



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

**OPERATIONS COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE PER 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.

**Wednesday December 1, 2021
9:30 a.m.**

Zoom Instructions	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 831 5019 6554 Password: 652927 Call-in Number: 1 669 900 6833 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	JAIME GODFREY, CHAIR	APPOINTED
	LIZ KOPPENHAVER, VICE CHAIR	ELECTED RETIRED
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	HENRY LEVY	TREASURER

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

The order of agenda 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.

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

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.

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – December 1, 2021

Call to Order: 9:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

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

1. **Discussion and Possible motion to recommend that the Board of Retirement approve the annual agreement for Segal, ACERA's Benefits consultant**

-Kathy Foster

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the annual agreement for \$127,200 effective January 1, 2022 for ACERA's Benefits Consultant, Segal.

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

1. **Operating Expenses as of 10/31/2021**

-David Nelsen

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

-Kathy Foster

-Vijay Jagar

-Mike Fara

-Jessica Huffman

-Sandra Duenas-Cuevas

3. **2022 Medical Advisor Services RFI**

- Sandra Duenas-Cuevas

Trustee Remarks

Future Discussion Items

February

- Discussion and Possible Motion to Approve the 2021 Discharge Request of Benefits Overpayments
- Proposed 2022 Operations Committee Work Plan
- Un-Audited Financial Statements as of 12/31/21
- Operating Expenses as of 12/31/21
- Actual Cash Report as of 12/31/21
- Board Member Conference Expense Report for 4th Qtr. 2021
- Senior Manager Conference and Training Expense Report for 4th Qtr. 2021

OPERATIONS COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – December 1, 2021

Establishment of Next Meeting Date

February 2, 2022 at 9:30 a.m.

Adjournment



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 1, 2021

TO: Members of the Operations Committee

FROM: Kathy Foster, Assistant Chief Executive Officer

A handwritten signature in blue ink, appearing to read "K Foster".

SUBJECT: **Annual Renewal of Benefits Consulting Agreement – Segal**

ACERA has negotiated a new agreement for benefits consulting services with Segal, to be effective January 1, 2022 through December 31, 2022. There is no increase to the annual cost for the new agreement, which will remain at \$127,200. Staff is requesting approval for an annual amount of \$127,200 for benefits consulting services for the new agreement.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the annual agreement for \$127,200 effective January 1, 2022, for ACERA's Benefits Consultant, Segal.



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 1, 2021

TO: Members of the Operations Committee

FROM: David Nelsen, Chief Executive Officer *DN*

SUBJECT: Operating Expenses and Budget Summary for the period ended October 31, 2021

ACERA's operating expenses are \$1,674K under budget for the period ended October 31, 2021. Budget overages and surpluses worth noting are as follows:

Budget Overages

1. *Professional Fees*: Professional Fees are \$40K over budget. This amount comprises overage in actuarial fees of \$108K due to consultancy related to County and LARPD additional UAAL contributions, offset by surpluses in legal fees of (\$62K) partially due to transfer from contingency fund, benefit consultant fees of (\$1K), and external audit fees of (\$5K).
2. *Depreciation*: Depreciation is \$1K over budget.

Budget Surpluses

3. *Staffing*: Staffing is \$1,055K under budget. This amount comprises surpluses in staff vacancies of (\$323K), and fringe benefits of (\$904K), offset by an overage in temporary staffing of \$172K due to vacant positions filled by temporary staff.
4. *Staff Development*: Staff Development is \$101K under budget due to savings from unattended staff trainings and conferences.
5. *Office Expense*: Office Expense is \$118K under budget. This amount comprises surpluses in printing and postage of (\$14K) and office maintenance and supplies of (\$44K) both due to savings in usage, communication expenses of (\$10K), building expenses of (\$2K), interest and amortization expense of (\$2K), bank charges and miscellaneous administration of (\$16K) mainly due to savings from security expense of investment committee meetings and active for life expenses, equipment lease and maintenance of (\$18K) mainly due to savings from overall equipment maintenance, and minor equipment and furniture of (\$12K) due to savings from ergonomic equipment and furniture expenses.
6. *Insurance*: Insurance is \$34K under budget.
7. *Member Services*: Member Services are \$38K under budget. This amount comprises surpluses in disability legal arbitration and transcripts of (\$45K) due to reduction in number of legal arbitration cases, members' printing and postage of (\$7K), and member training and education of (\$16K), offset by overages in virtual call center of \$20K due to increase in

Operating Expenses Budget Summary for the period ended October 31, 2021

usage and additional functionality added, health reimbursement account of \$1K, and disability medical expense of \$9K due to increase in disability cases.

8. *Systems*: Systems are \$77K under budget. This amount comprises surpluses in software maintenance and support of (\$109K) mainly due to delay in IT projects and capitalization of Great Plains upgrade expenses, offset by overages minor computer hardware of \$1K, business continuity expense of \$25K due to higher usage of amazon workspace, and county data processing of \$6K.
9. *Board of Retirement*: Board of Retirement is \$292K under budget. This amount comprises surpluses in board conferences and trainings of (\$128K) mainly due to unattended trainings and conferences, board employer reimbursement of (\$141K) mainly due to adjustment of prior year overpayments, board miscellaneous expenses of (\$14K), board software maintenance and support of (\$1K), board strategic planning of (\$10K), and board compensation of (\$1K), offset by board election of \$3K.

Staffing Detail

Permanent vacant positions as of October 31, 2021:

Department	Position	QTY	Comments
Administration	Administrative Assistant	1	Vacant - currently budgeted until 12/2021
Administration	Assistant Chief Executive Officer	1	Vacant - currently budgeted until 12/2021
Benefits	Administrative Specialist II	1	Vacant - currently budgeted until 12/2021
Benefits	Retirement Benefit Specialist	1	Vacant - currently budgeted until 12/2021
Fiscal	Financial Services Specialist II	1	Vacant - currently budgeted until 12/2021
Investments	Investment Operation Officer	1	Vacant - currently budgeted until 12/2021
Investments	Investment Analyst	1	Vacant - currently budgeted until 12/2021
Total Positions		7	

Operating Expenses Budget Summary for the period ended October 31, 2021

Pension Administration System Project as of October 31, 2021					
All amounts are in \$	Year-To-Date			2021 Budget	2019-20 Actual
	Actual	Budget	Variance		
Consultant Fees					
Levi, Ray and Shoup	28,337	570,000	(541,663)	683,000	1,085,179
Segal	337,015	320,000	17,015	384,000	800,450
Other expenses	-	42,000	(42,000)	50,000	1,500
Leap Technologies	-	-	-	-	98,970
Total	365,352	932,000	(566,648)	1,117,000	1,986,099
Staffing	514,037	517,500	(3,463)	627,000	881,052
TOTAL	879,390	1,449,500	(570,110)	1,744,000	2,867,151

Attachments:

- Total Operating Expenses Summary
- Professional Fees – Year-to-Date – Actual vs. Budget



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

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>October 31, 2021</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2021</u>	<u>% Actual to</u>
	<u>Year-To-Date</u>	<u>Year-To-Date</u>	<u>Variance</u>	<u>Annual</u>	<u>Annual Budget</u>
			<u>(Under)/Over</u>	<u>Budget</u>	
Staffing	\$ 12,174,775	\$ 13,230,000	\$ (1,055,225)	\$ 16,049,000	75.9%
Staff Development	132,963	233,535	(100,572)	274,000	48.5%
Professional Fees (Next Page)	1,078,695	1,038,980	39,715	1,178,000	91.6%
Office Expense	360,848	479,000	(118,152)	574,000	62.9%
Insurance	647,927	681,620	(33,693)	825,000	78.5%
Member Services	353,493	391,500	(38,007)	464,000	76.2%
Systems	933,450	1,010,220	(76,770)	1,202,000	77.7%
Depreciation	99,496	98,680	816	118,000	84.3%
Board of Retirement	251,252	542,980	(291,728)	675,000	37.2%
Uncollectable Benefit Payments	-	-	-	68,000	0.0%
Total Operating Expense	\$ 16,032,899	\$ 17,706,515	\$ (1,673,616)	\$ 21,427,000	74.8%



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

October 31, 2021

	<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>2021</u> <u>Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
Professional Fees					
Consultant Fees - Operations and Projects ¹	\$ 275,951	\$ 277,300	\$ (1,349)	\$ 333,000	82.9%
Actuarial Fees ²	490,978	383,300	107,678	415,000	118.3%
External Audit ³	152,127	157,000	(4,873)	157,000	96.9%
Legal Fees ⁴	159,639	221,380	(61,742)	273,000	58.5%
Total Professional Fees	\$ 1,078,695	\$ 1,038,980	\$ 39,715	\$ 1,178,000	91.6%

	<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>2021 Annual</u> <u>Budget</u>	<u>% Actual to</u> <u>Annual Budget</u>
¹ CONSULTANT FEES - OPERATIONS AND PROJECTS:					
Benefits					
Alameda County HRS (Benefit Services)	105,000	105,000	-	126,000	83.3%
Segal (Benefit Consultant/Retiree Open Enrollment)	106,000	108,300	(2,300)	130,000	81.5%
Total Benefits	211,000	213,300	(2,300)	256,000	82.4%
Human Resources					
Lakeside Group (County Personnel)	64,951	64,000	951	77,000	84.4%
Total Human Resources	64,951	64,000	951	77,000	84.4%
Total Consultant Fees - Operations	\$ 275,951	\$ 277,300	\$ (1,349)	\$ 333,000	82.9%
² ACTUARIAL FEES					
Actuarial valuation	79,000	79,000	-	79,000	100.0%
GASB 67 & 68 Valuation	49,000	49,000	-	49,000	100.0%
GASB 74 & 75 Actuarial	14,500	15,000	(500)	15,000	96.7%
Actuarial Standard of Practice 51 Pension Risk	25,000	40,000	(15,000)	40,000	62.5%
Supplemental Consulting	281,478	158,300	123,178	190,000	148.1%
Supplemental Retiree Benefit Reserve valuation	42,000	42,000	-	42,000	100.0%
Total Actuarial Fees	\$ 490,978	\$ 383,300	\$ 107,678	\$ 415,000	118.3%
³ EXTERNAL AUDIT					
External audit	131,940	132,000	(60)	132,000	100.0%
GASB 67 & 68 audit	10,819	13,000	(2,181)	13,000	83.2%
GASB 74 & 75 audit	9,368	12,000	(2,632)	12,000	78.1%
Total External Audit Fees	\$ 152,127	\$ 157,000	\$ (4,873)	\$ 157,000	96.9%
⁴ LEGAL FEES					
<u>Fiduciary Counseling & Litigation</u>					
Nossaman - Fiduciary Counseling	15,589	17,333	(1,745)	44,000	
Reed Smith - Fiduciary Counseling	5,905	10,833	(4,929)	10,000	
Nossaman - Litigation	27,698	32,333	(4,635)	42,000	
Reed Smith - Litigation	67,547	80,000	(12,453)	80,000	
Subtotal	116,738	140,500	(23,762)	176,000	66.3%
<u>Tax and Benefit Issues</u>					
Hanson Bridgett	11,811	24,200	(12,389)	29,000	
Subtotal	11,811	24,200	(12,389)	29,000	40.7%
<u>Miscellaneous Legal Advice</u>					
Meyers Nave	31,089	56,680	(25,591)	68,000	
Subtotal	31,089	56,680	(25,591)	68,000	45.7%
Total Legal Fees	\$ 159,639	\$ 221,380	\$ (61,742)	\$ 273,000	58.5%



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 1, 2021

TO: Members of the Operations Committee

FROM: Kathy Foster, Assistant Chief Executive Officer *Kathy Foster*

SUBJECT: **Changes & Enhancements to Benefits Processing, Member Services, and Website**

During the last year, many changes and enhancements have been made to benefits processing, communications, member services, and the website. Some were a result of working virtually and some were put in place as technology upgrades were needed. A team of managers will present these enhancements, explaining what changes have taken place along with the benefits to members, retirees and Staff working with the new systems and processes.

Attachment

Changes & Enhancements to Benefits Processing, Member Services, and Website

Operations Committee Meeting
December 1, 2021

Kathy Foster
Vijay Jagar
Mike Fara
Jessica Huffman
Sandra Duenas-Cuevas



Introduction

Kathy Foster

- DocuSign
- Service Retirement
- Disabilities
- Call Center
- Seminars/Webinars
- Virtual Health Fair

DocuSign

Vijay Jagar &
Mike Fara

- **Enhancements**
 - Easy to use from computer or smartphone
 - No need to have printer!
 - Enhanced security
 - Ensures form completion
 - Improved workflow for staff
- **Rollout**
 - Healthcare enrollment forms
 - Service Retirement Application
 - Other forms
- **Integration with OnBase**

Service Retirement

Jessica Huffman

- a) Virtual and limited on-site Counseling appointments available
- b) Member Education - Videos and enhanced content available on ACERA website; including a comprehensive Counseling In-take form
- c) New service retirement application on DocuSign - Demo
 - Improved layout to help member easily complete application with minimal need for follow-ups
 - Updated language in section instructions and margins to be less intimidating, easier to understand.
 - Combined 5 of the previously separate required forms into 1
 - Added security
- d) Default payroll options being used to streamline and reduce processing times

Disabilities

Sandra Duenas-Cuevas

a) Disability inquiry/intake form- ACERA website

- Introduction
- Demo

b) Virtual Counseling options-

- In-person
- Video meetings
 1. Microsoft teams: cloud-based team collaboration software
 2. Zoom: cloud-based communication application

-Phone Counseling

c) Disability Optimization/case management database

d) Improved member correspondence delivery

- Electronic vs. postal mail

e) Dropbox- accessible to members and employers

f) Resources/staffing

g) Improvement to disability unit correspondence

Call
Center
Jessica Huffman

Improvements in communicating with ACERA

A) 8x8 phone system

b) Info@acera email
Inquiries

c) Envoy - Appointment
tracking and
notification system

Seminars / Webinars

Mike Fara

	2019	2020	2021 YTD
In-Person Attendees	600 (Approx.)	125 (Approx.)	-
Live Video Attendees	-	156	374
YouTube Unique Viewers (Approx.)	-	1279	1122
YouTube Views	-	1920	1685
Total Members Reached	600	1560	1496

- YouTube is 2X more popular than in-person
- YouTube is 5X more popular than live video
- Virtual is 3X more popular than in-person

Virtual Health Fair

Mike Fara

- **When:**

Thursday, October 28, 2021

- **Start Time:**

10:00 AM

Event will be available for On-Demand
for later viewing at your leisure

- **Location:**

www.acera.org/healthfair

Virtual Health Fair

Mike Fara

- Visit the virtual health fair to watch live presentations from carriers and vendors
- Access vendor virtual resources and learn about their services and benefits offered
- “Refresh” home wellness presentation from Kaiser
- Learn how to practice meditation and calmness exercises by clicking on the links and watching
- View event from any internet-connected device anywhere
- Complete the ACERA Survey to be entered into a drawing for a chance to receive a gift



MEMORANDUM TO THE OPERATIONS COMMITTEE

DATE: December 1, 2021

TO: Members of the Operations Committee

FROM: Sandra Dueñas-Cuevas, Benefits Manager *SDC*

CC: Kathy Foster, Assistant Chief Executive Officer

SUBJECT: **Medical Advisor & Disability Claims Management Services RFI**

ACERA plans to release a Request for Information on February 1st to service providers who could potentially provide both Medical Advisor and Disability Claims Management services.

Managed Medical Review Organization (MMRO) has now provided services to ACERA since May of 2017. Under MMRO's oversight of disability retirement claims management, recommendation response to the Board has decreased from one year to under five months on average. Staff, trustees', and members' confidence in the timeliness of the disability application process have improved and Staff believes service under this platform should continue. In accordance with the Service Provider Policy, Staff is recommending the Board to issue a Request for Information (RFI) for Medical Advisor and Disability Claims Management. An RFI will allow ACERA to determine if there are other service providers that may be able to offer a more efficient, cost effective and member support platform in the process of claims management and medical advisory.

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board issue a RFI for Medical Advisor and Disability Claims Management Services to determine if new service providers have emerged in the industry space that will meet the business needs of the organization.

Attachments: Proposed RFI Timeline



**Medical Advisor and Disability Claims Management Services
Request for Information Timeline**

ACTION	TARGET DATE	RESPONSIBILITY
Create RFI and Cover Letter	January 24	Staff
Send RFI & Cover Letter to Service Providers	February 1	Staff
Questions, Clarification and Comments Deadline	February 15	Service Provider
Due Date for Information Submission	March 1	Service Provider
Review submitted Information	March 3	Staff
Notify Finalists	March 7	Staff
Check Service Provider References	March 10	Staff
Interviews	March 15	Staff
Recommendation from Operations Committee to Board of Retirement	April 1	Staff
Notify Finalists of Service Provider Selection	April 4	Staff
Negotiate Contract	April 11	Staff/Service Provider
Send Termination Letter to Current Consultant (if applicable)	April 15	Staff
Send Provider of Record Letter to Stakeholders	April 29	Staff
New Provider meets with Staff to review plans and outline service expectations	May 2	Staff/Service Provider
CONTRACT EFFECTIVE DATE: June 1, 2022		