



REVISED on 2/19/19

Date: February 6, 2019
To: Members of the Operations Committee
From: Ophelia Basgal, Chair
Subject: Summary of the February 6, 2019, Operations Committee Meeting

Operations Committee Chair Ophelia Basgal called the February 6, 2019, Operations Committee Meeting to order at 9:34 a.m. Committee members present were Ophelia Basgal, Chair; Dale Amaral, Vice-Chair; Tarrell Gamble; Jaime Godfrey; and Henry Levy. Other Board members present were Keith Carson, Elizabeth Rogers, and, George Wood. Staff present were David Nelsen, Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Betty Tse, Chief Investment Officer.

ACTION ITEMS

1. Adoption of New Pay Item – Pay Code 42J for County

Staff presented a proposal to the Operations Committee to recommend to the Board of Retirement that the Board adopt Pay Code 42J for Alameda County.

It was moved by Jaime Godfrey and seconded by Dale Amaral, that the Operations Committee recommend to the Board of Retirement that the Board designate Pay Item 42J – Lead Resp. – Child Suppt Atty (Lead Responsibilities – Child Support Attorney) as compensation earnable for Tier 1, 2, and 3 legacy members, based on Government Code Section 31461; however; not pensionable compensation for Tier 4 PEPRA members, based on Government Code Section 7522.34.

The motion carried 5 yes (Amaral, Basgal, Gamble, Godfrey, Wood), 0 no, 0 abstention. It was noted that this type of action (approval of pay codes) will be on the Board consent calendar in the future and the Chair of the Board will call attention to the item before approval of the consent calendar.

INFORMATION ITEMS

1. Un-Audited Financial Statements as of December 31, 2018

Staff presented the Unaudited Financial Statement for the period ending December 31, 2018. Staff stated the net position held in trust for pension benefits totaled \$7.59 billion. The fiduciary net position held in trust compared to the same period in 2017 decreased by \$520 million. The year-over-year change in net position decreased about \$520 million.

2. Operating Expenses as of December 31, 2018

Staff presented the year-to-date Budget vs. Actual Operating Expense Report. As of December 31, 2018, actual expenses were \$242 under budget. Budget overages noted were Staffing (\$275K over budget) with 13 unfilled positions and Uncollectable Benefits Payments (\$29K over budget). Budget surpluses noted were Staff Development (\$211K under budget), Professional Fees (\$39K under

budget), Office Expense (\$18K under budget), Insurance (\$7K under budget), Member Services (\$69K under budget), Systems (\$54K under budget), Depreciation (\$6K under budget), and Board of Retirement (\$142K under budget).

3. Actual Cash and Forecast Report as of December 31, 2018

Staff presented the Actual Negative Cash Position for 2018. For the year ending December 31, 2018, with the exception of the months having three-pay-periods, the average monthly negative cash position for the period is -\$16,633,080.

4. Board Member Conference Expense Report as of December 31, 2018

Staff presented the Board Member Conference and Training Report for the period January 1, 2018 to December 31, 2018. Reported expenses for the period were \$129,611. Staff was reminded that the Committee requested that report include a categorized summary of expenses by individual Board member as is done for senior managers.

5. Senior Manager Conference Expense Report as of December 31, 2018

Staff presented the Senior Manager Conference and Training Expense Report for the period January 1, 2018 to December 31, 2018. Reported expenses for the period were \$77,668.

6. Proposed 2019 Operations Committee Work Plan

Staff presented the draft work plan for 2019 Operations Committee

7. Call Center Report

Staff reported on the call center service levels for the 4th quarter of 2018.

8. Quarterly Report on Member Underpayments and Overpayments

Staff reported on underpayments and overpayments of member contributions and benefits for the 4th quarter of 2018.

TRUSTEE/PUBLIC INPUT

None

RECOMMENDATIONS

The Committee recommends, and I move, that the Board of Retirement designate Pay Item 42J – Lead Resp. – Child Suppt Atty (Lead Responsibilities – Child Support Attorney) as compensation earnable for Tier 1, 2, and 3 legacy members, based on Government Code Section 31461; however; not pensionable compensation for Tier 4 PEPRA members, based on Government Code Section 7522.34.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 3, 2019, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:13 a.m.