



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

**NOTICE and AGENDA**

**ACERA MISSION:**

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

**Thursday, December 21, 2023  
2:00 p.m.**

LOCATION AND TELECONFERENCE	BOARD OF RETIREMENT TRUSTEES	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14<sup>TH</sup> STREET, 10<sup>TH</sup> FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: <a href="https://zoom.us/join">https://zoom.us/join</a> Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406</p> <p>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>	JAIME GODFREY CHAIR	APPOINTED
	OPHELIA BASGAL FIRST VICE-CHAIR	APPOINTED
	KELLIE SIMON SECOND VICE-CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	TARRELL GAMBLE	APPOINTED
	HENRY LEVY	TREASURER
	ELIZABETH ROGERS	ELECTED RETIRED
	GEORGE WOOD	ELECTED GENERAL
	CYNTHIA BARON	ALTERNATE RETIRED <sup>1</sup>
KEVIN BRYANT	ALTERNATE SAFETY <sup>2</sup>	

<sup>1</sup> 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.

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

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

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

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

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT**

**4. CONSENT CALENDAR:**

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

**A. REPORT ON SERVICE RETIREMENTS:**

*Appendix A*

**B. LIST OF DEFERRED RETIREMENTS:**

*Appendix B*

**C. LIST OF DECEASED MEMBERS:**

*Appendix C*

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

*None*

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

*None*

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

*None*

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

*November 16, 2023 Minutes of the Regular Board Meeting*

*November 16, 2023 Governance Committee Minutes*

*November 16, 2023 Operations Committee Minutes*

*December 6, 2023 Retirees Committee Minutes*

*December 6, 2023 Investment Committee Minutes*

**H. MISCELLANEOUS:**

- *Operating Expenses as of 10/31/23*

-----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. Retirees: [See December 6, 2023 Retirees Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of December 6, 2023 Meeting.
2. Motion to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2024, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$174.70. The MBRP benefit is a non-vested benefit funded by contributions from ACERA Employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.
3. Motion to revise the Board's 401(h) Resolution and Appendix A thereto per the redline included in this agenda backup.
4. Motion to adopt the Death Benefit Equity Policy included in this agenda backup.

**B. Investment: [See December 6, 2023 Investment Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of December 6, 2023 Meeting.

**C. Actuarial: [See December 21, 2023 Actuarial Committee Agenda Packet for public materials related to the below listed items.]**

1. Summary of December 21, 2023 Meeting.
2. Motion to adopt the proposed Triennial Actuarial Experience Study for the years 2020-2022 to be used in conducting ACERA's December 31, 2023 through December 31, 2025, annual actuarial valuations.

**7. NEW BUSINESS:**

- A. Discussion and possible motion to award a contract for benefits consulting services to Segal.
- B. Chief Executive Officer’s Report.
- C. Discussion and possible motion regarding Chief Executive Officer Compensation.

**8. CONFERENCE/ORAL REPORTS**

**9. ANNOUNCEMENTS**

**10. BOARD INPUT**

**11. ESTABLISHMENT OF NEXT MEETING:**

**Thursday, January 18, 2024 at 2:00 p.m.**

**12. CLOSED SESSION:**

- A. Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: *LACERA v. County of Los Angeles et al.*, Cal. Court of Appeal Second Appellate District Case No. B326977 (ACERA participating as amicus curiae).
- B. Public Employee Discipline/Dismissal/Release.
- C. Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).
- D. Conference with Designated Representative (Jamie Godfrey) regarding Compensation Negotiations with the Chief Executive Officer (Cal. Gov’t Code § 54957.6).

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

**14. ADJOURNMENT**

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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AGUIRRE, Sylvia  
Effective: 9/30/2023  
Alameda Health System

FRAZER, Brian  
Effective: 10/1/2023  
Sheriff's Office

BANTSON, Bernard  
Effective: 9/30/2023  
Health Care Services Agency

MCGEE, Paul  
Effective: 9/30/2023  
Probation

BOTTOM, Dorthea  
Effective: 9/30/2023  
Probation

RODRIGUEZ, Deanna  
Effective: 9/30/2023  
Probation

BRAZELTON GRIEGO, Bennie  
Effective: 9/30/2023  
Health Care Services Agency

RODRIGUEZ, Eva  
Effective: 9/30/2023  
Alameda Health System

BURRELL, Renee  
Effective: 9/30/2023  
Probation

SANTAMARIA, Luis  
Effective: 10/18/2023  
Sheriff's Office

CAMPBELL, Karen  
Effective: 9/29/2023  
Superior Court

WEST, Bambi  
Effective: 9/30/2023  
District Attorney

COHEN, Patrick  
Effective: 11/11/2023  
Sheriff's Office

WILEY, Lynn  
Effective: 10/16/2023  
Superior Court

COOK, Michelle  
Effective: 9/27/2023  
LARPD

YEE GRAY, Leinaala  
Effective: 10/3/2023  
Superior Court

DAVID, Susan  
Effective: 10/14/2023  
Alameda Health System

ACKERMAN MIRAFLORES, Lila M.  
Superior Court  
Effective Date: 9/29/2023

FERNANDEZ, Leo  
Effective: 9/30/2023  
Registrar of Voters

ALDANA, Ryan D  
Social Services Agency  
Effective: 10/20/2023

FERNANDO-ESPINOSA, Cynthia  
Effective: 9/30/2023  
Social Services Agency

ARROYO, Alexandra  
Health Care Services Agency  
Effective: 10/27/2023

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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BELL, Lawson M.  
Board of Supervisors  
Effective: 10/4/2023

BRANNON, Morgan K.  
Health Care Services Agency  
Effective: 10/20/2023

BORZIN, Jonathan A.  
Sheriff's Office  
Effective: 10/4/2023

CARTER, Jasmine  
Social Services Agency  
Effective: 10/6/2023

CEVALLOS, Vanessa  
District Attorney  
Effective: 10/17/2023

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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CUENCA, Christine E.  
Social Services Agency  
Effective: 9/19/2023

MASLIN, Sarah E.  
Health Care Services Agency  
Effective: 10/13/2023

DEMARCUS, Dawn L.  
District Attorney  
Effective: 10/22/2023

MEZA, Alexis M.  
First 5  
Effective: 10/10/2023

DHINDSA, Davinder S.  
Superior Court  
Effective: 10/20/2023

MOHAMMED, Ghulam  
Social Services Agency  
Effective: 10/13/2023

DRAVES, Curtis D.  
Superior Court  
Effective: 9/15/2023

NELSON, Angela M.  
District Attorney  
Effective: 10/27/2023

DULLER, Cole C.  
Auditor-Controller  
Effective: 10/6/2023

NEWELLS, Ethelene H.  
District Attorney  
Effective: 10/27/2023

GALLEGOS, Marcelo  
Superior Court  
Effective: 10/6/2023

PADILLA, Joseph T.  
Alameda Health System  
Effective: 9/29/2023

HAHN, Agnes E.  
Health Care Services Agency  
Effective: 10/20/2023

RAMOS, Ingrid  
General Services Agency  
Effective: 10/22/2023

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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SCHMITT, Adelheid M.  
Social Services Agency  
Effective: 9/19/2023

STEWART, Adisa B.  
Health Care Services Agency  
Effective: 10/27/2023

SHELDON, Jennifer M.  
Alameda Health System  
Effective: 10/11/2023

THOMAS, Andrina  
Superior Court  
Effective: 10/20/2023

SHETAB, Kabir A.  
Alameda Health System  
Effective: 9/30/2023

THOMPSON, Juliet  
Social Services Agency  
Effective: 9/22/2023

STEARNS, Charleen  
Health Care Services Agency  
Effective: 10/11/2023

VIEIRA DUCEY, Edward C.  
District Attorney  
Effective: 10/13/2023

STEWART, January S.  
Social Services Agency  
Effective: 10/3/2023

WELBECK, Sakeley S.  
Alameda Health System  
Effective: 10/17/2023

YING, Alexander  
Community Development Agency  
Effective: 10/27/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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ANDOLA, Victoria  
Alameda Health System  
11/9/2023

EDWARDS, Yolanda  
Social Services Agency  
10/4/2023

BROOKS, Jacqueline  
Non-Mbr Survivor of Bruce Brooks  
11/10/2023

GAILLIARD, Joyce  
Superior Court  
10/9/2023

CALHOUN, Gloria  
Board of Supervisors  
10/24/2023

JULIN, Dorothy  
Alameda Health System  
10/14/2023

CLARO, Leon  
Alameda Health System  
11/11/2023

MASON-REESE, Mathilda  
Behavioral Health Care Services  
11/4/2023

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**APPENDIX C  
LIST OF DECEASED MEMBERS**

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NELSON, Joann  
Non-Mbr Survivor of Alan Nelson  
11/1/2023

SILVA, Manuel  
Public Works Agency  
11/6/2023

PARSONS, Valerie  
Alameda Health System  
11/14/2023

WAX, Norene  
Health Care Services Agency  
10/28/2023

RYDBECK, Robert  
Probation  
11/5/2023

WETZEL, Patricia  
Non-Mbr Survivor of Leslie Wetzel  
10/31/2023

SHAW, Anore  
Public Works Agency  
10/12/2023

WOOTEN, Betty  
Alameda Health System  
10/11/2023

YOUNG, George  
Environmental Health  
10/20/2023

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

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

\*CONFIDENTIAL INFORMATION - THIS DOCUMENT IS THE PROPERTY OF THE BOARD OF RETIREMENT AND IS NOT TO BE DISSEMINATED TO THE PUBLIC OR OTHER AGENCIES WITHOUT THE WRITTEN PERMISSION OF THE BOARD OF RETIREMENT.

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

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**Name:** Thomas, Darain  
**Type of Claim:** Non-Service Connected

Staff's Recommendation:

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

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

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**Thursday, November 16, 2023**

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

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

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

Staff Excused: Victoria Arruda, Human Resource Officer

Trustee Basgal participated via Zoom as a voting Board member for “just cause” pursuant to Government Code Section 54953(f).

**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**

*None*

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

*None*

**APPROVE MINUTES of BOARD and COMMITTEE MEETINGS**

*October 19, 2023 Minutes of the Regular Board Meeting*

*October 19, 2023 Audit Committee Minutes*

**MISCELLANEOUS**

- *Quarterly Financial Statements as of 09/30/23*
- *Operating Expenses as of 09/30/23*
- *Quarterly Cash Forecast Report as of 09/30/23*
- *Board Member Conference Expense Report as of 09/30/23*
- *Senior Manager Conference and Training Expense Report as of 09/30/23*
- *Quarterly Report on Member Underpayments and Overpayments*
- *3<sup>rd</sup> Qtr. 2023 Call Center Report*

**23-79**

**It was moved by Tarrell Gamble and seconded by Kellie Simon that the Board adopt the Consent Calendar. The motion carried 7 yes (*Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustees Basgal and Carson were not present for the motion.***

**REGULAR CALENDAR  
REPORTS AND ACTION ITEMS**

**DISABILITY, DEATH AND OTHER BENEFIT CLAIMS**

None.

**COMMITTEE REPORTS, RECOMMENDATIONS AND MOTIONS**

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

***Governance:***

Trustee George Wood reported that the Governance Committee met earlier today and discussed proposed revisions to the *Membership Policy*.

**23-80**

**It was moved by George Wood and seconded by Tarrell Gamble that the Board adopt revisions to the *Membership Policy*, as recommended by the Governance Committee. The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Wood further reported that the Governance Committee discussed a proposed *Governance Committee Charter*.

**23-81**

**It was moved by George Wood and seconded by Tarrell Gamble that the Board adopt a *Governance Committee Charter*, as recommended by the Governance Committee. The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the December 21, 2023 Board meeting.

***Operations:***

Trustee Kellie Simon reported that the Operations Committee met earlier today and that the Committee discussed the proposed 2024 ACERA Operating Expense Budget. Trustee Simon further reported that the proposed 2024 Operating Expense Budget includes a 4.4% increase due to salary and fringe benefit costs.

**23-82**

**It was moved by Kellie Simon and seconded by Tarrell Gamble that the Board adopt the proposed 2024 ACERA Operating Expense Budget. The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Trustee Simon further reported that the Operations Committee discussed proposed revisions to the *Board Elections Policy* to accommodate ACERA's plan to move towards a hybrid voting method for future Board Elections.

**23-83**

**It was moved by Kellie Simon and seconded by Tarrell Gamble that the Board adopt revisions to the *Board Elections Policy*, as recommended by the Operations Committee. The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 0 abstentions. *Trustee Carson was not present for the motion.***

Minutes of the meeting will be presented to the Board for adoption on the Consent Calendar at the December 21, 2023 Board meeting.

**NEW BUSINESS:**

***Chief Executive Officer's Report on SACRS Proxy Vote***

Chief Executive Officer Dave Nelsen reported how he voted ACERA's Proxy at the SACRS Fall Conference Business meeting as follows: 1) Received and filed the Secretary and Treasurer's Reports; 2) Approved the Audit; and 3) Voted in support of the four (4) SACRS sponsored proposed amendments to the County Employees' Retirement Law of 1937 (CERL), which passed by a vote of 19 for and 1 against (Kern County Employees' Retirement Association).

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

Mr. Nelsen presented his November 16, 2023 written CEO Report which provided an update on Business Planning and Key Performance Indicators.

Mr. Nelsen reported that ACERA's total Actuarial Accrued Liability is approximately \$12.74 billion, which was used to create ACERA's Administrative Budget [**See** Page 73 of the proposed 2024 Operating Expense Budget].

## **CONFERENCE/ORAL REPORTS**

Trustees reported on their attendance at the SACRS Fall Conference and stated they were very impressed with the speakers. Trustee Clippinger and Mr. Nelsen stated that the session regarding Energy Security was very good.

Trustee Keith Carson reported that the Alameda County Board of Supervisors hosted the State-Wide California State Association of Counties (CSAC) Conference at the Marriot Hotel in Oakland, California. Trustee Carson further reported CSAC consists of 58 Counties and that there were approximately 750 attendees.

## **ANNOUNCEMENTS**

None.

## **BOARD INPUT**

None.

## **CLOSED SESSION**

It was announced that the Board would not be discussing Item 12B in closed session.

The Board adjourned into Closed Session to discuss the following:

### **Item 12:**

- A.** Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: *LACERA v. County of Los Angeles et al.*, Cal. Court of Appeal Second Appellate District Case No. B326977 (consider whether to enter as an amicus curiae).
- B.** Public Employee/Discipline/Dismissal/Release.
- C.** Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).

The Board reconvened into Open Session and the following Trustees returned:  
*Baron, Basgal (via Zoom), Bryant, Carson, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*

Chief Counsel Jeff Rieger reported that the Board made the following motion regarding agenda item 12A above, which relates to the Los Angeles County Employees Retirement Association's (LACERA) authority over classifications and compensation of its Staff:

**23-84**

**The Board will participate as an Amicus Curiae (Friend of the Court) in support of LACERA regarding the *LACERA v. County of Los Angeles et al.* matter. The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, and 1 abstention (*Carson*).**

Mr. Rieger reported that the Board did not discuss agenda item 12B in Closed Session.

Board Chair Jaime Godfrey reported that he would serve as the Board's Designated Representative to discuss compensation negotiations with Chief Executive Officer Dave Nelsen regarding Mr. Nelsen's evaluation process.

To view the November 16, 2023 Board meeting in its entirety, click on the link below:  
<https://youtu.be/Ijb5rfqUaCw>

**ADJOURNMENT**

The meeting was adjourned at approximately 2:46 p.m.

Respectfully Submitted,



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David Nelsen  
Chief Executive Officer

12/21/23

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Date Adopted

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**APPENDIX A**  
**REPORT ON SERVICE RETIREMENTS**

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BAHAD, Balvinder  
Effective: 9/16/2023  
General Services Agency

HALL, Boydine  
Effective: 9/16/2023  
Superior Court

BELLO, Edward  
Effective: 9/2/2023  
Public Works Agency

HAMPTON, Janine  
Effective: 7/31/2023  
Public Works Agency

CAMPBELL, Almaceo  
Effective: 9/24/2023  
Alameda Health System

HURTADO, Jose  
Effective: 9/15/2023  
Social Services Agency

CHANG, Karen  
Effective: 9/1/2023  
Probation

JACOBO, Ernesto  
Effective: 8/1/2023  
Health Care Services Agency

CHUCK, Lilian  
Effective: 8/19/2023  
Social Services Agency

KARANDIKAR, Varsha  
Effective: 9/2/2023  
Information Technology Department

DE CREDICO, Irene  
Effective: 9/19/2023  
Health Care Services Agency

LACEY, Mary  
Effective: 9/2/2023  
District Attorney

DIXON, Dennis  
Effective: 8/26/2023  
Social Services Agency

LAU, Judy  
Effective: 9/2/2023  
Social Services Agency

DOOHER, Melissa  
Effective: 9/2/2023  
District Attorney

LEW, Mi  
Effective: 8/5/2023  
Social Services Agency

GAMPONG, Emilia  
Effective: 9/16/2023  
Alameda Health System

MACKAY, Sharron  
Effective: 8/17/2023  
Social Services Agency

GEISLER, Martin  
Effective: 9/2/2023  
Probation

MASON, Janice  
Effective: 9/6/2023  
ACERA

GOLDSTEIN, Michael  
Effective: 9/16/2023  
Auditor-Controller

MC ELVEEN, David  
Effective: 10/1/2023  
Alameda Health System

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**APPENDIX A  
REPORT ON SERVICE RETIREMENTS**

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PERRILL, Beth  
Effective: 9/16/2023  
Public Works Agency

SUAREZ, Martha  
Effective: 9/3/2023  
Social Services Agency

QUILLIO, Joan  
Effective: 9/9/2023  
General Services Agency

TRUJILLO, Tony Jr.  
Effective: 9/19/2023  
Sheriff's Office

ROBINSON, Celeste  
Effective: 8/19/2023  
Social Services Agency

VILLALTA, Mabel  
Effective: 9/2/2023  
Social Services Agency

ROSAS-TORRES, Graciela  
Effective: 9/2/2023  
Social Services Agency

VINCENT, Deborah  
Effective: 8/31/2023  
Sheriff's Office

SAMUELS, Sherlyn  
Effective: 9/16/2023  
Sheriff's Office

WILSON, Daniel  
Effective: 9/16/2023  
Health Care Services Agency

SHUM, Julie  
Effective: 9/21/2023  
Social Services Agency

YEUNG, Cynthia  
Effective: 8/31/2023  
Health Care Services Agency

ZELAYA, Maria  
Effective: 9/16/2023  
Assessor

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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AHMADIEH, Shirin  
Alameda Health System  
Effective Date: 8/24/2023

BROWN, Brandy M.  
Probation  
Effective: 9/8/2023

AMIR, Sanam  
Alameda Health System  
Effective: 8/28/2023

CESENA, Greg J.  
Alameda Health System  
Effective: 6/23/2023

ASHBY, Mikenya K.  
Social Services Agency  
Effective: 9/29/2023

CLARK, Dlexus, L.  
Social Services Agency  
Effective: 9/15/2023

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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CONTRERAS, Kevin Z.  
Sheriff's Office  
Effective: 9/9/2023

HECKENLIABLE, Andrew R.  
Sheriff's Office  
Effective: 9/24/2023

CORTEZ, Liset D.  
Alameda Health System  
Effective: 9/1/2023

JORDAN, Diondre N.  
Information Technology Department  
Effective: 9/26/2023

DE LUNA, Reynald M.  
Registrar of Voters  
Effective: 9/8/2023

LE, Michael J.  
Sheriff's Office  
Effective: 9/5/2023

DOTSON, Latisha A.  
Social Services Agency  
Effective: 9/1/2023

LOWE, Robin M.  
Social Services Agency  
Effective: 12/23/2022

DRIVERS, Breawna K.  
Health Care Services Agency  
Effective: 9/8/2023

LOZANO, Erika E.  
Probation  
Effective: 9/17/2023

EDGERSON, David C.  
Sheriff's Office  
Effective: 9/28/2023

MC MAHON, McKayla A.  
County Counsel  
Effective: 9/29/2023

EVANS, Nicholas A.  
Alameda Health System  
Effective: 9/2/2023

MEWBORN, Daniel D.  
Sheriff's Office  
Effective: 9/2/2023

GANDHI, Anisha M.  
Public Defender  
Effective: 9/6/2023

NIVEN, Richard J.  
District Attorney  
Effective: 9/1/2023

GINSBURG, Sandra C.  
District Attorney  
Effective: 9/1/2023

OBIDAKE, Funpere Y.  
Public Works Agency  
Effective: 9/21/2023

GRANT, Candace  
Superior Court  
Effective: 9/5/2023

ODUTOLA, Fausat A.  
Alameda Health System  
Effective: 9/19/2023

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**APPENDIX B  
LIST OF DEFERRED RETIREMENTS**

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ONEIL, Kelsey M.  
District Attorney  
Effective: 9/1/2023

TALTON, Kyaira A.  
Social Services Agency  
Effective: 9/7/2023

PENA, Veronica B.  
Sheriff's Office  
Effective: 9/22/2023

TILTON, Heather N.  
Alameda Health System  
Effective: 9/15/2023

PROFFITT, Jeremiah K.  
Sheriff's Office  
Effective: 9/30/2023

TOY, Annette  
Alameda Health System  
Effective: 9/22/2023

SADLER, Lillian E.  
Sheriff's Office  
Effective: 9/8/2023

UWAECHIE, Elaine C.  
Social Services Agency  
Effective: 9/1/2023

SIMIEN, Joshua R.  
Sheriff's Office  
Effective: 9/26/2023

VAEWSORN, Arianna  
Health Care Services Agency  
Effective: 9/22/2023

SMITH, Jeanil D.  
Alameda Health System  
Effective: 9/6/2023

WALKER, Kristen E.  
Health Care Services Agency  
Effective Date: 9/22/2023

SOJKOWSKI, Nicole M.  
Alameda Health System  
Effective: 8/26/2023

WILLIAMS, Josephine M.  
County Counsel  
Effective: 9/26/2023

SOORYANARAYANA, Kripalakshmi  
Health Care Services Agency  
Effective: 9/15/2023

WILSON, Siobhan M.  
Alameda Health System  
Effective: 9/2/2023

STEELE, Tamara W.  
County Counsel  
Effective: 9/8/2023

YAN, Feng Ying  
Social Services Agency  
Effective: 9/15/2023

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

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ALLEN, Lillie  
Alameda Health System  
9/29/2023

JARIN, Alex  
Alameda Health System  
9/28/2023

BLÉNIS, Motoko  
Non-Mbr Survivor of Frederick Blenis  
10/9/2023

JIMISON, Carol  
Non-Mbr Survivor of Thomas Jimison  
10/1/2023

BOBINO, Carlson  
Public Health  
9/24/2023

LANG, Frank  
Superior Court  
10/10/2023

BOWMAN, Robert A.  
Sheriff's Office  
10/18/2023

LYON, Genya  
Library  
10/20/2023

BROUGHTON, Albert  
Non-Mbr Survivor of Doris Broughton  
10/7/2023

MURANISHI, William  
General Services Agency  
10/13/2023

CHUN, Mike  
Public Works Agency  
10/19/2023

NG, May  
Social Services Agency  
10/6/2023

CRESCINI, Cipriano  
General Services Agency  
10/21/2023

PRESTON, Gwendolyn  
Social Services Agency  
9/25/2023

DANFORTH Patricia  
Sheriff's Office  
10/12/2023

PURCELL, Lena  
Social Services Agency  
10/14/2023

DUNBAR, Helen  
Library  
7/26/2023

REEVES, Dannie  
Probation  
10/5/2023

GOCK, Ellen  
Non-Mbr Survivor of Roy Gock  
10/6/2023

SULLIVAN, Betty  
General Services Agency  
10/22/2023

GOUVEIA, Mary  
Non-Mbr Survivor of Gerald W. Gouveia  
10/6/2023

SWANSON, Karel  
Sheriff's Office  
10/17/2023

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

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TAPES, James  
General Services Agency  
10/14/2023

WATTS, Rosalind  
Probation  
10/4/2023

VARGAS, Cynthia  
Superior Court  
10/23/2023

YAMAMURA, Ruth  
Social Services Agency  
10/11/2023

WALKER, Hugh  
Superior Court  
10/10/2023

YOUNG, George E.  
Social Services Agency  
10/10/2023



**MINUTES OF THE NOVEMBER 16, 2023 GOVERNANCE COMMITTEE MEETING**

To: Members of the Board of Retirement  
From: George Wood, Governance Committee Chair

Committee Chair, George Wood, called the meeting to order at 11:01 a.m. Committee Members present were George Wood, Kellie Simon, Ross Clippinger, Tarrell Gamble, and Henry Levy. Other Board members present were Keith Carson, Jaime Godfrey, Cynthia Baron, and Kevin Bryant.

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

**ACTION ITEMS**

**1. Review of the *Membership Policy*.**

Chief Counsel Jeff Rieger presented the *Membership Policy*, spoke about the recommended revisions, and answered questions. A motion was made by Trustee Clippinger and seconded by Trustee Levy that the Governance Committee recommend to the Board of Retirement that the Board make the revisions to the *Membership Policy* shown on the redline included with the agenda packet. The motion was approved by a vote of 8 in favor (Carson, Clippinger, Gamble, Godfrey, Levy, Simon, Wood, Baron), 0 against, 0 abstaining.

**2. Review of the *Governance Committee Charter*.**

Chief Counsel Jeff Rieger presented the *Governance Committee Charter*, spoke about the proposed Charter, and answered questions. A motion was made by Trustee Gamble and seconded by Trustee Godfrey that the Governance Committee recommend to the Board of Retirement that the Board adopt the *Governance Committee Charter* included in this agenda packet. The motion was approved by a vote of 8 in favor (Carson, Clippinger, Gamble, Godfrey, Levy, Simon, Wood, Baron), 0 against, 0 abstaining.

**INFORMATION ITEMS**

None

**TRUSTEE/ PUBLIC INPUT**

None.

**ESTABLISHMENT OF NEXT MEETING DATE**

TBD

**ADJOURNMENT**

The meeting adjourned at 11:27 a.m.



## MINUTES OF NOVEMBER 16, 2023 OPERATIONS COMMITTEE MEETING

To: Members of the Operations Committee

From: Kellie Simon, Chair

Subject: **Summary of the November 16, 2023, Operations Committee Meeting**

Committee Chair Kellie Simon called the November 16, 2023, Operations Committee meeting to order at 12:31 p.m.

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

Committee members present were Kellie Simon, Ross Clippinger and Henry Levy. Also present were Jaime Godfrey, George Wood, Tarrell Gamble and alternate members Cynthia Baron and Kevin Bryant. Elizabeth Rogers and committee member Ophelia Basgal (who appeared remotely for “just cause”) arrived after roll.

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

### **PUBLIC INPUT**

None

### **Action Items**

#### **1. Discussion and possible motion to approve the proposed 2024 ACERA Operating Expense Budget.**

Chief Executive Officer David Nelsen presented the proposed 2024 ACERA Operating Expense Budget. It was noted that the 2024 proposed budget was a 4.4% increase over the 2023 Approved Operating Expense Budget due to several factors with staffing cost being the primary increase.

#### **Recommendation**

Staff recommends that the Operations Committee recommend to the Board of Retirement that the Board approve the proposed 2024 ACERA Operation Expense Budget.

It was moved by Jaime Godfrey and seconded by Tarrell Gamble that the Operations Committee recommend that the Board of Retirement approve the proposed 2024 ACERA Operation Expense Budget.

The Motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, and Wood*), 0 no, and 0 abstentions.

## **2. Discussion and possible motion to revise the Board Election Policy.**

### Recommendation

Staff recommends that the Operations Committee recommend that the Board of Retirement revise the Board Election Policy, per the redline in the agenda backup.

It was moved by Tarrell Gamble and seconded by Elizabeth Rogers that the Operations Committee recommend that the Board of Retirement revise the Board Election Policy, per the redline in the agenda backup.

The motion carried 8 yes (*Basgal, Clippinger, Gamble, Godfrey, Levy, Rogers, Simon, and Wood*), 0 no, and 0 abstentions.

### INFORMATION ITEMS

None

### TRUSTEE INPUT AND DIRECTION TO STAFF

None

### FUTURE DISCUSSION ITEMS

#### **January**

- Discharge of Benefit Overpayments Policy Review, discussion and possible motion to renew the Discharge of Benefit Overpayments Policy, with or without revisions.
- Board Education Policy Review, discussion and possible motion to renew the Board Education Policy, with or without revisions.
- Felony Forfeiture Policy review, discussion and possible motion to renew the Felony Forfeiture policy, with or without revisions.

### ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Wednesday January 3, 2023, at 9:30 a.m.

### MEETING ADJOURNED

The meeting adjourned at 12:59 p.m.



**MINUTES OF THE DECEMBER 6, 2023 INVESTMENT COMMITTEE MEETING**

To: Members of the Board of Retirement  
From: Tarrell Gamble – Chair  
Subject: Summary of December 6, 2023 Investment Committee Meeting

The Investment Committee (“Committee”) met on Wednesday, December 6, 2023 at 11:10 a.m. The Committee members present were Ross Clippinger, Tarrell Gamble, Henry Levy (via Zoom with “just cause”), Elizabeth Rogers, Kellie Simon, and George Wood. Also present were Alternate General Member Cynthia Baron and Alternate Safety Member Kevin Bryant. ACERA Senior Managers and Presenting Staff present were, David Nelsen – Chief Executive Officer, Carlos Barrios – Assistant Chief Executive Officer, Jeff Rieger – Chief Counsel, Betty Tse – Chief Investment Officer, Julius Cuaresma – Investment Analyst, Clint Kuboyama – Investment Officer, and John Ta – Investment Officer.

**Action Item: Matters for discussion and possible motion by the Committee**

There are no action items.

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

1. Semiannual Performance Review for the Period Ending June 30, 2023 – Real Estate
  - Callan provided a review of ACERA’s Real Estate portfolio for the period ending 06/30/2023. General market commentary was provided along with an overview of the Real Estate portfolio performance and diversification.
  - For the last 6-months ending 06/30/2023, ACERA’s Real Estate portfolio had a net return of -5.69%, outperforming the NFI-ODCE benchmark return of -6.16%.
  - For the trailing 1-year period, ACERA’s Real Estate portfolio had a net return of -9.67% outperforming the NFI-ODCE benchmark return of -10.73%.
2. Semiannual Performance Review for the Period Ending September 30, 2023 – Total Fund Review Highlighting Public Markets Asset Classes and Absolute Return
  - Verus provided their Total Fund Review presentation.

- For the 6-month period ending 09/30/2023, ACERA's Total Fund returned 0.66% net, compared to the Policy Index return of 0.63%. For the year ending 09/30/2023, the Total Fund returned 10.86% net compared to the Policy Index of 10.61%. The Total Fund's net results ranked in the 47<sup>th</sup> and 39<sup>th</sup> percentile for the semi-annual and one-year periods, respectively.
- Specific to equities, the U.S. Equity asset class returned 4.51% net (vs. its benchmark return of 4.86%) and 19.97% net (vs. its benchmark return of 20.46%) for the 6-month and 1-year periods ending 09/30/2023, respectively. The International Equity asset class returned -2.14% net (vs. its benchmark -0.87%) and 21.20% net (vs. its benchmark 20.82%) for the 6-month and 1-year periods ending 09/30/2023, respectively.
- Specific to Fixed Income, the asset class return was -3.85% net (vs. its benchmark return of -3.91%) and 2.07% net (vs. its benchmark return of 1.88%) for the 6-month and 1-year periods ending 09/30/2023, respectively.
- Specific to the Absolute Return asset class, the 6-month and 1-year returns for the periods ending 09/30/2023 were 4.87% net (vs. its benchmark return of 2.07%) and 4.25% net (vs. its benchmark return of 4.61%), respectively.
- As of 09/30/2023, the market value of the Total Fund was \$10,585,220,615.

### 3. Semiannual Performance Review for the Period Ending June 30, 2023 – Private Equity

- Verus provided a review of ACERA's Private Equity portfolio for the period ending 06/30/2023. General market commentary was provided along with an overview of the Private Equity portfolio performance and diversification.
- As of 06/30/2023, the Private Equity Portfolio had a total market value of \$1.05 billion, which represented 9.7% of the Total Fund in comparison to its 11.0% asset class target. For the one-year period ending 06/30/2023, the Private Equity Portfolio returned a net IRR of 9.58% vs the Refinitiv C|A Global All Private Equity Benchmark net IRR of -1.82%. For the three-year period ending 06/30/2023, ACERA's Private Equity Portfolio returned a net IRR of 24.09% vs the Refinitiv C|A Global All Private Equity Benchmark net IRR of 21.29%.

### 4. Semiannual Performance Review for the Period Ending June 30, 2023 – Private Credit

- Verus provided an overview of the Private Credit Asset Class's performance. As of 06/30/2023, the Private Credit Portfolio had a total market value of \$295.35 million which represented 2.7% of the Total Fund (asset-class target is 4.0%). Since the Private Credit Portfolio's inception through 06/30/2023, the Portfolio's net IRR was 8.29%, 3.67% above the same cash flows invested in the Morningstar LSTA Leveraged Loan Index of 4.62%.

5. Semiannual Performance Review for the Period Ending June 30, 2023 – Real Assets

- Verus discussed the performance of the Real Assets Portfolio. As of 06/30/2023, the Real Assets Asset Class had a total market value of \$635.23 million, representing about 5.8% of ACERA's Total Fund (asset-class target is 6.0%). For the one-year period ending 06/30/2023, the Real Assets Portfolio produced a -3.65% net IRR versus its blended benchmark (60% S&P Global Infrastructure Index/35% Global LargeMidCap Commodity and Resources Index/5% Bloomberg Commodity Index) return of 3.38%. For the three-year period ending 6/30/2023, ACERA's Real Assets Portfolio's net IRR was 14.70% net versus its blended benchmark return of 10.65%.

6. Semiannual Performance Review for the Period Ending June 30, 2023 – Real Estate

- Callan provided a review of ACERA's Real Estate portfolio for the period ending 06/30/2023. General market commentary was provided along with an overview of the Real Estate portfolio performance and diversification.
- For the last 6 months ending 06/30/2023, ACERA's Real Estate portfolio had a net return of -5.69%, outperforming the NFI-ODCE benchmark return of -6.16%.
- For the trailing 1-year period, ACERA's Real Estate portfolio had a net return of -9.67% outperforming the NFI-ODCE benchmark return of -10.73%.
- For the trailing 3-year period, ACERA's Real Estate portfolio had a net return of 8.01%, outperforming the benchmark return of 7.04%.
- For the year ending 06/30/2023, ACERA's Real Estate portfolio was valued at \$785.01 million, representing 7.22% of the Total Fund. The Real Estate Market Value and Unfunded Commitment as of that date were \$894.33 million, representing 8.22%.

7. Annual Update – ESG Implementation

- Staff discussed ACERA's First Annual ESG Risk Disclosure Report.
- Staff and the Committee discussed Staff's ongoing ESG due diligence, including reviewing ACERA's ESG Policy.
- Staff also expressed gratitude to Verus for their contributions to ACERA's ESG initiatives and efforts.

8. CA Gov. Code § 7514.7 Information Report

- Staff discussed its annual CA Gov. Code § 7514.7 Alternative Investment Vehicles Information Report with the Investment Committee.

**PUBLIC INPUT:**

**FUTURE DISCUSSION ITEMS**

None

**ESTABLISHMENT OF NEXT MEETING DATE**

Wednesday, January 3, 2024

**ADJOURNMENT**

The meeting ended at 11.53 a.m.



**MINUTES OF DECEMBER 6, 2023 RETIREES COMMITTEE MEETING**

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

**Subject: Summary of the December 6, 2023 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the December 6, 2023 Committee meeting to order at 9:31 a.m.

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

Committee members present were Elizabeth Rogers and Kellie Simon. Also present were Ross Clippinger, George Wood and alternate members Cynthia Baron and Kevin Bryant. Committee member Henry Levy (via Zoom for “just cause”), Tarrell Gamble, and Jaime Godfrey joined the meeting after roll call.

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

**PUBLIC INPUT**

None.

**INFORMATION ITEMS**

Chair Rogers moved the following information item to the top of the agenda to provide for more complete background before considering the action items:

**2. Medicare Part B Income-Related Monthly Adjustment Amount through Health Reimbursement Arrangement**

Staff provided information on the cost, process, and potentially necessary changes to the Supplemental Retiree Benefit Reserve (SRBR) Policy and Appendix A of Resolution No. 07-29, if ACERA were to permit members enrolled in an individual plan through the Medicare Exchange to submit claims for reimbursement of the income-related monthly adjustment amount (IRMAA).

## **ACTION ITEMS**

### **1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2024**

Staff and Segal, ACERA's Benefits Consultant, provided information on ACERA's Medicare Part B Reimbursement Plan (MBRP) benefit, including retirees' out-of-pocket costs, and the percentage of retirees affected at each of the designated income levels, based on the retirees' ACERA retirement allowances only. Staff also provided information regarding the reason for the increase in the 2024 Medicare Part B premiums. Staff recommends to continue the benefit for 2024 based on the reimbursement at the lowest standard premium rate of \$174.70, which is an increase of about 5.9%.

It was moved by Jaime Godfrey and seconded by Ross Clippinger that the Committee recommend to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2024, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$174.70. The MBRP benefit is a non-vested benefit funded by contributions from ACERA Employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 5 yes (*Clippinger, Godfrey, Rogers, Simon, Wood*), 0 no, 1 abstention (*Gamble*).

### **2. Adoption of Updates to Appendix A of 401(h) Account Resolutions**

Staff stated that in order for Resolution No. 07-29 to remain current for the upcoming 2024 Plan Year, Appendix A was amended to reflect the Board of Retirement's (Board) decisions regarding the Monthly Medical Allowance amounts for Group and Individual plans; and medical, dental, and vision premium amounts as adopted by the Board.

Based on the earlier discussion of this information item, Trustee Rogers recommended adding clarifying language to the Medicare Part B Premium section that distinguishes reimbursement of the income-related monthly adjustment amount (IRMAA) permitted through the Health Reimbursement Arrangement (HRA) account for retirees enrolled in individual plans through the Medicare Exchange is a separate expense from the reimbursement of the lowest standard monthly Medicare Part B premium. Staff will provide a revised redline amendment of Appendix A to Resolution No. 07-29 reflecting the requested clarification to present at the December 21<sup>st</sup> Board meeting.

It was moved by Jaime Godfrey and seconded by Kellie Simon that the Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2024; with additional language to the Medicare Part B Premium section clarifying that reimbursement for the income-related monthly adjustment amount (IRMAA) permitted through the Medicare Exchange

Individual Plans Health Reimbursement Arrangement (HRA) is not part of the reimbursement in this section.

The motion carried 6 yes (*Clippinger, Gamble, Godfrey, Rogers, Simon, Wood*), 0 no, 0 abstentions.

### **3. Review of Possible Policy to Help Members Maximize the Death Benefits Paid to Their Designated Beneficiaries**

Based on Trustees' direction at the August 2, 2023 Retirees Committee meeting, Staff presented a proposed policy, the Death Benefit Equity Policy, to allow members to pre-file a disability retirement application and an optional settlement election if the members become entitled to a disability retirement before dying.

The County Administrator and County Counsel do not have any objections to implementing this policy. County Counsel requested language be added to Section D of the procedures clarifying that claims for service connected disability retirements will precede under the existing disability retirement process. Staff will add this clarifying language to the revised draft policy to present to the Board of Retirement (Board) at its December 21<sup>st</sup> meeting.

In response to Trustee Wood's comments, Staff stated that this process to allow members to pre-file a disability retirement application would be effective when the Board adopts the policy, and would apply to members who have the completed form on file. The form and procedures are final and ready to go. Staff plans to post the form and information on ACERA's website, as well as implement a communication plan regarding this new process to inform ACERA members as soon as the Board adopts the policy. In response to Trustee Rogers comments, Staff will also look into incorporating this process in the various counseling sessions and benefits communication information to ensure members are aware of this option. Staff will provide an update regarding the implementation of this policy at a future meeting.

Trustees Rogers, Clippinger and Simon recognized Jeff Rieger and expressed their appreciation for his hard work and efforts to create this option and policy.

It was moved by Tarrell Gamble and seconded by Ross Clippinger that the Committee recommend to the Board of Retirement to adopt the Death Benefit Equity Policy presented with the additional language to clarify that claims for service connected disability retirements will precede under the existing disability retirement process.

The motion carried 5 yes (*Clippinger, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Annual Retired Member (Lump Sum) Death Benefit Report**

Staff provided information on the number and amount of the Retired Member (lump sum) Death Benefit payments made to eligible beneficiaries of retirees for the twelve-month

period December 1, 2022 through November 30, 2023, including the payments made by reciprocal agencies. In addition, Staff provided a five-year comparison of the total death benefits paid. This \$1,000 benefit is funded by the Supplemental Retiree Benefit Reserve and is considered a vested benefit, as long as there are funds available.

### **3. Information on Hearing Aid Benefit Utilization and Reimbursement Options**

Staff provided estimated cost information and options of providing an increase in the hearing aid benefit to \$2,000, as well as the pros and cons of 1) providing the benefit through the Kaiser Permanente Senior Advantage (KPSA) group plan, 2) having Via Benefits (Individual Plan) administer the benefit through a Health Reimbursement Arrangement (HRA); and 3) splitting the benefit administration between the KPSA plan and Via Benefits.

If ACERA were to have Via Benefits administer the hearing aid benefit through the HRA, the Supplemental Retiree Benefit Reserve (SRBR) Policy and Appendix A of Resolution No. 07-29 would need to be amended to include a separate category for the hearing aid benefit for members enrolled in the group KPSA plan to identify it as a separate cost from the Monthly Medical Allowance (MMA).

Alicia Baptista, President of the Retired Employees of Alameda County, Inc. (REAC) retiree association, stated that the discussion sounds like there is an assumption that people can request reimbursement for hearing aids and that they have funds remaining in their HRA account. It has been her experience that people who are using this benefit are coming close to exhausting their HRA account balance. Some people may have other health issues that contribute to exhausting their HRA funds. She agrees that the utilization of the hearing aid benefits will increase if ACERA increases the benefit, and as the stigma of hearing aid usage goes away.

Trustees directed Staff to analyze the pros and cons of administering the reimbursement for the hearing aid benefits in-house versus through Via Benefits, and consider negotiating the administration service fees with Via Benefits. Staff will provide additional information for discussion at a future meeting.

### **4. Virtual Retiree Health and Wellness Fair Results and Open Enrollment Activity**

Staff provided a report on the results of the Virtual Retiree Health and Wellness Fair, which was held through Zoom on October 26, 2023. The live presentations from Kaiser, VSP, Delta Dental, Via Benefits, and UnitedHealthcare were recorded and posted to ACERA's website, as well as links to the various vendors' webpages for additional information, flyers and resources. There were 500+ registered for the Virtual Event with an average of 290+ viewers for the live stream presentations.

Trustee Rogers expressed her appreciation to Ismael Piña and the Benefits Staff for their hard work on the Virtual Retiree Health and Wellness Fair.

## **5. Silver&Fit Survey Results**

Staff provided information and observations on the results of the Silver&Fit benefit survey, which was sent to ACERA members enrolled in the Kaiser Permanente Senior Advantage Medicare and HMO plans. The survey was conducted online using SurveyMonkey, and was open for responses from September 12 through September 19, 2023. There was a 19.7% response rate.

### **TRUSTEE REMARKS**

None

### **FUTURE DISCUSSION ITEMS**

- Annual Supplemental Cost of Living Adjustment (COLA)

### **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for February 7, 2024 at 9:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 11:07 a.m.



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: December 21, 2023

TO: Members of the Board of Retirement

FROM: Erica Haywood, Fiscal Services Officer *EH*

SUBJECT: Operating Expenses and Budget Summary for the period ended October 31, 2023

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ACERA's operating expenses are \$511K under budget for the period ended October 31, 2023. Budget overage and surpluses worth noting are as follows:

**Budget Overage**

1. *Insurance*: Insurance is \$10K over budget from higher insurance premiums.

**Budget Surpluses**

1. *Staffing*: Staffing is \$101K under budget. This amount comprised surpluses in fringe benefits of (\$618K), and staff vacancies of (\$428K), offset by overages in temporary staffing of \$291K, and 5% staff vacancy adjustment of \$654K.
2. *Staff Development*: Staff Development is \$131K under budget for staff training and conferences.
3. *Professional Fees*: Professional fees are \$122K under budget. This amount comprised surpluses in actuarial fees of (\$98K), consultant fees of (\$11K), legal fees of (\$8K), and external audit of (\$5K).
4. *Office Expense*: Office Expense is \$67K under budget. This amount comprised surpluses in bank charges of (\$18K), building expenses of (\$41K), equipment lease and maintenance of (\$11K), minor equipment and furniture of (\$3K), office maintenance and supplies of (\$6K), and printing and postage of (\$5K), offset by overage in communications of \$17K.
5. *Member Services*: Member Services are \$32K under budget. This amount comprised surpluses in disability legal arbitration and transcripts of (\$37K), disability medical expenses of (\$26K), and member training & education of (\$9K), offset by overages in health reimbursement of \$5K, members' printing & postage of \$34K, and virtual call center of \$1K.
6. *Systems*: Systems are \$17K under budget. This amount comprised surplus in business continuity expenses of (\$18K), offset by overage in county data processing of \$1K.

7. *Board of Retirement:* Board of Retirement is \$51K under budget. This amount comprised surpluses in board compensation of (\$3K), and board conferences and trainings of (\$48K).

### Staffing Detail

Vacant positions as of October 31, 2023:

Department	Position	Qty	Comments
Benefits	Retirement Benefits Specialist	1	Vacant - currently budgeted for the year
Benefits	Sr. Retirement Technician	2	Vacant - currently budgeted for the year
Benefits	Retirement Support Specialist	1	Vacant – currently budgeted for the year
Fiscal Services	Retirement Accountant II	1	Vacant - currently budgeted for the year
PRISM	Retirement System Program Analyst	1	Vacant – currently budgeted for the year
	<b>Total Positions</b>	6	

Pension Administration System Project - as of October 31, 2023					
	Year-To-Date			2023 Budget	2019-22 Actual
	Actual	Budget	Variance		
<b>Consultant Fees</b>					
Levi, Ray and Shoup	\$697,582	\$1,250,000	\$(552,418)	\$1,500,000	\$2,533,989
Segal and other consultant fees	548,520	400,000	148,520	480,000	1,632,042
Other expenses	-	-	-	-	1,500
Leap Technologies	-	-	-	-	98,970
Total	1,246,102	1,650,000	(403,898)	1,980,000	4,266,501
<b>Staffing</b>	554,991	580,000	32,991	696,000	2,158,220
<b>TOTAL</b>	<b>\$1,801,093</b>	<b>\$2,230,000</b>	<b>\$(370,907)</b>	<b>\$2,676,000</b>	<b>\$6,424,721</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 EXPENSES SUMMARY**

YEAR TO DATE - ACTUAL VS. BUDGET					
<u>October 31, 2023</u>					
	<u>Actual</u>	<u>Budget</u>	<u>YTD</u>	<u>2023</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>	
<b>Staffing</b>	\$ 13,405,317	\$ 13,505,840	\$ (100,523)	\$ 16,224,000	82.6%
<b>Staff Development</b>	176,973	308,500	(131,527)	367,000	48.2%
<b>Professional Fees</b> (Next Page)	1,029,383	1,151,600	(122,217)	1,301,000	79.1%
<b>Office Expense</b>	318,560	385,220	(66,660)	469,000	67.9%
<b>Insurance</b>	489,289	479,320	9,969	579,000	84.5%
<b>Member Services</b>	413,260	445,700	(32,440)	522,000	79.2%
<b>Systems</b>	1,010,421	1,026,940	(16,519)	1,223,000	82.6%
<b>Depreciation</b>	100,063	99,800	263	120,000	83.4%
<b>Board of Retirement</b>	483,021	534,500	(51,479)	614,000	78.7%
<b>Uncollectable Benefit Payments</b>	-	-	-	53,000	0.0%
<b>Total Operating Expense</b>	<b>\$ 17,426,287</b>	<b>\$ 17,937,420</b>	<b>\$ (511,133)</b>	<b>\$ 21,472,000</b>	<b>81.2%</b>



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PROFESSIONAL FEES

YEAR TO DATE - ACTUAL VS. BUDGET

October 31, 2023

	<i>Actual</i> <u>Year-To-Date</u>	<i>Budget</i> <u>Year-To-Date</u>	<i>YTD Variance</i> <u>(Under)/Over</u>	<i>2023</i> <u>Annual</u> <u>Budget</u>	<i>% Actual to</i> <u>Annual Budget</u>
<b>Professional Fees</b>					
Consultant Fees - Operations and Projects <sup>1</sup>	\$ 283,442	\$ 294,200	\$ (10,758)	\$ 354,000	80.1%
Actuarial Fees <sup>2</sup>	490,299	588,500	(98,201)	653,000	75.1%
External Audit <sup>3</sup>	138,765	144,000	(5,235)	144,000	96.4%
Legal Fees <sup>4</sup>	116,877	124,900	(8,023)	150,000	77.9%
<b>Total Professional Fees</b>	<b>\$ 1,029,383</b>	<b>\$ 1,151,600</b>	<b>\$ (122,217)</b>	<b>\$ 1,301,000</b>	<b>79.1%</b>

	<i>Actual</i> <u>Year-To-Date</u>	<i>Budget</i> <u>Year-To-Date</u>	<i>YTD Variance</i> <u>(Under)/Over</u>	<i>2023 Annual</i> <u>Budget</u>	<i>% Actual to</i> <u>Annual Budget</u>
<b><u>CONSULTANT FEES - OPERATIONS AND PROJECTS:</u></b>					
Administration					
Strategic Planning	6,731	-	6,731	-	0.0%
Total Administration	6,731	-	6,731	-	0.0%
Benefits					
Alameda County HRS (Benefit Services)	105,000	105,000	-	126,000	83.3%
Segal (Benefit Consultant/Retiree Open Enrollment)	107,500	109,200	(1,700)	131,000	82.1%
Total Benefits	212,500	214,200	(1,700)	257,000	82.7%
Fiscal Services					
Cashlog	-	16,000	(16,000)	20,000	0.0%
Total Fiscal Services	-	16,000	(16,000)	20,000	0.0%
Human Resources					
Lakeside Group (County Personnel)	64,211	64,000	211	77,000	83.4%
Total Human Resources	64,211	64,000	211	77,000	83.4%
<b>Total Consultant Fees - Operations</b>	<b>283,442</b>	<b>294,200</b>	<b>(10,758)</b>	<b>354,000</b>	<b>80.1%</b>

<b><u>ACTUARIAL FEES</u></b>					
Actuarial Valuation	85,000	85,000	-	85,000	100.0%
Actuarial Audit	35,000	112,500	(77,500)	135,000	25.9%
GASB 67 & 68 Valuation	52,000	52,000	-	52,000	100.0%
GASB 74 & 75 Actuarial	15,500	16,000	(500)	16,000	96.9%
Actuarial Standard of Practice 51 Pension Risk	30,000	30,000	-	30,000	100.0%
Supplemental Consulting	188,799	209,000	(20,201)	251,000	75.2%
Supplemental Retiree Benefit Reserve valuation	44,000	44,000	-	44,000	100.0%
Triennial Experience Study	40,000	40,000	-	40,000	100.0%
<b>Total Actuarial Fees</b>	<b>490,299</b>	<b>588,500</b>	<b>(98,201)</b>	<b>653,000</b>	<b>75.1%</b>

<b><u>EXTERNAL AUDIT</u></b>					
External audit	121,046	121,000	46	121,000	100.0%
GASB 67 & 68 audit	9,400	11,000	(1,600)	11,000	85.5%
GASB 74 & 75 audit	8,319	12,000	(3,681)	12,000	69.3%
<b>Total External Audit Fees</b>	<b>138,765</b>	<b>144,000</b>	<b>(5,235)</b>	<b>144,000</b>	<b>96.4%</b>

<b><u>LEGAL FEES</u></b>					
Fiduciary & Litigation	57,649	62,500	(4,851)	75,000	76.9%
Tax and Benefit Issues	8,570	20,800	(12,230)	25,000	34.3%
Miscellaneous Legal Advice	50,658	41,600	9,058	50,000	101.3%
<b>Total Legal Fees</b>	<b>116,877</b>	<b>124,900</b>	<b>(8,023)</b>	<b>150,000</b>	<b>77.9%</b>

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Ten Months Ending 10/31/2023**

	<u>For the Month of October 2023</u>	<u>For the Month of October 2022</u>	<u>Variance</u>	<u>Year-To-Date 2023</u>	<u>Year-To-Date 2022</u>	<u>Variance</u>
<b>STAFFING</b>						
Salaries	880,461	793,983	86,478	8,719,525	8,445,357	274,168
Fringe Benefits	420,423	344,262	76,161	4,268,802	4,314,328	(45,526)
Temporary Staffing Cost	46,977	17,724	29,253	416,990	302,888	114,102
<b>Staffing Total</b>	<u>1,347,861</u>	<u>1,155,969</u>	<u>191,892</u>	<u>13,405,317</u>	<u>13,062,573</u>	<u>342,744</u>
<b>STAFF DEVELOPMENT</b>	53,803	26,208	27,595	176,973	226,889	(49,916)
<b>PROFESSIONAL FEES</b>						
Actuarial Fees	14,353	16,600	(2,247)	490,299	446,303	43,996
Consultant Fees - Operations	27,667	39,017	(11,350)	283,442	348,167	(64,725)
Consultant Fees - Legal	43,184	10,920	32,264	116,877	77,328	39,549
External Audit	(5,235)	0	(5,235)	138,765	142,000	(3,235)
<b>Professional Fees Total</b>	<u>79,969</u>	<u>66,537</u>	<u>13,432</u>	<u>1,029,383</u>	<u>1,013,798</u>	<u>15,585</u>
<b>OFFICE EXPENSE</b>						
Bank Charges & Misc. Admin	5,243	10,661	(5,418)	67,941	112,826	(44,885)
Building Expenses	7,556	1,498	6,058	27,444	(12,698)	40,142
Communications	9,872	14,201	(4,329)	87,327	126,100	(38,773)
Equipment Lease/Maintenance	7,059	10,010	(2,951)	82,974	88,571	(5,597)
Minor Equipment and Furniture	0	168	(168)	8,238	8,725	(487)
Office Supplies/Maintenance	1,507	2,075	(568)	32,530	27,962	4,568
Printing & Postage	1,438	985	453	12,106	11,294	812
<b>Office Expense Total</b>	<u>32,675</u>	<u>39,598</u>	<u>(6,923)</u>	<u>318,560</u>	<u>362,780</u>	<u>(44,220)</u>
<b>INSURANCE</b>	51,590	46,924	4,666	489,289	453,414	35,875
<b>MEMBER SERVICES</b>						
Disability - Legal Arbitration & Transcripts	0	0	0	(482)	16,552	(17,034)
Disability Medical Expense	0	(200)	200	134,645	64,124	70,521
Disability Claims Management	3,850	3,850	0	38,500	38,500	0
Health Reimbursement Acct. (HRA)	7,382	5,184	2,198	58,528	58,696	(168)
Member Training & Education	1,802	875	927	7,050	4,801	2,249
Printing & Postage - Members	62,137	52,294	9,843	120,835	110,703	10,132
Virtual Call Center	5,445	0	5,445	54,184	0	54,184
<b>Member Services Total</b>	<u>80,616</u>	<u>62,003</u>	<u>18,613</u>	<u>413,260</u>	<u>293,376</u>	<u>119,884</u>

**ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
TOTAL EXPENDITURES VS. PRIOR YEAR ACTUAL  
For the Ten Months Ending 10/31/2023**

	<b><i>For the Month of October 2023</i></b>	<b><i>For the Month of October 2022</i></b>	<b><i>Variance</i></b>	<b><i>Year-To-Date 2023</i></b>	<b><i>Year-To-Date 2022</i></b>	<b><i>Variance</i></b>
<b>SYSTEMS</b>						
Business Continuity Expense	18,626	21,009	(2,383)	201,489	183,219	18,270
County Data Processing	10,909	11,325	(416)	108,903	105,796	3,107
Minor Computer Hardware	7,328	14,567	(7,239)	82,077	47,699	34,378
Software Maintenance & Support	61,316	57,246	4,070	617,952	611,415	6,537
<b>Systems Total</b>	<b>98,179</b>	<b>104,147</b>	<b>(5,968)</b>	<b>1,010,421</b>	<b>948,129</b>	<b>62,292</b>
<b>DEPRECIATION</b>						
Depreciation Expense	10,409	9,961	448	100,063	102,197	(2,134)
<b>BOARD OF RETIREMENT</b>						
Board Compensation	2,200	3,000	(800)	19,300	20,000	(700)
Board Conferences & Training	1,749	3,664	(1,915)	135,014	83,033	51,981
Board Election	0	0	0	0	3,533	(3,533)
Board Employer Reimbursement	29,660	28,250	1,410	301,200	288,105	13,095
Board Miscellaneous Expense	2,328	664	1,664	16,367	9,018	7,349
Board Software Maint. & Support	1,294	0	1,294	11,140	3,943	7,197
<b>Board of Retirement Total</b>	<b>37,231</b>	<b>35,578</b>	<b>1,653</b>	<b>483,021</b>	<b>407,632</b>	<b>75,389</b>
<b>GRAND TOTALS</b>	<b>1,792,333</b>	<b>1,546,925</b>	<b>245,408</b>	<b>17,426,287</b>	<b>16,870,788</b>	<b>555,499</b>

**REGULAR CALENDAR  
REPORTS and ACTION ITEMS**

**COMMITTEE REPORTS,  
RECOMMENDATIONS and MOTIONS:**

See Page 3 of the Attached Board Agenda for this month's Committee Reports and Motions.



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: December 21, 2023  
TO: Members of the Board of Retirement  
FROM: Carlos Barrios, Assistant Chief Executive Officer   
SUBJECT: **Revision of Resolution No. 07-29, Appendix A**

At the December 6, 2023 Retirees Committee meeting, Staff presented the attached memo with the revised version of Resolution 07-29, Appendix A, that reflects the changes to the Monthly Medical Allowance (MMA) and Retiree Health Benefits (RHB) premiums for Plan Year 2024. The Committee made a motion to recommend to the Board of Retirement to adopt the revised and updated Appendix A to Resolution No. 07-29, with additional language to the Medicare Part B Premium section clarifying that reimbursement for the income-related monthly adjustment amount (IRMAA) is permitted through the Medicare Exchange Individual Plans Health Reimbursement Arrangement (HRA). Based on the Trustees' direction, attached is a revised redline amendment of Appendix A to Resolution No. 07-29 reflecting the requested clarification.

Recommendation

Staff recommends that the Board of Retirement adopt the revised redline amendment and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2024.

Attachments



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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 6, 2023

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Revision of Resolution No. 07-29, Appendix A**

In February 2007, the ACERA Board of Retirement (Board) passed Resolution No. 07-29 - 401(h) (Resolution). That Resolution set forth the legal requirements and procedural operations of the 401(h) accounts managed by ACERA. The Resolution consists of a detailed recitation of the requirements under the Internal Revenue Code that ACERA and its Participating Employers must satisfy to properly operate the 401(h) accounts.

Attached to Resolution No. 07-29 is Appendix A, which sets forth the cost and eligibility requirements for the Retiree Health Benefits (RHBs) paid to ACERA retirees through the 401(h) accounts. Those benefits include:

1. Monthly Medical Allowance
2. Medicare Part B Premium Reimbursement
3. Dental Care Contribution
4. Vision Care Contribution

Throughout the course of calendar year 2023, as is done each year, the Retirees Committee (Committee) and the Board have evaluated and approved changes to the Monthly Medical Allowance (MMA) and the contribution amounts associated with the RHBs for Plan Year 2024. The Board approved increasing the MMA for Group Plans and Individual Plans through the Health Exchange for early (non-Medicare) retirees living outside the HMO service area from its 2023 maximum amount of \$616.12 to \$635.37. The Board also approved increasing the MMA for Individual Plans through the Medicare Exchange from its 2023 maximum amount of \$471.99 to \$486.74. The pro-rated MMA distributions were also increased accordingly. The Board approved setting the cost of the Delta Dental Care DPO plan at \$51.05 (a 0.4% decrease from the 2023 rate), and the cost of the Delta Dental DMO plan at \$22.18 (the same amount as 2023). The Board approved a \$4.63 premium (the same amount as 2023) for the Vision Service Plan. Lastly, we anticipate the Board will approve the Medicare Part B Reimbursement Plan (MBRP) benefit of \$174.70 (the lowest standard monthly Medicare Part B premium rate) for 2024 (an increase in the premium rate) at the December 21, 2023 Board meeting.

Accordingly, in order for Resolution No. 07-29 to remain current for the upcoming 2024 Plan Year, Appendix A must be amended to reflect the decision regarding the MMA, Medicare Part B premium reimbursement, and dental and vision premium amounts as adopted by the Board for 2024. Staff has revised Appendix A and requests that the Board adopt the suggested changes.

Revision of Resolution No. 07-29, Appendix A

December 6, 2023

Page 2 of 2

Attached to this memorandum for your review is a revised version of Resolution 07-29, Appendix A, that reflects the changes described above to the MMA and RHB premiums for Plan Year 2024.

Annually, Staff will request that the Committee and the Board approve modification of Appendix A so that the 401(h) Resolution accurately reflects the eligibility requirements and contributions for the upcoming Plan Year.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2024.

Attachment

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 RESOLUTION # 07-29  
 401(h) ACCOUNT  
 APPENDIX A - AMOUNT OF BENEFITS FROM 401(h) ACCOUNT  
 FOR PLAN YEAR 2024

1. Monthly Medical Allowance

- Group Plans

The Monthly Medical Allowance ("MMA") is a subsidy amount covering all or a portion of the eligible retiree's health plan premiums when enrolled in an ACERA-sponsored health plan. Premium costs for an enrolled surviving spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance. Premium costs that exceed the MMA are paid by the retiree and are deducted from the retiree's monthly retirement allowance. If premium costs for any retiree are less than the maximum MMA, no additional cash or other benefit shall be paid to the retiree.

- Individual Plans – Early (non-Medicare) Retirees Living Outside the HMO Service Area

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a plan through the Health Exchange. The reimbursement amount will not exceed the total annual MMA amount.

- Individual Plans – Medicare Eligible Retirees

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a Medicare plan through the Medicare Exchange. The reimbursement amount will not exceed the total annual MMA amount.

For the health Plan Year beginning February 1, 2024 for Group Plans and January 1, 2024 for Individual Plans and for all later years (unless and until amended by the Board of Retirement), the maximum MMA for Group Plans and Individual Plans provided through the Health Exchange for early (non-Medicare) retirees living outside the HMO service area is \$635.37 per month. The maximum MMA for Individual Plans for Medicare eligible retirees provided through the Medicare Exchange is \$486.74 per month. The MMA amounts that are paid to retirees based on years of service are set out below:

YEARS OF SERVICE	AMOUNT OF MONTHLY MEDICAL ALLOWANCE BENEFIT		
	<i>Group Plans</i>	<i>Individual Plans – Out-of-Service Area Early Retirees</i>	<i>Individual Plans – Medicare Eligible Retirees</i>
20 or more years or retired on service connected disability	\$635.37	\$635.37	\$486.74
15 through 19	\$476.53	\$476.53	\$365.06
10 through 14	\$317.69	\$317.69	\$243.37
Under 10	\$0	\$0	\$0

As a result of the Affordable Care Act, in 2014 ACERA's plans are required to be "retiree only plans" in order to provide reimbursement through a Health Reimbursement Account (HRA). In order to comply with this federal law, retirees who return to work for an ACERA Participating Employer for any amount of time on or after January 1, 2014, will not be eligible for medical plan and prescription drug plan reimbursements through a HRA during the time period they are working. This is because retirees who return to work (including retired annuitants) are considered "active employees" as defined by the Affordable Care Act, and therefore cause ACERA's plans to not meet the "retiree only" plan qualifications for benefits.

2. Medicare Part B Premium

The Medicare Part B premium that will be reimbursed for the calendar year beginning on January 1, 2024 is \$174.70 per month. ACERA shall reimburse only the lowest standard monthly Medicare Part B premium, and will not make any reimbursement of the income-related monthly adjustment amount of the Medicare Part B premium. No premium will be reimbursed to a retiree unless he or she provides proof to ACERA of enrollment in Medicare Part B. Premiums will only be reimbursed for retirees and not for spouse, dependents or survivors.

No Medicare Part D premiums will be reimbursed to retirees enrolled in Group Plans.

3. Dental Care

The dental care contribution is payment of the eligible retiree's Delta Dental premium when enrolled in the Delta Dental plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2024 and for all later years (unless and until amended by the Board), the monthly Delta Dental premiums paid by ACERA are as follows: for retirees enrolled in the Delta Dental DPO Plan, \$51.05; and for retirees enrolled in the Delta Dental DMO Plan, \$22.18.

4. Vision Care

The vision care contribution is payment of the eligible retiree's Vision Service Plan (VSP) premium when enrolled in the VSP plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2024 and for all later years (unless and until amended by the Board), the monthly VSP premium paid by ACERA is \$4.63.

5. Spouse, Dependents and Surviving Beneficiaries

ACERA shall not provide payment for any health or medical or other retiree health benefits to any spouse, dependent, or surviving beneficiary of a retired member. However, to the extent available from the applicable health plan or carrier, ACERA will allow the retired member to purchase for his or her spouse and dependents the same coverage as the member has through ACERA by paying the full premium cost of such coverage. A surviving beneficiary may purchase coverage available from the applicable health plan or carrier by paying the full premium cost of such coverage.

AMENDED REDLINE

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION # 07-29

401(h) ACCOUNT

APPENDIX A - AMOUNT OF BENEFITS FROM 401(h) ACCOUNT

FOR PLAN YEAR 2024

1. Monthly Medical Allowance

- Group Plans

The Monthly Medical Allowance ("MMA") is a subsidy amount covering all or a portion of the eligible retiree's health plan premiums when enrolled in an ACERA-sponsored health plan. Premium costs for an enrolled surviving spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance. Premium costs that exceed the MMA are paid by the retiree and are deducted from the retiree's monthly retirement allowance. If premium costs for any retiree are less than the maximum MMA, no additional cash or other benefit shall be paid to the retiree.

- Individual Plans – Early (non-Medicare) Retirees Living Outside the HMO Service Area

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a plan through the Health Exchange. The reimbursement amount will not exceed the total annual MMA amount.

- Individual Plans – Medicare Eligible Retirees

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a Medicare plan through the Medicare Exchange. The reimbursement amount will not exceed the total annual MMA amount.

For the health Plan Year beginning February 1, 2024 for Group Plans and January 1, 2024 for Individual Plans and for all later years (unless and until amended by the Board of Retirement), the maximum MMA for Group Plans and Individual Plans provided through the Health Exchange for early (non-Medicare) retirees living outside the HMO service area is \$635.37 per month. The maximum MMA for Individual Plans for Medicare eligible retirees provided through the Medicare Exchange is \$486.74 per month. The MMA amounts that are paid to retirees based on years of service are set out below:

YEARS OF SERVICE	AMOUNT OF MONTHLY MEDICAL ALLOWANCE BENEFIT		
	<i>Group Plans</i>	<i>Individual Plans – Out-of-Service Area Early Retirees</i>	<i>Individual Plans – Medicare Eligible Retirees</i>
20 or more years or retired on service connected disability	\$635.37	\$635.37	\$486.74
15 through 19	\$476.53	\$476.53	\$365.06
10 through 14	\$317.69	\$317.69	\$243.37
Under 10	\$0	\$0	\$0

As a result of the Affordable Care Act, in 2014 ACERA's plans are required to be "retiree only plans" in order to provide reimbursement through a Health Reimbursement Account (HRA). In order to comply with this federal law, retirees who return to work for an ACERA Participating Employer for any amount of time on or after January 1, 2014, will not be eligible for medical plan and prescription drug plan reimbursements through a HRA during the time period they are working. This is because retirees who return to work (including retired annuitants) are considered "active employees" as defined by the Affordable Care Act, and therefore cause ACERA's plans to not meet the "retiree only" plan qualifications for benefits.

## 2. Medicare Part B Premium

The Medicare Part B premium that will be reimbursed for the calendar year beginning on January 1, 2024 is \$174.70 per month. ACERA shall reimburse only the lowest standard monthly Medicare Part B premium, and will not make any reimbursement of the income-related monthly adjustment amount of the Medicare Part B [\(IRMAA\)](#) premium. No premium will be reimbursed to a retiree unless he or she provides proof to ACERA of enrollment in Medicare Part B. Premiums will only be reimbursed for retirees and not for spouse, dependents or survivors.

[Although an IRMAA premium is not reimbursed as a Medical Part B Premium reimbursement, an IRMAA premium may be reimbursed through an HRA, subject to the HRA limits.](#)

No Medicare Part D premiums will be reimbursed to retirees enrolled in Group Plans.

## 3. Dental Care

The dental care contribution is payment of the eligible retiree's Delta Dental premium when enrolled in the Delta Dental plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2024 and for all later years (unless and until amended by the Board), the monthly Delta Dental premiums paid by ACERA are as follows: for retirees enrolled in the Delta Dental DPO Plan, \$51.05; and for retirees enrolled in the Delta Dental DMO Plan, \$22.18.

## 4. Vision Care

The vision care contribution is payment of the eligible retiree's Vision Service Plan (VSP) premium when enrolled in the VSP plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2024 and for all later years (unless and until amended by the Board), the monthly VSP premium paid by ACERA is \$4.63.

## 5. Spouse, Dependents and Surviving Beneficiaries

ACERA shall not provide payment for any health or medical or other retiree health benefits to any spouse, dependent, or surviving beneficiary of a retired member. However, to the extent available from the applicable health plan or carrier, ACERA will allow the retired member to purchase for his or her spouse and dependents the same coverage as the member has through ACERA by paying the full premium cost of such coverage. A surviving beneficiary may purchase coverage available from the applicable health plan or carrier by paying the full premium cost of such coverage.



To: Board of Retirement  
From: Jeff Rieger, Chief Counsel  
Meeting: December 21, 2023  
Subject: **Proposed Adoption of Death Benefit Equity Policy**

A handwritten signature in blue ink is located to the right of the 'From' and 'Meeting' lines.

Attached hereto is the proposed Death Benefit Equity Policy. Below are minor changes from the version of the proposed Policy that was before the Retirees Committee.

1. As discussed at the Retirees Committee meeting, I have added the following language as the second sentence in Section III(D): "Such claims will proceed through ACERA's Disability Retirement Procedures." This was a clarification that I determined was appropriate after my discussions with the Office of County Counsel before the Retirees Committee meeting.
2. In Section III(D), I have added the following underlined language: "If a surviving spouse or domestic partner is the sole designated beneficiary on the Pre-Filed Application and would receive greater benefits for a service-connected death than for a service-connected disability with Optional Settlement 2 election, the surviving spouse or domestic partner shall receive those greater benefits." Upon final review of the Policy, I determined this clarification would be prudent, because there could be a case where a member names a spouse or domestic partner as one of multiple beneficiaries on the Pre-Filed Application. In such a case, I believe it is appropriate that ACERA would pay benefits based on the Pre-Filed Application, so that the member's intended division of benefits is honored. The above new language was implied by the reference to Optional Settlement 2, under which there can only be one beneficiary, but I believe additional clarity is prudent.
3. Exhibit A and Exhibit B to the Policy are not included in the initial distribution of the agenda packet. Staff is making some improvements to those forms. The improved forms will be distributed before the meeting. These forms will be presented for the Board's review and input, but Staff expects to continue to improve the forms as may be necessary, as it does with other administrative forms.

I will be happy to answer any questions at the December 21, 2023 meeting.

## I. Purpose:

This Policy establishes administrative procedures to allow ACERA members to pre-file a disability retirement application and Optional Settlement election so that their beneficiaries may be eligible to receive the maximum benefits allowable under the County Employees' Retirement Law of 1937 ("CERL") if the members become entitled to a disability retirement before dying.

## II. Board Findings

- A. Before the first payment of a retirement allowance, members may elect Optional Settlement 2 (Gov't Code § 31762) or Optional Settlement 4 (Gov't Code § 31764). Each provides lifetime monthly allowances to a member's designated beneficiary (Optional Settlement 2) or multiple designated beneficiaries (Optional Settlement 4) upon the member's death, with a reduced lifetime allowance paid to the member. The total benefits paid under Optional Settlements are actuarially equivalent to the member's unmodified retirement allowance alone.
- B. Members with terminal injuries or illnesses that render them permanently incapacitated for duty before they die may apply for a disability retirement and elect Optional Settlement 2 or Optional Settlement 4.
- C. Some members with terminal injuries or illnesses die before they apply for a disability retirement and elect Optional Settlement 2 or Optional Settlement 4. This can result in lower benefits for their beneficiaries compared to beneficiaries of members who apply for a disability retirement and elect Optional Settlement 2 or Optional Settlement 4. The Board finds that different outcomes for beneficiaries, based on whether a member was able to apply for a disability retirement, are arbitrary, inequitable and should be avoided whenever possible.
- D. In *Gorman v. Cranston* (1966) 64 Cal.2d 441, an active member of a retirement system had surgery planned and wanted to ensure that his beneficiaries would receive the maximum available benefits under law if he became permanently incapacitated and was unable to apply for a disability retirement before dying. The member filled out a disability application and requested that "if he were to become disabled and unable to post the letter, his son should mail copies to" the appropriate parties. After the member's death, his son mailed the application to the appropriate parties. The California Supreme Court held that the retirement system was required to process the disability retirement application. The Board finds that the principles in *Gorman v.*

*Cranston* should apply equally to all ACERA members without regard to their individual circumstances (e.g., whether they have surgery planned).

- E. Based on input from its Medical Advisor, the Board finds it is reasonable to conclude that every member with a terminal injury or illness while eligible to apply for a disability retirement would be able to establish permanent incapacity for some amount of time between the time of injury or illness and death. Further, all members should be able to maximize the benefits available to their beneficiaries irrespective of how quickly they die after suffering a fatal injury or illness.
- F. This Policy does not expand members' eligibility to retire for disability retirement and it does not expand the benefits available to members who retire for disability.

### III. Death Benefit Equity Procedures

- A. **Pre-Filed Disability Retirement Applications.** ACERA will make available to members the form attached hereto as Exhibit A ("Pre-Filed Application"). If a fully executed Pre-Filed Application is on file with ACERA, it shall serve as the member's application for a non-service-connected disability retirement and selection of Optional Settlement 2 or Optional Settlement 4 (as indicated by the member), if the member later becomes eligible for a disability retirement but dies before applying for a disability retirement, unless the member has revoked the Pre-Filed Application, per Section III(B), or Invalidation Event has occurred before the member's death, per Section III(C).
- B. **Revocation.** A member may revoke their Pre-Filed Application by filing with ACERA the fully executed revocation form attached hereto as Exhibit B ("Revocation Form").
- C. **Invalidation Events.** If any of the following events occur after the member files a Pre-Filed Application and before the member's death, the Pre-Filed Application shall be wholly or partially invalidated as described below:
  - i. **Dissolution Of Marriage Or Termination Of Domestic Partnership After Pre-Filed Application:**
    - a. If a member names a spouse or domestic partner as an Optional Settlement 2 beneficiary in a Pre-Filed Application and the marriage or domestic partnership later dissolves or terminates, the Pre-Filed Application shall be wholly invalidated.
    - b. If a member names a spouse or domestic partner as one of multiple Optional Settlement 4 beneficiaries in a Pre-Filed Application and the marriage or domestic partnership later dissolves or terminates, the designation of the

spouse or domestic partner shall be invalidated. The remaining beneficiaries in the Pre-Filed Application shall receive the percentage designated to the spouse or domestic partner based on their proportional designations. For example, if the spouse was a 50% beneficiary and there was a 30% beneficiary and a 20% beneficiary, the 30% beneficiary will become a 60% beneficiary and the 20% beneficiary will become a 40% beneficiary.

2. **Marriage And Domestic Partnership After Pre-Filed Application:** If a member marries or enters into a domestic partnership after filing a Pre-Filed Application and the member's Pre-Filed Application would result in lower payments to that spouse or domestic partner than would otherwise be available under governing law, the Pre-Filed Application shall be wholly invalidated.
3. **Children Born Or Adopted After Pre-Filed Application:** If a member's child is born or adopted by the member after the member files a Pre-Filed Application and the Pre-Filed Application would result in lower payments to that child than would otherwise be available under governing law, the Pre-Filed Application shall be wholly invalidated.
4. **Newly Filed Pre-Filed Application:** When a member files a Pre-Filed Application with ACERA, the filing wholly invalidates any prior Pre-Filed Application the member filed.
5. **Death Of Beneficiary After Pre-Filed Application:**
  - a. If an Optional Settlement 2 beneficiary in a Pre-Filed Application predeceases the member, the Pre-Filed Application shall be wholly invalidated.
  - b. If an Optional Settlement 4 beneficiary in a Pre-Filed Application predeceases the member, the remaining beneficiaries on the Pre-Filed Application shall receive the percentage designated to the deceased beneficiary based on their proportional designations. For example, if the deceased beneficiary was a 50% beneficiary and there was a 30% beneficiary and a 20% beneficiary, the 30% beneficiary will become a 60% beneficiary and the 20% beneficiary will become a 40% beneficiary. If all Optional Settlement 4 beneficiaries are deceased, the Pre-Filed Application is wholly invalidated.

6. **Different Beneficiary Designation After Pre-Filed Application:** If after filing a Pre-Filed Application a member files with ACERA any other type of beneficiary designation form that differs from the Pre-Filed Application—either in which beneficiaries are designated or in the percentages assigned to the same beneficiaries—then the Pre-Filed Application is wholly invalidated. Provided, however, that if the difference can be explained by another Invalidating Event (marriage, divorce, birth, adoption, death), then the Pre-Filed Application shall remain valid to the extent it would remain valid under those other Invalidating Events as described above. ACERA staff shall implement forms and procedures to reasonably inform members about the need to update any Pre-Filed Application any time they file another type of new beneficiary designation form.

D. **Service Connected Disability Claims.** If a service-connected disability would result in greater benefits or tax advantages for the beneficiaries designated in the Pre-Filed Application, one or more of the designated beneficiaries may pursue a claim for a service-connected disability for the deceased member. Such claims will proceed through ACERA's Disability Retirement Procedures. If the member was eligible for a non-service-connected disability (i.e., five years of ACERA or combined reciprocal service), benefits shall be paid to the beneficiaries in the Pre-Filed Application based on a non-service-connected disability while the claim for a service-connected disability is pending. If the Board grants a claim for a service-connected disability, the additional benefits and/or tax advantages shall be paid to all designated beneficiaries, regardless of whether they all participated in the pursuit of the claim for service-connection. If a surviving spouse or domestic partner is the sole designated beneficiary on the Pre-Filed Application and would receive greater benefits for a service-connected death than for a service-connected disability with Optional Settlement 2 election, the surviving spouse or domestic partner shall receive those greater benefits.

E. **Processing A Pre-Filed Application Upon Member's Death**

i. After the member's death, the ACERA Chief Executive Officer (or designee) will place the member's disability application on the Board's Consent Calendar (or regular calendar at the discretion of the Chief Executive Officer) with at least 60-day notice to the member's employer. The Board will receive supporting documentation to show the member's cause of death and the fact that the member satisfied all requirements for a non-service-connected disability before death in its confidential agenda backup. The Chief Executive Officer may, but not need, include input from the Board's Medical Advisor. The notice to the employer must include copies of the

documents provided to the Board and the employer will be advised of its right to object to the granting of the disability application.

- a. If the employer does not object and the Board grants the application on its Consent Calendar, the member's Optional Settlement 2 or Optional Settlement 4 election will be implemented.
- b. If the employer objects, the disability application will be removed from the Consent Calendar and will proceed through ACERA's Disability Retirement Procedures to determine whether the member was entitled to a disability retirement before death.
  - 1) If the Board finds the member was entitled to a disability retirement before death, the member's disability retirement will be granted and the member's Optional Settlement 2 or Optional Settlement 4 election will be implemented.
  - 2) If the Board does not find that the member was entitled to a disability retirement before death, the member's Pre-Filed Application shall be null and void and the member's death benefits shall be determined as if the Pre-Filed Application never existed.

#### IV. Policy Modifications

This Policy will be reviewed by the Retirees Committee at least every three years. The Committee will make recommendations to the Board concerning any improvements or modifications it deems necessary.

#### V. Policy History

- A. The Board adopted this Policy on December 21, 2023.



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MEMORANDUM TO THE BOARD OF RETIREMENT

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DATE: December 21, 2023

TO: Members of the Board of Retirement

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Benefits Consultant Request for Proposal Results and Recommendation**

On September 29, 2023 ACERA invited 14 potential consulting firms to submit a proposal in response to a Request for Proposal (RFP) for Benefits Consulting services. The analysis and results of the two responses received are provided in the attached presentation. Also attached is an overview of the RFP process.

Recommendation

Staff recommends that the Board of Retirement approve a contract for Benefits Consulting services to the highest scoring proposal response as a result of the Request for Proposal process.

Attachments

# Benefits Consultant RFP Results

Board of Retirement Meeting  
December 21, 2023



# List of Consulting Firms

The following 14 Benefits Consulting firms were invited to submit a proposal in response to the RFP via their “Contact Us” section of their website

- Alliant Benefits
- Aon Corporation
- Buck (A Gallagher Company)
- Conduent
- Gallagher (Arthur J. Gallagher & Co.)
- Keenan & Associates
- Marsh & McLennan Agency
- Milliman
- Rael & Letson
- Mercer
- Lockton
- Segal (incumbent)
- Willis Towers Watson (formally Towers Perrin and Watson Wyatt Worldwide)
- Woodruff-Sawyer & Co.

# Consultant RFP Respondents

ACERA received responses from the following two firms:

- Keenan & Associates
- Segal

# Proposal Questionnaire Response

The following seven criteria were used to rate the Proposal Questionnaire Response section of the RFP:

<b>Ranking Criteria:</b>	<b>Maximum Points</b>
A. Organizational Background	<b>25</b>
B. Benefits Consultant Experience	<b>40</b>
C. Expertise in Retiree Benefit Plans	<b>40</b>
D. Client Services & Administration	<b>35</b>
E. Sample Materials	<b>20</b>
F. Reporting	<b>20</b>
G. References and Client List	<b>20</b>
<b>Total</b>	<b>200</b>

# Evaluation Sections & Points

<i>Proposal Questionnaire</i>	<i>Max. Points</i>	<i>Average of Raters</i>					
Keenan & Associates	<b>200</b>	154.70					
Segal	<b>200</b>	188.70					
<i>Fee Proposal</i>	<i>Max. Points</i>	<i>Average of Raters</i>					
Keenan & Associates	<b>40</b>	35.8					
Segal	<b>40</b>	33.0					
<i>Interview</i>	<i>Max. Points</i>	<i>Rater 1</i>	<i>Rater 2</i>	<i>Rater 3</i>	<i>Rater 4</i>	<i>Rater 5</i>	<i>Rater 6</i>
Keenan & Associates	<b>100</b>	72	71	69	73	71	73
Segal	<b>100</b>	85	90	82	88	81	84

# Total Points for Questionnaire, Fee & Interview

<i>Proposal Questionnaire, Fee and Interview</i>	<b>Maximum Points</b>	<b>Total Points</b>	<b>Ranking</b>
Keenan & Associates	200 + 40 + 100=340	262.0	<b>2</b>
Segal	200 + 40 + 100=340	306.7	<b>1</b>

# Raters

- Rater 1 = Carlos Barrios
- Rater 2 = Kathy Foster
- Rater 3 = Sandra Dueñas-Cuevas
- Rater 4 = Jessica Huffman
- Rater 5 = Mike Fara
- Rater 6 = Eva Hardy



## ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

### PROCESS OVERVIEW OF BENEFITS CONSULTANT

#### REQUEST FOR PROPOSAL (RFP)

September 29, 2023 to December 21, 2023

<b>Benefits consulting firms Invited to respond to RFP on September 29th</b>	ACERA invited 14 consulting firms via their "Contact Us" section of website regarding RFP on ACERA's website.
<b>Questions regarding RFP due to ACERA by October 13th</b>	One proposer submitted a question to ACERA.
<b>Responses to questions regarding RFP due to proposers by October 17th</b>	ACERA responded to one submitted question from one proposer. The proposer was supplied with the question and answer via email. The question and answer was also posted on ACERA's website.
<b>Proposals due to ACERA by 4:00 PM on November 6th</b>	ACERA received two proposals by the RFP due date.
<b>Proposals reviewed by ACERA Staff November 6th - 10th</b>	ACERA validated, compared and rated the RFP responses on Minimum Qualifications, Proposal Requirements, Proposers Questionnaire Responses, Fee Proposal and Finalist Interviews.
<b>Proposers interviews conducted November 28th and November 30th</b>	Interviews were conducted by Carlos Barrios, Kathy Foster, Sandra Dueñas-Cuevas, Jessica Huffman, Mike Fara, and Eva Hardy. Proposers interviewed were Keenan & Associates and Segal (incumbent). Interviews were scored based upon a standard set of 12 questions and Interview Rating Matrix.
<b>Review and Ranking of Proposers</b>	ACERA Staff used the following seven criteria to rate the Proposal Questionnaire Response section of the RFP: A. Organizational Background B. Benefits Consultant Experience C. Expertise in Retiree Benefit Plans D. Client Services and Administration E. Sample Materials F. Reporting G. References and Client List
<b>Review and recommendation to Board of Retirement December 21st</b>	Based on analysis of all the rating criteria, ACERA Staff is making a recommendation to the Board of Retirement.



*Office of the Chief Executive Officer*

DATE: December 21, 2023  
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>

**Conference/Event Schedule**

None

**Other Items**

**Business Planning Update**

Attached is a list of updates for each of the projects.

**Legislative Update**

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

**Other Items**

**DROP Programs:** There is growing interest among some labor groups to establish Deferred Retirement Option Programs (DROPs) in CERL systems. A DROP program allows an employee to retire, remain employed, and their pension benefit is payed into a deferred account that they receive once they terminate employment. The CERL allows these programs upon Board of Supervisor approval, but it requires that the program be actuarially neutral. These programs are usually established as a retention tool, but they are very difficult to design to remain actuarially neutral, and have been subject to a number of negative press stories throughout the country. Currently, there is a big push for this program in San Diego County, and significant interest in Sacramento County, as well as others. Here is a link to a GFOA White Paper on DROP programs and some of their challenges. <https://www.gfoa.org/materials/deferred-retirement-option-plans>

*CALAPRS Leadership:* At the December meeting of the CALAPRS Board of Directors, I was selected to remain as President of the organization for 2024. Board officers are selected annually. This will be my second year as President, and my sixth year as a Board member.

**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> As of September of 2023: We were .04% short of the benchmark.
<b>EFFECTIVE PLAN ADMINISTRATION</b>	
<b>Actual Spent vs. Approved Budget</b>	<i>On budget or 10% below 2022 approved budget</i> As of October of 2023: 2.85% under budget.
<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> As of the latest survey (October of 2023): 73%.
<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> For 3 <sup>rd</sup> Quarter of 2023: 100%.

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

**1. General Investment Consultant (GIC) RFP**

**Goal 1 (Sept. 2022 – Sept. 2023)**

At the September 21<sup>st</sup>, 2023 Board of Retirement meeting, NEPC was selected as ACERA's General Investment Consultant, pending completion of Investment and Legal due diligence. As of November 30<sup>th</sup>, 2023 all due diligence were completed and the Investment Consulting Services Agreement between ACERA and NEPC was fully executed.

**2. Investment License Services for Private Market & Subscription**

**Goal 1 (Jul. 2023 – Dec. 2023)**

The Investment Operations Team has a goal of obtaining direct access to the Cambridge Associates Private Benchmark data through IHS Markit. This vendor can provide ACERA, or the State Street Bank Performance Team, the necessary access to aid in providing timely benchmark performance reporting monthly. Staff has completed initial introductory call with IHS Markit. The follow-up demonstrations with the vendor to view the product offering has been paused, pending the completion of the General Investment Consultant (GIC) search, as the possibility of a new consultant could result in benchmark change recommendations. With the fully executed GIC contract finalized, Investments will strategize with NEPC to analyze the Total Fund, review proper benchmarks and evaluate vendor options, to begin in 1Q 2024.

**3. Comprehensive Pension Administration System PG3 Training**

**Goal 2 (May 2023 – Fall 2024)**

SOP - The focus of this project (Standard Operating Procedure Updates) is limited to providing procedural updates on critical processes with a high integration of Pension Gold. ACERA's project consulting team has started a review of the library of materials in Teams with the SME's. The first set of SOP's identified in the project plan were completed this month.

V3 Training Materials – The job aid is the standard tool used in this project to summarize steps in Pension Gold as agreed upon this past month by the unit managers. A proof of concept for each business unit is complete and will be presented this month for feedback and final updates. The scope of work for V3 job aids will be finalized at the start of next month.

**4. Review Workforce Excellence (WFE) Processes and Tools**

**Goal 2 (Oct. 2022 – Dec. 2023)**

ACERA's HR team has collected the updated WFE material from the different departments. OnBase will be used for coaching tracking and the eval process. Customized workflows will be developed to enable these processes. OnBase will also be used to house related HR documents.

5. [PGV3 Upgrade](#)  
**Goal 2 (Complete in August 2024) & Goal 3**

The Design Review meetings are underway for the Pension Gold V3 Member Facing and Employer Facing Portal. Reporting development is a focus for Q1 2024 of the project. The project maintains on schedule with a target finish in Q4 2024.

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

The Benefits Team successfully completed UAT and Training for the Beneficiary Maintenance Case Manager. The Beneficiary Maintenance Case Manager will go live on **December 18<sup>th</sup>**. The solution eliminates manual routing of assignments for Beneficiary records management. The final requirements for Active Death Case Manager will be finalized this month.

7. [BoardEffect Software](#)  
**Goal 2 (Fall 2022 – Fall 2023)**

Board and Committee Procedure Updates, System Administrator training and job aid documentation are complete. All closing activities are targeted end of last month are complete. BoardEffect is officially transitioned to Operation and Maintenance.

8. [Research Agency Intranet Solution for Internal Document Management](#)  
**Goal 3 (Spring 2023 – Fall 2024)**

A list of priorities has been submitted by the Project Team and ACERA Departments. The list is categorized as follows:

- a. In scope and prioritized for the first phase
- b. In scope but prioritized for a later phase
- c. Out of scope, but can be captured by a future project
- d. Out of scope, but can be completed by PRISM

The first phase of implementation will focus on documentation such as legal memos, training docs, etc. This phase of the project will work hand-in-hand with the PG3 training project.

A software selection to house these documents will be made in December in 2023. In addition, training templates, job aids, and other needed materials are being developed in conjunction with the PAS project.

**9. Research Expense S/W Subscription Options**

**Goal 3 (Mar. 2023 –Aug. 2023)**

Expensify has been selected for Board of Trustee travel expense reimbursement submission process. Administrator training was provided this month. Next steps are to add Trustees to the Expensify account and provide Trustee training on use of the Expensify product. Accounts will be setup for trustees who plan to use Expensify just ahead of training. The goal is to schedule and complete training before the end of January.

Research is complete. Expensify has been selected for Board of Trustee travel expense reimbursement submission process. Next steps are to add Trustees to the Expensify account and provide Trustee training on use of the Expensify product.

**10. Product Analysis for GP Upgrade or Similar Accounting Software**

**Goal 3 (Aug. 2023 – Dec. 2024)**

A list of Fiscal processes to be studied and possibly re-engineered have been selected for focus in 2024. Our consultant is also using this information to outline the different GP replacement possibilities that exist on the market. This work will begin in earnest in the latter part of 2024, with a software upgrade in 2025.

**11. New Member Enrollment**

**Goal 4 (Complete by Fall 2023)**

The project plan for 2024 New Member Enrollment and Beneficiary Maintenance record updates process is finalized. The requirements for leveraging the Pension Gold Member Portal and the generic welcome letter template, along with integration of the communications plan to optimize response time and complete member records management is included in the 2024 plan.

**12. Communications Methods**

**Goal 4 (Apr. 2023 – Dec. 2023)**

Staff continues to develop video graphic animations for a seven-minute new-member orientation video to be shown during employer orientation. Staff provided a draft of the onboarding schedule in alignment with the New Member Onboarding project.

# **LEGISLATIVE UPDATE**



December 7<sup>th</sup>, 2023

TO: State Association of County Retirement Systems  
FROM: Edelman Gilbert Robson & Smith, LLC  
RE: **Legislative Update – December 2023**

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The independent Legislative Analyst's Office (LAO) released its fiscal outlook report for the 2024-2025 budget. The report is based on final 2022-23 tax collections in November that were collected late due to the 2023 winter storms that impacted California. The LAO estimates that the Legislature and Governor will need to close an overall \$68 billion deficit to adopt a balanced budget on June 30, 2024.

The deficit, in large part, is a result of much lower 2022 income taxes collected in 2023 which are expected to continue with 2023 tax returns that will be collected in 2024.

The LAO identifies several actions the Legislature can take to address the deficit:

1. Use Budget Reserves: The Constitutionally required budget reserves exist for this exact purpose. However, the Governor and Legislature must be judicious in the use of reserves in case the budget problem and slow economy persists for several years.
2. Reduce School Spending: The state is spending more on K-12 education than is constitutionally required by Proposition 98. The state can also use Proposition 98 reserves to backfill this reduced spending.
3. Reduce One-time, Temporary and Unspent Money from Previous Budgets: This could include withdrawing funding for billions of dollars in legislator-directed spending for civic projects and local non-profits whereby symbolic checks were already presented by individual legislators.
4. Borrow and Shift Costs from Special Funds: This could affect operations of numerous programs that are self-funded through user fees.
5. Raise Revenues. The LAO does not recommend nor specify taxes to raise or tax credits to reduce. However, with a three-quarter supermajority, some Democrats in the Legislature will certainly propose raising taxes to close the deficit.



## **Next Steps**

The Governor will release his proposed budget for 2024-25 on January 10, 2024. His budget will make its own assumptions and forecast that may differ from the LAO, though it will certainly acknowledge a multibillion-dollar deficit. More importantly, his January budget will need to propose actual solutions to close the deficit. This will be difficult for both the Governor and the Legislature. Governor Newsom has had the luxury of proposing and adopting budgets that always anticipated higher revenue and more spending and there are only a handful of legislators currently in office who were in office during a time of budget cuts and/or budget austerity.

Of interest to SACRS, is the fact that when state budget revenues are down, Republican members of the Legislature and certain advocacy groups take interest in spending obligations related to government employee compensation, pensions, and retiree health.

**12. CLOSED SESSION:**

- A.** Existing litigation pursuant to paragraph (1) of subdivision (d) of Section 54956.9: LACERA v. County of Los Angeles et al., Cal. Court of Appeal Second Appellate District Case No. B326977 (ACERA participating as amicus curiae).
- B.** Public Employee Discipline/Dismissal/Release.
- C.** Government Code Section 54957(b)(1): Public Employee Evaluation (Chief Executive Officer).
- D.** Conference with Designated Representative (Jamie Godfrey) regarding Compensation Negotiations with the Chief Executive Officer (Cal. Gov't Code § 54957.6).

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