



April 29, 2024

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: ALAMEDA IMPLEMENTATION STATUS REPORT DATED APRIL 29, 2024

Dear Board Members:

Background

Staff are working to implement the July 30, 2020, California Supreme Court Decision, *Alameda County Deputy Sheriffs' Association v. Alameda County Employees' Retirement Association* (2020) 9 Cal.5th 1032, 1070 ("*Alameda*"), based on the latest direction received from the Board of Retirement on April 17, 2023.

Progress To Date

It has been one year since VCERA began the *Alameda* implementation project, which started in April of 2023. This is an important milestone. The planning and preparation over the past year has included almost all VCERA staff units: Operations, Admin/Exec, Sys Admin, IT, Legal, Finance, and Communications.

The project timeline consists of two phases:

Phase 1 – Calculate pensionable earnings & member contributions - April 2023 to Sep 2024

Phase 2 – Calculate retirement benefits & process refunds w/interest - Sep 2024 to Sep 2025+

Major accomplishments thus far include:

- Notification was sent to all VCERA members regarding the Alameda Decision and the types of corrections that may affect them.
- Contributions have been stopped on excludable earnings.
- Several data research and cleanup tasks have been completed to ensure historical data is complete and accurate before corrections are processed.
- Consultants were engaged to assist with flex credit calculations (MBS), reporting (Simpler), and project management (MCS Consulting).
- MBS has completed a large portion of the tasks for tools development and flex credit calculations, and next steps are in progress.
- Simpler Systems has developed some initial reports based on feedback from focus group meetings.

- MCS Consulting has implemented an agile project management methodology to improve task management and team communication.
- Another consultant was engaged to perform necessary reprogramming of the Service Credit Purchase spreadsheet. All of the required programming changes have been made and are now under final review by staff.
- Four fixed-term staff members have been onboarded and are in training.
- Staff continue to work, in conjunction with consultants, on enhancements to the V3 pension administration system and internal calculation spreadsheets required for performing the Alameda corrections. Staff are documenting new processes and procedures as these changes are rolled out.
- Calculations for corrected benefits and contribution refunds have begun for impacted VRSD members.
- Alameda Decision updates have been published on VCERA's website, including a glossary of terms, general *Alameda* FAQs, Leave Straddling FAQs, and various project status updates.

Barring any other changes, staff anticipate Phase 2 of the project will begin in September 2024.

Monthly Summary & Highlights

The Ventura Project for *Alameda* Corrections (VPAC) team includes several VCERA staff, plus coordination with the following partners:

- County of Ventura – providing calculations for excluded & situational pay codes, as well as partial assistance w/flex credits
- MBS – providing tool development & flex credit calculations
- Simpler Systems – providing reporting tool
- MCS Consulting – providing project management
- Vitech – providing V3 pension administration system enhancements

The County estimates that the tasks for the flex credit calculations and other remaining items will be completed by June 2024. Development and unit testing of the file format changes and flex credit contribution adjustment process are projected to be completed in April, followed by user testing, and then performing the recalculations and submission of the final interface files to VCERA. Coordination will be needed with MBS to provide the flex credit base amounts to use for the contribution adjustments. The County has discovered an additional VCHRP data cleanup task that requires completion prior to the processing of recalculations; this cleanup can be performed in tandem with the testing and is still targeted for completion by the end of June 2024.

VCERA operations staff are working with contractor MBS to provide the additional calculations needed outside of the V3 pension administration system for flex credits and interest. Currently the team is on target to complete these tasks by August 2024.

Once the corrected data is loaded into V3, VCERA staff will perform several steps to update individual member accounts (retiree benefits corrections and contribution refund processing). To speed up some of that processing, VCERA has engaged the system vendor Vitech to make some system enhancements. Most of the requested enhancements have been delivered from

Vitech to VCERA's test environment and testing is underway. However, Vitech recently had some staffing issues that may affect the timing of getting the remainder of the enhancements delivered.

Staff have contracted with a consultant for assistance with spreadsheet modifications needed for service credit purchases, and all programming steps are complete and final review is in progress.

Staff have issued notices to 23 VRSD members who will receive contribution refunds. First and second notices were issued in March and April of 2024; the first notice informs the member they may be impacted, and corrections will begin soon; the second notice informs the member of the dollar impact on their monthly benefit and the contributions refund, along with a refund election form to select a payment method. The first contribution refunds to active members will take place in approximately the first week of May. The process of calculating corrections to retirees' monthly benefit adjustments and issuing second notices to VRSD retired members is ongoing; the first corrected monthly retiree benefit payments will take place at the end of May, and the remaining population of affected VRSD members are expected to be notified and corrected by June 2024.

Simpler Systems is developing a reporting tool for each major dataset as defined by VCERA's requirements. Focus groups are still in progress to review and test these in detail.

Staff have been working with the project manager, Sally Choi, from MCS Consulting using an agile project management process to coordinate and track the tasks and deliverables of the project.

New fixed-term staff have been onboarded and initial training is complete. The new staff members are learning quickly and contributing to the productivity of their respective units. The completion of their full training and for the relief of other senior staff for other testing and Alameda related corrections is expected in the coming months.

Staff finalized and published an Alameda Appeal Request Form in accordance with the Alameda Administrative Appeal Policy per the Board Resolution of November 2022.

RECOMMENDATION: RECEIVE & FILE ALAMEDA IMPLEMENTATION STATUS REPORT DATED APRIL 29, 2024

VCERA staff will be pleased to respond to any questions you may have on this matter at the April 29, 2024, board meeting.

Sincerely,



Betsy Byrne, CPP
Chief Operations Officer