

April 4, 2012

To: Members of the Operations Committee

From: George Dewey, Acting Chair

Subject: Summary of the April 4, 2012 Operations Committee Meeting

Operations Committee Acting Chair George Dewey called the April 4, 2012 Operations Committee Meeting to order at 9:01 a.m. Committee members present were Keith Carson and Liz Koppenhaver. The other Board members present were Dale Amaral, Annette Cain-Darnes, George Wood, and alternate members David Safer and Darryl Walker. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Betty Tse, Chief Investment Officer; JP Singh, Chief Financial Officer; Latrena Walker, Project and Information Services Manager; Rose Kwong, Benefits Manager; Victoria Arruda, Human Resources Director; and Harsh Jadhav, Internal Auditor.

ACTION ITEM

There were no action items for discussion.

INFORMATION ITEMS

1. Operating Expenses – Budget vs Actual as of February 29, 2012

JP Singh, Chief Financial Officer presented the year-to-date operating expenses – budget vs actual. As of February 29, 2012 actual expenses are \$120,277 under budget.

2. Statement of Reserves

JP Singh, Chief Financial Officer presented the Statement of Reserves as of December 31, 2011. Interest was credited at the rate of 0.9643% to all reserves with the exception of the Contingency Reserve Account and the Market Stabilization Reserve. The ending balance in the Market Stabilization Reserve was a negative \$481.8 million which represents the accumulated losses that have yet to be recognized. As of December 31, 2011 the Total Reserves at Fair Value was \$5.1 billion.

3. Active and Deferred Member Statements

Michael Fara, Communications Manager reported that the Active and Deferred Members statements will be mailed by April 13, 2012. For the first time ACERA designed the statement. This resulted in an estimated savings of \$30,000. ACERA continues to contract with a vendor to print and mail the statements.

4. Legislative Update

Robert Gaumer, Chief Counsel reported on legislation of interest to ACERA. AB 1519 is SACRS sponsored legislation that would require boards to adopt a policy for providing a minimum of 24 hours of education to all board members. Proposed pension reform legislation AB 2224 and the corresponding SB 1176, and ACA 22 and the corresponding SCA 18 were also discussed. These bills track the Governor's proposed 12 point pension reform plan.

TRUSTEE/PUBLIC INPUT

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for May 16, 2012 at 2:00 p.m.

MEETING ADJOURNED

The meeting adjourned at 9:16 a.m.