AGENDA ___June 29, 2021

REVISED

COUNTY ADMINISTRATOR

SUSAN S. MURANISHI
COUNTY ADMINISTRATOR

June 22, 2021

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

Dear Board Members:

SUBJECT: **APPROVAL AND EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF ALAMEDA AND THE ALAMEDA COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION**

RECOMMENDATION:

1) Approve and execute the attached Memorandum of Understanding (MOU) between the County of Alameda and the Alameda County Employee's Retirement Association (ACERA) for the transfer of $800 million to ACERA to reduce the County's Unfunded Actuarial Accrued Liability (UAAL).

2) Adopt a policy that all savings from reduced employer retirement rates realized from the transfer of the $800 million will be deposited in the Pension Liability Reduction Plan Account (PLRA) to reduce unfunded pension liabilities.

3) Authorize the Auditor-Controller to make the appropriate budgetary adjustments and wire transfer the $800 million currently deposited in the Pension Liability Reduction Plan Account to ACERA on or before June 30, 2021.

BACKGROUND:

On April 7, 2015, your Board upon the recommendation of the Auditor-Controller and the County Administrator created the Pension Liability Reduction Plan Account (PLRA) for the purpose of reducing and/or eliminating Alameda County's portion of the ACERA unfunded pension liability. At that time, your Board approved an initial transfer of $200 million to the PLRA. The PLRA balance as, approved by your Board, is currently $800 million. On December 15, 2020, your Board authorized the transfer of the $800 million PLRA to ACERA, contingent on the ACERA Board of Trustees' agreeing to accept the deposit. The Auditor-Controller and the County Administrator were authorized to negotiate a mutually agreeable MOU with the ACERA Board of Trustees and return to your Board for final approval and execution.

DISCUSSION/SUMMARY:

County staff have been working with the County's financial advisor, actuaries, and other financial firms to discuss and review all options available to the County to efficiently and effectively reduce the County's share of the ACERA unfunded pension liability, thereby reducing the County's ongoing long-term costs. The finance professionals agreed that the most prudent and cost-effective method to decrease the County's share of its unfunded pension liability is to deposit the PLRA funds with ACERA.

The most recent ACERA actuarial valuation of December 31, 2020, shows ACERA is funded at 76.2% with an Unfunded Actuarial Accrued Liability (UAAL) of $2.5 billion. The cost of the unfunded liability is the employer's financial responsibility and cannot be passed onto the participants in the system. The County's share of the unfunded liability is approximately 77% or $1.919 billion. Transfer of the $800 million will reduce the County's portion of the unfunded liability to approximately $1.119 billion. The annual savings that will accrue to the County through employer rate reductions are estimated to be $78.4 million the first year and will increase annually up to an estimated amount of $115.0 million in year thirteen. ACERA's Interest Crediting Policy pursuant to Section 31615 of CERL states that interest is credited on June 30 and December 31 to all funds which have been on deposit in the system for at least six months immediately prior to those dates. In order for the $800 million to receive its share of the interest earnings on December 31, 2021, the transfer to ACERA must take place no later than June 29, 2021.

As the only participating employer in ACERA that employs safety member, the County has the financial responsibility for the entire safety member unfunded liability, which as of December 31, 2020, is $935 million. Currently, the unfunded liability is paid by the County through contributions determined by a series of layered amortization bases, each with duration of 20 years or less. Given the complexity of determining the application of voluntary supplemental contributions to the ACERA employee general fund pool, it is financially prudent to apply the $800 million to the County's unfunded safety liability as all of the earnings relative to the transfer to ACERA for safety unfunded liability (with the exception of the SRBR portion) would be credited to the benefit of the County only and would not have any impact on the earnings allocated to the other employers in ACERA. This transfer will lower the County's safety contribution rate to the retirement system but will *not* impact the rates for employee contributions.

As your Board is aware the largest single County debt is the estimated $1.9 billion-dollar unfunded pension liability. Establishing a policy that all savings from this transfer be deposited in the PLRA would be a critical step in funding current and future unfunded liabilities. The funds will accrue to the PLRA on an annual basis and at the appropriate time your Board could authorize transfer of the funds to ACERA to reduce and or eliminate any unfunded liabilities.

These actions will also enhance the solvency of the ACERA Retirement System, provide greater security for ACERA benefits for former and current participating employees, reduce the County's long-term cost of contributing to the system, reduce a large portion of the County's debt, and assist the County in maintaining its exceptional credit ratings with the rating agencies.

FINANCING:

The recommended actions will not impact the current year Board approved budget and will reduce the County's long-term liabilities and future employer retirement contributions.

VISION 2026:

Approval of this request is consistent with the county's commitment to **Fiscal Stewardship** and the 10X goal pathway to a **Prosperous and Vibrant Economy**.

Very truly yours,

Susan S. Muranishi
County Administrator

Melissa Wilk
Auditor-Controller

c: Treasurer/Tax Collector
County Counsel

Attachments

MEMORANDUM OF UNDERSTANDING BETWEEN THE

COUNTY OF ALAMEDA

AND

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

This **MEMORANDUM OF UNDERSTANDING** ("MOU") is made and entered into this 29 day of June 2021, by and between the **COUNTY OF ALAMEDA** ("County"), a political subdivision of the State of California, and the **ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION** ("ACERA"), a retirement association operating under Sections 31450 et seq. and other applicable provisions of the Government Code.

C-2021-45

RECITALS

WHEREAS, ACERA, acting through its Board of Retirement, has the power and duty to manage and administer a retirement system (the "System") for participating current and retired employees of the County, the Superior Court of California for the County of Alameda, the Alameda Health System, First 5 of Alameda County, the Livermore Area Parks and Recreation District, the Housing Authority of Alameda County, and the Alameda County Office of Education (collectively, the "Participating Employers"); and

WHEREAS, ACERA has two member classifications: General Members and Safety Members; among the ACERA Participating Employers, only the County has current or former Safety Members; and

WHEREAS, as of the most recent actuarial valuation date of December 31, 2020, the System is approximately 76% funded with an unfunded actuarial accrued liability ("UAAL") of approximately $2.5 billion; the UAAL is currently being funded by the Participating Employers through annual contributions determined by a series of layered amortization bases, each with a duration of 20 years or less; and

WHEREAS, as of the most recent actuarial valuation date of December 31, 2020, the Safety Member component of the System has an allocated UAAL of approximately $935 million, which is being funded by the County through annual contributions determined by a series of layered amortization bases, each with a duration of 20 years or less; and

WHEREAS, during the 2014-15 budget hearings the County Board of Supervisors directed the County Administrator and Auditor-Controller to develop a multi-year plan to reduce the County's UAAL; and

WHEREAS, on April 7, 2015 the County Board of Supervisors created a Pension Liability Reduction Plan Account ("PLRP") and began making annual contributions to the PLRP; as of May 6, 2021, the balance of the PLRP is approximately $800 million; and

WHEREAS, to provide greater security for ACERA benefits for former and current County participating employees; enhance the solvency of the System; and decrease the County's long term costs of contributing to the System by reducing the Safety UAAL, the County has requested that ACERA accept deposits of supplemental funding amounts from the PLRP in addition to the County's annual Actuarially Determined Contributions ("ADC"); and

WHEREAS, the County understands that the effect of contributing supplemental funding amounts in accordance with this MOU will reduce the County's Safety Member ADC that the County would otherwise owe ACERA prospectively; and

WHEREAS, the County understands that any such supplemental contributions shall be subject to the same investment risks as other funds in the System and that investment gains or losses may differ from the expected rate of return, which will affect the Safety UAAL and the projected reductions that the supplemental contributions are expected to have on the County's Safety ADC prospectively;

WHEREAS, the County understands that Government Code §§ 31610 et seq. and ACERA's policies related to Government Code §§ 31610 et seq. apply to any supplemental contributions the County makes to ACERA under this MOU; and

WHEREAS, the County understands that all additional or supplemental contributions made to the Retirement Fund will be used solely to provide System benefits to members and their beneficiaries and to pay administrative costs of the System.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties mutually agree as follows:

1. **Definitions.** Capitalized terms not defined in the Recitals are used as defined below:

(a) "**Actuarially Determined Contribution**" or "**ADC**" means the County's employer contribution rate as determined by ACERA's Board of Retirement in accordance with the County Employees Retirement Law of 1937 ("CERL").

(b) "**Actuarial Valuation**" means the actuarial valuation of the System required pursuant to Section 31611 of the CERL.

(c) "**County Safety Voluntary Contribution Reserve**" means the ACERA Valuation Reserve to which the County's voluntary contributions to pay UAAL associated with the County's past and present Safety employees is credited, including interest credited on the balance of the Reserve. Pursuant to the Board's Actuarial Funding Policy, the County Safety Voluntary Contribution Reserve will be subject to a separate five-year asset smoothing schedule that excludes any known deferred investment gains or losses attributable to other valuation reserves and the SRBR for periods before the County makes a voluntary contribution. The separate smoothing schedule will be established and used to calculate interest only for the County Safety Voluntary Contribution Reserve for each six-month crediting period until five years after each such contribution to that Reserve has been on deposit. Five years after the County makes any such contribution, the same five-year asset smoothing schedule that is used to calculate interest for the other valuation reserves and the SRBR will then be used for funds in the County Safety Voluntary Contribution Reserve that are attributable to such contribution.

(d) "**County Safety Voluntary Contribution**" or "**CSVC**" means County's voluntary supplemental employer contribution, in excess of the ADC, toward UAAL associated with the County's past and present Safety employees. County intends to make a one-time lump sum CSVC of Eight Hundred Million Dollars ($800,000,000). County may make more than one payment. County may make aggregate payments in excess of $800 million with approval of the Board of Retirement, which will not be unreasonably withheld or delayed.

(e) **"Fiscal Year"** means the period of twelve consecutive months beginning on July 1 of any calendar year and ending on June 30 of the following calendar year.

(f) **"Normal Cost"** means the portion of the actuarial present value of pension plan benefits allocated to a valuation year by the actuarial cost method as defined in the "Actuarial Funding Policy" (Exhibit B).

(g) **"Retirement Fund"** means the fund established under the System, as defined in Section 31475 of CERL.

(h) **"Supplemental Retiree Benefit Reserve"** or **"SRBR"** means the non-valuation reserve account established pursuant to Section 31618 for the benefit of retired members and beneficiaries, which is funded as provided by Government Code §§ 31610 et seq. and the Board of Retirement's policies.

2. Amendment of ACERA Policies.

On May 20, 2021, ACERA's Board of Retirement amended its "Interest Crediting Policy" and "Actuarial Funding Policy" as shown in Exhibit A and Exhibit B, respectively, which policies are incorporated by reference in this MOU. Such amendments are necessary and proper to allow the parties to accomplish the terms of the MOU. The Board of Retirement may further amend those policies from time to time, but any such amendments shall be consistent with the intent of the May 20, 2021 amendments and this MOU, which is to ensure that (a) the County receives full credit for its supplemental contributions, and (b) ACERA's other Participating Employers and the SRBR are not negatively impacted by the CSVC contribution.

3. County Safety Voluntary Contributions and Reserve

A. On or before June 30, 2021, County may make one or more payments to ACERA of County Safety Voluntary Contributions equal to at least Eight Hundred Million Dollars ($800,000,000). At any time thereafter, County may elect to make additional CSVC contributions with approval of the Board of Retirement, which will not be unreasonably withheld or delayed.

B. ACERA shall (i) establish the County Safety Voluntary Contribution Reserve, (ii) accept all CSVC payments made by County, and (iii) immediately upon receipt of each County CSVC payment, deposit the CSVC payment into the County Safety Voluntary Contribution Reserve.

4. Supplemental Actuarial Valuation; Reduction of County Safety UAAL Contributions.

A. As of the most recent actuarial valuation date of December 31, 2020, the Safety Member component of the System has an allocated UAAL of approximately $935 million. This Safety UAAL is funded by the County through annual contributions determined by a series of layered amortization bases, each with a duration of 20 years or less, generally as shown in Exhibit C.

B. Upon receipt of the CSVC contributions described in paragraph 3B above, ACERA will issue a supplemental actuarial valuation to determine the County's Safety UAAL contribution rate starting in September 2021 to reflect the financial effects of the CSVC. ACERA will establish a new amortization base layer to track the outstanding CSVS balance as CSVC Reserve funds are used to partially fund the County's annual Safety UAAL obligation, anticipated to be generally as shown in Exhibit E. Application of the CSVC contributions and the new contribution rate are anticipated to result in an amortization of the County's annual Safety UAAL obligation generally as shown in Exhibit D.

C. At no time shall any County Safety Voluntary Contribution or funds in the County Safety Voluntary Contribution Reserve be recognized for the purpose of calculating employer contributions for General members or for Participating Employers other than the County. Further, ACERA may not use funds on deposit in the CSVC Reserve to offset any Normal Cost payment required of the County.

D. Beginning with the County's September 2021 contributions, ACERA shall draw down funds from the County Safety Voluntary Contribution Reserve to reduce the County's Safety UAAL contributions, transferring such funds to the Employer Advance (Basic) Reserve and Cost-of-Living Reserve for credit to the County's Safety UAAL obligation. Transfers shall be made consistent with Exhibit A ("Interest Crediting Policy") and Exhibit B ("Actuarial Funding Policy").

E. ACERA and its Actuary shall track plan assets separately for General and Safety classification groups until all funds in the County Safety Voluntary Contribution Reserve are exhausted.

5. Crediting Investment Gains and Losses to County Safety Voluntary Contributions

ACERA may comingle the funds on deposit in the County Safety Voluntary Contribution Reserve with its other funds and shall invest them in the same manner as the rest of the Retirement Fund. Earnings and losses, net of proportionate costs for investment and other administrative costs, with regards to the CSVC Reserve will accrue to the funds in the Reserve, as provided by law and ACERA policies, including Exhibit A ("Interest Crediting Policy") and Exhibit B ("Actuarial Funding Policy"); provided such policies are not inconsistent with this MOU.

6. Audits and Inspection of Records

ACERA will maintain and make available to the County upon reasonable notice, during regular business hours, accurate books and accounting records relating to its obligations pursuant to this MOU. ACERA will maintain such records in an accessible location and condition for a period of not less than five (5) years after each year to which the records pertain or until a final audit has been resolved, whichever is later.

7. Notice to Parties

A. Unless otherwise specified herein, all notices, requests, demands and other communications pertaining to this MOU must be in writing and shall be deemed to have been duly given when hand delivered or five (5) days after being deposited in the United States mail, if mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the authorized agents to this MOU at the following addresses, and to the attention of the person named:

To County: County of Alameda
1221 Oak Street, Room 555.
Oakland, CA 94612
ATTN: County Administrator

To ACERA: ACERA
475 14th Street, Suite 1000
Oakland, CA 94612
ATTN: Chief Executive Officer

B. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

8. Amendments

All amendments, consents or waivers to this MOU, including its exhibits, shall be in writing and signed by the authorized parties to this MOU.

9. Severability

This MOU is subject to all applicable laws, statutes, rules and regulations. If any provision of this MOU is found by any court or other legal authority, or is agreed upon in writing by County and ACERA to be in conflict with any law, statute, rule or regulation, the conflicting provision shall be null and void. The remainder of this MOU shall continue in full force and effect.

10. Entire Agreement

This MOU constitute the entire agreement of the parties, and supersedes all previous agreements, written or oral, and all communications between the parties relating to the subject matter of this MOU.

11. Time of the Essence

Time is of the essence for every provision of this MOU.

12. Waiver

A waiver by any party hereto shall be in writing and signed by the waiving party and shall not be construed as a waiver of any succeeding breach of any covenant, agreement, restriction or condition of this MOU. No failure to exercise and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof.

13. Authority

County and ACERA each have all requisite power and authority to conduct its respective duties and to execute, deliver and perform this MOU. Each party hereto warrants that the individuals who have executed this MOU have the legal power, right and authority to enter into this MOU and to bind each respective party.

14. Cooperation

County and ACERA shall cooperate in good faith to implement this MOU, and to agree to do such further acts and things and to execute and deliver such additional agreements and instruments as may be reasonably necessary to give effect to the purpose of this MOU and their parties' agreements hereunder.

15. Assignment

Neither party shall assign any of its rights or delegate any of its obligations hereunder without the prior written consent of the other party.

16. Event of Default; Dispute Resolution; Legal Actions

A. *Event of Default*. An event of default shall arise should either party breach or fail to comply with or perform any of its covenants and obligations under this MOU and such default remain uncured thirty (30) days from receipt of a notice from the non-defaulting party to cure such breach or failure, or if a cure is not possible within thirty (30) days, to begin such cure and diligently prosecute such cure to completion. If the defaulting party does not cure within such period, then the non-defaulting party shall be entitled to any rights afforded it in law or in equity, including seeking mandamus or specific performance of this MOU.

B. *Informal Resolution*. If any dispute arises between the parties as to interpretation or application of this MOU, the parties shall attempt to resolve the dispute in accordance with this MOU prior to judicial reference or formal court action. As to any such dispute, the parties shall first meet and confer in good faith to resolve the matter between themselves. Each party shall make all reasonable efforts to provide to the other party all information relevant to the dispute, to the end that both parties will have appropriate and adequate information to resolve the dispute

C. *Mediation*. In the event that a dispute arises between any of the parties in connection with this MOU, before resorting to any other legal remedy, the parties shall attempt in good faith to resolve any such controversy or claim by mediation conducted by one mediator, in accordance with the Commercial Mediation Rules of the American Arbitration Association.

17. Choice of Law

This MOU and the rights and obligations of the parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

18. Calendar Days

Unless specifically stated to the contrary, all references to days herein shall be deemed to refer to calendar days. If the final date for payment of any amount or performance of any act hereunder falls on a Saturday, Sunday or state of California holiday, such payment may be made, or act performed on the next succeeding business day.

19. Headings

Headings are for the convenience of the parties and are not to be used to interpret the MOU. The parties hereto, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

20. Counterparts; Electronic Signature

This agreement may be executed in counterparts, each of which shall be an original and both of which shall constitute one and the same agreement. This agreement may be executed digitally by either party in accordance with applicable California law.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized officers on the date first herein written.

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

By: ______________________
David Nelsen, CEO

COUNTY OF ALAMEDA

By: ______________________
Keith Carson, President
Board of Supervisors

APPROVED AS TO FORM:
JEFF RIEGER, General Counsel

____

APPROVED AS TO FORM:
DONNA R ZIEGLER, County Counsel

By: ______________________
Andrea L. Weddle
Chief Assistant County Counsel

Exhibit A

Interest Crediting Policy

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

I. Purpose

The purpose of this policy is to establish the process to be used by the Alameda County Employees' Retirement Association ("ACERA") to credit semi-annual interest to reserves. This policy shall include, but may not be limited to, the following:

A. Defining the reserves maintained by ACERA;

B. Determining the regular and excess rates of interest at which reserves are to be credited; and

C. Determining the priorities and sequence by which interest will be credited to the reserves.

II. Objectives

The policy has been developed with the following objectives:

A. To comply with appropriate legal and regulatory requirements.

B. To maintain consistency between the reserving structure and the actuarial funding of ACERA.

C. To limit, to the extent possible, the volatility of interest crediting from period to period.

D. To limit, to the extent possible, the charging of losses to valuation reserves.

E. To assure that the reserve values track the market value of assets over the long term.

III. Governing Law

ACERA is governed by provisions of the County Employees Retirement Law of 1937 ("CERL"), as well as other federal and State laws relating to public retirement systems.

CERL generally governs interest crediting and excess earnings. Under CERL, interest is credited on June 30 and December 31 each year to all contributions, reserves, and accounts in the retirement fund which have been on deposit for 6 months. Various reserves and designations are established and maintained by the Board under procedures adopted by the Board pursuant to Article 5.5 of CERL.

IV. Reserves

ACERA maintains the following reserves:

A. Valuation Reserves

1. Member Deposit Basic and Cost-of-Living Reserves – The reserves to which member contributions are credited. These contributions may be refunded to the member upon separation from service or left on deposit by the member upon separation from service (deferred retirement). Upon retirement of a member, transfers are made to Annuity and Cost-of-Living Reserves.

2. Employer Advance (Basic) Reserve – The reserve to which basic employer contributions are credited, including amounts made directly to the retirement plan as well as amounts made to the 401(h) Reserve Account for payment of estimated retiree health benefits (OPEB) for the next fiscal year but reimbursed with a transfer from the SRBR. Upon retirement of a member, a transfer is made to Pension (Current and Prior) Reserves (Pension).

3. Cost-of-Living Reserve – The reserve to which cost-of-living employer contributions are credited and Member Cost-of-Living contributions for new retirees are transferred when the member retires.

4. Retired Member Reserves (Annuity & Pension) – The reserves to which transfers are made from Member Deposit Basic and Employer Advance (Basic) Reserve at the time of a member's retirement. The total of these reserves should equal the present value of the total benefits (excluding cost-of-living increases) due all

retirees and eligible beneficiaries had there been no actuarial gains or losses and changes in actuarial assumptions.

5. Survivor Death Benefit Reserve – The reserve is credited with the present value of death and survivor benefits expected to be paid upon the death of an active member.

6. County Safety Voluntary Contribution Reserve – The reserve to which the County's voluntary contributions to pay Unfunded Actuarial Accrued Liability (UAAL) associated with the County's past and present Safety employees are credited. Pursuant to the Board's Actuarial Funding Policy, the County Safety Voluntary Contribution Reserve will be subject to a separate five-year asset smoothing schedule that excludes any known deferred investment gains or losses carried over from periods before the County makes a voluntary contribution. Five years after the County makes any such contribution, the same five-year asset smoothing schedule that is used to calculate interest for the other valuation reserves will then be used for amounts in the County Safety Voluntary Contribution Reserve that are attributable to such contribution.

B. Non-Valuation Reserves

1. Contingency Reserve Account – The reserve is maintained in an amount equal to 1% of the total market value of assets to provide funds to offset future deficiencies in interest earnings, losses on investment or other contingencies. This reserve consists of the minimum 1% required pursuant to Section 31616. If the Contingency Reserve is negative, then it will be included as an offset to the valuation value of assets used to determine the employers' contribution rates in the annual actuarial valuation. The Board may transfer funds from the Contingency Reserve to different valuation reserves at different rates (including no transfer at all to one or more valuation reserves) in order to take account of the timing of extraordinary employer contributions to ACERA in a manner that is equitable to all employers and the SRBR.

2. 401(h) Reserve Account – The reserve is credited with employer contributions in an amount sufficient for payment of estimated retiree health benefits (OPEB) for the next fiscal year. Once the employers make the contributions to this Account,

there will be a reimbursement to the Employer Advance Reserve through a transfer from the SRBR.

3. Supplemental Retiree Benefit Reserve (SRBR) – This reserve is used for the payment of benefits provided to members who are retired or beneficiaries as determined by the Board in accordance with Section 31618 of the CERL. For book-keeping purposes only, the SRBR Reserve is divided into two parts:

   a. OPEB Reserve – This reserve is used to fund discretionary retiree health benefits.

   b. Non-OPEB Reserve – This reserve is used to fund discretionary supplemental COLA benefits and to fund vested $1,000 lump sum death benefits.

C. Financial Statement Reserves and Accounts

Market Stabilization Reserve – The difference between the current market value of assets and the actuarial value of assets used to establish the above reserves.

V. Guidelines

A. "Available Earnings" are determined on current period earnings of the fund calculated on the actuarial value of assets as determined under the Board's funding policy, plus any positive balance in the Contingency Reserve.

B. Credit regular interest at the assumed annual valuation interest rate on the valuation reserves, the 401(h) Reserve Account and the SRBR. Earnings will be credited twice each year to all reserves that have been on deposit for six full months, in accordance with Section 31615 of the CERL. The crediting of interest will take effect on June 30 and December 31 of each year.

C. Maintain a 1% Contingency Reserve Account required pursuant to Section 31616. (It should be noted that an additional amount up to 2% may be included at the discretion of the Board as permitted by Section 31616. The Board's current policy is not to include any such additional discretionary amount.)

D. Any Available Earnings remaining after crediting full interest to valuation reserves, the 401(h) Reserve Account, the SRBR, and restoring the Contingency Reserve Account to its target level constitute Excess Earnings. The Excess Earnings will be allocated in the following manner:

1. Allocate one-half to the Unallocated SRBR.

2. Allocate the other one-half of the remaining earnings to the valuation reserves and the 401(h) Reserve Account in proportion to the amounts in each of those reserves.

E. The Glossary of terms is attached as Exhibit A.

VI. Regular Interest Crediting Process

Step 1 Determine "Available Earnings" for accounting period as the sum of:

A. Earnings of the retirement fund for the period based on actuarial value of assets, expressed in dollars. This could be a negative amount.

B. Any positive balance in the Contingency Reserve Account.

C. If sum of A. and B. is negative, such negative amount is credited only to the Contingency Reserve Account but not to the valuation reserves, the 401(h) Reserve Account or the SRBR.

Step 2 Credit interest to the valuation reserves, the 401(h) Reserve Account, and the SRBR

A. If in the prior accounting period the Contingency Reserve Account was reduced below 1% to meet the interest crediting requirements under Step 2 in the prior period, transfer Available Earnings from the current period into the Contingency Reserve Account to restore it to 1% of total assets.

B. Credit the valuation reserves, the 401(h) Reserve Account and the SRBR at a rate up to one-half of the assumed annual valuation interest rate, if there are enough Available Earnings.

Available Earnings outlined in Step 1 (A) above for crediting to the County Safety Voluntary Contribution Reserve will be determined without regard to any known deferred investment gains or losses carried over from periods before the County makes an additional UAAL contribution to that Reserve.

Interest will be credited to the County Safety Voluntary Contribution Reserve using the weighted outstanding balance of that Reserve after taking into consideration periodic transfers made from that Reserve to the Employer Advance Reserve and the Cost-of-Living Reserve to offset the County's Safety UAAL contribution requirement.

The Board may transfer funds from the Contingency Reserve to different valuation reserves at different rates (including no transfer at all to one or more valuation reserves) in order to take account of the timing of extraordinary employer contributions to ACERA in a manner that is equitable to all employers and the SRBR.

C. Deduct the interest credited above from Available Earnings which includes the Contingency Reserve Account even if that Account was just restored to 1% in Step 2A[1]. If the amount of interest credited is more than the Available Earnings, credit in Step 2B only up to the amount of the Available Earnings.

Step 3 Maintain a Contingency Reserve of 1%

Transfer from any remaining Available Earnings from Step 2C into the Contingency Reserve the amount required to maintain a Contingency Reserve of 1% of total assets.

VII. Excess Interest Crediting Process

Apply any remaining available earnings (excess earnings) as follows:

A. Allocate one-half of any remaining earnings to the SRBR.

B. Allocate the other one-half of the remaining earnings to the valuation reserves and the 401(h) Reserve Account in proportion to the amounts in each of those reserves, on the balance in the fund for at least six full months.

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[1] *Restoring the Contingency Reserve to 1% in Step 2A and immediately including the amount in that Reserve as Available Earnings in Step 2C in the same interest crediting period would have the effect of not restoring the 1% Contingency Reserve for use in the subsequent interest crediting period until Step 3, i.e., until after crediting interest to all the reserves in Step 2B. This order of crediting interest to the Reserves has been researched by ACERA's legal counsel and determined to be a reasonable exercise of discretion available to the Board in accordance with Government Code Section 31616. It would also result in more stable pattern of interest crediting in some situations, based on scenarios developed by ACERA's actuary.*

The above allocation to the County Safety Voluntary Contribution Reserve will be determined without regard to any known deferred investment gains or losses carried over from periods before the County makes an additional UAAL contribution to that Reserve.

The above allocation to the County Safety Voluntary Contribution Reserve will be made using the weighted outstanding balance of that Reserve after taking into consideration periodic transfers made from that Reserve to the Employer Advance Reserve and the Cost-of-Living Reserve to offset the County's Safety UAAL contribution requirement.

VIII. Policy Review

This policy has been adopted by a majority vote of the ACERA Board, and can be amended by the ACERA Board by a majority vote. This policy is effective with the six-month interest crediting period ending December 31, 2015. This policy will be reviewed as deemed necessary.

IX. Policy History

A. The Board adopted this policy on December 17, 2015.

B. The Board approved this policy, without revisions, on November 8, 2018.

C. The Board revised this policy on May 20, 2021.

Exhibit A

Glossary

Actuarial Terms and Definitions

The following list defines certain technical terms relevant to the Regular Interest and Excess Interest Crediting Policy for the convenience of the reader:

Investment Return

The rate of earnings of the Plan from its investments, including interest, dividends and capital gain, and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return reflects a smoothing of market gains and losses to avoid significant swings in the value of assets from one year to the next.

Actuarial Value of Assets

Market value of assets less unrecognized market value gains and losses from each of the last five years. Market value gains and losses are equal to the difference between the actual market return and the expected return on the market value, and are recognized semi-annually over a five-year period. The actuarial value of assets is limited to no greater than 140% or less than 60% of the market value of assets.

Valuation Value of Assets

The actuarial value of assets reduced by the value of the Non-Valuation Reserves (401(h) Reserve Account, SRBR and Contingency Reserve (unless negative).

Assumed Annual Valuation Interest Rate

This is the interest rate adopted by the Board from the actuarial valuation that established the employer and employee contribution rates for that fiscal year.

Exhibit B

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Actuarial Funding Policy

I. Purpose

The purpose of the Actuarial Funding Policy (Policy) is to record the funding objectives and policy set by the Board of Retirement (Board) for the Alameda County Employees' Retirement Association (ACERA). This Policy is to ensure the systematic funding of future benefit payments for members of ACERA. In addition, this Policy records guidelines established by the Board to assist in administering ACERA's retirement fund in a consistent and efficient manner.

II. Assumptions

A. ACERA is a public employee retirement system that was established in 1948 to provide retirement allowances and other benefits to all permanent General and Safety employees of the County of Alameda and participating special districts.

B. These benefits are financed through a combination of employee and employer contributions along with the investment return on those contributions. Benefit and contribution level may vary within ACERA depending on the member's classification (General or Safety), tier and by participating employer (the County or one of the Special Districts).

C. ACERA is governed by the provisions of the County Employees Retirement Law of 1937 (1937 Act). Alameda County adopted Article 5.5 of the 1937 Act. This Article creates a Supplemental Retiree Benefit Reserve (SRBR) through which the Board may pay supplemental benefits to retirees and beneficiaries.

D. An actuarial valuation is performed annually as of December 31 of each year to determine the contribution rates for the fiscal year that begins 6 months after the valuation date.

E. This Policy applies to "regular benefits" which refer to the retirement, disability, survivor and withdrawal benefits, and all cost-of-living increases that were adopted by the County of Alameda (or the special districts) and whose payments are guaranteed by those agencies. This Policy does not cover benefits financed by the SRBR. Also, this Policy does not cover the interest crediting procedure that is used by the Board to allocate earnings among the different reserves (i.e., the valuation reserves used for the "regular benefits" and SRBR for "excess earnings benefits").

F. This Policy supersedes any previous actuarial funding policies.

III. Objectives

A. To achieve long-term full funding of the cost of "retiree benefits" provided by ACERA;

B. To seek reasonable and equitable allocation of the cost of "retiree benefits" over time;

C. To minimize volatility of the plan sponsor's contribution to the extent reasonably possible, consistent with other policy goals; and

D. To the extent that it does not conflict with the above goals, the Board will try to pool risks across all portions of ACERA to the extent that groups of members have similar benefit provisions, contribution provisions and contribution histories. Separate cost sharing groups will be set up to recognize meaningful differences in benefit structure (e.g., Safety or General), employer contribution history (e.g., payment of extraordinary contributions like Pension Obligation Bond payments and credit from reimbursement of implicit retiree health benefit subsidy) and benefit changes for a specific employer.

IV. Funding Requirements and Components

ACERA annual funding requirement for "regular benefits" is comprised of a payment of the Normal Cost and a payment towards the Unfunded Actuarial Accrued Liability (UAAL). The Normal Cost and the amount of payment on UAAL are determined by the following three components of this Policy:

A. <u>Actuarial Cost Method</u>: the techniques to allocate the total Present Value of Future Benefits to each years of service, including all past years;

B. Asset Smoothing Method: the techniques that spread the recognition of investment gains or losses over a period of time for the purposes of determining the Actuarial Value of Assets used in the actuarial valuation process; and

C. Amortization Policy: the decisions on how, in terms of duration and pattern of contributions, to reduce the difference between the Actuarial Accrued Liability and the Valuation Value of Assets in a systematic manner.

Actuarial Cost Method:

The Entry Age method shall be applied to the projected retirement benefits in determining the Normal Cost and the Actuarial Accrued Liability. The Normal Cost shall be determined on an individual basis for each active member.

Asset Smoothing Method:

The investment gains or losses of each valuation period, as a result of comparing the actual market return and the expected market return, shall be recognized semi-annually in level amounts over 5 years in calculating the Actuarial Value of Assets. Total Net Deferred investment gains or losses cannot exceed 40% of the Market Value of Assets. Note that the Valuation Value of Assets is the Actuarial Value of Assets reduced by any applicable Non-Valuation Reserves, as defined in ACERA's Interest Crediting Policy.

A separate five-year asset smoothing schedule that excludes any known deferred investment gains or losses carried over from periods before the County makes a voluntary additional Safety UAAL contribution will apply to the amounts in the County Safety Voluntary Contribution Reserve attributable to such voluntary contribution (including previously credited interest) until the contribution has been on deposit for five years. Thereafter, the same five-year asset smoothing schedule used for the other valuation reserves will be used for the outstanding balance of amounts attributable to that contribution.

Amortization Policy:

A. The UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of December 31, 2011 shall be amortized separately from any future changes in UAAL over a period of 21 years from December 31, 2011.

B. After December 31, 2011, any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of December 31 will be amortized over a period of 20 years.

C. After December 31, 2011, any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 20 years.

D. A County voluntary Safety UAAL contribution to the County Safety Voluntary Contribution Reserve, and accrued interest thereon, will be used to offset the County's Safety UAAL contributions that would otherwise be required of the County over a period determined by the Board. The annual actuarial valuation report will show both (1) the County's Safety contribution rate in the absence of such transfers, and (2) the County's actual Safety contribution rate, which takes account of such transfers.

E. Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

1. With the exception noted in 2., below, the change in UAAL as a result of any plan amendments will be amortized over a period of 15 years or less;

2. The increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted under Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years.

F. UAAL shall be amortized over "closed" amortization periods so that the remaining amortization period for each layer decreases by one year with each actuarial valuation.

G. UAAL shall be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase.

H. If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus) and the amount of such surplus is in excess of 20% of the AAL per Section 7522.52 of PEPRA, such surplus that is in excess of 20% of the AAL and any subsequent such surpluses will be amortized over an "open" amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL will be amortized over 20 years as the first of a new series of amortization layers.

I. These amortization policy components will apply separately to each of ACERA's UAAL cost sharing groups.

V. Other Policy Considerations

A. Timing of Contributions

1. The contribution rates determined in each valuation (as of December 31) will apply to the fiscal year that begins after the date of the valuation. The UAAL contribution rates in the actuarial valuation are not adjusted in advance to account for this delay.

2. Any change in contribution rate requirement that results from a plan amendment (including a change in member contribution rates) is generally implemented as of the effective date of the plan amendment or as soon as administratively feasible.

3. For purposes of calculating employer contributions, the employer and member contributions are assumed to be made during consistent intervals throughout the year.

B. Cost Groups

Separate cost groups will be set up in order to recognize differences in benefit structure (e.g., General Tiers 1 through 4 and Safety Tiers 1, 2, 2C, 2D and 4), member contribution levels, employer contribution history (e.g., payment of extraordinary contributions like Pension Obligation Bond (POB) payments as well as any credit from reimbursement of implicit retiree health benefit subsidy), and other differences that the Board deems significant, such as benefit changes for a specific employer.

An employer may be contributing to one or more different cost groups depending on the benefit structure adopted for its employees.

1. ACERA's total (employer and member) Normal Cost is determined separately for each group of members that have the same benefit formula (on a prospective basis) based on the Actuarial Cost Method described above. This means that to the extent

that members have the same plan provisions for future benefit accruals, then the total Normal Cost (as a percentage of payroll) for those employers will be the same.

2. The net employer Normal Cost is calculated by reducing the total Normal Cost for expected member contributions. This is done separately for each of the different member contribution arrangements and benefit structures that exist for the various employers. The various member contribution arrangements are described in more detail in the actuarial valuation report.

3. ACERA's UAAL is determined separately based on contribution and benefit history. This means that there could be separate calculations of AAL for cost groups that have significantly different contribution histories, or prior benefit accrual provisions (e.g., General versus Safety). Plan assets are tracked separately for groups with different UAAL contribution histories unless otherwise established by the Board.

4. There is a further adjustment made to the UAAL contribution rate for LARPD General Tiers 3 and 4 to account for the District's Tier 3 employees receiving the 2.5% @ 55 formula for past service and the payment of the District's other UAAL as a level percent of payroll over a closed amortization period. This adjustment is described in more detail in the actuarial valuation report.

5. The outstanding balance in the County Safety Voluntary Contribution Reserve will be adjusted with interest under the Interest Crediting Policy and to account for transfers from that Reserve to the Employer Advance Reserve and the Cost-of-Living Reserve to offset the Safety UAAL contributions that would otherwise be required of the County. The Actuary will monitor the available contribution offset and recommend modifications to the Board if actual experience causes significant changes to the offset expected from that Reserve.

VI. Glossary of Funding Policy Terms

Present Value of Future Benefits (PVB): the present value at a particular point in time of all projected future benefit payments for current plan members. The future benefit payments and the present value of those payments are determined using actuarial assumptions as to future events. Examples of these assumptions are estimates of retirement patterns, salary increases, investment returns, etc. Another way to think of the PVB is that if the plan has assets equal to the PVB and all actuarial assumptions are met, then no future contributions would be needed to provide all future service benefits for all current members, including future service and salary increases for current active members.

Actuarial Cost Method: allocates a portion of the total cost (PVB) to each year of service, both past service and future service.

Normal Cost (NC): the cost allocated under the Actuarial Cost Method to each year of active member service.

Entry Age Actuarial Cost Method: A funding method that calculates the Normal Cost as a level percentage of pay over the working lifetime of the plan's members.

Actuarial Accrued Liability (AAL): the value at a particular point in time of all past Normal Costs. This is the amount of assets the plan would have today if the current plan provisions, actuarial assumptions and participant data had always been in effect, contributions equal to the Normal Cost had been made and all actuarial assumptions came true.

Market Value of Assets (MVA): the fair value of assets of the plan as reported in the plan's audited financial statements.

Actuarial Value of Assets (AVA) or smoothed value: a market-related value of the plan assets. The AVA tracks the market value of assets over time and smoothes out short-term fluctuations in market values.

Valuation Value of Assets (VVA): the value of assets used in the actuarial valuation to determine contribution rate requirements. It is equal to the Actuarial Value of Assets reduced by the value of any applicable Non-Valuation Reserves as defined in ACERA's Interest Crediting Policy. In particular, the VVA will not include assets allocated to the SRBR.

Unfunded Actuarial Accrued Liability (UAAL): the positive difference, if any, between the AAL and the VVA.

Surplus: the positive difference, if any, between the VVA and the AAL.

Actuarial Gains and Losses: changes in UAAL or surplus due to actual experience different from what is assumed in the actuarial valuation. For example, if during a given year the assets (after smoothing) earn more than the investment return assumption, the amount of earnings above the assumption will cause an unexpected reduction in UAAL, or "actuarial gain" as of the next valuation. Actuarial gains and losses include contribution gains and losses that result from actual contributions made being greater or less than the level determined under this Policy.

VII. Policy Modification

The Actuarial Committee, or other committee designated by the Board, shall review this policy at least every three (3) years. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

VIII. Policy History

A. The Board adopted this Policy on September 18, 2014.

B. The Board approve this Policy, without revisions, November 8, 2018.

C. The Board revised this Policy on May 20, 2021.

Exhibit C

Alameda County Employees' Retirement Association
County Safety

Unfunded Actuarial Accrued Liability (UAAL) Amortization Schedule
Based on the December 31, 2020 Valuation
Before Assumed Additional Contributions of $800 Million
(for informational purposes only)

Annual Interest Rate:	7.00%
Annual Payroll Inflation:	3.25%

Year		Beginning of Year Balance	Annual Payment	Interest Paid	Principal Paid	End of Year Balance
2021		$935,456,000 [1]	$89,258,000	$62,671,000	$26,587,000	$908,869,000
2022		908,869,000	92,158,000	60,719,000	31,439,000	877,430,000
2023		877,430,000	95,153,000	58,421,000	36,732,000	840,698,000
2024		840,698,000	98,247,000	55,754,000	42,493,000	798,205,000
2025		798,205,000	101,441,000	52,678,000	48,763,000	749,442,000
2026		749,442,000	104,738,000	49,163,000	55,575,000	693,867,000
2027		693,867,000	108,140,000	45,163,000	62,977,000	630,890,000
2028		630,890,000	111,654,000	40,645,000	71,009,000	559,881,000
2029		559,881,000	115,285,000	35,559,000	79,726,000	480,155,000
2030		480,155,000	119,032,000	29,862,000	89,170,000	390,985,000
2031		390,985,000	122,899,000	23,495,000	99,404,000	291,581,000
2032		291,581,000	126,895,000	16,414,000	110,481,000	181,100,000
2033	[2]	181,100,000	37,680,000	11,492,000	26,188,000	154,912,000
2034	[3]	154,912,000	40,207,000	9,577,000	30,630,000	124,282,000
2035	[4]	124,282,000	32,623,000	7,673,000	24,950,000	99,332,000
2036	[5]	99,332,000	35,452,000	5,836,000	29,616,000	69,716,000
2037	[6]	69,716,000	33,980,000	3,810,000	30,170,000	39,546,000
2038	[7]	39,546,000	15,957,000	2,265,000	13,692,000	25,854,000
2039	[8]	25,854,000	15,204,000	1,331,000	13,873,000	11,981,000
2040	[9]	11,981,000	12,428,000	447,000	11,981,000	0
Total			**$1,508,431,000**	**$572,975,000**	**$935,456,000**	

Note: Totals may be slightly off due to rounding.

[1] UAAL as of December 31, 2020.

[2] Note that the combined base established as of December 31, 2011 and experience loss base established as of December 31, 2012 have dropped off as of the prior year.

[3] Note that the experience gain base established as of December 31, 2013 has dropped off as of the prior year.

[4] Note that the experience gain base established as of December 31, 2014 and change in assumptions base established as of December 31, 2014 have dropped off as of the prior year.

[5] Note that the experience gain base established as of December 31, 2015 has dropped off as of the prior year.

[6] Note that the experience loss base established as of December 31, 2016 has dropped off as of the prior year.

[7] Note that the experience loss base established as of December 31, 2017 and change in assumptions base established as of December 31, 2017 have dropped off as of the prior year.

[8] Note that the experience loss base established as of December 31, 2018 has dropped off as of the prior year.

[9] Note that the experience loss base established as of December 31, 2019 has dropped off as of the prior year.

Exhibit D

Alameda County Employees' Retirement Association
County Safety

Unfunded Actuarial Accrued Liability (UAAL) Amortization Schedule
Based on the December 31, 2020 Valuation
After Additional Contributions Assumed to be made on June 30, 2021
(for informational purposes only)

Annual Interest Rate:	7.00%
Annual Payroll Inflation:	3.25%

Year	Beginning of Year Balance	Annual Payment	Interest Paid	Principal Paid	End of Year Balance
2021	$935,456,000 (1)	$50,386,000	$35,696,000	$14,690,000	$120,766,000
2022	120,766,000	12,523,000	8,061,000	4,462,000	116,304,000
2023	116,304,000	12,930,000	7,733,000	5,197,000	111,107,000
2024	111,107,000	13,352,000	7,357,000	5,995,000	105,112,000
2025	105,112,000	13,786,000	6,923,000	6,863,000	98,249,000
2026	98,249,000	14,235,000	6,431,000	7,804,000	90,445,000
2027	90,445,000	14,695,000	5,868,000	8,827,000	81,618,000
2028	81,618,000	15,173,000	5,236,000	9,937,000	71,681,000
2029	71,681,000	15,668,000	4,524,000	11,144,000	60,537,000
2030	60,537,000	16,177,000	3,729,000	12,448,000	48,089,000
2031	48,089,000	16,702,000	2,838,000	13,864,000	34,225,000
2032	34,225,000	17,246,000	1,854,000	15,392,000	18,833,000
2033	18,833,000	19,536,000 (2)	703,000	18,833,000	0
2034					
2035					
2036					
2037					
2038					
2039					
2040					
Total		**$232,409,000**	**$96,953,000**	**$135,456,000**	
(including Lump Sum Payment)		**$1,032,409,000**	**$96,953,000**	**$935,456,000**	

Note: Totals may be slightly off due to rounding.

(1) UAAL as of December 31, 2020. For 2021, the beginning of year balance does not reflect $800 million additional contributions assumed to be made on June 30, 2021, but the end of year balance includes the effect of this assumed deposit. Also, the contribution credits from the additional contributions are assumed to be effective July 1, 2021 and are reflected in the annual payments.

(2) As of December 31, 2032, the County Safety UAAL balance is $181 million as shown in Exhibit 1 and the $800 million additional contributions has a credit balance of $162 million as shown in Exhibit 2. With that difference of $19 million, we determined that a payment of about $19.5 million in year 13 or 2033 (together with the credit balance from the additional contributions) would pay off the remaining County Safety UAAL and all amortization layers would drop off.

Exhibit E

Alameda County Employees' Retirement Association
County Safety

Amortization Schedule for Additional Contributions Assumed to be made on June 30, 2021 (Amortized Over 13 Fiscal Years)
Based on the December 31, 2020 Valuation
(for informational purposes only)

Annual Interest Rate:	7.00%
Annual Payroll Inflation:	3.25%

Year	Beginning of Year Balance	Annual Payment	Interest Paid	Principal Paid	End of Year Balance
2021	($800,000,000) [(1)]	($38,872,000) [(2)]	($26,975,000)	($11,897,000)	($788,103,000)
2022	(788,103,000)	(79,635,000)	(52,658,000)	(26,977,000)	(761,126,000)
2023	(761,126,000)	(82,223,000)	(50,688,000)	(31,535,000)	(729,591,000)
2024	(729,591,000)	(84,895,000)	(48,397,000)	(36,498,000)	(693,093,000)
2025	(693,093,000)	(87,655,000)	(45,755,000)	(41,900,000)	(651,193,000)
2026	(651,193,000)	(90,503,000)	(42,732,000)	(47,771,000)	(603,422,000)
2027	(603,422,000)	(93,445,000)	(39,295,000)	(54,150,000)	(549,272,000)
2028	(549,272,000)	(96,481,000)	(35,409,000)	(61,072,000)	(488,200,000)
2029	(488,200,000)	(99,617,000)	(31,035,000)	(68,582,000)	(419,618,000)
2030	(419,618,000)	(102,855,000)	(26,133,000)	(76,722,000)	(342,896,000)
2031	(342,896,000)	(106,197,000)	(20,657,000)	(85,540,000)	(257,356,000)
2032	(257,356,000)	(109,649,000)	(14,560,000)	(95,089,000)	(162,267,000)
2033	(162,267,000)	(113,213,000)	(7,792,000)	(105,421,000)	(56,846,000)
2034	(56,846,000)	(57,979,000) [(2)]	(1,133,000)	(56,846,000)	0
2035	0	0	0	0	0
2036	0	0	0	0	0
2037	0	0	0	0	0
2038	0	0	0	0	0
2039	0	0	0	0	0
2040	0	0	0	0	0
Total		**($1,243,219,000)**	**($443,219,000)**	**($800,000,000)**	

Note: Totals may be slightly off due to rounding.

[(1)] Outstanding balance of credit as of June 30, 2021.

[(2)] Six months of payments. For purposes of this illustration, we assumed that the credit from the additional contributions would be effective on July 1, 2021 for FY 21-22, even though historically new contribution rates have generally taken effect around September.

FINANCIAL RECOMMENDATION FORM **#140100-35 Rev 5/21/14**

AGENDA DATE: **6/29/2021**

BOARD LETTER SUBJECT: Transfer Pension Liability Reduction Plan account balance to fund pension contributions to ACERA

BUDGET YEAR: **2021** **FUND:** **10000**

The use of Designations, as follows:

NAME OF DESIGNATION	ORG	AMOUNT
Designated for Pension Liability (340700)	130200	$800,000,000.00

The increase (decrease) in anticipated revenue, as follows:

ORG	ACCT	PROG	PROJ/GR *Informational*	AMOUNT
			ORG TOTAL	$0

ORG	ACCT	PROG	PROJ/GR *Informational*	AMOUNT
			ORG TOTAL	$0

GRAND TOTAL ANTICIPATED REVENUE $0

The increase (decrease) in appropriations, as follows:

ORG	ACCT	PROG	PROJ/GR *Informational*	AMOUNT
130200	600000	00000		$800,000,000
			ORG TOTAL	$800,000,000

ORG	ACCT	PROG	PROJ/GR *Informational*	AMOUNT
			ORG TOTAL	$0

GRAND TOTAL APPROPRIATION $800,000,000

FINANCIAL RESOLUTION R-2021-337

PAGE:	1 OF 2
FILE NUMBER:	30570
MEETING DATE:	6/29/2021
ITEM NUMBER:	39

BY: 2021 **FUND:** 10000

The increase (decrease) in anticipated revenue, as follows:

ORG	ACCT	PROG	*Informational* PROJ/GR	AMOUNT
			ORG TOTAL	$0

ORG	ACCT	PROG	*Informational* PROJ/GR	AMOUNT
			ORG TOTAL	$0

GRAND TOTAL ANTICIPATED REVENUE $0

The increase (decrease) in appropriations, as follows:

ORG	ACCT	PROG	*Informational* PROJ/GR	AMOUNT
130200	600000	00000		$800,000,000
			ORG TOTAL	$800,000,000

ORG	ACCT	PROG	*Informational* PROJ/GR	AMOUNT
			ORG TOTAL	$0

GRAND TOTAL APPROPRIATION $800,000,000

THE FOREGOING was **PASSED** and **ADOPTED** by a majority vote of the Alameda County Board of Supervisors this **8th** day of **June, 2021**, to wit:

AYES: Supervisors Chan, Miley, Valle, & President Carson – **4**

NOES: None

EXCUSED: Supervisor Haubert - 1

PRESIDENT, BOARD OF SUPERVISORS

File No: **30570**
Agenda No: **39**
Document No: **R-2021-337F**

I certify that the foregoing is a correct copy of a Resolution adopted by the Board of Supervisors, Alameda County, State of California
ATTEST:
Clerk of the Board
Board of Supervisors

By: ______________________
Deputy