



MINUTES OF FEBRUARY 1, 2023 OPERATIONS COMMITTEE MEETING
THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Operations Committee

From: Kellie Simon, Chair

Subject: Summary of the February 1, 2023 Operations Committee Meeting

Committee Chair Kellie Simon called the February 1, 2023 Operations Committee meeting to order at 9:32 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Kellie Simon, Ophelia Basgal, and Elizabeth Rogers. Also present were Tarrell Gamble, Jaime Godfrey, and alternate members Cynthia Baron and Kevin Bryant. Keith Carson and George Wood arrived after roll call.

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

PUBLIC INPUT

None

Action Items

1. Discussion and Possible Motion to Recommend to the Board of Retirement to Approve the 2022 Discharge of Benefits Overpayments

Recommendation

Staff recommends that the Operations Committee recommend to the Board of Retirement to approve the 2022 discharge request of benefits overpayments in the amount of \$33,647.12.

It was moved by Elizabeth Rogers and seconded by Ophelia Basgal that the Operations Committee recommend to the Board of Retirement to approve the 2022 Discharge of Benefits Overpayments in the amount of \$33,647.12.

The motion carried 7 yes (*Basgal, Gamble, Godfrey, Rogers, Simon, Wood, and Bryant*), 0 no, and 0 abstentions. Keith Carson was not present at time of vote.

INFORMATION ITEMS

1. Un-Audited Financial Statements as of 12/31/2022

Staff presented the Unaudited Financial Statement for the period ending December 31, 2022. Staff stated the net position held in trust and the change in Fiduciary net position compared to the same period in 2021 decreased by \$1.5 billion.

2. Operating Expenses as of 12/31/2022

Staff presented end-of-year Budget vs. Actual Operating Expense Report. As of December 31, 2022, actual expenses were \$1,855K under budget. Budget overages noted were Depreciation (\$8k over budget). Budget surpluses noted were Staffing (\$1,317K under budget) with 6 vacant positions, Staff Development (\$28K under budget), Professional Fees (\$71K under budget), Office Expense (\$211K under budget), Insurance (\$3K under budget), Member Services (\$55K under budget), Systems (\$63K under budget), Board of Retirement (\$94K under budget), and Uncollectable Benefits Payments (\$22K under budget).

3. Actual Cash Report as of 12/31/2022

Staff presented the Actual Negative Cash Position for 2022. For the year ending December 31, 2022, with the exception of the months having three-pay-periods, the average monthly negative cash position for the period is (\$26,369,582).

4. Board Member Conference Expense Report for 4th Qtr. 2022

Staff presented the Board Member Conference and Training Report for the period January 1, 2022 to December 31, 2022. Reported expenses for the period were \$94,577.

5. Senior Manager Conference and Training Expense Report for 4th Qtr. 2022

Staff presented the Senior Manager Conference and Training Expense Report for the period January 1, 2022 to December 31, 2022. Reported expenses for the period were \$44,438.

6. Proposed 2023 Operations Committee Work Plan

Staff presented the draft work plan for the 2023 Operations Committee.

7. Board Travel Policy-Annual Board travel increase by the Consumer Price Index

Staff presented that the 2023 Trustee Conference Allotment is \$16,906.00.

8. Technology Report

Staff presented the 2022 Cybersecurity Report.

TRUSTEE INPUT AND DIRECTION TO STAFF

Trustees requested that an additional graph showing the negative cash balance for the past ten years. The graph should highlight events that are relevant, for example, changes in county contributions.

Trustees directed staff to look into expense management programs like Expensify.

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FUTURE DISCUSSION ITEMS

March

- Operating Expenses as of 01/31/23 (to be presented at the March Board meeting)

April

- Operating Expenses as of 02/29/23
- Statement of Reserves as of 12/31/22
- Board Effects Presentation

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for Wednesday April 5, 2023 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:13 a.m.