 Budget	2022 Forecast	Budget Over/(Under)	2023 Proposed Budget		
<b>STAFFING</b>						
Salaries	\$ 1,289,000	\$ 1,261,000	\$ (28,000)	\$ 1,379,000	\$ 118,000	9.4%
Fringe Benefits	843,000	703,000	(140,000)	743,000	40,000	5.7%
5% adjustment for unexpected vacancies	-	-	-	(105,000)	(105,000)	-100.0%
<b>Staffing Total</b>	<b>2,132,000</b>	<b>1,964,000</b>	<b>(168,000)</b>	<b>2,017,000</b>	<b>53,000</b>	<b>2.7%</b>
<b>STAFF DEVELOPMENT</b>						
	17,000	16,000	(1,000)	31,000	15,000	93.8%
<b>PROFESSIONAL FEES</b>						
Consultant Fees	-	-	-	20,000	20,000	100.0%
External Audit	142,000	142,000	-	144,000	2,000	1.4%
<b>Professional Fees Total</b>	<b>142,000</b>	<b>142,000</b>	<b>-</b>	<b>164,000</b>	<b>22,000</b>	<b>15.5%</b>
<b>OFFICE EXPENSE</b>						
Bank Charges	120,000	120,000	-	96,000	(24,000)	-20.0%
<b>Office Expense Total</b>	<b>120,000</b>	<b>120,000</b>	<b>-</b>	<b>96,000</b>	<b>(24,000)</b>	<b>-20.0%</b>
<b>SYSTEMS</b>						
Software Maintenance/Support	57,000	57,000	-	70,000	13,000	22.8%
<b>Systems Total</b>	<b>57,000</b>	<b>57,000</b>	<b>-</b>	<b>70,000</b>	<b>13,000</b>	<b>22.8%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,468,000</b>	<b>\$ 2,299,000</b>	<b>\$ (169,000)</b>	<b>\$ 2,378,000</b>	<b>\$ 79,000</b>	<b>3.4%</b>

**Fiscal Services Department - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast**

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salary expense from filling vacant position and COLA	\$ 118,000
• Increase in fringe benefits attributed to filling vacant position	40,000
• 5% adjustment for unexpected vacancies	(105,000)
<b>Sub-Total</b>	<b>53,000</b>
<b>STAFF DEVELOPMENT</b>	
• Expected increase in attendance of conferences and trainings	15,000
<b>Sub-Total</b>	<b>15,000</b>
<b>PROFESSIONAL FEES</b>	
• Increase in external audit and consultant fees	22,000
<b>Sub-Total</b>	<b>22,000</b>
<b>OFFICE EXPENSE</b>	
• Decrease in bank charges due to new bank provider	(24,000)
<b>Sub-Total</b>	<b>(24,000)</b>
<b>SYSTEMS</b>	
• Increase in software maintenance and support from new project	13,000
<b>Sub-Total</b>	<b>13,000</b>
<b>Total Over/(Under)</b>	<b>\$ 79,000</b>

**Fiscal Services Department - Variance Narrative 2022 Forecast vs. 2022 Budget**

	Variance Over/(Under)
<b>STAFFING</b>	
• Decrease in salaries primarily due to vacant position	\$ (28,000)
• Decrease in fringe benefits	(140,000)
<b>Sub-Total</b>	<b>(168,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Slight decrease in attendance of conferences and trainings	(1,000)
<b>Sub-Total</b>	<b>(1,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (169,000)</b>

Fiscal Services Department Professional Fees	2022 Forecast vs. 2022 Budget		2023 Proposed Budget vs. 2022 Forecast		% Change	
	2022 Budget	2022 Forecast	Budget Over/(Under)	2023 Proposed Budget		
<b>Consultant Fees</b>						
Cashlog	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	100.0%
<b>Sub-Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>100.0%</b>
<b>External Audit</b>						
External Audit	119,000	119,000	-	121,000	2,000	1.7%
GASB 67 & 68	11,000	11,000	-	11,000	-	0.0%
GASB 74 & 75	12,000	12,000	-	12,000	-	0.0%
<b>Sub-Total</b>	<b>142,000</b>	<b>142,000</b>	<b>-</b>	<b>144,000</b>	<b>2,000</b>	<b>1.4%</b>
<b>Fiscal Services Total</b>	<b>\$ 142,000</b>	<b>\$ 142,000</b>	<b>\$ -</b>	<b>\$ 164,000</b>	<b>\$ 22,000</b>	<b>15.5%</b>

**Fiscal Services Department Staffing**

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast
Fiscal Services Officer	\$ 156,000	\$ 163,000	\$ 7,000	\$ 184,000	\$ 21,000
Administrative Assistant	80,000	80,000	-	82,000	2,000
Financial Services Specialist II	102,000	102,000	-	106,000	4,000
Retirement Accountant III	114,000	84,000	(30,000)	106,000	22,000
Retirement Accountant III	121,000	121,000	-	125,000	4,000
Retirement Accountant II	110,000	110,000	-	114,000	4,000
Retirement Accountant II	100,000	100,000	-	109,000	9,000
Retirement Accountant II	106,000	110,000	4,000	114,000	4,000
Retirement Accountant II	110,000	110,000	-	114,000	4,000
Retirement Accountant II	97,000	62,000	(35,000)	104,000	42,000
Retirement Budget Analyst	130,000	130,000	-	135,000	5,000
Retirement Support Specialist	63,000	63,000	-	66,000	3,000
5% adjustment for unexpected vacancies	-	-	-	(97,000)	(97,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>1,289,000</b>	<b>1,235,000</b>	<b>(54,000)</b>	<b>1,262,000</b>	<b>27,000</b>
Fringe Benefits	843,000	703,000	(140,000)	743,000	40,000
Adjustment for unexpected vacancies	-	-	-	(8,000)	(8,000)
<b>Sub-total Fringe Benefits</b>	<b>843,000</b>	<b>703,000</b>	<b>(140,000)</b>	<b>735,000</b>	<b>32,000</b>
Overtime	-	26,000	26,000	20,000	(6,000)
<b>Fiscal Services Total</b>	<b>\$ 2,132,000</b>	<b>\$ 1,964,000</b>	<b>\$ (168,000)</b>	<b>\$ 2,017,000</b>	<b>\$ 53,000</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

## HUMAN RESOURCES DEPARTMENT (p#36)

The Human Resource Department handles personnel issues, training programs and management consultation.

Human Resources Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>STAFFING</b>						
Salaries	\$ 405,000	\$ 409,000	\$ 4,000	\$ 425,000	\$ 16,000	3.9%
Fringe Benefits	248,000	234,000	(14,000)	241,000	7,000	3.0%
5% adjustment for unexpected vacancies	-	-	-	(34,000)	(34,000)	-100.0%
<b>Staffing Total</b>	<b>653,000</b>	<b>643,000</b>	<b>(10,000)</b>	<b>632,000</b>	<b>(11,000)</b>	<b>-1.7%</b>
<b>STAFF DEVELOPMENT</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>16,000</b>	<b>1,000</b>	<b>6.7%</b>
<b>PROFESSIONAL FEES</b>	<b>77,000</b>	<b>77,000</b>	<b>-</b>	<b>77,000</b>	<b>-</b>	<b>0.0%</b>
<b>OFFICE EXPENSE</b>						
Ergonomic Furniture & Equipment	15,000	10,000	(5,000)	10,000	-	0.0%
<b>Office Expense Total</b>	<b>15,000</b>	<b>10,000</b>	<b>(5,000)</b>	<b>10,000</b>	<b>-</b>	<b>0.0%</b>
<b>SYSTEMS</b>						
Software Maintenance & Support	-	-	-	12,000	12,000	100.0%
<b>Systems Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,000</b>	<b>12,000</b>	<b>100.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 760,000</b>	<b>\$ 745,000</b>	<b>\$ (15,000)</b>	<b>\$ 747,000</b>	<b>\$ 2,000</b>	<b>0.3%</b>

### Human Resources Department - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

	Variance Over/(Under)
<b>STAFFING</b>	
• Increase in salaries due to COLA and vacation sellbacks	\$ 16,000
• Increase in fringe benefits	7,000
• 5% adjustment for unexpected vacancies	(34,000)
<b>Sub-total</b>	<b>(11,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Slight increase in conferences and trainings	1,000
<b>Sub-total</b>	<b>1,000</b>
<b>SYSTEMS</b>	
• Increase in software and maintenance	12,000
<b>Sub-total</b>	<b>12,000</b>
<b>Total Over/(Under)</b>	<b>\$ 2,000</b>

### Human Resources Department - Variance Narrative 2022 Forecast vs. 2022 Budget

	Variance Over/(Under)
<b>STAFFING</b>	
• Slight increase in salaries	\$ 4,000
• Decrease in fringe benefits	(14,000)
<b>Sub-total</b>	<b>(10,000)</b>
<b>OFFICE EXPENSE</b>	
• Decrease in ergonomics furniture and equipment	(5,000)
<b>Sub-total</b>	<b>(5,000)</b>
<b>Total Over/(Under)</b>	<b>\$ (15,000)</b>

Human Resources Department Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Consultant Fees - Lakeside Group	\$ 77,000	\$ 77,000	\$ -	\$ 77,000	\$ -	0.0%
<b>Human Resources Total</b>	<b>\$ 77,000</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>\$ 77,000</b>	<b>\$ -</b>	<b>0.0%</b>

Human Resources Department Staffing	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Human Resources Officer	\$ 184,000	\$ 184,000	\$ -	\$ 190,000	\$ 6,000
Human Resources Specialist	124,000	124,000	-	129,000	5,000
Administrative Specialist II	97,000	101,000	4,000	106,000	5,000
5% adjustment for unexpected vacancies	-	-	-	(32,000)	(32,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>405,000</b>	<b>409,000</b>	<b>4,000</b>	<b>393,000</b>	<b>(16,000)</b>
Fringe Benefits	248,000	234,000	(14,000)	241,000	7,000
Adjustment for unexpected vacancies	-	-	-	(2,000)	(2,000)
<b>Sub-total Fringe Benefits</b>	<b>248,000</b>	<b>234,000</b>	<b>(14,000)</b>	<b>239,000</b>	<b>5,000</b>
<b>Human Resources Total</b>	<b>\$ 653,000</b>	<b>\$ 643,000</b>	<b>\$ (10,000)</b>	<b>\$ 632,000</b>	<b>\$ (11,000)</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

## INTERNAL AUDIT DEPARTMENT (p#36)

The Internal Audit Department prepares an annual internal audit plan, conducts internal operational audits and employer audits, and provides periodic reports to the Board of Retirement Audit Committee.

Internal Audit Department	2022 Forecast vs. 2022 Budget		2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast		% Change
	2022 Budget	2022 Forecast		Budget Over/(Under)	Forecast Over/(Under)	
<b>STAFFING</b>						
Salaries	\$ 467,000	\$ 467,000	\$ -	\$ 483,000	\$ 16,000	3.4%
Fringe Benefits	280,000	261,000	(19,000)	268,000	7,000	2.7%
5% adjustment for unexpected vacancies	-	-	-	(37,000)	(37,000)	-100.0%
<b>Staffing Total</b>	<b>747,000</b>	<b>728,000</b>	<b>(19,000)</b>	<b>714,000</b>	<b>(14,000)</b>	<b>-1.9%</b>
<b>STAFF DEVELOPMENT</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>	<b>27,000</b>	<b>2,000</b>	<b>8.0%</b>
<b>SYSTEMS</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>0.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 774,000</b>	<b>\$ 755,000</b>	<b>\$ (19,000)</b>	<b>\$ 743,000</b>	<b>\$ (12,000)</b>	<b>-1.6%</b>

### Internal Audit Department - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast

Variance Over/(Under)

#### STAFFING

• Increase in salaries from COLA and vacation sellbacks	\$ 16,000
• Increase in fringe benefits	7,000
• 5% adjustment for unexpected vacancies	(37,000)
<b>Sub-Total</b>	<b>(14,000)</b>

#### STAFF DEVELOPMENT

• Slight increase in attendance of conferences and trainings	2,000
<b>Sub-Total</b>	<b>2,000</b>

**Total Over/(Under) \$ (12,000)**

### Internal Audit Department - Variance Narrative 2022 Forecast vs. 2022 Budget

Variance Over/(Under)

#### STAFFING

• Decrease in fringe benefits	\$ (19,000)
<b>Sub-Total</b>	<b>(19,000)</b>

**Total Over/(Under) \$ (19,000)**

### Internal Audit Department Staffing

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget		2023 Proposed Budget vs. 2022 Forecast	
			Budget Over/(Under)		2023 Proposed Budget	Budget Over/(Under)
Chief Internal Auditor	\$ 184,000	\$ 184,000	\$ -	\$ -	\$ 190,000	\$ 6,000
Internal Auditor	127,000	127,000	-	-	131,000	4,000
Retirement Assistant Accounting Manager	156,000	156,000	-	-	162,000	6,000
5% adjustment for unexpected vacancies	-	-	-	-	(34,000)	(34,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>467,000</b>	<b>467,000</b>	<b>-</b>	<b>-</b>	<b>449,000</b>	<b>(18,000)</b>
Fringe Benefits	280,000	261,000	(19,000)		268,000	7,000
Adjustment for unexpected vacancies	-	-	-		(3,000)	(3,000)
<b>Sub-total Fringe Benefits</b>	<b>280,000</b>	<b>261,000</b>	<b>(19,000)</b>		<b>265,000</b>	<b>4,000</b>
<b>Internal Audit Total</b>	<b>\$ 747,000</b>	<b>\$ 728,000</b>	<b>\$ (19,000)</b>	<b>\$ -</b>	<b>\$ 714,000</b>	<b>\$ (14,000)</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

## INVESTMENT DEPARTMENT (p#36)

The Investment Department oversees ACERA's investment program, recommending and implementing Board of Retirement investment decisions.

Investment Department	2022 Forecast vs. 2022 Budget Over/(Under)		2023 Proposed Budget vs. 2022 Forecast Over/(Under)		% Change
	2022 Budget	2022 Forecast	2023 Proposed Budget	2022 Forecast Over/(Under)	
<b>STAFFING</b>					
Salaries	\$ 1,330,000	\$ 1,261,000	\$ 1,418,000	\$ 157,000	12.5%
Fringe Benefits	773,000	709,000	766,000	57,000	8.0%
5% adjustment for unexpected vacancies	-	-	(109,000)	(109,000)	-100.0%
<b>Staffing Total</b>	<b>2,103,000</b>	<b>1,970,000</b>	<b>2,075,000</b>	<b>105,000</b>	<b>5.3%</b>
<b>STAFF DEVELOPMENT</b>	<b>31,000</b>	<b>18,000</b>	<b>37,000</b>	<b>19,000</b>	<b>105.6%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,134,000</b>	<b>\$ 1,988,000</b>	<b>\$ 2,112,000</b>	<b>\$ 124,000</b>	<b>6.2%</b>

Investment Department - Variance Narrative 2023 Proposed Budget vs. 2022 Forecast	Variance Over/(Under)
<b>STAFFING</b>	
<ul style="list-style-type: none"> <li>Increase in salaries due to filling vacant position, COLA, merit increases, and vacation sellbacks,</li> <li>Increase in fringe benefits</li> <li>5% adjustment for unexpected vacancies</li> </ul>	\$ 157,000 57,000 (109,000)
<b>Sub-Total</b>	<b>105,000</b>
<b>STAFF DEVELOPMENT</b>	
<ul style="list-style-type: none"> <li>Expected increase in attendance of conferences and trainings</li> </ul>	19,000
<b>Sub-Total</b>	<b>19,000</b>
<b>Total Over/(Under) \$</b>	<b>124,000</b>

Investment Department - Variance Narrative 2022 Forecast vs. 2022 Budget	Variance Over/(Under)
<b>STAFFING</b>	
<ul style="list-style-type: none"> <li>Saving in salaries from vacant position</li> <li>Saving in fringe benefits</li> </ul>	\$ (69,000) (64,000)
<b>Sub-Total</b>	<b>(133,000)</b>
<b>STAFF DEVELOPMENT</b>	
<ul style="list-style-type: none"> <li>Decrease in attendance of trainings and conferences</li> </ul>	(13,000)
<b>Sub-Total</b>	<b>(13,000)</b>
<b>Total Over/(Under) \$</b>	<b>(146,000)</b>

Investment Department Staffing	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Chief Investment Officer	342,000	342,000	-	354,000	12,000
Administrative Specialist II	100,000	106,000	6,000	104,000	(2,000)
Administrative Support Specialist	80,000	84,000	4,000	83,000	(1,000)
Investment Analyst	118,000	118,000	-	127,000	9,000
Investment Analyst	98,000	16,000	(82,000)	96,000	80,000
Investment Officer	141,000	144,000	3,000	155,000	11,000
Investment Officer	145,000	144,000	(1,000)	158,000	14,000
Investment Officer	148,000	148,000	-	153,000	5,000
Investment Operations Officer	158,000	159,000	1,000	188,000	29,000
5% adjustment for unexpected vacancies	-	-	-	(100,000)	(100,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>1,330,000</b>	<b>1,261,000</b>	<b>(69,000)</b>	<b>1,318,000</b>	<b>57,000</b>
Fringe Benefits	773,000	709,000	(64,000)	766,000	57,000
Adjustment for unexpected vacancies	-	-	-	(9,000)	(9,000)
<b>Sub-total Fringe Benefits</b>	<b>773,000</b>	<b>709,000</b>	<b>(64,000)</b>	<b>757,000</b>	<b>48,000</b>
<b>Investment Total</b>	<b>\$ 2,103,000</b>	<b>\$ 1,970,000</b>	<b>\$ (133,000)</b>	<b>\$ 2,075,000</b>	<b>\$ 105,000</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

**LEGAL DEPARTMENT** (p#36)

The Legal Department provides legal advice and assistance to the ACERA Board of Retirement and staff.

Legal Department	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
<b>STAFFING</b>						
Salaries	\$ 687,000	\$ 687,000	\$ -	\$ 731,000	\$ 44,000	6.4%
Fringe Benefits	348,000	337,000	(11,000)	347,000	10,000	3.0%
5% adjustment for unexpected vacancies	-	-	-	(54,000)	(54,000)	-100.0%
<b>Staffing Total</b>	<b>1,035,000</b>	<b>1,024,000</b>	<b>(11,000)</b>	<b>1,024,000</b>	<b>-</b>	<b>0.0%</b>
<b>STAFF DEVELOPMENT</b>						
	<b>71,000</b>	<b>47,000</b>	<b>(24,000)</b>	<b>59,000</b>	<b>12,000</b>	<b>25.5%</b>
<b>PROFESSIONAL FEES</b>						
	<b>200,000</b>	<b>138,000</b>	<b>(62,000)</b>	<b>150,000</b>	<b>12,000</b>	<b>8.7%</b>
<b>DISABILITY-ARBITRATION &amp; TRANSCRIPTS</b>						
	<b>45,000</b>	<b>38,000</b>	<b>(7,000)</b>	<b>45,000</b>	<b>7,000</b>	<b>18.4%</b>
<b>SYSTEMS</b>						
Software Maintenance & Support	21,000	20,000	(1,000)	-	(20,000)	-100.0%
<b>Systems Total</b>	<b>21,000</b>	<b>20,000</b>	<b>(1,000)</b>	<b>-</b>	<b>(20,000)</b>	<b>-100.0%</b>
<b>GRAND TOTAL</b>	<b>\$ 1,372,000</b>	<b>\$ 1,267,000</b>	<b>\$ (105,000)</b>	<b>\$ 1,278,000</b>	<b>\$ 11,000</b>	<b>0.9%</b>

Legal Department - Variance Narrative	2023 Proposed Budget vs. 2022 Forecast	Variance Over/(Under)
<b>STAFFING</b>		
• Increase in salaries due to COLA and vacation sellbacks	\$ 44,000	
• Increase in fringe benefits	10,000	
• 5% adjustment for unexpected vacancies	(54,000)	
<b>Sub-Total</b>	<b>-</b>	
<b>STAFF DEVELOPMENT</b>		
• Expected increase in attendance of conferences and trainings	12,000	
<b>Sub-Total</b>	<b>12,000</b>	
<b>PROFESSIONAL FEES</b>		
• Decrease in fees for fiduciary services	(13,000)	
• Increase in fees for tax & benefit issues	9,000	
• Increase in miscellaneous legal advice	16,000	
<b>Sub-Total</b>	<b>12,000</b>	
<b>DISABILITY-LEGAL TRANSCRIPTS</b>		
• Increase in disability legal arbitration and transcripts	7,000	
<b>Sub-Total</b>	<b>7,000</b>	
<b>SYSTEMS</b>		
• Decrease in software maintenance and support	(20,000)	
<b>Sub-Total</b>	<b>(20,000)</b>	
<b>Total Over/(Under)</b>	<b>\$ 11,000</b>	

Legal Department - Variance Narrative	2022 Forecast vs. 2022 Budget	Variance Over/(Under)
<b>STAFFING</b>		
• Decrease in fringe benefits	\$ (11,000)	
<b>Sub-Total</b>	<b>(11,000)</b>	
<b>STAFF DEVELOPMENT</b>		
• Decrease in attendance of trainings and conferences	(24,000)	
<b>Sub-Total</b>	<b>(24,000)</b>	
<b>PROFESSIONAL FEES</b>		
• Decrease in fees for fiduciary, tax & benefit issues and litigation	(62,000)	
<b>Sub-Total</b>	<b>(62,000)</b>	
<b>DISABILITY-LEGAL TRANSCRIPTS</b>		
• Savings in disability legal arbitration and transcripts due to decrease in number of projected cases	(7,000)	
<b>Sub-Total</b>	<b>(7,000)</b>	
<b>SYSTEMS</b>		
• Slight decrease in software maintenance and support	(1,000)	
<b>Sub-Total</b>	<b>(1,000)</b>	
<b>Total Over/(Under)</b>	<b>\$ (105,000)</b>	

Legal Department Professional Fees	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Fiduciary	\$ 125,000	\$ 88,000	\$ (37,000)	\$ 75,000	\$ (13,000)	-14.8%
Miscellaneous Legal Advice	50,000	34,000	(16,000)	50,000	16,000	47.1%
Tax and Benefit Issues	25,000	16,000	(9,000)	25,000	9,000	56.3%
<b>Legal Total</b>	<b>\$ 200,000</b>	<b>\$ 138,000</b>	<b>\$ (62,000)</b>	<b>\$ 150,000</b>	<b>\$ 12,000</b>	<b>8.7%</b>

Legal Department Staffing	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
Chief Counsel	\$ 281,000	\$ 281,000	\$ -	\$ 295,000	\$ 14,000
Administrative Specialist II	95,000	95,000	-	100,000	5,000
Administrative Support Specialist	78,000	78,000	-	81,000	3,000
Associate Counsel	233,000	233,000	-	255,000	22,000
5% adjustment for unexpected vacancies	-	-	-	(50,000)	(50,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>687,000</b>	<b>687,000</b>	<b>-</b>	<b>681,000</b>	<b>(6,000)</b>
Fringe Benefits	348,000	337,000	(11,000)	347,000	10,000
Adjustment for unexpected vacancies	-	-	-	(4,000)	(4,000)
<b>Sub-total Fringe Benefits</b>	<b>348,000</b>	<b>337,000</b>	<b>(11,000)</b>	<b>343,000</b>	<b>6,000</b>
<b>Legal Total</b>	<b>\$ 1,035,000</b>	<b>\$ 1,024,000</b>	<b>\$ (11,000)</b>	<b>\$ 1,024,000</b>	<b>\$ -</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

**PRISM DEPARTMENT** [\(p#36\)](#)

The PRISM Department assesses and resolves operational problems in existing and new technology systems.

<b>PRISM Department</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/(Under)</b>	<b>% Change</b>
<b>STAFFING</b>						
Salaries	\$ 1,143,000	\$ 1,146,000	\$ 3,000	\$ 1,198,000	\$ 52,000	4.5%
Fringe Benefits	699,000	658,000	(41,000)	677,000	19,000	2.9%
5% adjustment for unexpected vacancies	-	-	-	(94,000)	(94,000)	-100.0%
<b>Staffing Total</b>	<b>1,842,000</b>	<b>1,804,000</b>	<b>(38,000)</b>	<b>1,781,000</b>	<b>(23,000)</b>	<b>-1.3%</b>
<b>STAFF DEVELOPMENT</b>	<b>24,000</b>	<b>24,000</b>	<b>-</b>	<b>27,000</b>	<b>3,000</b>	<b>12.5%</b>
<b>SYSTEMS</b>						
Business Continuity Expenses	205,000	215,000	10,000	254,000	39,000	18.1%
Minor Computer Hardware	40,000	40,000	-	42,000	2,000	5.0%
Software Maint. & Support	701,000	660,000	(41,000)	680,000	20,000	3.0%
<b>Systems Total</b>	<b>946,000</b>	<b>915,000</b>	<b>(31,000)</b>	<b>976,000</b>	<b>61,000</b>	<b>6.7%</b>
<b>GRAND TOTAL</b>	<b>\$ 2,812,000</b>	<b>\$ 2,743,000</b>	<b>\$ (69,000)</b>	<b>\$ 2,784,000</b>	<b>\$ 41,000</b>	<b>1.5%</b>

**PRISM Department - Variance Narrative  
2023 Proposed Budget vs. 2022 Forecast**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Increase in salary expense from COLA and vacation sellbacks	\$ 52,000
• Increase in fringe benefits	19,000
• 5% adjustment for unexpected vacancies	(94,000)
<b>Sub-Total</b>	<b>(23,000)</b>
<b>STAFF DEVELOPMENT</b>	
• Slight increase in conferences and trainings	3,000
<b>Sub-Total</b>	<b>3,000</b>
<b>SYSTEMS</b>	
• Increase in business continuity expenses	39,000
• Slight increase in minor computer hardware	2,000
• Increase in software maintenance and support	20,000
<b>Sub-Total</b>	<b>61,000</b>
<b>Total Over/(Under) \$</b>	<b>41,000</b>

**PRISM Department - Variance Narrative  
2022 Forecast vs. 2022 Budget**

	<b>Variance Over/(Under)</b>
<b>STAFFING</b>	
• Slight increase in salaries	\$ 3,000
• Decrease in fringe benefits	(41,000)
<b>Sub-Total</b>	<b>(38,000)</b>
<b>SYSTEMS</b>	
• Increase in business continuity expenses	10,000
• Decrease in software maintenance and support	(41,000)
<b>Sub-Total</b>	<b>(31,000)</b>
<b>Total Over/(Under) \$</b>	<b>(69,000)</b>

**PRISM Department  
Staffing**

	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/(Under)</b>
Retirement Tech Officer	\$ 192,000	\$ 192,000	\$ -	\$ 199,000	\$ 7,000
Computer and Network System Specialist	111,000	113,000	2,000	122,000	9,000
Computer and Network System Analyst	158,000	158,000	-	164,000	6,000
Retirement System Program Analyst	143,000	144,000	1,000	148,000	4,000
Retirement System Program Analyst	141,000	141,000	-	146,000	5,000
Retirement System Program Analyst	135,000	135,000	-	147,000	12,000
Retirement System Program Analyst	135,000	135,000	-	140,000	5,000
Security Analyst	128,000	128,000	-	132,000	4,000
5% adjustment for unexpected vacancies	-	-	-	(85,000)	(85,000)
<b>Sub-total Salaries<sup>1</sup></b>	<b>1,143,000</b>	<b>1,146,000</b>	<b>3,000</b>	<b>1,113,000</b>	<b>(33,000)</b>
Fringe Benefits	699,000	658,000	(41,000)	677,000	19,000
Adjustment for unexpected vacancies	-	-	-	(9,000)	(9,000)
<b>Sub-total Fringe Benefits</b>	<b>699,000</b>	<b>658,000</b>	<b>(41,000)</b>	<b>668,000</b>	<b>10,000</b>
<b>PRISM Total</b>	<b>\$ 1,842,000</b>	<b>\$ 1,804,000</b>	<b>\$ (38,000)</b>	<b>\$ 1,781,000</b>	<b>\$ (23,000)</b>

<sup>1</sup>Sub-total salaries include base salary, work out of class, footnotes and vacation sellback.

## **Section V**

### **Enterprise-wide Projects**

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## Section V

### Enterprise-wide Projects

PROJECTS	2022 Budget		2022 Forecast		2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
SYSTEMS	\$	5,000	\$	-	\$ (5,000)	\$ -	\$ -	0.0%
<b>GRAND TOTAL</b>	<b>\$</b>	<b>5,000</b>	<b>\$</b>	<b>-</b>	<b>\$ (5,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

Projects System	2022 Budget		2022 Forecast		2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)	% Change
Database Migration	\$	5,000	\$	-	\$ (5,000)	\$ -	\$ -	0.0%
<b>GRAND TOTAL</b>	<b>\$</b>	<b>5,000</b>	<b>\$</b>	<b>-</b>	<b>\$ (5,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

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PROJECT - Variance Narrative 2022 Forecast vs. 2022 Budget		Variance Over/(Under)
SYSTEMS		
• Decrease in Database Migration		\$ (5,000)
	<b>Sub-Total</b>	<b>(5,000)</b>
	<b>Total Over/(Under)</b>	<b>\$ (5,000)</b>



## **Section VI**

### **Administrative Budget**

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## Section VI :

### Administrative Budget

The Administrative Budget incorporates the limits of Section 31580.2 of the County Employees Act of 1937; whereby administrative expenses are “capped” at 0.21% of actuarially accrued liabilities. Pursuant to the relevant code sections, certain costs are excluded from the expense cap. Excluded costs include those associated with actuarial fees, business continuity planning (BCP), investments, legal, SRBR, and technology. Excludable expenses also include a pro rata portion of overhead expense attributable to excludable activities. In the 2023 administrative budget, ACERA is \$12.7 million under the cap limit of \$25.5 million.

ADMINISTRATIVE EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/(Under)
<b>STAFFING</b>	\$ 11,721,000	\$ 11,164,000	\$ (557,000)	\$ 10,852,000	\$ (312,000)
STAFF DEVELOPMENT	137,000	142,000	5,000	208,000	66,000
PROFESSIONAL FEES					
Consultant Fees - Operations	98,000	98,000	-	75,000	(23,000)
External Audit	106,000	106,000	-	108,000	2,000
<b>Professional Fees Total</b>	<b>204,000</b>	<b>204,000</b>	<b>-</b>	<b>183,000</b>	<b>(21,000)</b>
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	104,000	96,000	(8,000)	79,000	(17,000)
Building Expenses	68,000	7,000	(61,000)	63,000	56,000
Communications	146,000	112,000	(34,000)	64,000	(48,000)
Equipment Lease/Maintenance	94,000	91,000	(3,000)	86,000	(5,000)
Minor Furniture and Equipment	14,000	11,000	(3,000)	10,000	(1,000)
Office Supplies and Maint.	62,000	42,000	(20,000)	41,000	(1,000)
Printing & Postage	21,000	18,000	(3,000)	16,000	(2,000)
<b>Office Expense Total</b>	<b>509,000</b>	<b>377,000</b>	<b>(132,000)</b>	<b>359,000</b>	<b>(18,000)</b>
INSURANCE	424,000	411,000	(13,000)	444,000	33,000
MEMBER SERVICES					
Benefit Verification	6,000	6,000	-	6,000	-
Members Medical Expense	122,000	122,000	-	193,000	71,000
Disability Claims Management	46,000	46,000	-	46,000	-
Member Training & Education	16,000	14,000	(2,000)	11,000	(3,000)
Printing & Postage - Members	49,000	53,000	4,000	47,000	(6,000)
Virtual Call Center	-	-	-	63,000	63,000
<b>Member Services Total</b>	<b>239,000</b>	<b>241,000</b>	<b>2,000</b>	<b>366,000</b>	<b>125,000</b>
DEPRECIATION	85,000	92,000	7,000	90,000	(2,000)
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	262,000	259,000	(3,000)	246,000	(13,000)
UNCOLLECTIBLE BENEFIT PAYMENTS	56,000	56,000	-	53,000	(3,000)
<b>GRAND TOTAL</b>	<b>\$ 13,637,000</b>	<b>\$ 12,946,000</b>	<b>\$ (691,000)</b>	<b>\$ 12,801,000</b>	<b>\$ (145,000)</b>

BCP EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)
STAFFING	\$ 337,000	\$ 326,000	\$ (11,000)	\$ 366,000	\$ 40,000
STAFF DEVELOPMENT	3,000	4,000	1,000	6,000	2,000
PROFESSIONAL FEES					
Consultant Fees - Operations	3,000	3,000	-	2,000	(1,000)
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	3,000	2,000	(1,000)	2,000	-
Building Expenses	2,000	-	(2,000)	2,000	2,000
Communications	4,000	3,000	(1,000)	2,000	(1,000)
Equipment Lease/Maintenance	2,000	3,000	1,000	2,000	(1,000)
Office Supplies and Maint.	2,000	1,000	(1,000)	1,000	-
Printing & Postage	1,000	-	(1,000)	-	-
<b>Office Expense Total</b>	<b>14,000</b>	<b>9,000</b>	<b>(5,000)</b>	<b>9,000</b>	<b>-</b>
INSURANCE	11,000	11,000	-	13,000	2,000
SYSTEMS					
Disaster Recovery & Business Continuity	205,000	215,000	10,000	254,000	39,000
DEPRECIATION	2,000	2,000	-	3,000	1,000
<b>GRAND TOTAL</b>	<b>\$ 575,000</b>	<b>\$ 570,000</b>	<b>\$ (5,000)</b>	<b>\$ 653,000</b>	<b>\$ 83,000</b>

INVESTMENT EXPENSES BUDGET ALLOCATION	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)
STAFFING					
Staffing - Direct	\$ 2,091,000	\$ 1,958,000	\$ (133,000)	\$ 2,030,000	\$ 72,000
Staffing - Indirect	891,000	813,000	(78,000)	861,000	48,000
<b>Staffing Total</b>	<b>2,982,000</b>	<b>2,771,000</b>	<b>(211,000)</b>	<b>2,891,000</b>	<b>120,000</b>
STAFF DEVELOPMENT	62,000	49,000	(13,000)	85,000	36,000
PROFESSIONAL FEES					
Consultant Fees - Operations	22,000	22,000	-	17,000	(5,000)
External Audit	36,000	36,000	-	36,000	-
<b>Professional Fees Total</b>	<b>58,000</b>	<b>58,000</b>	<b>-</b>	<b>53,000</b>	<b>(5,000)</b>
OFFICE EXPENSE					
Bank Charges & Miscellaneous Admin.	24,000	21,000	(3,000)	19,000	(2,000)
Building Expenses	15,000	1,000	(14,000)	14,000	13,000
Communications	33,000	25,000	(8,000)	15,000	(10,000)
Equipment Lease & Maintenance	21,000	19,000	(2,000)	20,000	1,000
Minor Furniture and Equipment	3,000	3,000	-	2,000	(1,000)
Office Supplies & Maintenance	14,000	9,000	(5,000)	10,000	1,000
Printing & Postage	5,000	4,000	(1,000)	4,000	-
<b>Office Expense Total</b>	<b>115,000</b>	<b>82,000</b>	<b>(33,000)</b>	<b>84,000</b>	<b>2,000</b>
INSURANCE	97,000	91,000	(6,000)	103,000	12,000
DEPRECIATION	20,000	21,000	1,000	21,000	-
BOARD OF RETIREMENT					
Board Training & Miscellaneous Activities	164,000	163,000	(1,000)	154,000	(9,000)
<b>GRAND TOTAL</b>	<b>\$ 3,498,000</b>	<b>\$ 3,235,000</b>	<b>\$ (263,000)</b>	<b>\$ 3,391,000</b>	<b>\$ 156,000</b>

<b>LEGAL EXPENSES BUDGET ALLOCATION</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/ (Under)</b>
<b>STAFFING</b>	\$ 541,000	\$ 538,000	\$ (3,000)	\$ 528,000	\$ (10,000)
<b>STAFF DEVELOPMENT</b>	77,000	54,000	(23,000)	68,000	14,000
<b>PROFESSIONAL FEES</b>					
Consultant Fees - Operations	4,000	4,000	-	3,000	(1,000)
Consultant Fees - Legal	200,000	138,000	(62,000)	150,000	12,000
<b>Professional Fees Total</b>	<b>204,000</b>	<b>142,000</b>	<b>(62,000)</b>	<b>153,000</b>	<b>11,000</b>
<b>OFFICE EXPENSE</b>					
Bank Charges & Miscellaneous Admin.	4,000	4,000	-	3,000	(1,000)
Building Expenses	3,000	-	(3,000)	3,000	3,000
Communications	6,000	5,000	(1,000)	3,000	(2,000)
Equipment Lease & Maintenance	4,000	4,000	-	4,000	-
Minor Furniture and Equipment	1,000	1,000	-	1,000	-
Office Supplies & Maintenance	2,000	2,000	-	2,000	-
Printing & Postage	1,000	1,000	-	1,000	-
<b>Office Expense Total</b>	<b>21,000</b>	<b>17,000</b>	<b>(4,000)</b>	<b>17,000</b>	<b>-</b>
<b>INSURANCE</b>	<b>18,000</b>	<b>18,000</b>	<b>-</b>	<b>19,000</b>	<b>1,000</b>
<b>MEMBER SERVICES</b>					
Disability - Legal Arbitration & Transcripts	45,000	38,000	(7,000)	45,000	7,000
<b>SYSTEMS</b>					
Software Maintenance & Support	21,000	20,000	(1,000)	-	(20,000)
<b>DEPRECIATION</b>	<b>4,000</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activities	66,000	66,000	-	61,000	(5,000)
<b>GRAND TOTAL</b>	<b>\$ 997,000</b>	<b>\$ 897,000</b>	<b>\$ (100,000)</b>	<b>\$ 895,000</b>	<b>\$ (2,000)</b>

<b>SRBR EXPENSES BUDGET ALLOCATION</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/ (Under)</b>
<b>STAFFING</b>	\$ 1,360,000	\$ 1,317,000	\$ (43,000)	\$ 1,587,000	\$ 270,000
<b>PROFESSIONAL FEES</b>					
Actuarial - SRBR Valuation	43,000	43,000	-	44,000	1,000
Consultant Fees - SRBR	257,000	256,000	(1,000)	257,000	1,000
<b>Professional Fees Total</b>	<b>300,000</b>	<b>299,000</b>	<b>(1,000)</b>	<b>301,000</b>	<b>2,000</b>
<b>MEMBER SERVICES</b>					
Health Reimbursement Account (HRA)	60,000	62,000	2,000	65,000	3,000
Printing & Postage - Members	49,000	54,000	5,000	46,000	(8,000)
<b>Member Services Total</b>	<b>109,000</b>	<b>116,000</b>	<b>7,000</b>	<b>111,000</b>	<b>(5,000)</b>
<b>BOARD OF RETIREMENT</b>					
Board Training & Miscellaneous Activities	164,000	162,000	(1,000)	153,000	(9,000)
<b>GRAND TOTAL</b>	<b>\$ 1,933,000</b>	<b>\$ 1,894,000</b>	<b>\$ (39,000)</b>	<b>\$ 2,152,000</b>	<b>\$ 258,000</b>

<b>TECHNOLOGY EXPENSES BUDGET ALLOCATION</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/ (Under)</b>
<b>SYSTEMS</b>					
Computer Hardware & Maintenance	\$ 40,000	\$ 40,000	\$ -	\$ 42,000	\$ 2,000
County Data Processing	132,000	125,000	(7,000)	129,000	4,000
Software Maintenance & Support	809,000	750,000	(59,000)	798,000	48,000
<b>Systems Total</b>	<b>981,000</b>	<b>915,000</b>	<b>(66,000)</b>	<b>969,000</b>	<b>54,000</b>
<b>DEPRECIATION</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>2,000</b>	<b>(1,000)</b>
<b>GRAND TOTAL</b>	<b>\$ 984,000</b>	<b>\$ 918,000</b>	<b>\$ (66,000)</b>	<b>\$ 971,000</b>	<b>\$ 53,000</b>

<b>Administrative Expense Budget Overview <sup>1</sup></b> (\$ in thousands)	<b>2023 Proposed Budget</b>	<b>2023 Actuarial Budget</b>	<b>2023 Business Continuity Budget</b>	<b>2023 Investment Budget</b>	<b>2023 Legal Budget</b>	<b>2023 SRBR Budget</b>	<b>2023 Technology Budget</b>	<b>2023 Administrative Budget</b>
<b>STAFFING</b>	\$ 16,224	\$ -	\$ (366)	\$ (2,891)	\$ (528)	\$ (1,587)	\$ -	\$ 10,852
<b>STAFF DEVELOPMENT</b>	367	-	(6)	(85)	(68)	-	-	208
<b>PROFESSIONAL FEES</b>								
Actuarial Fees	653	(609)	-	-	-	(44)	-	-
Audit Fees	144	-	-	(36)	-	-	-	108
Consultant Fees	354	-	(2)	(17)	(3)	(257)	-	75
Legal Fees	150	-	-	-	(150)	-	-	-
<b>Professional Fees Total</b>	<b>1,301</b>	<b>(609)</b>	<b>(2)</b>	<b>(53)</b>	<b>(153)</b>	<b>(301)</b>	<b>-</b>	<b>183</b>
<b>OFFICE EXPENSE</b>								
Bank Charges & Miscella- neous Admin	103	-	(2)	(19)	(3)	-	-	79
Building Expenses	82	-	(2)	(14)	(3)	-	-	63
Communications	84	-	(2)	(15)	(3)	-	-	64
Equipment Lease & Maint.	112	-	(2)	(20)	(4)	-	-	86
Minor Furniture & Equipment	13	-	-	(2)	(1)	-	-	10
Office Supplies & Mainte- nance	54	-	(1)	(10)	(2)	-	-	41
Printing & Postage	21	-	-	(4)	(1)	-	-	16
<b>Office Expense Total</b>	<b>469</b>	<b>-</b>	<b>(9)</b>	<b>(84)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>359</b>
<b>INSURANCE</b>	<b>579</b>	<b>-</b>	<b>(13)</b>	<b>(103)</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>444</b>
<b>MEMBER SERVICES</b>								
Benefit Verification	6	-	-	-	-	-	-	6
Disability - Legal Arbitration & Transcripts	45	-	-	-	(45)	-	-	-
Disability Claimed Manage- ment	46	-	-	-	-	-	-	46
Health Reimbursement Account (HRA)	193	-	-	-	-	-	-	193
Member Medical Expense	65	-	-	-	-	(65)	-	-
Member Training & Educa- tion	11	-	-	-	-	-	-	11
Printing & Postage - Members	93	-	-	-	-	(46)	-	47
Virtual Call Center	63	-	-	-	-	-	-	63
<b>Member Services Total</b>	<b>522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45)</b>	<b>(111)</b>	<b>-</b>	<b>366</b>
<b>SYSTEMS</b>								
Business Continuity Expenses	254	-	(254)	-	-	-	-	-
County Data Processing	129	-	-	-	-	-	(129)	-
Computer Hardware & Maintenance	42	-	-	-	-	-	(42)	-
Software Maintenance & Support	798	-	-	-	-	-	(798)	-
<b>Systems Total</b>	<b>1,223</b>	<b>-</b>	<b>(254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(969)</b>	<b>-</b>
<b>BOARD OF RETIREMENT</b>	<b>614</b>	<b>-</b>	<b>-</b>	<b>(154)</b>	<b>(61)</b>	<b>(153)</b>	<b>-</b>	<b>246</b>
<b>UNCOLLECTIBLE BENEFIT PAYMENTS</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53</b>
<b>DEPRECIATION</b>	<b>120</b>	<b>-</b>	<b>(3)</b>	<b>(21)</b>	<b>(4)</b>	<b>-</b>	<b>(2)</b>	<b>90</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 21,472</b>	<b>\$ (609)</b>	<b>\$ (653)</b>	<b>\$ (3,391)</b>	<b>\$ (895)</b>	<b>\$ (2,152)</b>	<b>\$ (971)</b>	<b>\$ 12,801</b>

<sup>1</sup> All ACERA budget schedules with dollar amounts are rounded to the nearest thousand dollars. This may result in some rounding differences.

## OPERATING AND ADMINISTRATIVE EXPENSES

Operating Expenses (\$ in Thousands)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)
<b>EXPENSE CATEGORY</b>					
Staffing	\$ 16,941	\$ 16,116	\$ (825)	\$ 16,224	\$ 108
Staff Development	279	249	(30)	367	118
Professional Fees	1,146	1,083	(63)	1,301	218
Office Expense	659	485	(174)	469	(16)
Insurance	550	531	(19)	579	48
Member Services	393	395	2	522	127
Systems	1,207	1,150	(57)	1,223	73
Board of Retirement	656	650	(6)	614	(36)
Uncollectible Benefit Payments	56	56	-	53	(3)
Depreciation	114	122	8	120	(2)
<b>Operating Expenses</b>	<b>\$ 22,001</b>	<b>\$ 20,837</b>	<b>\$ (1,164)</b>	<b>\$ 21,472</b>	<b>\$ 635</b>

Administrative Expenses (\$ in Thousands)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)
<b>EXCLUSIONS FROM OPERATING EXPENSE TO CALCULATE ADMINISTRATIVE EXPENSE</b>					
Operating Expense (from above)	\$ 22,001	\$ 20,837	\$ (1,164)	\$ 21,472	\$ 635
Actuarial	(377)	(377)	-	(609)	(232)
Business Continuity <sup>1</sup>	(575)	(570)	5	(653)	(83)
Investment- Related <sup>2</sup>	(3,498)	(3,235)	263	(3,391)	(156)
Legal- Related <sup>3</sup>	(997)	(897)	100	(895)	2
SRBR <sup>4</sup>	(1,933)	(1,894)	39	(2,152)	(258)
Technology <sup>5</sup>	(984)	(918)	66	(971)	(53)
<b>Administrative Expense</b>	<b>\$ 13,637</b>	<b>\$ 12,946</b>	<b>\$ (691)</b>	<b>\$ 12,801</b>	<b>\$ (145)</b>

<sup>1</sup> Business Continuity – 2023 related costs include total direct costs (\$254K) for software support; 2.2% is added for both allocated staffing and other overhead expenses (\$399K).

<sup>2</sup> Investment – 2023 related expenses are composed of direct costs of Investment staff (\$2,030K), allocated staffing costs (\$861K), 25% of Board expenses (\$154K), 25% of audit expenses (\$36K) and 17.8% of other overhead costs (\$310K).

<sup>3</sup> Legal – 2023 related expenses include direct costs of Staffing (\$528K), Professional Legal fees (\$150K), Disability Arbitration Expenses (\$45K), 10% of Board expenses (\$61K), and 3.3% of other overhead costs (\$111K).

<sup>4</sup> SRBR – 2023 related expenses are composed of allocated staffing costs (\$1,587K), direct costs of Professional Fees (\$301K), Member Services (\$111K), and 25% of Board expenses (\$153K).

<sup>5</sup> Technology – 2023 related expenses include computer hardware, computer software, computer depreciation, and computer technology consulting services in support of these computer products.

Comparison of Administrative Expense to Limits (Section 31580.2) (\$ in thousands)	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/(Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)
Total Actuarial Accrued Liabilities <sup>6</sup>	\$ 11,753,921	\$ 11,753,921	\$ -	\$ 12,130,810	\$ 376,889
Limit on Expense	0.21%	0.21%	-	0.21%	-
Maximum Allowed	24,683	24,683	-	25,475	791
Administrative Expense	13,637	12,946	(691)	12,801	(145)
<b>Over/(Under) Maximum</b>	<b>\$ (11,046)</b>	<b>\$ (11,737)</b>	<b>\$ (691)</b>	<b>\$ (12,674)</b>	<b>\$ (936)</b>

<sup>6</sup> Based on total actuarial accrued liabilities for pension as of December 31, 2021; OPEB and non-OPEB as of December 31, 2020 for 2023 Budget.

## 2023 DEPARTMENT WEIGHTED AVERAGE

2023 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING	Administration	9.7%	0.0%	3.2%	0.0%	0.0%	87.1%
	Benefits	0.3%	0.0%	0.5%	21.1%	0.0%	78.1%
SALARIES	Fiscal Services	10.1%	0.0%	0.6%	8.8%	0.0%	80.5%
FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.6%	0.0%	0.0%	98.4%
TEMPS	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	97.8%	0.0%	2.2%	0.0%	0.0%	0.0%
	Legal	48.3%	51.7%	0.0%	0.0%	0.0%	0.0%
	PRISM	1.1%	0.0%	12.5%	0.0%	0.0%	86.4%
<b>Total Staffing Factors</b>		<b>17.8%</b>	<b>3.3%</b>	<b>2.2%</b>	<b>9.8%</b>	<b>0.0%</b>	<b>66.9%</b>

## 2022 DEPARTMENT WEIGHTED AVERAGE

2022 Allocation Percentages							
Expense Category	Department	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFFING	Administration	8.1%	0.0%	2.5%	0.0%	0.0%	89.4%
	Benefits	0.3%	0.0%	0.5%	17.0%	0.0%	82.2%
SALARIES	Fiscal Services	11.1%	0.0%	0.6%	8.7%	0.0%	79.6%
FRINGE BENEFITS	Human Resources	0.0%	0.0%	1.5%	0.0%	0.0%	98.5%
TEMPS	Internal Audit	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Investments	99.4%	0.0%	0.6%	0.0%	0.0%	0.0%
	Legal	47.7%	52.3%	0.0%	0.0%	0.0%	0.0%
	PRISM	1.0%	0.0%	12.5%	0.0%	0.0%	86.5%
<b>Total Staffing Factors</b>		<b>17.6%</b>	<b>3.2%</b>	<b>2.0%</b>	<b>8.0%</b>	<b>0.0%</b>	<b>69.2%</b>

## APPLIED FACTORS

2023 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
PROFESSIONAL FEES	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations Consulting	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Miscellaneous Admin.	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Building Expenses	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Communications	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Equipment Lease & Maintenance	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Minor Furniture & Equipment	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Office Maintenance & Supplies	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Printing & Postage	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
INSURANCE	Insurance	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
MEMBER SERVICES	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
	Virtual Call Center	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
UNCOLLECTIBLE BENEFIT PAYMENTS	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BOARD OF RETIREMENT	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	17.8%	3.3%	2.2%	0.0%	0.0%	76.7%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

2022 Applied Allocation Factors							
Expense Category	Expense Line	Investment	Legal	BCP	SRBR	Technology	Administrative
STAFF DEVELOPMENT	Staff Development	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
PROFESSIONAL FEES	Actuarial - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	External Audit	25.0%	0.0%	0.0%	0.0%	0.0%	75.0%
	Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Operations Consulting	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Operations Consulting - SRBR	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
OFFICE EXPENSE	Bank Charges & Miscellaneous Admin.	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Building Expenses	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Communications	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Equipment Lease & Maintenance	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Minor Furniture & Equipment	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Office Maintenance & Supplies	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Printing & Postage	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
INSURANCE	Insurance	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
MEMBER SERVICES	Benefit Verification	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Disability Arbitration and Transcripts	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	Disability Member Medical Expense	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Health Reimbursement Account (HRA)	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
	Member Training & Education	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
	Printing & Postage - Members	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%
SYSTEMS	Computer Hardware & Software	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	County Data Processing	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Disaster Recovery	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Software Maintenance & Support	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
	Software Maintenance & Support-Legal	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
UNCOLLECTIBLE BENEFIT PAYMENTS	Uncollectible Benefit Payments	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
BOARD OF RETIREMENT	Compensation	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Conferences & Training	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Election Expenses	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Employer Reimbursement	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Miscellaneous Activities	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
	Strategic Planning / Workshop	25.0%	10.0%	0.0%	25.0%	0.0%	40.0%
DEPRECIATION	Depreciation - Other	17.6%	3.2%	2.0%	0.0%	0.0%	77.2%
	Depreciation - BCP	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
	Depreciation - Hardware & Software and EDMS	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%

## 2023 Proposed Staffing Allocation Matrix

	INVESTMENTS	LEGAL	BCP	SRBR	ADMIN
<b>ADMINISTRATION</b>					
CEO	20%	-	2%	-	78%
Assistant CEO	10%	-	10%	-	80%
<b>BENEFITS</b>					
Assistant CEO	3%	-	1%	50%	46%
Administrative Specialist II	-	-	2%	-	98%
Administrative Support Specialist	-	-	-	50%	50%
Communications Manager	5%	-	-	50%	45%
Graphic Designer	-	-	-	50%	50%
Management Analyst	-	-	-	50%	50%
Retirement Benefits Assistant Manager	-	-	2%	90%	8%
Retirement Benefits Assistant Manager	-	-	2%	-	98%
Retirement Benefits Manager	-	-	2%	-	98%
Retirement Benefits Manager	-	-	5%	50%	45%
Retirement Benefits Specialist	-	-	-	60%	40%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Retirement Technician	-	-	-	50%	50%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	60%	40%
Senior Retirement Technician	-	-	-	50%	50%
<b>FISCAL SERVICES</b>					
Fiscal Services Officer	5%	-	1%	-	94%
Finance Services Specialist II	-	-	-	70%	30%
Retirement Accountant II	90%	-	-	-	10%
Retirement Accountant III	-	-	2%	25%	73%
Retirement Accountant III	25%	-	1%	-	74%
Retirement Budget Analyst	-	-	2%	-	98%
<b>HUMAN RESOURCES</b>					
Human Resources Officer	-	-	2%	-	98%
Administrative Specialist II	-	-	1%	-	99%
Human Resources Specialist	-	-	1%	-	99%
<b>INVESTMENTS</b>					
Chief Investment Officer	99%	-	1%	-	-
Administrative Specialist II	100%	-	-	-	-
Investment Operations Officer	95%	-	5%	-	-
Investment Analyst	95%	-	5%	-	-
All Other Investment Staff	99%	-	1%	-	-
<b>LEGAL</b>					
Chief Counsel	15%	85%	-	-	-
Administrative Specialist II	50%	50%	-	-	-
Administrative Support Specialist	15%	85%	-	-	-
Associate Counsel	95%	5%	-	-	-
<b>PRISM</b>					
Retirement Tech Officer	-	-	10%	-	90%
Computer Network System Analyst	5%	-	20%	-	75%
Computer and Network System Specialist	1%	-	10%	-	89%
Retirement System Program Analyst	2%	-	15%	-	83%
Security Analyst	-	-	30%	-	70%
All Other PRISM Staff	-	-	5%	-	95%

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## **Section VII**

### **Capital Assets Outlay Budget**

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## Section VII :

### Capital Assets Outlay Budget

The Capital Assets Outlay Budget develops anticipated funding needs for items or projects that exceed a purchase cost of \$5,000.

#### Capital Assets Outlay 2022 - 2023

##### Statement of Capital Assets Outlay - 2022 Forecast and 2023 Proposed Budget

	2022 Budget	2022 Forecast	2022 Forecast vs. 2022 Budget Over/ (Under)	2023 Proposed Budget	2023 Proposed Budget vs. 2022 Forecast Over/ (Under)	% Change
<b>System</b>						
Pension Gold System Upgrade <sup>1</sup>	\$ 1,642,000	\$ 1,580,000	\$ (62,000)	\$ 2,676,000	\$ 1,096,000	69.4%
<b>Sub-Total</b>	<b>1,642,000</b>	<b>1,580,000</b>	<b>(62,000)</b>	<b>2,676,000</b>	<b>1,096,000</b>	<b>69.4%</b>
<b>Capital Assets Outlay Total</b>	<b>\$ 1,642,000</b>	<b>\$ 1,580,000</b>	<b>\$ (62,000)</b>	<b>\$ 2,676,000</b>	<b>\$ 1,096,000</b>	<b>69.4%</b>

<sup>1</sup> Pension Gold Upgrade is a five-year project. Listed below are the current estimated expenses for the 2023 proposed budget:

- Anticipated implementation services with Levi, Ray and Shoup (LRS) — \$1,500,000
- Anticipated cost for Segal and other consultant fees to oversee the project — \$480,000
- Anticipated cost for Staffing to work on the project — \$696,000

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## **Section VIII**

### **Portfolio Management Investment Expenses**

## Section VIII:

### Portfolio Management Investment Expenses

Portfolio Management Investment Expenses include the cost of independent professionals whose contractual fees are negotiated based on the value of assets under management. Known contractual fees are listed and a 5% annual increase is assumed for all other terms.

<b>Portfolio Management Investment Expenses</b>	<b>2022 Budget</b>	<b>2022 Forecast</b>	<b>2022 Forecast vs. 2022 Budget Over/(Under)</b>	<b>2023 Proposed Budget</b>	<b>2023 Proposed Budget vs. 2022 Forecast Over/(Under)</b>	<b>% Change</b>
Consultant Fees	\$ 1,567,000	\$ 1,497,000	\$ (70,000)	\$ 1,560,000	\$ 63,000	4.2%
Custodian Bank Fees	627,000	600,000	(27,000)	564,000	(36,000)	-6.0%
Investment Manager Fees	52,278,000	46,191,000	(6,087,000)	52,413,000	6,222,000	13.5%
Other Investment Expenses	538,000	364,000	(174,000)	572,000	208,000	57.1%
<b>Total Portfolio Management Investment Expenses</b>	<b>\$ 55,010,000</b>	<b>\$ 48,652,000</b>	<b>\$ (6,358,000)</b>	<b>\$ 55,109,000</b>	<b>\$ 6,457,000</b>	<b>13.3%</b>

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## **Appendix**

### **2023 Budget Change Proposals (BCP)**

### **2023 Contingency Fund**

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# Appendix

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## 2023 BUDGET CHANGE PROPOSALS (BCP)

Department	BCP Description		Totals
Benefits/PRISM	Pension Gold System Upgrade (Capital)	\$	2,676,000
Fiscal Services	Cashlog Database Upgrade		30,000
Human Resources	Onboarding Tracking System		12,000
Legal	Disability Arbitration and Litigation Reserve Fund		50,000
PRISM	Uninterruptable Power Supply Batteries		29,000
<b>BCP Total</b>		<b>\$</b>	<b>2,797,000</b>

## 2023 CONTINGENCY FUND

Department	Description	Expense Type		Totals
Legal	Disability Arbitration and Litigation Reserve	Professional fees	\$	50,000
<b>Contingency Fund Total</b>			<b>\$</b>	<b>50,000</b>

## 2023 Proposed Budget Contingency Reserve

### Contingency Reserve for Disability Arbitration and Litigation - \$50,000

This reserve fund is for anticipated disability arbitration and related legal advice expenses. If there is a need, the Chief Executive Officer can redirect the contingency appropriation back to the operating expense budget.

## **NEW BUSINESS**

**7.A. 2022 Board Election Update (Election Year).**

# **NEW BUSINESS**

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



*Office of the Chief Executive Officer  
Office of Administration*

DATE: November 17, 2022  
TO: Members of the Board of Retirement  
FROM: Dave Nelsen, Chief Executive Officer *DN*  
SUBJECT: **Chief Executive Officer's Report**

**Senior Manager Recruitment**

None

**Committee/Board Action Items**

**ASSIGNED FOLLOW-UP ITEMS**

<b>Follow-Up Board Item</b>	<b>Assigned Senior Leader</b>	<b>Estimated Completion Date</b>	<b>Completion Date</b>	<b>Notes</b>
Develop ACERA Re-Opening Plan.	Dave Nelsen	April 2022	On-going	The general guidelines of the Plan have been developed and implemented. We are responding to changes as necessary based on new information.
Board Strategic Planning	Dave Nelsen	Summer and Fall 2022	December of 2022	The Board will receive a draft Strategic Plan for their review and possible approval at the December Board Meeting.

## **Conference/Event Schedule**

None upcoming.

## **Other Items**

### *COVID-19 Responses*

We continue to move forward with our re-opening plan. We have opened for appointments and walk-ins on Tuesday through Thursday. If everything progresses and we see no new rise in COVID threats, the plan is to be open to the public Monday through Friday for regular hours later this year. At this time, masks and social distancing awareness are still required in County Offices for employees and the public. Our customers are continuing to use alternative means of service, and feedback has been generally positive that their service needs continue to be met. We will continue to monitor the information available and consult with the County regarding plans to phase in our re-opening.

As I have mentioned previously, our Post-COVID Staffing Plan for the organization will include remote work as a team member's work requirements allow. We are not planning to mandate a set number of days in the Office for all team members, such as Monday, Wednesday and Friday. Alternatively, we will allow eligible team members to work from home to the extent their work allows, based upon classification and acceptable performance. Some will need to be on-site more or less than others. While this may create greater challenges in building effective teams, I believe the benefits to work-life balance, recruitment and retention will make the challenges worthwhile. Leaders will need to be more intentional with the time spent in the office, and more creative in promoting collaboration and teamwork.

### *Pension Administration System Update*

The project is continuing to work through its phases. We have completed the third deliverable, out of five. This was related to Benefit Calculations. We have been doing user acceptance testing of that deliverable beginning in November, and are also working on the next item, which is Retiree Payroll. We are validating the requirements of this deliverable and may be able to make up some of the time lost on deliverable three by eliminating some customization requests. We continue to work with the other employers on the new transmittal file layout. Additionally, we are working on our On-Base enhancements and integration into the PAS Project schedule.



### Legislative Items

SB 1328: would require Russian divestment for California pension systems, including CERL systems. This did not pass the legislature.

AB 1824 and AB 1971: are the two SACRS sponsored proposals. Both were passed and signed by the Governor.

AB 2493: addresses the situation where earnings for public safety employees were reported as pensionable in error, through no fault of the member. This did not pass the legislature.

AB 2449: authorizes, until January 1, 2026, members of a legislative body of a local agency to use teleconferencing without noticing each teleconference location or making it publicly accessible, provided at least a quorum of the members of the body participates in person at a singular physical location. This passed the Legislature and was signed by the Governor.

AB 826: This bill would have allowed the County of Ventura to continue reporting a certain compensation type excluded by the Supreme Court ruling in the Alameda case. This was revived very late in session and passed the by legislature, but was vetoed by the Governor.

### Strategic Planning Update

A draft Strategic Plan will be shared with Senior Leaders this month for review and comment, and the final draft will be presented to the Board in December. The Board will have the opportunity to provide comment and perhaps approve the final plan. Following adoption of the Strategic Plan, Staff will develop a business plan with initiatives to support the strategic objectives. We will present this plan to the Board in the early Spring.

### Virtual Meetings

The Governor has announced that he will be lifting the COVID Emergency Order effective February 28, 2023. At this time, the authority for Board members to meet virtually will be subject to the provisions of the *Brown Act*, which are significant. We will have a briefing in January of the provisions of AB 2449 and the new requirements for meetings, but it is likely that any public meeting on or after March 1, 2023 will need to be held in on-site for Trustees. Customers and others will continue to have the ability to watch and interact during the meetings virtually.

**Key Performance Indicators**

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

Scorecard KPI	2022 Performance Goal
<b>PRUDENT INVESTMENT PRACTICES</b>	
<b>Portfolio Performance vs. Policy Benchmark</b>	<i>Annualized 10-year return will meet or exceed Policy benchmark at the total fund level</i> <b>July of 2022: We were .03% short of the benchmark.</b>
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
<b>Actual Spent vs. Approved Budget</b>	<i>On budget or 10% below 2022 approved budget</i> <b>As of end of September 2023: 7% under budget.</b>
<b>COMPREHENSIVE ORGANIZATION DEVELOPMENT</b>	
<b>Employee Engagement Survey Results</b>	<i>80% of responses in top two rating boxes on the question: "Is ACERA a great place to work?"</i> <b>As of the latest survey (October of 2022): 71%.</b>
<b>SUPERIOR CUSTOMER SERVICE</b>	
<b>Service Excellence Survey</b>	<i>80% of responses in top two rating boxes on the question: "Did ACERA meet or exceed my expectations for my customer service experience?"</i> <b>For 3rd Quarter of 2022: 100%</b>

**12. CLOSED SESSION:**

- A. Significant exposure to litigation and potential initiation of litigation, pursuant to paragraphs (2) and (4) of subdivision (d) of Government Code Section 54956.9: (one potential case).**
- B. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).**

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